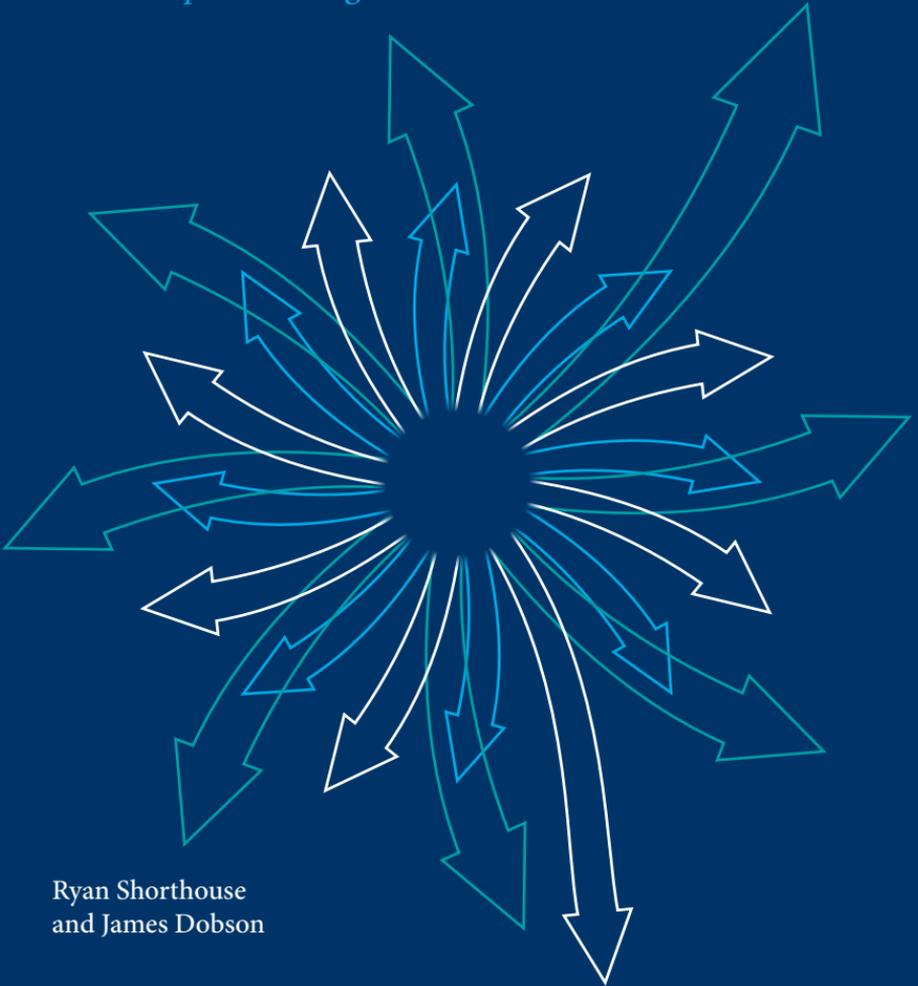


GOING PART-TIME

*Understanding and reversing the
decline in part-time higher education*



Ryan Shorthouse
and James Dobson

GOING PART-TIME

Understanding and reversing
the decline in part-time higher
education

Ryan Shorthouse and James Dobson



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ComRes conducted the polling for this report and we would like to thank their team for their care and attention to detail. Andy White and Tom Mludzinski provided vital assistance with the design of the questions. Special thanks to Adam Ludlow for his help both at the design and analysis stage.

The polling included an online survey of 2,000 English adults and was conducted between the 3rd and 8th of September 2015. A booster sample of 1,001 English adults who reported that they had considered part-time higher education in the past five years was also undertaken between the 3rd and 8th of September 2015.

Executive summary

Britain needs more graduates. This is because participation in Higher Education (HE) generates various private benefits (such as a significant salary premium) and public benefits (such as an increase in the number of high-skilled people in the workforce). The UK will become fairer and more prosperous if there continues to be an increase in the number of individuals enrolling on HE courses, especially those from more disadvantaged backgrounds.

As will be outlined in Chapter One, there are different types of HE courses that can be undertaken, predominantly at Higher Education Institutions (HEIs) but also at Further Education Colleges (FECs). Broadly, there are two types of HE courses: undergraduate and postgraduate.

Happily, a record number of school leavers are enrolling on full-time HE undergraduate courses, despite the trebling of the tuition fee cap in 2012–13. But post-secondary school, full-time HE study is not, and should not be, the only route into university. HE – a crucial step on the ladder of social mobility – should be accessible to eligible individuals throughout their lives. Part-time HE study offers that.

So it is deeply worrying that the number of part-time UK and EU entrants to HE (both undergraduates and postgraduates) has been declining in England in recent years. This is especially so considering the socio-demographic characteristics of part-time students, with UK and EU part-time students more likely to be older, female and to combine work with study compared to their full-time peers.

The primary focus of this report is identifying the causes of this decline in part-time HE in England and understanding in detail the barriers individuals face when attempting to access part-time HE. This will enable us to design policies that mitigate these barriers so more individuals can undertake, and ultimately benefit from, HE.

Focus of this research and the methodology

This report addresses the following research questions:

1. What are the trends and reasons for the decline in participation in part-time HE study in England, both at an undergraduate and postgraduate level?
2. What are the motivations for and barriers to part-time HE study?
3. What policies are needed to support more people to participate in part-time HE study?

To answer these three research questions, we employed three research methods, as described in detail in Chapter Two. First, an extensive literature review of existing UK evidence was conducted. Second, we undertook a consultation with a number of leading decision makers and opinion formers. Finally, we designed and undertook polling with ComRes of the adult general public (aged 18 and over) in England, including a booster sample of those who had considered but ultimately did not undertake part-time HE in the past five years ('considerers'). This polling allowed us to identify the awareness of current arrangements for part-time HE students, the motivations for wanting to access part-time HE, the barriers which individuals face when attempting to access part-time HE, and support for our proposed policies.

These research methods enabled us to identify: the trends and causes of the decline in part-time HE in England (Chapter Three); the number and socio-demographic characteristics of considerers of part-time HE in England and their motivations for wanting to undertake part-time

HE (Chapter Four); and the different barriers considerers face when wanting to undertake part-time HE (Chapter Five).

Trends in part-time HE in England

The majority of all part-time HE students are undergraduates (61%). Between 2010–11 and 2013–14, UK and other EU part-time undergraduate entrants declined by 46%. The number of entrants fell from 259,000 to 139,000. The decline was most significant for part-time undergraduates not studying towards a first degree.

The majority of part-time HE postgraduates are studying taught rather than research degrees (94%). Between 2010–11 and 2013–2014, taught postgraduate entrants declined by 28%, a substantial decline but less than that among part-time undergraduates. The number of taught postgraduate entrants fell from 97,000 to 70,000. The decline was most severe for taught postgraduate entrants studying an education related course.

Possible causes of the decline in part-time HE in England

Undergraduates

This report identifies four main causes of the recent decline in part-time undergraduate HE entrants. These are: the removal of government funding for students studying for an equivalent or lower qualification (ELQ) in 2007–08, the recession beginning in 2008–09, reductions in the budgets of public sector organisations from 2010–11, and changes to fee and loan arrangements introduced in 2012–13.

- **The removal of government financial support for students studying for an equivalent or lower qualification (ELQ).** Universities previously received a teaching grant from the government-funded Higher Education Funding Council for

England (HEFCE) for undergraduate students who were studying for a course that led to a qualification which was at an equivalent or lower level to one a student had previously attained. This was withdrawn in 2008–09. Since part-time students are much more likely to be undertaking an ELQ, this disproportionately affected part-time HE. The policy led HEIs to both increase tuition fees for ELQ students (who have never been eligible for tuition fee loans) and reduce the provision of part-time courses.

- **The recession.** Part-time HE is pro-cyclical: it increases during good economic times and decreases in and around recessions. This is largely because part-time HE is mostly undertaken by individuals in employment. Evidence suggests that around the most recent recession starting in 2008–09, regions of the UK with higher levels of unemployment tended to experience greater declines in the number of part-time undergraduate HE entrants. Reduced demand for part-time study is not only a product of higher unemployment, but also a product of employers having less money to spend on training their staff. Between 2010–11 and 2012–13, the number of part-time undergraduate students relying on their employer as their main source of financial backing fell by 44%.
- **Reductions in the budgets of public sector organisations.** A significant proportion of part-time HE students are public sector employees: part-time HE students represent between 1% and 1.3% of total employment in the public sector compared to only 0.7% of employment in the economy as a whole. So the reductions in the budgets of public sector organisations, initiated by the Coalition Government from 2010–11, may have driven the decline in part-time HE in two ways. First, a smaller public sector workforce is likely to reduce the number of part-time HE entrants. Second, there were considerable reductions in training and development budgets. Survey evidence shows that 78% of public sector managers

reported that they had less money to spend on training budgets in 2012 than the previous year.

- **Changes to fees and loans.** In 2012–13, substantial changes were made to the fee and loan arrangements for both full-time and part-time HE students. Teaching grants for most undergraduate courses were withdrawn and replaced with higher tuition fees. A cap of £6,750 was placed on part-time undergraduate tuition fees; this led to large increases in undergraduate part-time HE tuition fees. The Coalition Government did, in 2012–13, enable part-time undergraduates to access tuition fee loans. However, the tuition fee loans had strict eligibility criteria. Only 31% of part-time HE students are eligible for government funded loans. Around half of those not eligible are not eligible because they are studying for an ELQ. Many of the remaining are ineligible because the qualification they are studying for is not at the required ‘intensity’. Students must be studying a course at, at least, 0.25 full-time equivalent (FTE) intensity. Consequently, the costs of part-time HE increased whilst a majority of part-time HE undergraduate applicants will have not been entitled to government financial support.

Postgraduates

Many of the reasons cited above in relation to part-time undergraduate entrants will have also contributed to the decline in part-time taught postgraduate HE entrants, particularly the recession and the reductions in the budgets of public sector organisations. The ELQ reforms had little effect on postgraduate part-time HE since the overwhelming majority of postgraduate courses do not attract funding via the HEFCE teaching grant. The 2012–13 fees and loans reforms applied only to undergraduate students.

The decline in taught postgraduate UK and other EU part-time HE entrants primarily consisted of a decline in education related courses: between 2010–11 and 2012–13, taught postgraduate UK

and other EU part-time HE entrants studying for an education related course declined by 48% (18,595), whilst all other taught programmes only declined by 6% (3,525). This is likely to have been caused by reductions in public sector development budgets. A 2013–14 survey of school leaders found that over half of schools were experiencing difficulty in giving teachers the professional development they needed because of financial pressures.

This decline in part-time HE entrants is concerning. However, more positively, our polling found that there was a considerable proportion of the English adult population (37%) with no prior experience of part-time HE who had considered studying part-time HE in the past five years but ultimately did not pursue it. Younger age groups (aged 18–34 and 35–44) were especially likely to be considerers.

The key is to understand in detail the different motivations and barriers these considerers face so policies can be designed to enable more individuals to undertake part-time HE.

The motivations for wanting to undertake part-time HE

Drawing on our own polling and previous research we identify two broad types of motivations for considerers of part-time HE. These are: personal motivations and employment-related motivations.

Personal motivations include subject interest, social factors and self-improvement. Subject interest refers to considerers who are motivated by an attraction to learn more about a subject. Social factors refer to those who wish to undertake part-time HE because of the opportunities it offers to meet new people and make new friends. Self-improvement refers to considerers that hope to commence part-time study in order to improve themselves personally, for example developing new skills and knowledge. This might be related to hoping to improve their children's education.

Employment-related motivations include: current job progression, changing jobs and being mandated by employers. Current job progression refers to considerers who are motivated to build on their existing skills and qualifications to gain a promotion. These are often conceptualised as ‘upskillers’. Changing jobs refers to considerers who are motivated by the opportunity to retrain for a different occupation. This type of considerers may already hold some form of HE qualification, but that qualification will not allow them to access their preferred industry or role. They are therefore ‘reskillers’ looking to gain a new qualification. Being mandated by employers refers to considerers wanting to undertake part-time HE because they are required by their employer to do so.

Our polling shows that personal motivations are more important for those considering part-time. Fifty two percent of considerers identified a personal motivation as the most appealing reason for wanting to undertake part-time HE compared to 46% of considerers identifying an employment-related motivation. Specifically, the three most common reasons given were: interest in the subject (31%), self-improvement (18%) and the opportunity to change job or career (16%).

Nevertheless, considerers of part time HE are not a homogenous group and our polling revealed a number of respects in which different groups of considerers varied in their motivations. We found that following socio-economic groupings to be significant in this regard:

- Considerers from younger age groups are more likely to report employment-related motivations as most appealing. All age groups aged 35–44 and under favour employment over personal reasons.
- Considerers from a higher social grade (AB) are more likely to cite current career progression as the most appealing employment-related reason for wanting to undertake part-time HE study. Conversely, those from a lower social grade (C2 and DE) are much more likely to report that changing jobs or careers is the

most appealing employment related motivation for wanting to undertake part-time HE. This suggests that those on more modest incomes can be better conceived of as ‘reskillers’ while those from higher incomes are more likely to be ‘upskillers’.

The barriers to undertaking part-time HE

Drawing on our own polling and previous research, we identify three main types of barriers for those considering part time HE study but ultimately not pursuing it: financial, practical and informational.

Financial barriers

There are three financial barriers: credit constraints, support constraints and price constraints.

- **Credit constraints.** These constraints apply to considerers that are simply unable to afford the cost of a part-time HE qualification because they do not have the money. In our polling, we found that the most widely cited reason for not pursuing part-time HE was that individuals could not afford it. Twenty-four percent of considerers indicated that this was the most important reason for not pursuing their interest in part-time HE. Credit constraints were a particularly significant barrier for considerers from a lower social grade. Fifty six percent of those from the lowest social grade (DE) reported ‘could not afford it’ as one of the three most important reasons for not pursuing part-time HE compared to 39% of those from the highest social grade (AB).
- **Support constraints.** These apply to considerers that are credit constrained because they are unable to access forms of financial support (for example, from government or employers) in order to be able to afford a part-time HE course. In our polling, we also asked considerers to rank the significance of access to finance and loans as a barrier to undertaking part-time HE. Our polling found

that 44% of considerers believed that access to finance or loans was a 'significant' barrier to accessing part-time HE. Our polling found that, when considerers who suggested affordability was a barrier were asked to identify the main affordability reason, those from the lowest social grades (C2DE) were more likely to identify student loan ineligibility and those from the two highest social grades (ABC1) were more likely to identify a lack of employer contribution. Ten percent of those in the two lowest social grades (C2DE) considered ineligibility for a student loan as the main reason for not being able to afford part-time HE compared to 6% of those in the highest social grades (ABC1). Ten percent of those in the highest social grades (ABC1) identified a lack of employer contribution compared to 6% of considerers in the lowest social grades (C2DE).

- **Price Constraints.** These apply to considerers that have the money to afford part-time HE but do not believe the price represents good value. Or, they believe that other financial commitments have a higher priority. Our polling found that 3% of considerers did not pursue their interest further primarily because they believed that part-time HE was not worth the money and a further 11% of considerers did not pursue their interest in part-time HE primarily because they had other costs which were more important to pay for.

Practical barriers

We find three principal practical barriers: inability to juggle the course with work, inability to juggle the course with family commitments, and geographical constraints.

- **Inability to juggle the course with work.** Individuals might be unable to juggle the course with work in three ways. First, the timing of the course may be incompatible with working hours. Our polling finds that 11% of considerers cite being unable to juggle work and

study as the most important reason for not pursuing an interest in part-time HE further. Our polling indicates that those from higher social grades are more likely than those from the lowest social grade to cite being unable to combine part-time study with work as one of the three most important reasons for not pursuing their interest in part-time HE. Thirty-two percent of those from the highest social grade (AB) indicated that this was one of the three main reasons compared to only 22% of those in the lowest social grade (DE). Second, employers may not provide flexible working hours or leave arrangements. Our polling finds that 3% of considerers report a lack of employer flexibility as the primary reason for not pursuing their interest in part-time HE. Third, employers may forge a culture which prevents people from accessing part-time HE study. Other evidence has shown that individuals may know when their employer does not wish them to engage in part-time HE and this may be communicated non-verbally.

- **Inability to juggle the course with family commitments.** Seven percent of considerers did not pursue their interest in part-time HE further primarily because the course was at an inconvenient time or place. This inconvenient timing may be a result of work commitments. But not necessarily. Family commitments may also be preventing individuals from pursuing part-time HE. Previous research has demonstrated that family commitments may present a challenge for current or former part-time students. One study found that 77% of current students experience either some or a lot of difficulty in course participation because they are too busy at home.
- **Geographical Constraints.** Finally, people may face practical barriers because of geographical constraints. As mentioned, 7% of considerers identified the course being at inconvenient time or place as the main reason for not pursuing part-time HE. An inconvenient time may be a consequence of work or family

commitments. An inconvenient location could point to a different problem. Previous evidence suggests that the location of the course is a barrier to accessing part-time HE. The only other study to analyse the barriers faced by considerers found that 13% did not enrol onto a HE course because there was 'nowhere near me offering the course I wanted to study'.

Informational barriers

We find two principal informational barriers: a lack of quality information about the nature of and routes into part-time HE, and a lack of information about the financial support that could be available.

- **A lack of quality information about the nature of and routes into part-time HE.** Part-time students have historically been disadvantaged in accessing information relating to part-time HE. This is because part-time HE students come from more diverse pathways and are more likely to not have accessed education recently compared to their full-time counterparts. They are therefore less likely to be able to rely on professional sources of information such as school careers services and UCAS. Many part time students receive informal information from their employer, family or friends or someone at their workplace. Such sources are unlikely to have a broad understanding of the nature of, and support available for, part-time study. In some cases, the advice may be biased.
- **A lack of information about the financial support available.** Our polling indicates that 4% of considerers did not pursue their interest in part-time HE primarily because of a lack of information about the availability of finance and student loans. A lack of information as a barrier appears to decline with age. Younger considerers (especially aged 18–25) are more likely to report this as one of the three most important reasons for not pursuing an interest in part-

time HE. In order to test considerers' knowledge of the various finance options for part-time HE study, we offered them a number of true or false statements on the financial support available for students. A majority of considerers (79%) did not know or falsely believed they could access maintenance loans to support part-time HE study. A firm majority were therefore either mistaken or did not know. Perhaps most tellingly, over one in three considerers do not know whether part-time HE students can access tuition fee loans from the government.

Clearly informational barriers are a problem for some considerers but this report finds that, for most, a lack of awareness about financial support is not the problem. Rather, it is a lack of adequate financial support. Our polling shows that 54% of considerers reported a financial barrier as the most important barrier, 34% reported a practical barrier as most important and 7% reported an informational barrier as most important.

New policies

In the final chapter, we propose two original and credible policies to mitigate the financial barriers faced by considerers of both undergraduate and postgraduate part-time HE.

When formulating policies, we applied three key tests that had to be met:

- **Fiscal neutrality.** Considering the Government's focus on reducing public spending to cut the fiscal deficit, and considering in particular that the Government does not want to increase public spending on HE, any new policies must not cost the government any more money than is currently the case.

- **Progressivity.** The policies should mean that those on the lowest incomes pay less than those on the highest incomes for participation in part-time HE.
- **A fair funding settlement between the key beneficiaries of HE, including part-time HE.** Government and individuals both benefit from higher levels of HE participation. But there is a third beneficiary: employers. All three beneficiaries should contribute to some extent to the funding of HE, including part-time HE. In our polling, we found overwhelming support for this key test. The English public believe that individuals themselves should pay at least some of the cost of part-time HE study (66%). But a majority of the public also agree that government (68%), companies who employ part-time HE students (67%) and companies with a large amount of graduate employees (61%) should pay at least some of the cost of part-time HE study.

Recommendation one: a lifetime HE tuition fee loan account

All eligible adults from the UK and other EU aged 18 onwards should be entitled to access a lifetime HE tuition fee loan account from government to pay for the tuition of any HE course – full-time or part-time – in England during their lifetime. The amount in the lifetime loan account should be determined after extensive consultation led by government. The lifetime HE tuition fee loan account should be separate from the maintenance loans UK students can receive for their first undergraduate degree.

All eligible applicants will be able to draw down from their tuition fee loan account to pay for any type of HE course in England. This means that, unlike with the current system, individuals will be able to get a tuition fee loan for an institutional credit or an ELQ. The effect of this will be to extend student loan eligibility to all possible part-time HE students. It replaces an elitist model of funding for

part-time HE students – which only gave tuition fee loan support to those academically exceptional students who followed a pathway of undergraduate degree to PhD – to a much more progressive one, by extending tuition fee loan coverage to those students who want to take taster HE courses, qualifications that are equivalent or lower to courses they have studied previously, and to students who want to participate in HE at an older age.

Similar to the current system, students will repay the amount they have borrowed from their lifetime loan account to the Student Loans Company through the PAYE system. Since, under our model, the number of eligible UK and other EU adults drawing down on student loans will increase, and the amount they are receiving will also increase substantially, it is potentially the case that government expenditure through subsidising student loans (the Resource and Allocation Budget (RAB) charge) will increase significantly and unsustainably. This will undermine our key test of fiscal neutrality.

Four policies are therefore recommended to ensure this lifetime HE tuition fee loan account is fiscally sustainable:

- The parameters for the repayment of the lifetime HE tuition fee loan account (for example, the minimum salary threshold for repayment or the interest rate attached to tuition fee loans) should be stricter for every additional qualification an individual obtains or if they are above a certain age when drawing down from the account.
- The government should keep a cap on tuition fees for full-time and part-time undergraduate courses at English public universities.
- The Student Loans Company should significantly improve obtaining repayments of tuition fee loans from graduates of English universities who work overseas.

- Large graduate employers should pay a ‘graduate levy’ (described below) to help subsidise this new system of lifetime HE tuition fee loan accounts.

Making the loan repayment parameters stricter as an individual takes more degrees or gets older does not necessarily make this scheme less progressive, the second key policy test we have applied. It is true that as someone on lower lifetime earnings takes more HE qualifications or gets older they would have to ultimately repay more from their lifetime loan allowance. But nevertheless, many of these people are not currently eligible for student loans for additional HE qualifications in the first place. It is possible to subsidise this lifetime HE tuition fee loan account for low lifetime earners, and ultimately keep the scheme progressive, in two ways. First, the Student Loans Company could seek a higher surplus from the repayment of loans of high lifetime earners, for example through the charging of a higher rate of interest on higher earners or an extended repayment period for higher earners who have paid off their lifetime loan account in full. Second, the source of the subsidy for writing off loans that have not been paid in full need not only be in government. Employers could also pay this (as detailed below).

Our polling finds support for the lifetime HE tuition fee loan account: 49% of the English public find the idea personally appealing compared to only 15% who would find it unappealing.

Recommendation two: a new ‘graduate levy’ on large employers with large graduate workforces

The report proposes the introduction of a new ‘graduate levy’ on all large UK employers (private and public) where a significantly large proportion of their total workforce in the UK is graduate-level. The amount of the levy is unspecified. As is the size of the employer. So is the proportion of their workforce which should be graduate-level before this levy applies. The government should lead an extensive

consultation to determine these specifics, as it is currently doing for the ‘apprenticeship levy’ it is introducing.

There should be a reduction in the amount some large graduate employers pay through this graduate levy if they are already funding some of their employees to undertake part-time HE study.

The funding raised from our proposed graduate levy should be used to subsidise our proposed lifetime HE tuition fee loan account to ensure the scheme is fiscally neutral and progressive. This graduate levy also achieves our third key policy test: a fair funding settlement between the key beneficiaries of HE.

This policy has two additional benefits:

- It shares part of the financial responsibility for up-skilling and re-skilling the UK’s workforce more evenly across large employers. At present, some employers can ‘free-ride’ on the investment of other employers by recruiting employees who were funded by their previous employer to do a part-time HE course.
- It could incentivise some employers to improve their recruitment processes. If there is a levy applied to large employers who recruit high proportion of graduates, this could make some employers interview a wider pool of candidates for particular jobs and potentially aid social mobility.

Through our polling, we found strong public support for our proposed policy of a graduate levy on large employers who employ a large number of graduates. A majority of the public (57%) find the idea personally appealing. Only 9% find it personally unappealing.

Conclusion

Since part-time HE is critical for individual and national prosperity, its decline in England is alarming and urgently needs addressing. Happily however, a significant proportion of the English population

has considered part-time HE in the past five years. Ultimately, they did not pursue it: this report uncovers in detail the different barriers they faced. Financial barriers are the biggest obstacle.

This report proposes two radical but credible policies to reduce the financial barriers those considering all forms of HE – especially part-time HE – face. By ensuring these policies achieve three key aims – fiscal neutrality, progressivity and a fair funding settlement between the different key beneficiaries of HE – they are complementary to existing government thinking and reforms.

The Government could dramatically improve life chances and raise national prosperity by building a funding system for HE that supports all upskillers and reskillers. The innovative proposals in this report are part of the answer to the UK winning ‘the global race’.

Chapter 1: Introduction

The goal of increasing participation in Higher Education (HE) is desirable because it brings both efficient and equitable outcomes. It is efficient because it leads to an increased number of highly skilled people. Britain's economy consists of an increasing proportion of knowledge-based and hi-tech industries requiring highly skilled people. If Britain is to win 'the global race', it needs more graduates.¹

Increased participation in HE also yields more equitable outcomes. There are considerable financial and non-financial benefits to participation in HE, including a significant wage premium.² Having people from more disadvantaged backgrounds enrol in university therefore aids their social mobility.

It is therefore welcome that a record number of school leavers are applying and enrolling on full-time HE courses, despite the increase in the cap on tuition fees to £9,000 per year.³ Happily, a record number of young people from disadvantaged backgrounds are participating in HE.⁴ The Coalition Government's decision to remove the cap on the total number of undergraduate places universities can offer, which

1. Cabinet Office, "Prime Minister's speech to CBI", www.gov.uk/government/speeches/prime-ministers-speech-to-cbi (2012).

2. Emma Pollard, Becci Newton and Jim Hillage, "Expanding and improving part-time higher education", www.gov.uk/government/uploads/system/uploads/attachment_data/file/32397/12-906-expanding-improving-part-time-higher-education.pdf (2012), 226.

3. Sean Coughlan, "University applications hit record high", *BBC*, 30 January, 2015.

4. Richard Adams, "University tuition fee rise has not deterred poorer students from applying", *The Guardian*, 13 August, 2014.

came into effect this academic year (2015–16), will also achieve more equitable outcomes. This is because the additional places in the system are likely to go to people with lower grades at A-level, who are more likely to come from disadvantaged backgrounds.⁵

But post-secondary school, full-time HE study is not, and should not be, the only route into university. HE – a crucial step on the ladder of social mobility – should be accessible to eligible individuals throughout their lives. Britain has a flexible labour market: that means, as the CBI has noted, that individuals in the modern labour market are likely to have multiple jobs throughout their lives.⁶ The ability to up-skill and re-skill later on in life, which part-time HE provision offers, is therefore crucial for achieving a fair and functioning flexible labour market. As Steve Hilton, the Prime Minister’s former Director of Strategy, recently wrote: “The idea that still dominates education today – that we get trained for our careers in our late teens and early twenties and then are done – is preposterously antiquated. We have to normalise readjustment and reinvention throughout life. This is the key to social mobility”.⁷

Participation in full-time HE study continues to increase. But, as Chapter Three will show in detail, participation in part-time HE study in England has been declining in recent years. This is an alarming trend. Policymakers should urgently seek to understand its causes and seek remedies to reverse it. This is the focus of this report.

But, before embarking on this, this introductory chapter explains in detail what constitutes part-time HE, and the number and characteristics of people undertaking it. Finally, it outlines the private and public benefits of participation in part-time HE specifically, thus

5. Ibid.

6. CBI, “Tomorrow’s growth: New routes to higher skills”, <http://news.cbi.org.uk/business-issues/education-and-skills/tomorrow-s-growth-new-routes-to-higher-skills/> (2013), 9.

7. Steve Hilton, *More human: designing a world where people come first* (London: WH Allen, 2015), 210–211.

highlighting why policymakers have to try and reverse this troubling decline in participation in part-time HE in England.

What is a higher education (HE) course?

HE courses are usually undertaken at Higher Education Institutes (HEIs), commonly called universities. But they can also be undertaken at Further Education Colleges (FECs). A HE course refers to a qualification above level four on the Qualifications and Credit Framework (QCF). This framework divides qualifications into eight levels. Undergraduate qualifications are between levels four and six, while postgraduate qualifications make up levels seven and eight.⁸ The QCF system is illustrated in Figure 1.1 below.

Figure 1.1. The Qualifications and Credits Framework

Level eight	Doctorate PhD
Level seven	Master's degrees, postgraduate certificates and postgraduate diplomas MA, PGCE, PGDip
Level six	Bachelor's Degree BA, BSc
Level five	Foundation degree, diploma of higher education
Level four	Higher education certificate
Level three	A-Level A2, AS
Level two	GCSE Grades A – C
Level one	GCSE Grades D – G

All HE qualifications are coloured white

8. The Office of Qualifications and Examinations Regulation (Ofqual), “Qualifications and assessments in England, Wales and Northern Ireland”, <http://webarchive.nationalarchives.gov.uk/20110223151226/http://www.ofqual.gov.uk/qualification-and-assessment-framework> (2011).

Undergraduate study

The first level of undergraduate qualifications is level four. Level four includes qualifications such as higher education certificates. These qualifications typically take one year to complete full-time. Level five includes qualifications such as foundation degrees and diplomas of higher education. These usually take two years to complete full-time. The most common form of undergraduate qualification is a bachelor's degree. A bachelor's degree is considered to be at level six – the highest level of undergraduate study. A bachelor's degree usually takes three years to complete full-time. Part-time students undertake these courses at a variety of different 'intensities.' Typically, these intensities are 0.25, 0.5 and 0.75. An intensity of 0.25 means that a part-time student is studying at a quarter of the intensity of their full-time equivalent. They will take four times as long to complete a course. In 2012–13, 20% of all first degree part-time undergraduates were studying at an intensity of less than 0.25, 64% were studying at an intensity between 0.25 and 0.6, and 16% were studying at an intensity greater than 0.6.⁹ In this report we will consider all qualifications at level four to six to be 'undergraduate' qualifications.

The Higher Education Statistics Authority (HESA) defines most bachelor's degrees as 'undergraduate – first degree'. HESA defines all other HE qualifications at levels four to six to be 'undergraduate – other'. 'Undergraduate-other' qualifications also include institutional credits. Institutional credits refer to the study of part of (a module) of a HE course that may be carried forward and ultimately count towards the award of a full HE qualification, for instance, credit points which can be accumulated towards the award of a degree.¹⁰ A university may choose to award certificates to students who have completed an institutional

9. Higher Education Funding Council for England, "Pressure from all sides: economic and policy influences on part-time higher education", www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014), 14.

10. Higher Education Statistics Authority, "Definitions", www.hesa.ac.uk/pis/defs (2015).

credit. There is some evidence to suggest that since 2010–11 some universities no longer include institutional credits in their statistical returns on part-time student numbers. The total number doing this, however, is unknown.

As of 2013–14, 55% of part-time undergraduate students were studying towards an ‘undergraduate – first degree’ and 45% were studying towards an ‘undergraduate – other qualification’.

Postgraduate study

There are a number of postgraduate qualifications which are considered to be HE. These include research based masters such as an MRes (level seven), and doctorates which are studied primarily through research (level eight). There are also a number of taught postgraduate courses. These include master’s programmes (level seven) and doctorates (level eight) which are not studied primarily through research.

There are a number of other postgraduate qualifications which fall within the scope of this research. These include postgraduate diplomas, certificates and professional qualifications, the Postgraduate Certificate in Education (PGCE), the level seven Diploma in Teaching in the Lifelong Learning Sector, institutional postgraduate credits and non-formal postgraduate qualifications. All such qualifications are at level seven on the QCF. In this report we will consider all qualifications at levels seven and eight to be ‘postgraduate’ qualifications.

HESA defines all level seven and eight qualifications which are studied primarily through research as ‘higher degrees (research)’, while all level seven and eight qualifications that are studied primarily through teaching are considered to be ‘higher degrees (taught)’. Qualifications such as the PGCE are defined by HESA as ‘other postgraduate’.¹¹

11. Ibid.

As of 2013–14, 52% of all postgraduate part-time HE students were studying for a ‘higher degree (taught)’, 36% for a ‘other postgraduate’ programme and 12% for a ‘higher degree (research)’.

What is part-time HE?

The most commonly used definition of part-time students is the one used by HESA. HESA defines part-time students as those who do not fulfil the requirements needed to be classified as full-time students. Part-time students are therefore those who are not normally required to attend a HEI for 21 hours or more per week (including contact time and expected independent learning hours) or those who are studying full-time but on a course that lasts for less than 24 weeks.¹² Many people undertaking institutional credits would fall under the latter criterion.

There is some concern about the way in which part-time study is defined. HE has increasingly moved to more flexible provision in recent years. For example, Birkbeck, University of London, now offers numerous ‘full-time’ courses which operate exclusively in the evening, requiring three evenings attendance per week to complete the qualification. Among common parlance, these courses may be considered part-time but under the HESA definition they are considered ‘full-time’.

The HESA definition of part-time study does not address such developments and some have argued that it defines part-time study rather arbitrarily. So some institutions define part-time study through the number of institutional credits students take in a year. Below a certain number of institutional credits in a year students are considered to be part-time. All universities have different credit models and the number that constitutes part-time study therefore varies between institutions.

12. Emma Pollard, Becci Newton and Jim Hillage, “Expanding and improving part-time higher education”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/32397/12-906-expanding-improving-part-time-higher-education.pdf (2012), 45.

Despite these criticisms, our report will continue to use the standard HESA definition of part-time students.

Box 1.1. The shape of the part-time market in England

The largest provider of part-time HE in England is the distance learning provider The Open University (OU). In 2013–14, 26% of all part-time undergraduate and postgraduate students in England studied at The OU. The next biggest provider of part-time undergraduate and postgraduate HE is Birkbeck, University of London, where 3% of all part-time students in England study. Other large providers include: Sheffield Hallam University (1.9%), the University of Central Lancashire (1.8%), Staffordshire University (1.8%), Teeside University (1.7%), the University of Hertfordshire (1.6%), London Southbank University (1.5%), the University of Oxford (1.5%) and Anglia Ruskin (1.1%). Together these ten institutions account for over a third of all part-time students in England.¹³

Who are part-time students?

As of 2013–14, there were 603,330 part-time HE students in UK institutions (HEIs and FE colleges) with 368,335 studying undergraduate courses (61%) and 234,995 (39%) studying postgraduate courses. For this section, we are focussing on UK, rather than English, institutions. This is because of the way data is collected by HESA. However, the vast majority of UK institutions are English. The number of part-time HE students in UK institutions compares to 1,696,030 students who were studying full-time HE courses in UK institutions.

13. Bright Blue analysis of data from HESA, “Students in higher education”, www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=312 (2015).

In 2013–14, 95% of part-time undergraduates and 88% of part-time postgraduates in UK universities were UK domiciled. The remaining proportion were EU or international students. This suggests that just over one per cent of the UK adult population (aged 18 and over) are undertaking a part-time HE course, compared to just over three percent who are undertaking a full-time HE course.

The most common subjects of study for all part-time undergraduates are: subjects allied to medicine (19%), business and administrative studies (10%) and education (9%). These three subject areas are also the most common for all part-time postgraduates: 22% are studying education, 18% study subjects allied to medicine and 17% study business and administrative studies.

There are a number of socio-demographic characteristics that part-time students are more likely to exhibit than their full-time counterparts. These include: age, gender, ethnicity, educational background, employment status and level of study. Some of these comparisons relate to all part-time HE students (UK, EU and international) while some refer only to UK domiciled part-time HE students. This will be made clear in the text.

First, and most strikingly, part-time students from the UK, the EU and internationally in UK institutions are much older than their full time peers. In 2013–14, 75% of all part-time undergraduates were aged 25 and over. Conversely, only 11% of all full-time undergraduates were 25 and over. Similarly, 91% of all part-time postgraduate students were 25 and over, while 48% of all full-time postgraduate students were 25 and over.

The second defining characteristic of part-time HE students from the UK, EU and internationally in UK institutions is that they are more likely to be female. Sixty-one percent of all part-time undergraduates are female. The figure for full-time undergraduates is lower at 55%. Fifty-nine percent of all part-time postgraduates are female versus 53% of all full-time postgraduates.

A third characteristic of part-time students (UK domiciled only) in UK institutions is that they are slightly less diverse than their full-time equivalents. In 2013–14, 83% of UK domiciled undergraduate part-time students were white compared to 77% of UK domiciled full-time students. Seventy-eight percent of both full-time and part-time UK domiciled postgraduates were white.

Fourth, part-time students (UK domiciled) are also characterised by their previous academic attainment. Part-time UK domiciled undergraduate students are much more likely to have participated in HE before, but are also more likely to have lower level qualifications. In 2013–14, 53% of UK domiciled part-time undergraduates started their studies with at least some form of undergraduate qualification, 24% with A-levels or equivalent, and 14% with qualifications at or below level two. Full-time undergraduate UK domiciled HE students are a much more homogeneous group. Thirteen percent of full-time UK domiciled undergraduate students start their studies with some form of undergraduate qualification, 85% with A-levels or equivalent and 2% with qualifications at level two or below.¹⁴

Fifth, part-time students (English domiciled) are much more likely than full-time students to combine their studies with work. Eighty-two percent of all English domiciled part-time students (undergraduate and postgraduate) did some form of paid work during the 2011–12 academic year. This compares to 52% of all English domiciled full-time students. Part-time English domiciled students earned an average of £12,083 a year. In contrast, full-time English domiciled students earned an average of £1,662 a year. Seventy-one percent of part-time English domiciled students had a ‘continuous’ job. Work was classed as being ‘continuous’ if the job started before the start of the academic year and was expected to go on until after the end of the academic year. Just 28% of full-time English domiciled students reported that they had a

14. Ibid.

continuous job.¹⁵ As Professor Claire Callender has noted, the majority of part-time students conceptualise themselves as “workers who study” whilst full-time students believe themselves to be “students who work”.¹⁶

Finally, part-time students also differentiate themselves from full-time students in what they choose to study. In 2013–14, only 47% of all (UK, EU and international) part-time undergraduate qualifications awarded were a first degree. In contrast, 88% of full-time undergraduate qualifications awarded were a first degree.¹⁷

15. Emma Pollard, et al., “Student income and expenditure survey 2011–12”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/301467/bis-14-723-student-income-expenditure-survey-2011-12.pdf (2012), 17.

16. Claire Callender, “The funding of part-time students” in *Student financing of higher education: A comparative perspective*, eds. Claire Callender and Donald Heller (London: Routledge, 2013), 115.

17. Bright Blue analysis of data from HESA, “Students in higher education”, www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=312 (2015).

Box 1.2. What about the socio-economic background of part-time HE students?

It is not possible to directly compare the socio-economic profile of part-time students to full-time students. As a 2011 government report noted, “Data on the social class of students at the time of studying is not widely available for part-time students”. A previous study from 2007 did suggest a similar proportion of UK domiciled full-time and part-time students came from the lowest social grade, but this study is dated and the sample size small.¹⁸

HESA does collect data on the neighbourhood UK domiciled students come from, which can to some extent reveal socio-economic background. A full-time UK domiciled student from a disadvantaged socio-economic background is likely to come from a ‘low-participation neighbourhood’. But, when collecting data for part-time students, it denotes disadvantage in a different way: as having ‘no previous HE qualification’ and coming from a ‘low-participation neighbourhood’. So, even with this HESA data, it is not possible to compare full-time and part-time students.

Crucially, however, what limited evidence does exist on the socio-economic background of UK domiciled part-time students suggests that many are from non-traditional backgrounds: 44% of part-time HE UK domiciled students are the first in their family to access higher education and 29% are from ‘low-participation’ groups.¹⁹ In the HESA data, in 2013–14, 8.4% of UK domiciled part-time undergraduates had no previous qualifications and came from a low-participation neighbourhood.

18. Helen Connor and Sarah Dewson, “Social class and higher education: Issues affecting decisions on participation by lower social class groups”, <http://dera.ioe.ac.uk/4621/1/RR267.pdf> (2001), 95–105.

19. Claire Callender, “Widening participation, social justice and injustice: part-time students in British higher education”, *International journal of lifelong learning*, 2011, 30(4): 469–487.

Why does part-time higher education matter?

There are a number of private and public benefits to participation in part-time HE, which are outlined below. They highlight why it is essential to boost participation in part-time HE.

Private benefits

There are a number of private benefits both financial and non-financial to gaining any HE qualification (part-time or full-time). Financially, HE participants enjoy higher earnings, increased productivity and a lower likelihood of being unemployed. Non-financially, HE participants experience a longer life expectancy, more leisure time and a greater propensity to be involved in civic society.²⁰

More specifically to part-time HE, some evidence suggests that the salary benefits for part-time graduates are larger than for full-time students. The median wage for part-time students six months after graduation from a undergraduate courses was £25,000 in 2007–08 (versus £20,000 for full-time graduates of undergraduate courses).²¹ However, since part-time students are more likely to have been employed before and during their studies, this may be an unfair comparison. Nonetheless, evidence suggests that three and a half years after leaving HE, graduates from part-time undergraduate study in full-time employment earn more on average than similar graduates from full-time undergraduate study.²²

Furthermore, recent evidence suggests that around 29% of part-time graduates enjoyed a pay rise within three years of graduation due, at

20. David Willetts, *Robins revisited: Bigger and better higher education* (London: Social Market Foundation, 2013), 20.

21. Department for Business, Innovation and Skills, “Supporting analysis for the higher education white paper”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/321110/11-1007-supporting-analysis-for-higher-education-white-paper.pdf (2011), 41.

22. Claire Callender, et al., “The impact of higher education for part-time students”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/305149/evidence-report-36-impact-of-he-for-pt-students.pdf (2011), 4.

least in part, to their part-time HE qualification. Survey evidence also suggests that a large proportion of former part-time HE students believe that their part-time HE course helped improve their career prospects.²³

The wage benefits of part-time study is reflected by the Resource and Accounting Budget (RAB) charge from part-time graduates. The RAB charge is the subsidy government pays as a result of the student tuition fee and maintenance loans issued not being repaid in full. The government's last public estimate of the RAB charge for part-time undergraduate loans was 65%.²⁴ However, more recent evidence from London Economics has estimated the RAB charge could be zero and, in the best case scenario, -7.5%.²⁵ It seems that part-time students are therefore less costly to the Exchequer than full-time students. Part of this could be due to part-time students borrowing a smaller amount of money in the first place, since their fees are lower and they are only entitled to a tuition fee loan, as well as the fact that most begin repaying their tuition fees before they graduate unlike full-time students. But it may also be because they are earning higher wages and therefore paying their loans off in full.

On the non-financial benefits of part-time HE, a recent study found that 81% of former part-time HE students believed that their course helped them develop as a person. A majority also noted increased overall levels of happiness, improved self-confidence and an increased enjoyment of learning. Nearly one third of part-time graduates also observed an increase in their children's or family's interest in learning,

23. Claire Callender and David Wilkinson, "Futuretrack: Part-time higher education students: the benefits of part-time higher education after three years of study", www.hecsu.ac.uk/assets/assets/documents/futuretrack_part_time_students_report_oct2012.pdf (2012).

24. Hansard, "Students: loans: written question – 201551", www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2014-06-19/201551 (2014).

25. London Economics, *The higher education fees and funding reforms in England*, <http://london-economics.co.uk/wp-content/uploads/2014/03/Whats-the-breakeven-associated-with-the-reforms-of-Higher-Education-Final-Version-docx.pdf> (2014), 2.

whilst some noted an improvement in their relationship with their families.²⁶

Public benefits

Again, there is substantial evidence of public benefits, both financial and non-financial, of participation in HE generally. Financially, HE participants benefit society through greater tax revenues, increased economic growth and improved labour market flexibility. Non-financially, HE participation is associated with greater social cohesion, political stability and lower crime rates.²⁷ However, we are particularly interested in covering the public benefits of part-time HE study specifically.

There is evidence that part-time students provide benefits to the economy. A recent survey of employers found that a majority of employers believe that all forms of part-time study yield increased productivity. According to a majority of employers, workers who have completed part-time study have better problem solving, analytical skills, efficiency and commercial awareness.²⁸ The CBI state that part-time HE can be “a key enabler of growth”.²⁹

The forecast RAB charge by London Economics of government-backed loans to part-time time undergraduates (up to -7.5%) suggests that they could be a net contributor to public finances through the student loan system.

26. Claire Callender and David Wilkinson, “Futuretrack: Part-time higher education students: the benefits of part-time higher education after three years of study”, www.hecsu.ac.uk/assets/assets/documents/futuretrack_part_time_students_report_oct2012.pdf (2012).

27. David Willetts, *Robins revisited: Bigger and better higher education* (London: Social Market Foundation, 2013), 20.

28. Geoff Mason, “Employer support for part-time Higher Education students”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/250063/bis-13-1098-employer-support-for-part-time-higher-education-students-bis-research-paper-119.pdf (2013).

29. CBI, “Tomorrow’s growth: New routes to higher skills”, <http://news.cbi.org.uk/business-issues/education-and-skills/tomorrow-s-growth-new-routes-to-higher-skills/> (2013), 13.

There are also non-financial benefits to part-time HE. As a result of both the distinct socio-economic profile of part-time HE students (as indicated in Box 1.2 earlier) and the fact that participation in part-time HE is likely to lead to higher wages, it is likely that part-time HE boosts social mobility.

Focus of this research

Considering the public and private benefits of part-time HE, the decline in participation needs understanding and reversing.

This report addresses the following research questions:

1. What are the trends and reasons for the decline in participation in part-time HE study in England, both at an undergraduate and postgraduate level?
2. What are the motivations for and barriers to part-time HE study?
3. What policies are needed to support more people to participate in part-time HE study?

To answer these questions, the report is structured as follows:

- **Chapter Two** explains the methodologies employed, including public polling, an extensive literature review and an expert policy roundtable.
- **Chapter Three** reveals the trends in participation in part-time undergraduate and postgraduate HE and the possible causes of these trends.
- **Chapter Four** unearths the number and characteristics of those considering studying part-time HE in England and their motivations for wanting to pursue part-time HE study.
- **Chapter Five** assesses the barriers those considering part-time HE study face.

- **Chapter Six** offers new policies to mitigate the most important barriers identified and to ultimately boost participation levels in part-time HE study in England.

Chapter 2: **Methodology**

As detailed in Chapter One, this report seeks to address three research questions. First, it analyses the trends in part-time HE and the causes of the recent decline in part-time HE students in England. Second, it attempts to understand what the motivations for part-time HE study are and what barriers people face when attempting to access part-time HE. Third, it looks for potential policy solutions to overcome the barriers and address the decline in the number of part-time HE students in England.

This chapter summarises how we define a part-time student and outlines the research techniques that we employed to achieve these objectives.

To summarise our definition in the introductory chapter, we define a higher education student as an individual enrolled in any course at level four or above on the QCF. HE qualifications can be subdivided into undergraduate (levels four to six) and postgraduate qualifications (levels seven and eight).

A HE student is usually enrolled at a HEI. The most prevalent institute in terms of student numbers are universities and other HEIs, but HE courses are also offered by some FECs.

We use the definition employed by HESA when defining who counts as a part-time student. Part-time students are those who are not normally required to attend a Higher Education Institute (HEI) for 21

hours or more per week or those who are studying full-time hours but on a course that lasts for less than 24 weeks.³⁰

Research techniques

We employed three research methods for this project.

- **Literature review:** An extensive literature review was conducted of existing UK evidence. We reviewed:
 - Literature that pertained to the decline in part-time HE from 2010 onwards.
 - Relevant academic work.
 - Different data surveys that examined the barriers and motivations of current and ex part-time HE students.
 - Government research papers.
- **Expert consultation:** Bright Blue consulted with: a number of leading academics, civil servants, special advisors, opinion formers, campaigners and researchers.
- **Public polling:** A nationally representative poll of adults living in England aged 18 and over, with a booster of residents of England who reported that they had previously considered part-time HE in the past five years but ultimately did not pursue it. The polling was required in order to identify the awareness of current arrangements for part-time HE students, the motivations for accessing part-time HE, the barriers which individuals face when attempting to access part-time education and the support for our proposed policies. (See annex for the full list of questions)

30. Emma Pollard, Becci Newton and Jim Hillage, "Expanding and improving part-time higher education", www.gov.uk/government/uploads/system/uploads/attachment_data/file/32397/12-906-expanding-improving-part-time-higher-education.pdf (2012), 45.

Polling

Our polling was designed subsequently to our literature review and much of our expert consultation so that the questions asked could be informed by them.

The polling was undertaken by ComRes between the 3rd and 8th of September 2015. The polling included a general public sample and a booster sample of those who had considered part-time HE in the past five years. The general public sample consisted of 2,000 adults living in England, interviewed online. Results were weighted by Office of National Statistics (ONS) data to be nationally representative of age, sex, region, household income and education. The booster sample consisted of 1,001 adults living in England who had indicated that they had previously considered undertaking a part-time HE course in the past five years but in the past five years but who did not have any experience of part-time HE. To this booster sample, we added 566 adults from the general public sample who reported that they had considered part-time HE in the past five years but in the past five years but who did not have any experience of part-time HE. This produced 1,567 adults living in England who had considered part-time HE in the past five years but who did not have any experience of part-time HE. Throughout this report, we define these to be ‘considerers’ of part-time HE study.

Our polling sample was restricted to English residents only because education (including HE) is a devolved matter. Administrative and legislative responsibility for HE was transferred to the regional parliaments in a series of acts between 1998 and 2007. The experiences of residents in each of the home nations is therefore likely to be considerably different. For instance, Northern Ireland has no equivalent or lower qualification policy whilst the 2012 tuition fee reforms applied only to residents of England.³¹

31. Higher Education Funding Council for England, “Pressure from all sides: economic and policy influences on part-time higher education”, www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014), 23.

Our literature review revealed a number of potential motivations and barriers that may apply to part-time HE students. But the majority of previous research has examined the motivations of and barriers faced by current or former (recently graduated) part-time HE students. The limitation of this approach is it questions individuals who were able to overcome these barriers. In its strictest sense these do not necessarily meet our definition of a barrier. Despite the limitations of previous research we were informed by it and tested many previously identified motivations and barriers in our polling. Significantly however, our polling is one of only two examinations of the motivations and barriers of those who considered but eventually did not undertake a part-time HE course.

The general public sample allowed us to analyse the views of respondents in different ways. First, it enabled us to examine public attitudes towards the different ways part-time HE students could be supported. Second, it allowed us to test the popularity of our potential policy solutions.

The booster sample allowed us to examine what motivations drive individuals into considering part-time HE and to probe the barriers individuals face when attempting to access part-time HE. It also allowed us to establish whether these ‘considerers’ would be attracted to our potential policy solutions.

We analysed responses by a number of socio-demographic characteristics. The characteristics included standard demographics such as age, gender and ethnicity but also characteristics that apply more purposely to the part-time HE sector. All the cross-breaks used to observe differences in the views of respondents are detailed in Box 2.1 below.

Box 2.1. Full polling cross-breaks

- Gender
- Age
- Social grade
- Region
- Highest level of educational attainment
- Work status
- Household income
- Ethnicity

Our polling also included cross-breaks that related to the level of the interest an individual had previously expressed in part-time HE. This ranged from people who had considered it significantly and actively researched it to those who had only given it some consideration. This allowed us to compare whether different levels of consideration were related to differences in the views of respondents.

Results from our data will be presented in full in the subsequent chapters alongside data from other surveys. We will signpost throughout which data is drawn from our own polling, and which is drawn from other surveys.

Chapter 3: **The decline in participation in part-time HE and its possible causes**

This chapter explores the current trends in both undergraduate and postgraduate part-time HE study. It then explores the possible reasons that have been cited for the substantial declines in part-time HE entrants.

Current trends in part-time HE

Undergraduates

UK and other EU part-time undergraduate entrants in English HEIs and Further Education colleges (FECs) rose rapidly in the 1990s and early 2000s.³² As Chart 3.1 below shows, between 2002–03 and 2010–11 there was a decline of 3% among UK and other EU part-time undergraduate HE entrants. The part-time undergraduate market was relatively stable during those years. In absolute numbers, UK and other EU part-time undergraduate entrants decreased from 267,000 to 259,000 between 2002–03 and 2010–11.³³

32. Geoff Mason, “Part-time higher education students in the UK: Statistical review”, www.hecsu.ac.uk/assets/assets/documents/Part-time_HE_students_in_the_UK_Statistical_Review_April_2010.pdf (2010), 4.

33. Higher Education Funding Council for England, “Pressure from all sides: economic and policy influences on part-time higher education”, www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014).

Chart 3.1. Number of UK and other EU part-time undergraduate entrants in English HEIs and FECs³⁴



Source: HEFCE (2014)

The decline increased significantly from 2010–11 onwards. There were substantial declines in each of the next four years. Between 2010–11 and 2013–14, UK and other EU part-time undergraduate entrants declined by a total of 46%. The number of entrants fell from 259,000 to 139,000.³⁵

Within these headline figures there are a number of significant underlying trends. First, the decline has been most substantial for ‘other undergraduates’ rather than undergraduates who are studying for their first degree. As discussed previously, ‘first degree’ refers to students studying for a bachelor’s degree (level six) for the first time. ‘Other undergraduates’ refer to all other undergraduate qualifications such as

34. Ibid.

35. Ibid.

Higher Education Certificates and Higher Education Diplomas (level four and five), and students studying for a bachelor's degree when they already hold a higher or equivalent qualification. Between 2010–11 and 2013–14, UK and other EU entrants studying an 'other undergraduate' course declined by 52% (95,905), whilst first degree entrants declined by 24% (14,155).³⁶

Second, the decline has affected men only ever so slightly more than women. Between 2010–11 and 2013–14, there was a decline of 46% for male part-time undergraduate entrants and 45% for female undergraduates.

Postgraduates

There are two types of postgraduates: those undertaking taught courses and those undertaking research courses. In 2012–13, there were around 5,000 UK and other EU part-time entrants undertaking a research based qualification. According to HEFCE, this represented a decline of around 9% from 2010–11.

The focus of this section is on taught postgraduates. This is because taught postgraduate students account for a firm majority of UK and other EU postgraduate entrants. UK and EU part-time taught postgraduate entrants at English HEIs and FECs followed a slightly different trajectory to undergraduates. Again, there were significant increases in entrants in the 1990s and early 2000s.³⁷ But there was also an increase in entrants between 2002–03 and 2010–11. As exemplified in Chart 3.2 below, between these years there was an 11% increase with taught postgraduate numbers climbing to 97,000 from a starting point of 87,500. The majority of this increase occurred between 2008–09 and 2009–10 when entrants jumped by 21% (15,500).

36. Ibid.

37. Geoff Mason, "Part-time higher education students in the UK: Statistical review", www.hecsu.ac.uk/assets/assets/documents/Part-time_HE_students_in_the_UK_Statistical_Review_April_2010.pdf (2010).

Chart 3.2. Number of UK and other EU part-time postgraduate taught entrants in English HEIs and FECs³⁸



Source: HEFCE (2014)

Taught postgraduate UK and other EU part-time entrants began to decline in 2010–11. However, the decline was not as substantial as the one exhibited by the undergraduate market. The total decline between 2010–11 and 2013–2014 was 28% compared to a decline of 46% in the same period among part-time undergraduates. In absolute terms this was a decline of 27,000 UK and other EU students, from 97,000 to 70,000.

38. Higher Education Funding Council for England, “Pressure from all sides: economic and policy influences on part-time higher education”, www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014), 15–18.

Once more beneath the headline figures lies some important trends. First, the decline in postgraduate taught courses has mostly affected education related courses. Between 2010–11 and 2012–13, taught postgraduate UK and other EU part-time HE entrants studying for an education related course declined by 48% (18,595), whilst all other taught programmes have only declined by 6% (3,525). This means that 84% of the decline in taught postgraduate programmes is due to the drop in individuals undertaking education courses.

Second, the decline in UK and other EU taught postgraduate HE students was slightly more significant for women than men. This contrasts to undergraduate HE where the decline has been slightly more substantial among male students. Between 2010–11 and 2013–14, there was a decline of 19% among female taught postgraduate entrants compared to a 16% decline among their male counterparts.

Box 3.1. Trends in part-time HE entrants across all UK nations

The focus of this report is the decline in part-time HE entrants at English HEIs and FECs. But, as Chart 3.3 shows, there has also been a decline in UK domiciled entrants in other countries of the UK, apart from Northern Ireland. However, it is the case that the decline in part-time undergraduate and postgraduate HE has been most pronounced in England.

Chart 3.3. UK domiciled part-time entrants (undergraduate and postgraduate) trends by UK country index (2010 = 100)³⁹



Source: HEFCE (2014). Indexed to 100 in 2010 signifies that the number of part-time entrants in 2009–10 in each of the nations is set at 100. The trends are then calculated from this baseline

Causes of the decline in part-time students

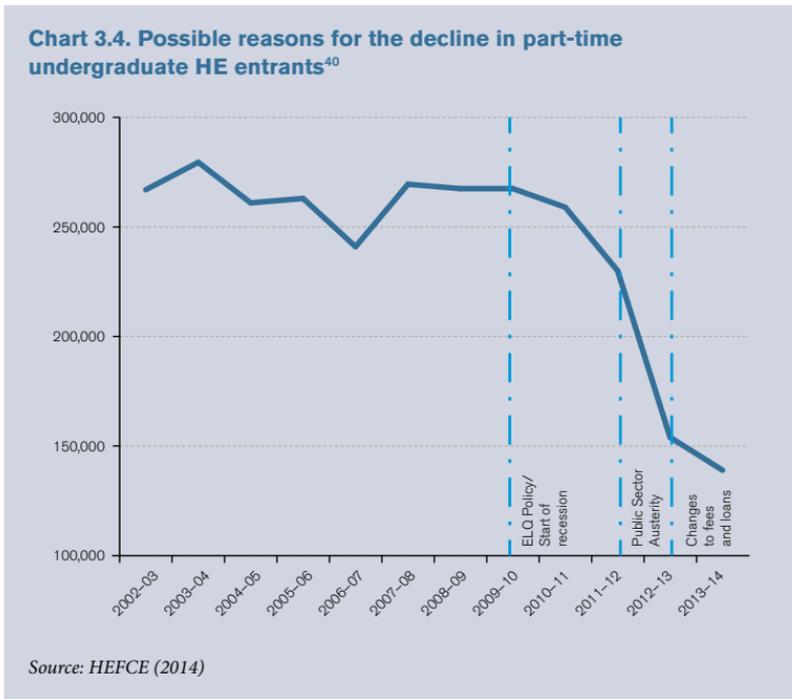
This section focuses on the decline in part-time UK and other EU undergraduate entrants. There are a number of potential causes of the decline in undergraduate part-time entrants. The causes include the removal of government funding for students studying for an equivalent or lower qualification (ELQ) in 2008–09, the recession which also began in 2008–09, reductions in the budgets of public sector organisations which were introduced from 2010–11, and the changes to fee and loan arrangements introduced in 2012–13. It is frequently suggested

39. Ibid, 22.

that a combination of some or all of these factors is responsible for the decline. These potential causes are shown in Chart 3.4 below.

It is worth noting that the decline in part-time HE undergraduate entrants refers to both UK and other EU entrants. These causes will be most applicable to UK entrants but many of the causes will also be relevant to EU entrants.

As mentioned in Chapter One, from 2010–11 onwards some institutions stopped recording students undertaking institutional credits in their figures. This could also have contributed to the decline, but data limitations prevent us from quantifying it.



40. Ibid, 27.

The removal of government financial support for students studying for an equivalent or lower qualification (ELQ)

Prior to 2008–09, universities received funding for undergraduate students who were studying for a course that led to a qualification which was at an equivalent or lower level to one a student had previously attained. Universities received direct funding from the government via the Higher Education Funding Council for England (HEFCE). This teaching grant represented a substantial proportion of the money universities received for educating students. For instance, in 2007–08, part-time undergraduate HE students at Birkbeck, University of London, paid an average £1,248 per annum in tuition fees and the university received an average of £2,853 per student through HEFCE teaching funding.⁴¹

Students studying for an ELQ have never been able to receive loans or grants for their tuition or maintenance.

In 2007–08, the then Secretary of State for Innovation, Universities and Skills instructed HEFCE to withdraw the teaching grants for ELQ students. The policy was introduced for ELQ entrants in time for the 2008–09 academic year. HEFCE recognised that the policy would have a disproportionate effect on providers of part-time HE. As a temporary measure, some universities gained additional HEFCE funding to compensate for their financial losses, to ensure that the short-term viability of some part-time provision was not threatened and that entrants did not find their opportunities for part-time study suddenly reduced.⁴²

41. Select Committee on Innovation, Universities and Skills, “Third report”, www.publications.parliament.uk/pa/cm200708/cmselect/cmdius/187/18704.htm (2008).

42. Higher Education Funding Council for England, “Withdrawal of funding for students studying for an equivalent or lower qualification (ELQ): Consultation on implementation”, www.hefce.ac.uk/media/hefce/content/about/Staff,ands,structure/Board/2007/116/B68b.PDF (2007), 8.

The ELQ policy disproportionately affected part-time students because, as previously discussed, part-time students are much more likely to already hold some form of HE qualification. In 2013–14, 53% of all part-time undergraduates started their studies with at least some form of undergraduate qualification.⁴³

The ELQ policy negatively affected the number of part-time entrants for two reasons. First, the removal of the teaching grant required universities to make up for the lost funding by increasing tuition fees charged to students. Between 2007–08 and 2010–11, the average tuition fees paid by part-time students who continued studying increased by 27%.⁴⁴ ELQ students have never been eligible for tuition grants or loans.⁴⁵

Second, the ELQ policy appears to have negatively affected the provision of part-time HE. It made the teaching of part-time education significantly more expensive for universities because many part-time students were ELQ learners and the cost of educating them would have to be subsidised from other funds since universities were no longer able to receive a teaching grant for such learners. Even before the ELQ reforms, part-time HE was significantly more expensive to provide than its full-time equivalent. This is because part-time students are more difficult to recruit and enrol because there is no centralised admission process like UCAS and the funding system is much more complicated.

43. Bright Blue analysis of data from HESA, “Students in higher education”, www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=312 (2015).

44. Claire Callender and David Wilkinson, “Futuretrack: Part-time higher education students: the benefits of part-time higher education after three years of study”, www.hecsu.ac.uk/assets/assets/documents/futuretrack_part_time_students_report_oct2012.pdf (2012), 10.

45. Higher Education Funding Council for England, “Higher education in England 2014: Analysis of latest shifts and trends”, http://dera.ioe.ac.uk/19982/1/HEinEngland_2014.pdf (2014).

Many part-time courses were therefore axed, especially in institutions which provided outreach centres.⁴⁶

Through these two mechanisms the ELQ policy does appear to have had a substantial effect on the number of part-time entrants. Most tellingly, between 2008–09 and 2012–13 there was a 57% decline in the number of part-time UK and other EU entrants studying for an ELQ. This compares to a 36% drop in entrants not studying for an ELQ.⁴⁷ This suggests that the ELQ policy is at least an contributing factor in the decline of part-time entrants.

The Coalition Government did partially relax this policy for some science, technology, engineering, and mathematics (STEM) subjects, starting from the 2015–16 academic year. This could have an impact on demand for part-time study. However, the vast majority of HE courses still do not receive a teaching grant for ELQ students.

The recession

Economic conditions began to deteriorate in the UK with the beginning of the global financial crisis in August 2007. This culminated in a significant period of recession that lasted from the second quarter of 2008 to the second quarter of 2009. After this period the UK continued through an extended period of low growth.

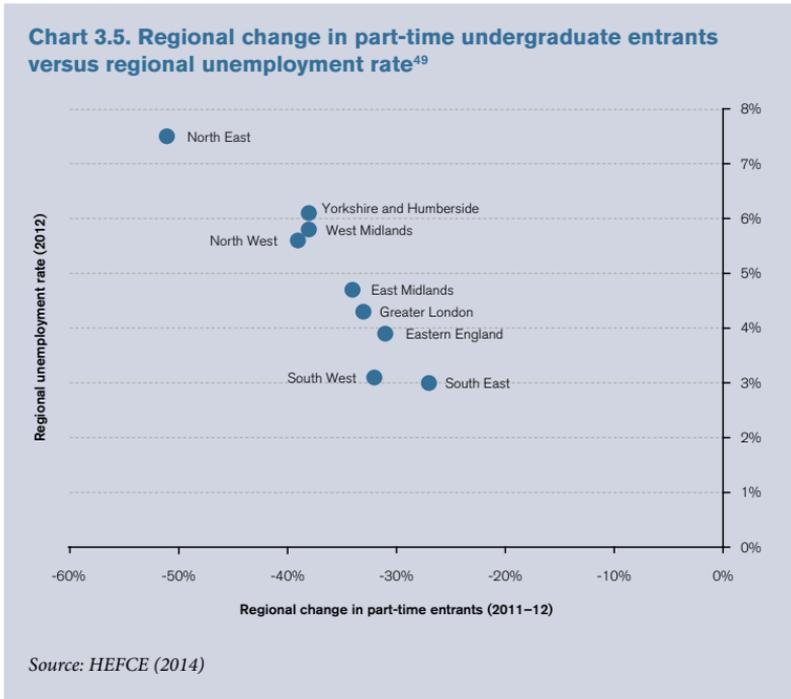
Part-time education is pro-cyclical.⁴⁸ That is, it increases during good economic times and decreases in and around recessions. This

46. Select Committee on Innovation, Universities and Skills, “Written evidence”, www.publications.parliament.uk/pa/cm200708/cmselect/cmdius/187/187we94.htm (2008); Universities UK, “The supply of part-time higher education in the UK”, www.universitiesuk.ac.uk/highereducation/Documents/2010/TheSupplyOfPartTimeHigherEducationInTheUK.pdf (2010).

47. Higher Education Funding Council for England, “Pressure from all sides: economic and policy influences on part-time higher education”, www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014), 8.

48. *Ibid.*, 19; Centre for Studies in Higher Education, “College vs. unemployment: Expanding access to higher education is the smart investment during economic downturns”, <http://cshe.berkeley.edu/publications/college-vs-unemployment-expanding-access-higher-education-smart-investment-during> (2008).

is largely because part-time HE is mostly utilised by individuals in employment. Declines in employment are likely to cause declines in part-time HE. Evidence suggests that areas of the UK with higher levels of unemployment tended to experience greater declines in the number of part-time undergraduate HE entrants. This is depicted in Chart 3.5 below.



Reduced demand for part-time study is not only a product of higher unemployment in a recession, but also a product of employers having less money to spend on training their staff. Between 2010–11 and 2012–13, the number of part-time undergraduate students relying on

49. Higher Education Funding Council for England, “Pressure from all sides: economic and policy influences on part-time higher education”, www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014), 21.

their employer as their main source of financial backing fell by 44%, or 18,425.⁵⁰ Survey data suggests that the proportion of employers paying full fees for the majority of their employees studying part-time HE fell from 54% in 2010 to 46% in 2012. Moreover, the percentage of employers who were aware of employees studying part-time but did not provide any support rose from 6% to 9%.⁵¹

A survey of employers conducted in 2011–12 found that 25% had reduced paying course fees in whole, or part, for part-time first degrees because of the recession. Equally, because of the recession, 21% had reduced paying course fees for foundation degrees and 24% had reduced funding for postgraduate courses. In addition, there were reductions in the amount of paid and unpaid leave offered to employees to study and reductions in contributions towards course related expenses other than fees.⁵²

Reductions in the budgets of public sector organisations

Part-time students have frequently been sourced from the public sector. The three most popular subjects for part-time students are education related subjects, subjects allied to medicine and business and administration. These subjects accounted for 38% of all part-time undergraduates in 2013–14. These three subjects also correlate closely to the largest public sector employers: the NHS, education, and public administration.⁵³ Evidence suggests that part-time students represent

50. Higher Education Funding Council for England, “Pressure from all sides: economic and policy influences on part-time higher education”, www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014), 13.

51. Geoff Mason, “Employer support for part-time higher education students”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/250063/bis-13-1098-employer-support-for-part-time-higher-education-students-bis-research-paper-119.pdf (2013), 27.

52. *Ibid.*, 27.

53. Higher Education Funding Council for England, “Pressure from all sides: economic and policy influences on part-time higher education”, www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014), 19.

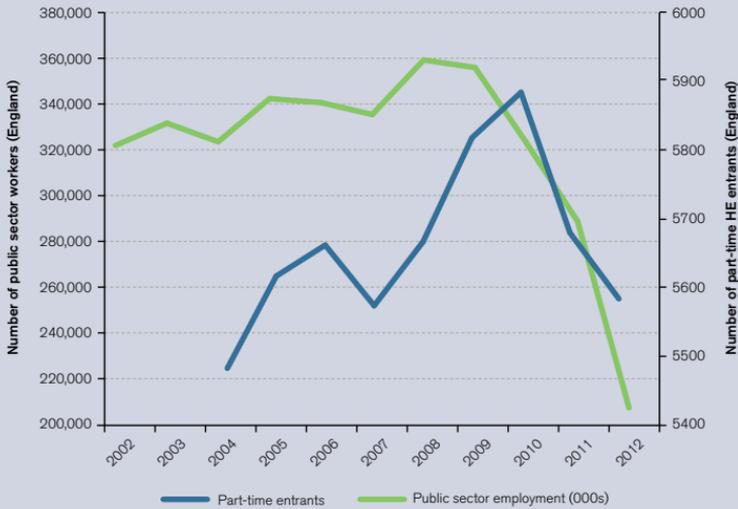
between 1% and 1.3% of the total employment in public service sectors compared to only 0.7% of employment in the economy as a whole.⁵⁴

There are two major reasons why public sector demand for part-time HE has declined. First, there have been significant job losses in the public sector. Three hundred thousand public sector jobs were cut between 2010–11 and 2012–13. A smaller public sector workforce is likely to reduce the number of part-time entrants. Second, there have been considerable reductions in training and development budgets. Survey evidence suggests that 78% of public sector managers reported that they had less money to spend on training budgets in 2012 than the previous year. Chart 3.6 below shows how the number of part-time HE entrants in England closely tracks the size of the public sector workforce in England.⁵⁵

54. Geoff Mason and Rebecca Hopkin, “Employer perspectives on part-time students in UK higher education”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/250135/11-655-employer-perspectives-on-part-time-students.pdf (2011), 5.

55. Mark Smith, “How are the cuts affecting training?”, *The Guardian*, 23 January, 2012.

Chart 3.6. Public sector workers and the number of part-time HE entrants in England⁵⁶



Source: HEFCE (2014)

Changes to fees and loans

In 2012–13, substantial changes were made to the fee and loan arrangements for both part-time and full-time students.

In 2012–13, teaching grants for most undergraduate courses were withdrawn and replaced with higher tuition fees. A cap of £6,750 was placed on part-time undergraduate tuition fees. Private institutions in England have no such cap. However, part-time students at such institutions can only access up to £4,500 in tuition fee loans. Unlike the full-time sector, no government body collates the average fees charged

56. Higher Education Funding Council for England, “Pressure from all sides: economic and policy influences on part-time higher education”, www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014), 20.

for part-time undergraduate courses. But analysis of Office for National Statistics (ONS) data finds that there had been “large increases” in the fees charged to part-time students from 2012–13. This analysis suggests that these rises were in line with the proportional increases that occurred in the full-time sector where fees mostly tripled from £3,000 per annum to £9,000.⁵⁷

In 2012–13, UK and other EU part-time students became eligible for a government loan to cover the cost of their (higher) tuition fees. For the first time, part-time students enjoyed equity with their full-time counterparts.⁵⁸ This was a positive move which the Coalition Government believed would lead to an increase in demand for part-time study despite higher tuition fees. However, the tuition fee loans have strict eligibility criteria. Only 31% of part-time students are eligible for government funded loans. Around half of those are not eligible because they are studying for a qualification which is at an equivalent or lower level to one which they have already attained. Many of the remaining are ineligible because the qualification they are studying for is not at the required intensity. Students must be studying a course at, at least, 0.25 full-time equivalent (FTE) intensity.⁵⁹ As explained earlier, this means that they must complete their course in at most four times the time it would take to complete the equivalent full-time course. For example, an individual studying for a bachelor’s degree must complete their course part-time within 12 years. Many students studying for an institutional credit are therefore excluded from applying for a tuition fee loan.

57. John Thompson and Bahram Bekhradnia, “The impact on demand of the government’s reforms of higher education”, www.hepi.ac.uk/wp-content/uploads/2014/02/HEPI-Report-62-Demand-Report-2013-Full-Report.pdf (2013), 133.

58. Claire Callender and Peter Scott (eds.), *Browne and beyond: modernizing English higher education* (London: Institute of Education Press, 2013).

59. Emma Pollard, Becci Newton and Jim Hillage, “Expanding and improving part-time higher education”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/32397/12-906-expanding-improving-part-time-higher-education.pdf (2012).

As such, as many part-time students do not have access to tuition fee loans, the higher fees that are being charged could therefore be a significant barrier to accessing part-time HE.

Interestingly, there is some indication that the fee and loans changes may have also had some unintended consequences. Anecdotally, it has been suggested that the introduction of loans for part-time students may have caused employers to reduce the support they provide for part-time students since they now believe them to be eligible for government support.⁶⁰

Causes of the decline in part-time taught postgraduate HE (taught)

Thus far, we have examined the reasons for the decline in undergraduate part-time HE entrants who represent the bulk of the decline in UK and other EU part-time HE entrants. But postgraduate UK and other EU part-time HE entrants have also declined by a significant number. Many of the reasons cited above will have contributed to the decline in part-time postgraduate students, particularly the recession and the reductions in the budgets of public sector organisations.

The ELQ reforms had little effect on postgraduate part-time HE since the overwhelming majority of postgraduate courses do not attract funding via the HEFCE teaching grant. As with undergraduate part-time HE, no government body collates the cost of postgraduate course fees. We can therefore not judge whether potential increases have had an impact.

60. Universities UK, "The power of part-time: review of part-time and mature higher education", www.universitiesuk.ac.uk/highereducation/Documents/2013/PowerOfPartTime.pdf (2013), 29.

The changes to fees and loans in 2012–13 also did not apply to postgraduate part-time HE students and therefore will not have contributed to the decline.

Postgraduate students have never been eligible for government-backed tuition fee loans. Indeed, some postgraduates access Career and Professional Development Loans (CPDL) from banks. But there has been extremely low uptake. In 2010, 4% of part-time postgraduates accessed them.⁶¹ So, a lack of financial support may have been a contributor to the decline. But the government has now extended tuition fee loans to some postgraduates and these are scheduled to be delivered in time for the 2016–17 academic year.

The decline in taught postgraduate UK and other EU part-time HE entrants primarily consisted of a decline in education related courses, as indicated earlier in this chapter.

This is likely to have been caused by reductions in public sector development budgets. There are a number of examples of reductions in development budgets for schools. A 2013–14 survey of school leaders found that over half of schools were experiencing difficulty in giving teachers the professional development they needed because of financial pressures.⁶² These changes to budgets are reflected in the decline in entrants reporting employer funding as their main source of financial backing. Of the decline in employer funded entrants between 2010–11 and 2012–13, 87% of these were in education subject areas.⁶³

61. National Union of Students, “Broke and broken: taught postgraduate students on funding and finance”, www.nus.org.uk/PageFiles/12238/Broke.pdf (2010), 15.

62. David Weston, “Schools cutting staff development amid cash pressures”, *The Guardian*, 1 July, 2014.

63. Higher Education Funding Council for England, “Pressure from all sides: economic and policy influences on part-time higher education”, www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014), 16.

Chapter 4: **The motivations for undertaking part-time HE**

Introduction

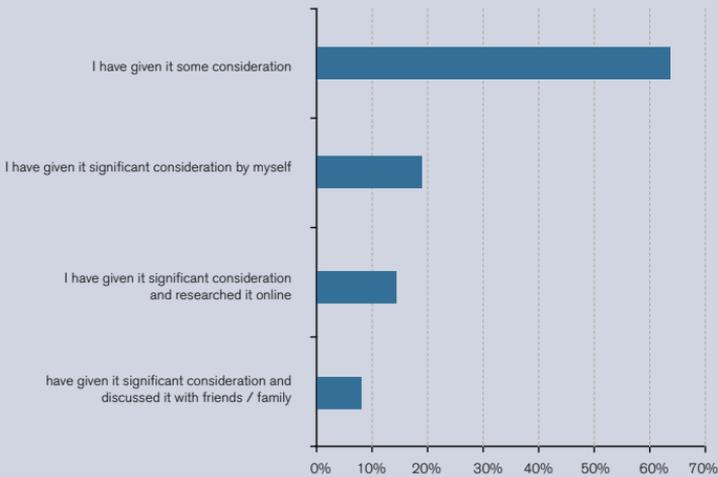
In Chapter Three we identified the current trends in part-time HE at English HEIs and FECs and the possible causes of the recent decline in the number of individuals entering part-time HE study. This chapter identifies the number and type of people in England who have considered part-time HE and the type of studying they wish to do. It then goes on to identify the motivations for part-time HE study among those who have considered it.

Unless explicitly stated we will now refer to undergraduate and postgraduate HE students simultaneously. ‘Part-time HE student’ will therefore denote both undergraduates and postgraduates unless otherwise stated.

Considerers of part-time HE

Our polling finds that 37% of the English population that have not undertaken part-time study in the past five years have considered part-time HE at some point in the last five years. The levels of consideration vary. Our polling asked considerers to list the extent to which they had considered part-time HE. Considerers were able to select multiple answers. As Chart 4.1 shows, the majority (64%) of considerers have given it, at least, ‘some’ consideration. Nineteen percent of considerers have given it significant consideration by themselves, 14% have researched it online and 8% have discussed it with their friends or family.

Chart 4.1. To what extent considerers have considered doing a part-time HE course, according to Bright Blue polling

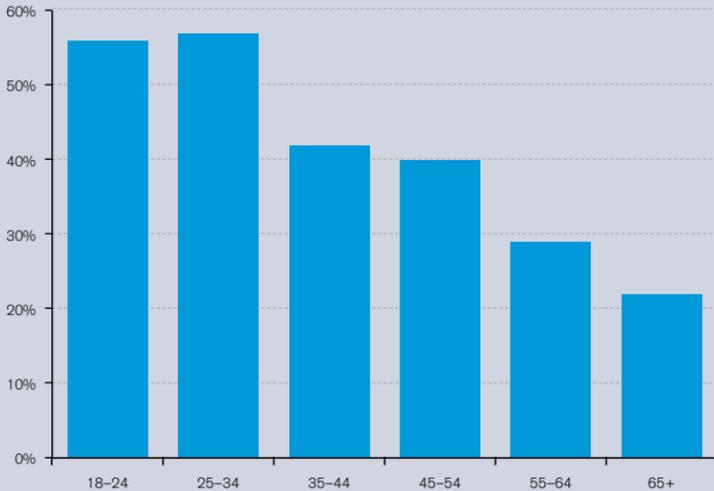


Base: 1,567 considerers. Respondents could choose more than one option

Forty-three percent of English women have considered but not undertaken part-time HE compared to 32% of English men. We found that considerers in the past five years were far more likely to be younger. Fifty-six percent of 18–24s had considered part-time HE compared to just 22% of over 65s. This trend is depicted in Chart 4.2 below. If this latent demand for part-time HE among young people was tapped into, it could help the Government meet its aim of doubling the number of young students from disadvantaged backgrounds entering HE by 2020.⁶⁴

64. Hannah Richardson, “Universities agree to take more disadvantaged students”, *BBC*, 16 July, 2015.

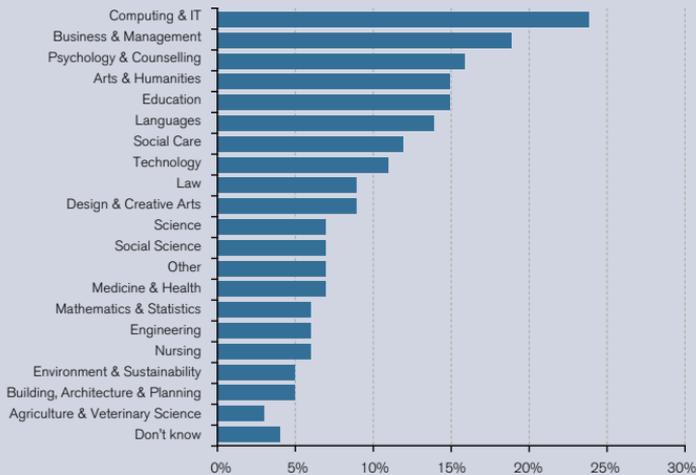
Chart 4.2. Proportion of English population with no experience of part-time HE that have considered part-time HE in the past five years, according to Bright Blue polling



Base: 2,000 adults resident in England

Chart 4.3 below illustrates the subject areas that all considerers reported they were most interested in studying. The three most popular subject areas were: computing and IT (24%), business and management (19%) and psychology and counselling (16%).

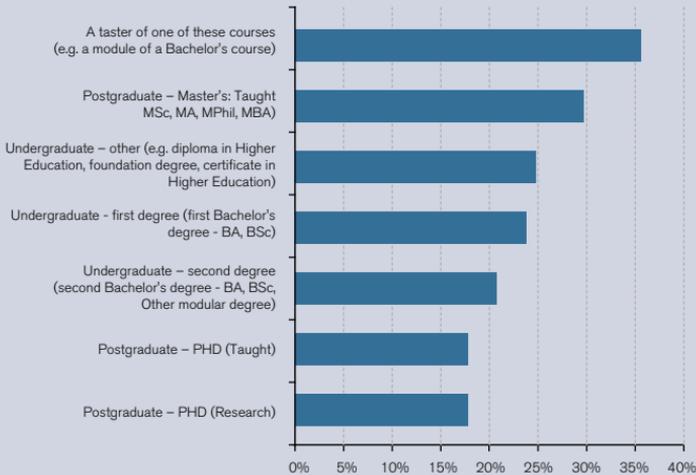
Chart 4.3. Subject areas that considerers of part-time HE considered studying, according to Bright Blue polling



Base: 1,567 considerers

Our polling finds the most popular level of part-time HE considered was a taster of some sort of HE course, such as an institutional credit towards a bachelor's degree. Thirty-six percent of considerers had considered this form of part-time HE. The second most popular level was taught postgraduate master's degree (level seven). Thirty percent of those who had considered part-time HE in the past five years had considered this level of study. The full list of levels considered by considerers is displayed in Chart 4.4 below.

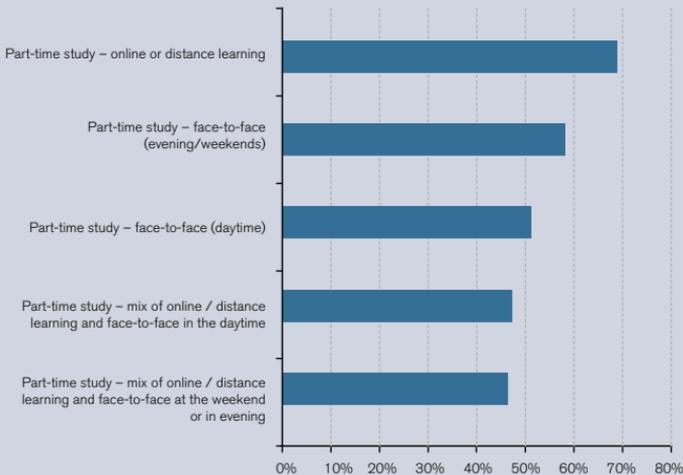
Chart 4.4. Types of course that considerers of part-time HE considered studying, according to Bright Blue polling



Base: 1,567 considerers. Respondents could choose more than one option

Our polling finds that online or distance learning was the most popular mode of part-time HE considered. Seventy percent reported that they had considered distance learning. This is depicted in Chart 4.5 below.

Chart 4.5. Proportion of considerers who had considered various modes of part-time HE either 'a great deal' or 'somewhat', according to Bright Blue polling



Base: 1,567 considerers. Respondents could choose more than one option

Motivations for part-time study

Drawing on our own polling and previous surveys we identify two broad types of motivations for considerers. These are employment-related motivations and personal motivations.

Employment-related motivations include: current job progression, changing jobs and being mandated by employers. Current job progression refers to considerers who are motivated to build on their existing skills and qualifications to gain a promotion. These are often conceptualised as 'upskillers'. Changing jobs refers to considerers who are motivated by the opportunity to retrain for a different occupation. These considerers may already hold some form of HE qualification, but that qualification will not allow them to access their preferred industry or role. They are therefore 'reskillers' looking to gain a new

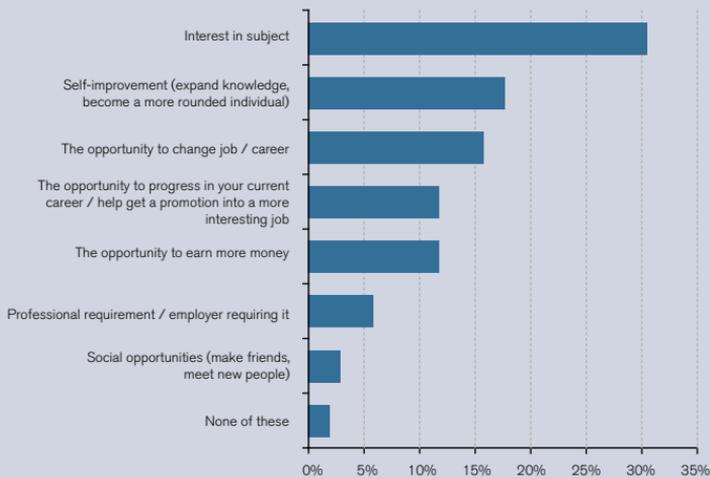
qualification. Being mandated by employers refers to considerers wanting to undertake part-time HE because they are required by their employer to do so.

Personal motivations include: subject interest, social factors and self-improvement. Subject interest refers to considerers who are motivated by an attraction to learn more about a subject. Social factors refer to those who wish to undertake part-time HE because of the opportunities it offers to meet new people and make new friends. Self-improvement refers to considerers that hope to commence part-time study in order to improve themselves personally, for example developing new skills and knowledge. This might be related to hoping to improve their children's education.

In order to establish how important the different possible motivations for wanting to undertake part-time HE were, we asked considerers the most appealing reason for wanting to undertake part-time HE.

Our polling shows that personal motivations for part-time HE are the most frequently cited. Chart 4.6 below shows that interest in the subject is the most important motivator with 31% of considerers reporting it to be the most appealing reason for wanting to undertake part-time HE. The second most important motivator is self-improvement which 18% selected. Our polling shows that social opportunities such as making friends and meeting new people is the least significant personal motivation for part-time HE and the least significant motivator overall (3%).

Chart 4.6. The most appealing reason for considerers wanting to undertake part-time HE, according to Bright Blue polling

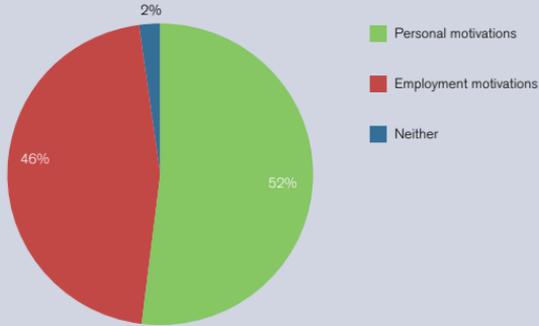


Base: 1,567 considerers

Our polling identifies the opportunity to change job or career as the most significant employment motivator for considerers with 16% naming it as the most appealing reason for wanting to undertake part-time HE. The opportunity to earn more money and current job progression are the joint second most appealing reasons with 12% of considerers reporting them. The least important employment motivator was being mandated by employer, with just 6% of considerers citing ‘professional requirement/ employer requiring it’ as the most appealing reason for undertaking part-time HE.

Using the responses we were able to further analyse the most appealing reasons for wanting to undertake part-time HE into the two main motivations, employment and personal. We found that 52% of considerers reported that the most appealing reason for wanting to undertake part-time HE was a personal reasons whilst 46% cited an employment reason. This is shown in Chart 4.7 below.

Chart 4.7. The main types of motivation for considering part-time HE, according to Bright Blue polling



Base: 1,567 considerers

Our findings are similar to a number of previous studies that have examined the motivations of both considerers and current part-time HE students.

The most relevant and recent study was conducted by the Department for Business, Innovation and Skills (BIS). This research examined the motivations of prospective part-time HE students. The polling of prospective students strongly supports our findings. It too finds personal reasons to be the most significant motivator for prospective part-time HE students. As with our polling, ‘interest in the subject’ was the most widely cited reason for considering part-time HE.⁶⁵

A number of studies that have examined the motivations of current part-time HE students also support our findings. Two important studies found that personal reasons, specifically developing skills and

65. Department for Business, Innovation and Skills/ YouGov, “Perceptions of part-time higher education”, www.dropbox.com/s/8vgvoeoxuvxoxpv/BIS%20Part-Time%20HE%20v0%201.pdf?dl=0 (2015), 32.

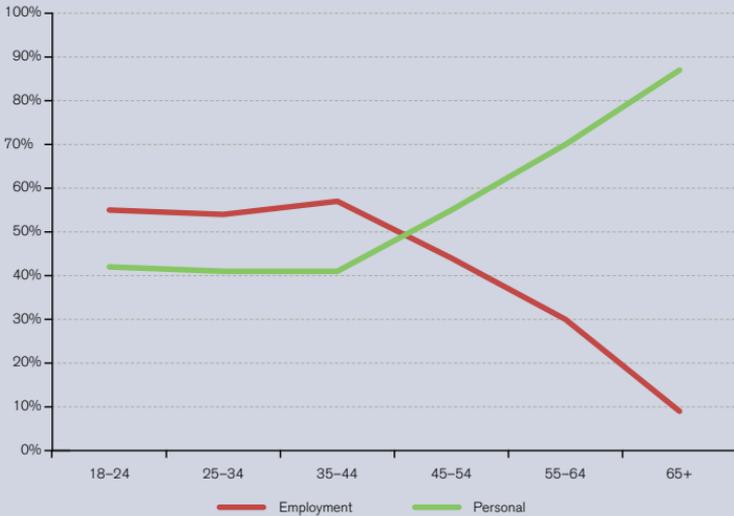
gaining a qualification, were the most important drivers of interest in part-time HE.⁶⁶

Different motivations for different considerers?

Within our polling lie several interesting findings. First, considerers from older age groups are far more likely to cite a personal reason as the most appealing reason for wanting to undertake part-time HE. Chart 4.8 below shows that all age groups under 45 favour employment over personal reasons. From 45 years onwards a substantial divergence occurs with older age groups much more likely to cite personal reasons. This divergence continues strikingly until the over-65s overwhelmingly favour personal motivations with 87% of them citing such reasons as the most appealing reason for undertaking part-time HE.

66. Claire Callender and David Wilkinson, "Part-time students and part-time study in higher education in the UK", www.universitiesuk.ac.uk/highereducation/Documents/2006/ParttimeStrand3.pdf (2006), 18–23; Claire Callender, Rebecca Hopkin and David Wilkinson, "Futuretrack: Part-time students career decision-making and career development of part-time higher education students", www.hecsu.ac.uk/assets/assets/documents/research_reports/FT_PT_final_report_Draft07-06-10.pdf (2010), 47–49.

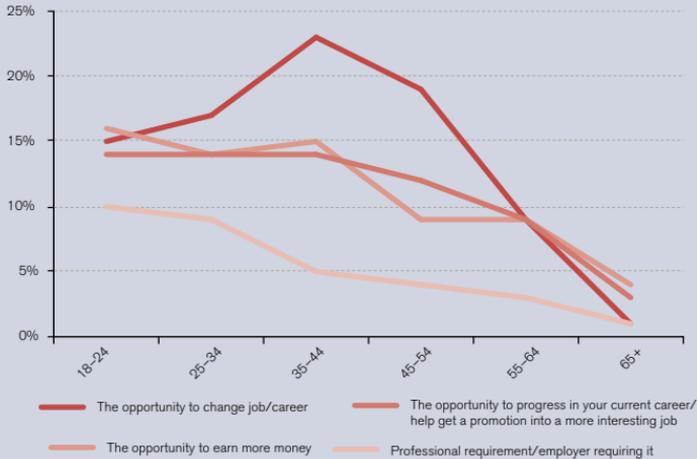
Chart 4.8. The proportion of considerers that selected personal or employment motivations as the most appealing, by age, according to Bright Blue polling



Base: 1,567 considerers

Delving further into the polling reveals that, while few over 65s cite any of the employment motivations, the divergence between the over 45s and the under 45s is largely caused by a significant decline in those that find the opportunity to change job or career as the most appealing reason for wanting to undertake part-time HE. Chart 4.9 below shows the considerable decline in considerers reporting this employment-related motivation as they age. This reflects a well observed pattern that older individuals are much less likely to move jobs than their younger counterparts. Evidence suggests that individuals hold an average of 11.7 jobs from ages 18 to 48. Nearly half of these jobs are held before age 25.

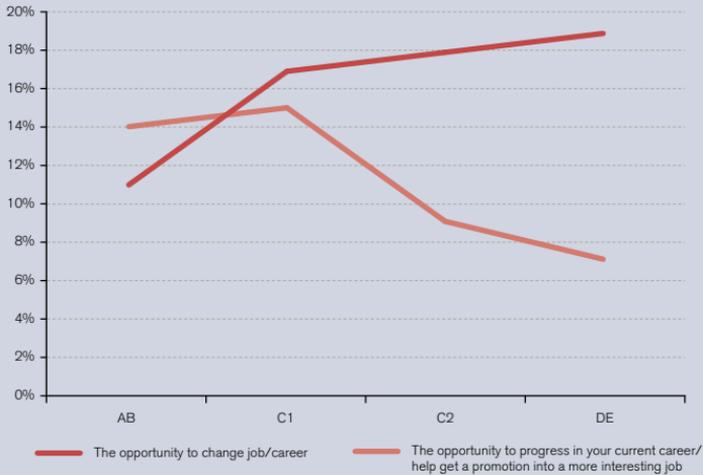
Chart 4.9. The most appealing employment reason for considerers wanting to undertake part-time HE by age, according to Bright Blue polling



Base: 1,567 considerers

Our polling also finds a difference within employment motivations. This is illustrated in Chart 4.10, below. We find that considerers from a higher social grade are much more likely to cite current career progression as the most appealing reason for wanting to undertake part-time HE study. Conversely, those from a lower social grade are much more likely to report changing jobs or careers as the most appealing motivation for part-time HE. This suggests that those on more modest incomes can be better conceived as ‘reskillers’, while those from higher incomes are more likely to be ‘upskillers’.

Chart 4.10. Most appealing employment-related motivation for considerers wanting to undertake part-time HE, by social grade, according to Bright Blue polling



Base: 1,567 considerers

Our polling and literature review identified two main types of motivations for wanting to undertake part-time HE. These are personal and employment reasons. Our research shows personal reasons to be the most widely cited by considerers. This is confirmed by previous research that has analysed prospective part-time students and current part-time HE students.

However, younger considerers are more likely to report employment motivations as the most appealing reason for wanting to undertake part-time HE, while older considerers overwhelmingly identify personal motivations.

While the motivations of considerers are an important factor in their decision to undertake part-time HE, they reveal little information about the recent decline in part-time HE entrants and the factors that prevent considerers converting their interest into study. In order to examine this we must analyse the barriers. This is the focus of the next chapter.

Chapter 5: The barriers to undertaking part-time HE

Chapter Four identified the motivations different considerers have for wanting to undertake part-time HE. This chapter outlines the different barriers considerers face which means ultimately they do not pursue their interest in part-time HE. The final part of the chapter concludes with what is the most important barrier to part-time HE.

Barriers

Drawing on our own polling and previous research we identify a number of barriers which may prevent considerers from accessing part-time HE. These barriers are faced by individuals considering both undergraduate and postgraduate part-time HE study. The three main types of barrier we identify are:

- **Financial barriers.** These apply to considerers that are prevented from accessing part-time HE because they cannot afford the tuition fees or living costs associated with part-time study, or are not willing to pay the price.
- **Practical barriers.** These apply to considerers that are prevented from accessing part-time HE because of the time or location of the course.
- **Informational barriers.** These apply to considerers who do not have sufficient information about the potential benefits of part-time HE study or the financial support available for it.

Existing academic literature is less useful in identifying the barriers to part-time HE study than in examining the motivations. This is because most previous studies either survey current or former part-time students. These students were able to overcome any challenges that they faced and study part-time HE. This is likely to result in their views being somewhat different to those who have not been able to access part-time HE. However, this wider evidence is still useful because the challenges faced by current and former part-time students may be insurmountable barriers for the considerers we are focussed on.

Chapter Three identified possible reasons for the decline in the number of part-time HE students. These reasons are related to the different barriers identified in this chapter. For example, the changes to the fees and loans system relate to financial barriers. In fact, most of the reasons for the decline in part-time HE study at English HEIs and FECs established earlier have worsened the financial barriers individuals face. But, the other barriers covered in this chapter show that the decline in part-time HE students cannot be wholly attributed to the specific policy interventions identified in Chapter Three. There are ongoing challenges that considerers of part-time HE face which need addressing if we are to reverse the decline in the number of part-time HE entrants.

Financial barriers

Financial barriers to part-time HE study can be understood in three main ways:

- **Credit constraints** apply to considerers that are simply unable to afford the cost of a part-time HE qualification because they do not have the money.
- **Support constrains** apply to considerers that are credit constrained because they are unable to access forms of financial support (for

example, from government or employers) in order to be able to afford a part-time HE course.

- **Price constraints** apply to considerers that have the money to afford part-time HE but do not believe the price represents good value, or believe that other financial commitments have a higher priority.

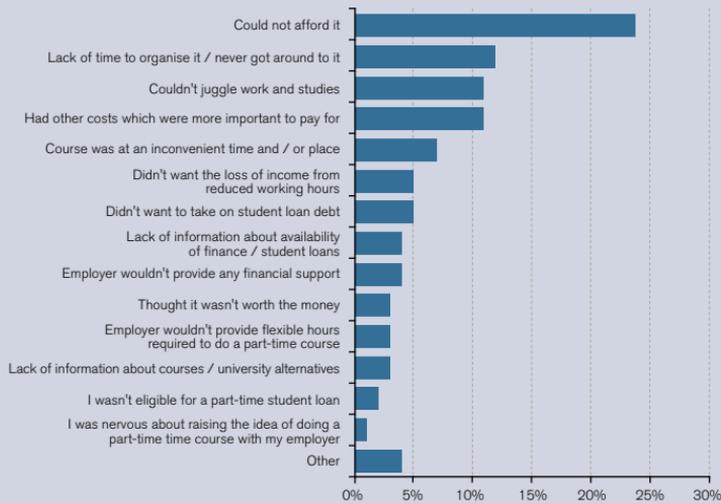
Credit constraints

As detailed in Chapter Three, tuition fees for part-time HE in England have increased since 2008–09, and particularly since 2012–13. Credit constraints will have been exacerbated by this rise in fees. Moreover, the recent poor economic circumstances that caused a reduction, on average, in disposable income of households will have worsened credit constraints.⁶⁷

It is important to note that the cost of part-time HE may refer not only to tuition fees, but also to the cost of living during study. Being credit constrained refers to both of these. In our polling, we asked considerers the main reason for not pursuing their interest in part-time HE. As Chart 5.1 shows, we found that the most widely cited reason was that individuals could not afford it. Twenty-four percent of considerers indicated that this was the most important reason for not pursuing their interest in part-time HE.

67. Resolution Foundation, “Squeezed Britain 2013”, www.resolutionfoundation.org/wp-content/uploads/2014/08/Resolution-Foundation-Squeezed-Britain-2013_1.pdf (2013).

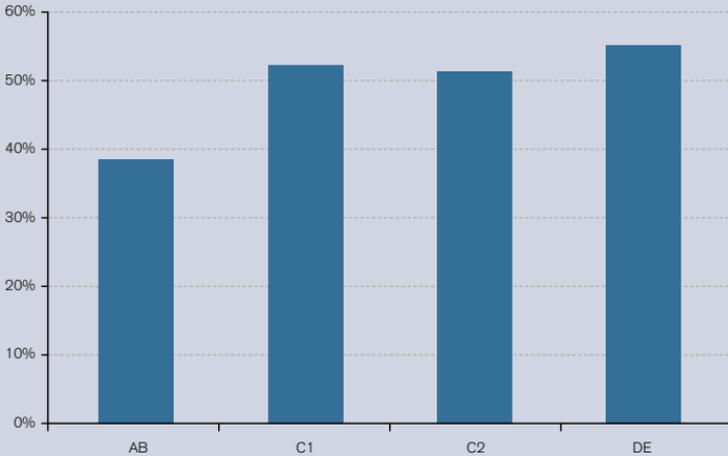
Chart 5.1. Considerers' main reason for not pursuing interest in part-time HE, according to Bright Blue polling



Base: 1,567 considerers

In order to judge how important different barriers were to different socio-demographic groups, we asked all considerers to list the three main reasons for not undertaking part-time HE. The purpose of this was to provide us with larger sample sizes to analyse how responses varied according to different socio-demographic characteristics. Credit constraints were a significantly greater barrier for considerers from a lower social grade. We found that 56% of considerers from the lowest social grade (DE) reported 'could not afford it' as one of the three most important barriers compared to 39% of those from the highest social grade (AB). This is shown in Chart 5.2 below.

Chart 5.2. Proportion of considerers citing ‘could not afford it’ as one of the three main reason for not pursuing part-time HE, by social grade, according to Bright Blue polling

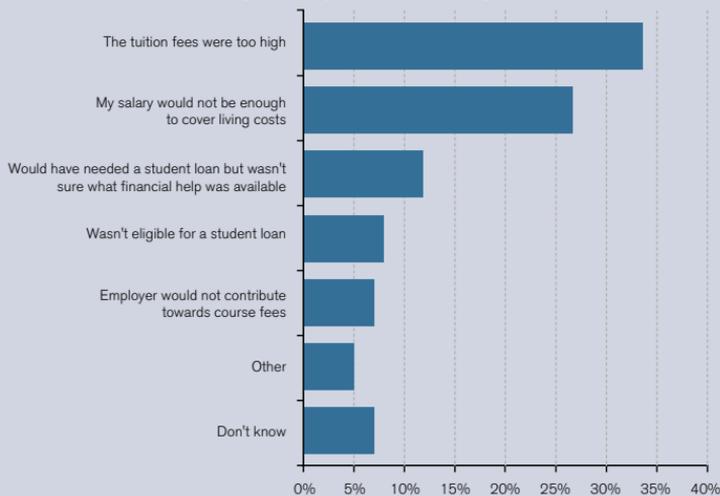


Base: 1,567 considerers

Further responses from our polling indicate that credit constraints are the biggest barrier considerers face, especially those considerers from the lowest social grade. Considerers were asked to rank the significance of ‘the state of your personal finances’ as a barrier from zero (‘not an issue at all’) to 10 (‘insurmountable barrier’). For this question, we interpret rankings between seven and 10 to represent ‘significant barriers’. Fifty-seven percent of considerers regarded the state of their personal finances as a significant barrier. This made it the second most widely reported significant barrier (as shown in Chart 5.4 later). Again, the importance of this barrier varies by social grade. Sixty-four percent of those in the lowest social grade (DE) reported this barrier to be significant, compared to 53% of those in the highest social grade (AB).

Finally, we asked all considerers who had suggested that affordability was a barrier to part-time HE the specific reason for not being able to afford it. The results of this are shown in Chart 5.3 below. We found that considerers generally believed that tuition fees were too high, with 34% identifying this as the main reason for not being able to afford part-time HE (note that this could be a consequence of facing a credit constraint or a price constraint, as described later in this chapter). The second main reason for not being able to afford part-time HE was a belief that their salary would not be adequate to cover their living costs. Twenty-seven percent of individuals identified this as the main reason for not being able to afford part-time HE. This suggests credit constraints affect the ability of individuals not only to pay tuition fees, but also to cover the cost of living during their studies. These responses suggest that many considerers were too credit constrained to be able to afford part-time HE.

Chart 5.3. Considerers' main affordability reason for not pursuing part-time HE, according to Bright Blue polling



Base: 1,399 considerers who had identified affordability as a barrier to part-time HE

Previous surveys have frequently identified credit constraints as a significant challenge for current or former part-time students. One such study finds that 45% of current or former part-time students report that they experienced either a lot or some difficulty in course participation because the cost was difficult to afford.⁶⁸

Affordability was a particular problem for those from low-income backgrounds in this study. Sixty-four percent of current or former students with annual household incomes of less than £15,500 encountered this problem. This compares with just 26% of students with annual household incomes of £50,000 and over. Credit constraints also disproportionately affected current or former students who were lone parents, women working part-time, women more generally, students whose highest qualification was level one or below and those without a job. In fact, the significant rise in fees since this particular study means that it is likely to under-play the significance of affordability.

Support constraints

Credit constraints may be worsened by the lack of financial support considerers can access from different sources. Part-time HE students can potentially draw on a number of different sources of financial support: their employer, government, private credit and their wider family. This is shown in Figure 5.1 below.

68. Claire Callender and David Wilkinson, "Part-time students and part-time study in higher education in the UK", www.universitiesuk.ac.uk/highereducation/Documents/2006/ParttimeStrand3.pdf (2006), 59–61.

Figure 5.1 Forms of financial support for part-time HE students

Government support

- Students may source support for their fees from the government in two ways: the government may pay for their fees directly or the government may provide a loan for students to pay their fees.
- In 2012–13, 15% of UK and other EU part-time undergraduates registered at HEIs received direct government funding for their fees.
- In 2012–13, 17% of UK and other EU part-time undergraduates registered at HEIs reported that their major source of support for their tuition fees was the Student Loans Company.

Employer support

- Students may source financial support for their fees from their employer, in full or part.
- In 2012–13, 17% of UK and other part-time undergraduates registered at HEIs reported their employer to be their major source of support for their tuition fees.
- This was a decline of 44% from the previous academic year.⁶⁹

Private credit

- A professional career development loan (PCDL) is a form of private credit offered by banks to postgraduates.
- A PCDL allows students to borrow between £300 and £10,000. The government pays the interest rate while the student is studying.
- In 2010, around 4% of all part-time taught postgraduates had received a PCDL.⁷⁰

Wider family support

- Students may source support towards their tuition fees from their wider family.
- This is an informal source of support and is difficult to ascertain what number and proportion of part-time students receive this.

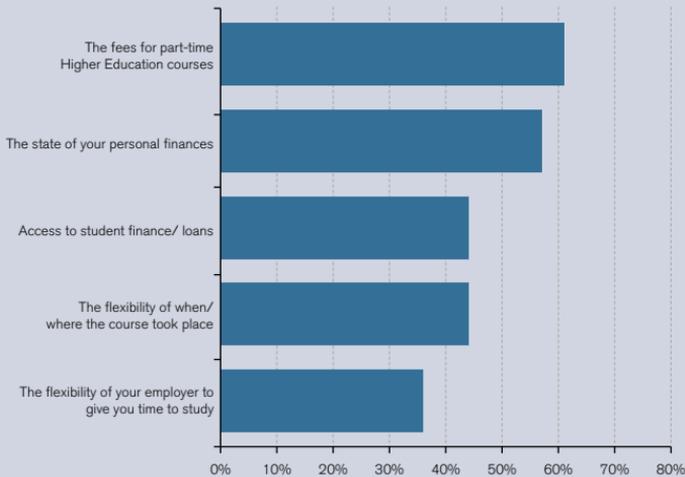
69. National Union of Students, “Broke and broken: Taught postgraduate students on funding and finance”, www.nus.org.uk/PageFiles/12238/Broke.pdf (2010), 15.

Interestingly, we do know that around 60,000 part-time undergraduate students reported having no financial backing in 2012–13, representing around 43% of UK and other EU part-time undergraduates registered at HEIs.⁷⁰

As Chart 5.1 shows, our polling finds that 4% of considerers did not pursue their interest in part-time HE primarily because their employer would not provide any financial backing. Moreover, 2% of considerers did not pursue their interest because they were not eligible for a student loan.

We also asked considerers to rank the significance of access to finance and loans as a barrier. Our polling found that 44% of considerers believed that access to finance or loans was a significant barrier to accessing part-time HE. This is shown in Chart 5.4 below.

Chart 5.4. The significant barriers considerers face when wanting to undertake part-time HE, according to Bright Blue polling



Base: 1,567 considerers

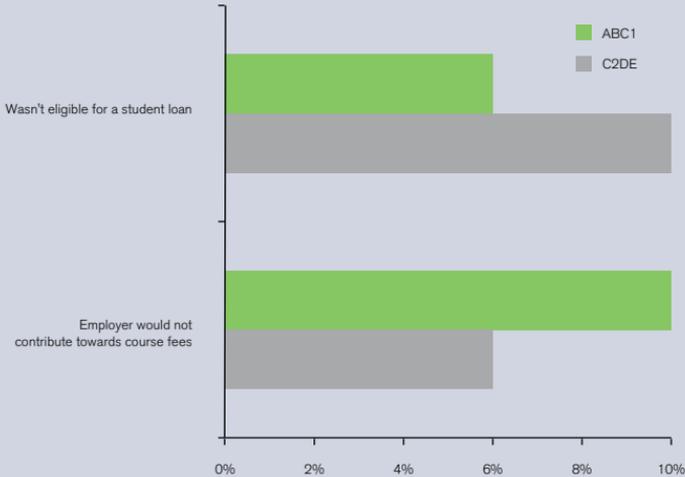
70. Higher Education Funding Council for England, “Pressure from all sides: economic and policy influences on part-time higher education”, www.hefce.ac.uk/media/hefce/content/pubs/2014/201408d/HEFE2014_08d.pdf (2014), 17.

Compared to those in the highest social grade (AB), students in the lowest social grade (DE) were much more likely to consider access to student finance or loans as a significant barrier. Fifty-two percent of those from the lowest social grade (DE) identified access to student finance or loans as a significant barrier compared to 39% of those from the highest social grade (AB).

Finally, we asked considerers who had identified affordability as a barrier to select the main reason for not being able to afford part-time HE. As Chart 5.3 demonstrates, 8% of considerers reported believing that they were ineligible for a student loan as the main reason and 7% reported that their employer not contributing towards their fees was the main reason for not being able to afford part-time HE.

Our polling found that, when students who suggested affordability was a barrier were asked to identify the main affordability reason, those from the two lowest social grades (C2DE) were more likely to identify student loan ineligibility and those from the two highest social grades (ABC1) were more likely to identify a lack of employer contribution. Ten percent of those in the two lowest social grades (C2DE) considered ineligibility for a student loan as the main reason for not being able to afford part-time HE compared to 6% of those in the highest social grades (ABC1). Ten percent of those in the highest social grades (ABC1) identified a lack of employer contribution compared to 6% of considerers in the lowest social grades (C2DE). This is shown in Chart 5.5 below.

Chart 5.5. Specific affordability barriers for considerers who had suggested affordability was a barrier, by social grade, according to Bright Blue polling



Base: 1,399 considerers who had reported that affordability was a barrier

Our polling therefore suggests that although credit constraints are the biggest barrier for considerers, support constraints are also a major barrier for a significant minority of considerers, especially those from the lowest social grades. Although it is worth highlighting that those from the poorest backgrounds believe a lack of eligibility for government loans was more of a barrier than lack of employer support. This may be for two reasons. They are, as outlined earlier, more likely to be ‘reskillers’ rather than ‘upskillers’ and thus not inclined to ask for employer support. And they are more likely to be taking an ELQ and thus not entitled to a government loan.

Previous research has found somewhat similar findings. The only previous poll to have examined considerers found that 11% of individuals who had considered part-time HE did not enrol because

they were not eligible for a student loan.⁷¹ This is a larger proportion than our polling found. The reasons for this are unclear, but the study did utilise a significantly smaller sample of 335 ‘prospective’ part-time students. The study also found that 4% of considerers did not enrol on a part-time HE course because their employer would not provide them with financial support.⁷² This is exactly the same proportion that our study found.

Price constraints

Another financial barrier relates to price constraints. In other words, considerers might have the money to pay for the course, but they do not feel it represents value for money. Or, they may believe other expenditure is a higher priority. The rises in fees from 2008–09 are likely to have made considerers think more about the value of the degree they are considering, essentially making price more of a constraint.

As Chart 5.1 demonstrates, 3% of considerers did not pursue their interest further primarily because they believed that part-time HE was not worth the money and a further 11% of prospective part-time HE students did not pursue their interest in part-time HE primarily because they had other costs which were more important to pay for.

Interestingly, these price constraints were reported by a similar proportion of considerers across different social grades.

As Chart 5.3 illustrates, when considerers who had identified affordability as a barrier were asked what particularly made it unaffordable, the most popular answer was ‘the tuition fees were too high’. This could be indicative of a credit or price constraint.

71. Department for Business, Innovation and Skills/ YouGov, “Perceptions of part-time higher education”, www.dropbox.com/s/8vgvoeoxuvxoxpv/BIS%20Part-Time%20HE%20v0%201.pdf?dl=0 (2015), 39.

72. Ibid, 39.

Ultimately, price constraints do seem to be a barrier for many considerers, but it is credit constraints that are the biggest financial barrier of them all.

Practical barriers

This report highlights three main practical barriers to studying part-time HE:

- Inability to juggle the course with work.
- Inability to juggle the course with family commitments.
- Geographical constraint, meaning the location of the course is impractical.

As Chart 5.1 shows, 12% of considerers did not pursue their interest in part-time HE primarily because they had a lack of time to pursue it and never got around to applying. This is an important practical barrier. However, this next section is more concerned with the practical barriers people perceive they will face when they start the course.

Inability to juggle the course with work

Individuals might be unable to juggle the course with work in three ways. First, the timing of the course may be incompatible with working hours. Second, employers may not provide flexible working hours or leave arrangements. Third, employers may forge a culture which prevents people from accessing part-time HE study.

As Chart 5.1 shows, our polling finds that 11% of considerers cite being unable to juggle work and study as the most important reason for not pursuing an interest in part-time HE further. After an inability to apply for the course, this makes it the most important practical barrier to considerers.

In fact, our polling indicates that those from higher social grades are more likely than those from the lowest social grade to cite being unable

to combine part-time study with work as one of the three main reasons for not pursuing their interest in part-time HE. Thirty-two percent of those from the highest social grade (AB) indicated that this was one of the three main reasons compared to only 22% of those in the lowest social grade (DE).

It is important to remember that considerers from the highest two social grades (ABC1) were more likely to report a lack of employer funding as a barrier to pursuing part-time HE than those from the two lowest social grades (C2DE). It appears to be the case that a lack of employer support is more of a barrier for considerers from a higher social grade than those from a lower social grade.

Previous surveys have suggested that the difficulties of combining work and study pose a significant challenge to current or former part-time students. One study found that the most significant reason for students expressing a lot or some difficulty in course participation was because they were too busy at work. Eighty-three percent reported this.⁷³ A further study asked students to report whether they had missed a formal element of study and, if so, to attribute a reason for this. Nearly half of students identified ‘work commitments’ as the main reason for missing a formal element of study.⁷⁴

In regards to being unable to juggle a course with work, the second reason for this is a lack of employer flexibility. As shown in Chart 5.1, our polling finds that 3% of considerers report a lack of employer flexibility as the primary reason for not pursuing their interest in part-time HE.

73. Claire Callender and David Wilkinson, “Part-time students and part-time study in higher education in the UK”, www.universitiesuk.ac.uk/highereducation/Documents/2006/ParttimeStrand3.pdf (2006) 59–61.

74. John Butcher, “‘Shoe-horned and side-lined’? Challenges for part-time learners in the new HE landscape”, www.heacademy.ac.uk/sites/default/files/resources/Challenges%20for%20part-time%20learners.pdf (2015), 29.

Considerers who worked full-time were more likely to cite this barrier. Fifteen percent of full-time workers identified employer flexibility as one of the top three reasons for not pursuing their interest in part-time HE.

We also asked considerers to rank the significance of ‘the flexibility of your employer to give you time to study’ from ‘not an issue at all’ to an ‘insurmountable barrier’. As shown in Chart 5.4, 36% of considerers reported this to be a significant barrier. Interestingly, those who had given part-time HE the most consideration were the most likely to cite this barrier. Forty-four percent of considerers who had discussed part-time HE with their friends or family ranked this barrier as significant, compared to 34% of those who had given it some consideration.

There is some previous evidence to suggest that employer flexibility is a problem for current part-time HE students. Forty-five percent of full-time workers undertaking part-time HE study received neither paid nor unpaid leave from their employer to study when requested. The figure was 62% for part-time workers.⁷⁵ Women and those from lower socio-economic groups are more likely to be in part-time work and are therefore likely to be disproportionately affected by a lack of employer support.

Finally, people might be unable to juggle work and their course because of a culture created by employers. A small but significant minority reported this in our polling, as indicated in Chart 5.1. Wider academic evidence suggests that this may occur. Researchers have argued that individuals may be prevented from accessing part-time study by the culture of their company. Individuals will know when their employer does not wish them to engage in part-time HE and this may be communicated non-verbally.⁷⁶

75. Claire Callender, et al., “The impact of higher education for part-time students”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/305149/evidence-report-36-impact-of-he-for-pt-students.pdf (2011).

76. Ibid.

Inability to juggle the course with family commitments

As Chart 5.1 shows, 7% of considerers did not pursue their interest further primarily because the course was at an inconvenient time or place. Moreover, we find that 44% of considerers believe that the ‘the flexibility of when or where the course took place’ is significant barrier to undertaking part-time HE, as shown in Chart 5.4.

This inconvenient timing may be a result work commitments. But not necessarily. Family commitments may also be preventing individuals from pursuing part-time HE.

Previous research has demonstrated that family commitments may present a challenge for current or former part-time students. Significantly, forty-five percent of undergraduate part-time students are parents with dependent children.⁷⁷ One study found that 77% of current students experience either some or a lot of difficulty in course participation because they were too busy at home.⁷⁸

A study that examined reasons for part-time students missing part of their course found that over a quarter of current students had missed a formal element of their course because of caring responsibilities. These caring responsibilities were mostly for children (22%) but included some who missed elements of their course because of caring for over 18s (4%).⁷⁹

Geographical constraints

Finally, people may face practical barriers because of geographical constraints. As mentioned, 7% of considerers identified the course being

77. Universities UK, “The power of part-time: review of part-time and mature higher education”, www.universitiesuk.ac.uk/highereducation/Documents/2013/PowerOfPartTime.pdf (2013), 3.

78. Claire Callender and David Wilkinson, “Part-time students and part-time study in higher education in the UK”, www.universitiesuk.ac.uk/highereducation/Documents/2006/ParttimeStrand3.pdf (2006), 59–61.

79. John Butcher, “Shoe-horned and side-lined? Challenges for part-time learners in the new HE landscape”, www.heacademy.ac.uk/sites/default/files/resources/Challenges%20for%20part-time%20learners.pdf (2015), 29.

at inconvenient time or place as the main reason for not pursuing part-time HE. We have already suggested that an inconvenient time may be a consequence of work or family commitments. An inconvenient location could point to a different problem.

As already established, part-time study can be accessed through a distance learning or face-to-face course. There may be some areas of the country where face-to-face provision is lacking or is too far away.

Previous evidence suggests that the location of the course is a barrier to accessing part-time HE. The only other study to analyse the barriers faced by considerers found that 13% did not enrol onto a HE course because there was ‘nowhere near me offering the course I wanted to study’.⁸⁰

There is some suggestion that this barrier may apply more specifically to certain areas. Research shows that there are certain areas of the country which are ‘cold-spots’ for HE. Many of these cold-spots lie in North West England, the West Midlands and East Anglia.⁸¹

Informational barriers

The final type of barrier for part-time HE considerers is informational. This includes: a lack of quality information about the nature of and routes into part-time HE and a lack of information about the financial support that could be available to them.

Part-time students have historically been significantly disadvantaged in accessing information relating to part-time HE. This is largely due to their heterogeneous nature. The vast majority of full-time students follow the same route. They initially enter HE immediately or a year

80. Department for Business, Innovation and Skills/ YouGov, “Perceptions of part-time higher education”, www.dropbox.com/s/8vgv0eoxuvxoxpv/BIS%20Part-Time%20HE%20v0%201.pdf?dl=0 (2015), 39.

81. Universities UK, “The supply of part-time higher education in the UK”, www.universitiesuk.ac.uk/highereducation/Documents/2010/TheSupplyOfPartTimeHigherEducationInTheUK.pdf (2010): These findings should be treated with caution since they do not account for part-time HE offered by FE providers.

after completing their A-Levels. They can then access postgraduate study soon after. This pathway is well-trodden and the student has access to supportive and, often, well informed staff at the institutions. Conversely, part-time students come from a variety of different pathways and are much more likely to not have accessed education recently. They are less likely to be supported by well-informed staff in educational institutions. Research shows that many part-time students sourced information from either their employer, their family or friends, or someone at their workplace. These are all informal sources of information. Such sources are unlikely to have a broad understanding of the nature of, and support available for, part-time study. Conversely, full-time students are much more likely to be reliant on professional sources of information such as school careers services and UCAS.

Some researchers have raised concerns about the reliance of part-time students on information from their employer. It has been argued that employer provided information is unlikely to be as well, or as broadly, informed as that supplied by a qualified career guidance professional. Moreover, it is claimed that employer-based advice and guidance may not be impartial. Instead the advice may be linked to the employer's or organisation's short-term needs rather than the long-term career and qualification needs of an individual employee.

Another barrier relates to information about financial support. As Chart 5.1 shows, our polling indicates that 4% of considerers did not pursue their interest in part-time HE primarily because of a lack of information about the availability of finance and student loans.

Chart 5.6 below shows that a lack of information as a barrier appears to decline with age. Younger considerers are more likely to report this as one of the three main reason for not pursuing an interest in part-time HE.

Chart 5.6. Proportion of considerers reporting a lack of information about finance and loans as one of the three main reasons for not pursuing part-time HE, by age, according to Bright Blue polling



Base: 1,567 considerers

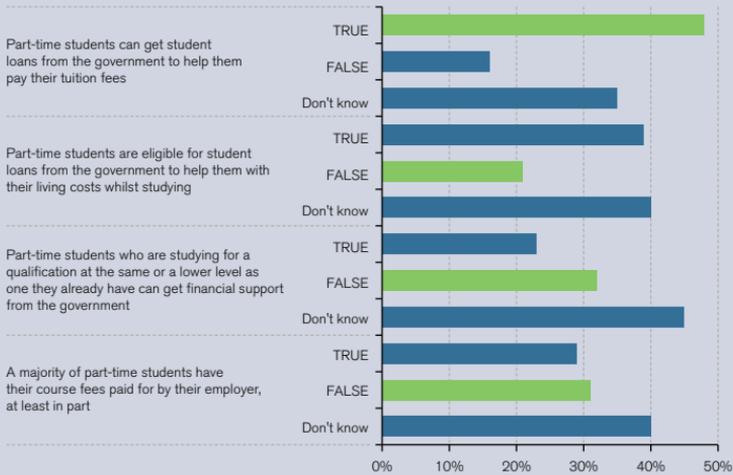
When we asked considerers who had identified affordability as an obstacle to accessing part-time HE what in particular made them unable to afford it, we found that 12% of considerers reported that the main reason was that they would have needed a student loan but were not sure if they would be eligible. This is shown in Chart 5.3 earlier. Again, for considerers who had identified affordability as a barrier, a lack of information about student loans was a particular problem for younger individuals. Twenty-four percent of 18–24 year olds reported that this was the main reason for not being able to afford part-time HE study. Older considerers were less likely to cite this as a barrier with just 9% of over 25s reporting it.

In order to test considerers' knowledge of the various finance options for part-time HE study, we offered them a number of true or

false statements. Chart 5.7 below shows the proportion of considerers answering 'don't know', 'true' or 'false' to various statements. The correct answers are coloured green. A majority of considerers (79%) did not know or believed they could access maintenance loans to support their part-time study. A firm majority are therefore either wrong or do not know. A large proportion of students were unaware of the arrangements for students studying for an ELQ qualification. Forty-five percent of considerers did not know whether such students would be eligible for government support.

Perhaps most tellingly, over one in three considerers do not know whether part-time students can access tuition loans from the government. These findings suggest that there is a significant lack of knowledge and thus information amongst considerers of the financial support available for part-time HE students.

Chart 5.7. Considerers responses to statements on student finance, according to Bright Blue polling



Base: 1,567 considerers. Answers in green are correct

Considerers from the lowest social grade are more likely to be unaware of the finance arrangements for part-time students. For example, 40% of those in the DE social grade do not know whether part-time students are eligible for government tuition loans compared to 29% of those in the AB social grade.

Considerers with no formal qualifications or only level one qualifications are also more likely not to know whether part-time students can receive government tuition loans. Thirty-eight percent of considerers with no formal qualifications answered 'don't know' compared to just 25% of those with a higher university degree. This could be explained by considerers with fewer formal qualifications having fewer professionals in educational institutions to rely on for information regarding student finance. Considerers who have moved through the higher education system are more likely to have utilised institutional forms of information and guidance.

This lack of information about financial support has been elucidated by a number of previous studies. One such study finds that a significant proportion of part-time HE students were unaware of financial support before commencing their studies. Seventy-three percent of non-Open University (OU) students surveyed said they did not know about government loans for tuition. The proportion for OU students was 50%.⁸²

Which is the most important barrier?

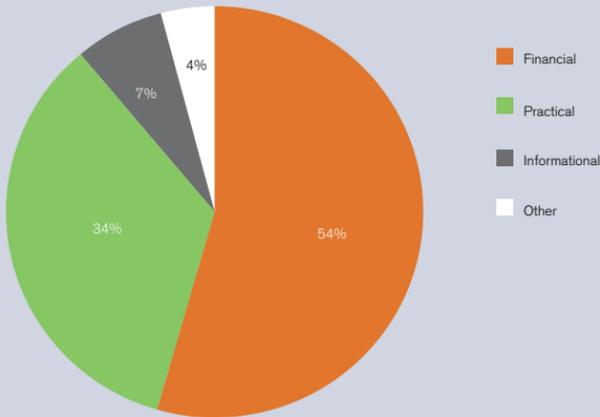
Our report has revealed that there are a number of barriers that individuals considering part-time HE face: financial, practical and informational.

Some barriers are more pressing for particular types of considerers than others. For example, we found that those from the lowest social grades were more likely to report many of the financial barriers than those from the highest social grades. While those from the highest social grades were more likely than those from the lowest social grades to experience practical barriers such as difficulties juggling their work with study.

Overall though, Chart 5.1 earlier demonstrates how important different barriers were for all those who had considered part-time study in the past five years. Grouping specific barriers into the three broad categories we identified – financial, practical and informational – reveals that financial barriers are slightly more important than the other factors. This is shown in Chart 5.8 below.

82. John Butcher, “Shoe-horned and side-lined? Challenges for part-time learners in the new HE landscape”, www.heacademy.ac.uk/sites/default/files/resources/Challenges%20for%20part-time%20learners.pdf (2015), 33.

Chart 5.8. Type of barrier considerers face, according to Bright Blue polling



Base: 1,567 considerers

Clearly informational barriers are a problem for some considerers but this analysis suggests that, for most, a lack of awareness about financial support is not the problem. Rather, it is a lack of financial support available.

The final chapter will focus on ways to reduce the principal barriers for increased uptake of part-time HE study: financial barriers.

Chapter 6: **Policies to reverse the decline in part-time students**

Chapter Five showed that the most prevalent type of barrier for English individuals who have considered part-time HE in the past five years but ultimately did not undertake it was financial. In particular, considerers – especially those from the lowest social grade – cited credit constraints (simply not being able to afford the tuition fees and associated cost of living) as particularly problematic. This chapter introduces and details two original and credible policies to reduce the credit constraints and improve the financial support available for considerers of both undergraduate and postgraduate part-time HE.

These proposed policies to address financial barriers are not the only interventions that are required to boost the number of part-time HE students. As Chapter Five outlined, different people face different barriers to participating in part-time HE, including practical and informational barriers. It is recommended that policymakers also develop creative solutions to these barriers. But, by focussing on ways to address financial barriers, we believe our policies will have the biggest impact on the numbers deciding to ultimately undertake part-time HE.

It is worth highlighting that the current Conservative Government is aware that the decline in part-time HE students is concerning. A major step will be taken which should help increase to a modest extent the number of people deciding to undertake part-time HE. Specifically, after a consultation the Government intends to extend the availability of government-backed student tuition fee loans to some postgraduates

(of up to £5,000 per year for part-time undergraduates and £10,000 for full-time postgraduates) and PhD students (of up to £25,000) from 2016–17. This is welcome. But much more can and should be done. Indeed, the Government’s consultation document suggests eligibility for part-time postgraduate loans will be narrow: distance learners will be exempt. As will students aged 30 or over. Only part-time learners studying at 0.5 or above intensity and, for a maximum of two years, will be eligible. Also, students must not already hold an equivalent postgraduate qualification.⁸³

Key tests for our policy proposals

When formulating policies, we applied three key tests that had to be met:

- **Fiscal neutrality.** Considering the Government’s focus on reducing public spending to cut the fiscal deficit, and considering in particular the Government does not want to increase public spending on HE, any new policies must not cost the government any more money.
- **Progressivity.** The policies should mean that those on the lowest incomes pay less than those on the highest incomes for participation in part-time HE.
- **A fair funding settlement between the key beneficiaries of HE, including part-time HE.** Government and individuals both benefit from higher levels of HE participation, as outlined in Chapter One. But there is a third beneficiary: employers. All three beneficiaries should contribute to some extent to the funding of HE, including part-time HE.

83. Department for Business, Innovation & Skills, “Consultation on support for postgraduate study”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/416243/BIS-15-185-consultation-on-support-for-postgraduate-study.pdf (2015), 22.

It is understandable why any new policies should be fiscally neutral (especially given the current economic climate) and progressive (especially given the squeeze on living standards individuals have experienced in recent years).⁸⁴ But the third test – a fair funding settlement across the beneficiaries of participation in HE – requires further explanation and justification.

The introduction and subsequent rises in tuition fees for undergraduates courses over the past few decades have been partially justified on the grounds that participating individuals should contribute more financially to the cost of HE since they are the principal beneficiaries. Indeed, when the Coalition Government reduced direct government funding of HE through the HEFCE teaching grants and raised the amount universities could charge in tuition fees, this was a progressive move: it shifted the financial responsibility for HE away from general taxpayers (most of whom have not gone to university) to graduates (who earn more on average than the general population). Government (the taxpayer), of course, still invests in HE; rightly so, since it is a key beneficiary of greater HE participation. But these changes to funding in recent decades have achieved a better balance in financial responsibility between two major beneficiaries of HE. Indeed, research suggests that the optimal balance is the government and individuals each contributing around 50% of the total costs of HE; it has been estimated that this is now broadly the case for undergraduate funding.⁸⁵

Actually, since individuals are the main beneficiaries of HE participation, a solution to the problem of declining part-time HE participation which involved reducing tuition fees would be misguided. It might reduce credit and even price constraints considerers face, but it would fail all the three key tests we have identified above: it would

84. Resolution Foundation, "Squeezed Britain 2013", www.resolutionfoundation.org/wp-content/uploads/2014/08/Resolution-Foundation-Squeezed-Britain-2013_1.pdf (2013).

85. Nick Hillman, "A comparison of student loans in England and Australia", www.hepi.ac.uk/wp-content/uploads/2014/04/FINAL-AUSTRALIA-PIECE.pdf (2014).

cost the government more money (since taxpayers would have to cover the shortfall in funding for universities), it would reverse the direction of travel in recent years in getting a fairer balance in responsibility for financing HE between individuals and government, and it would not be progressive (as the general taxpayer would have to pay more for HE despite earning less on average than what HE students will likely eventually earn).

However, there is a third key beneficiary of increased participation in HE, especially part-time HE: employers. As Chapter One illustrated, employers agree that part-time HE students bring greater productivity and skills to their workplace. It is therefore disappointing that there has been a reduction in recent years – as detailed in Chapter Three – in the number of employers financing the part-time degrees of their employees.

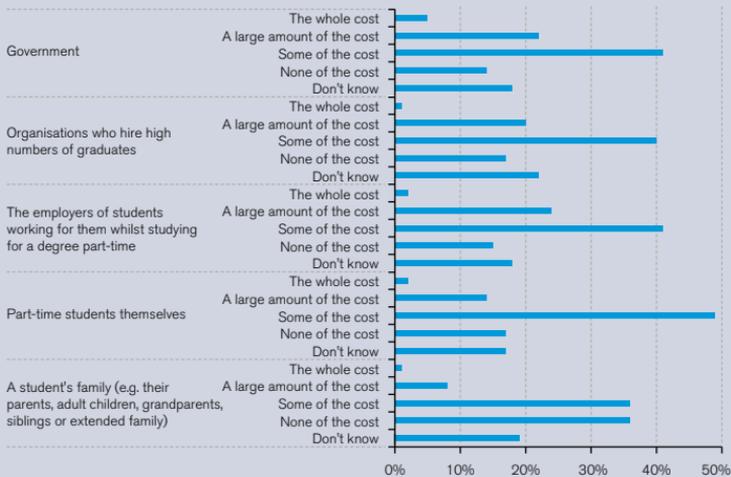
Part of this decline in employer-funded part-time HE students may be due to the poor economic circumstances of recent years. But, even before the recession, only a little over half of all part-time HE students had their fees subsidised by their employers.⁸⁶ A likely reason for this is the fear of poaching. In other words, providing funding for an employee to up-skill through part-time HE study only to find the employee leaves the company soon after, thereby meaning the company has lost their investment.

Luckily, there is a second way that employers might financially support HE, including part-time HE. Instead of funding particular members of their staff to undertake part-time HE study, they could help fund HE provision collectively. This seems to be most applicable to large employers who hire a significant number of graduates. Indeed, this is the underlying premise of our second policy proposal, which is described later in this chapter.

86. Geoff Mason, “Employer support for part-time Higher Education students”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/250063/bis-13-1098-employer-support-for-part-time-higher-education-students-bis-research-paper-119.pdf (2013), 24.

Our polling of the general public finds support for this key test of a fair funding settlement between the key beneficiaries of HE, in particular part-time HE. As Chart 6.1 below demonstrates, the English public believe that individuals themselves should pay at least some of the cost of part-time HE study (66%). But a majority of the public also agree that government (68%), companies who employ part-time HE students (67%) and companies with a large amount of graduate employees (61%) should pay at least some of the cost of part-time HE study.

Chart 6.1. Proportion of the English public who believe different beneficiaries should support at least some of the cost of part-time HE study, according to Bright Blue polling



Base: 2,000 adults resident in England

The policies proposed will therefore seek to achieve a fair settlement for the funding of HE, in particular part-time HE, between the three main beneficiaries identified.

Recommendation one: a lifetime HE tuition fee loan account

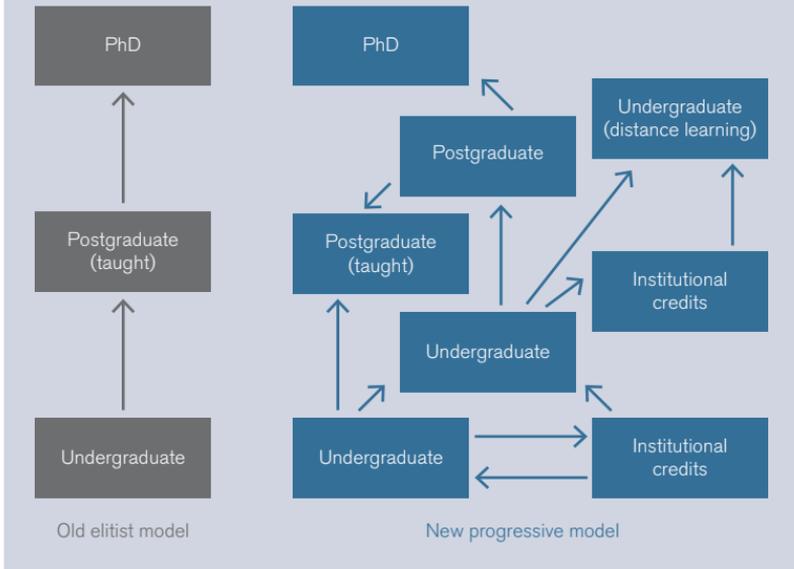
This report proposes that all eligible adults from the UK and other EU aged 18 onwards be entitled to access a lifetime HE tuition fee loan account from government to pay for the tuition of any HE course – full-time or part-time – in England during their lifetime. The amount in the lifetime loan account should be determined after extensive consultation led by government. But it should take into account that the amount would have to be high enough to accommodate people studying multiple degrees. Currently, a student who decides to take a full-time undergraduate, postgraduate and PhD degree can potentially draw down £44,000 in tuition fee student loans. Equally, in a similar scheme to what is being proposed here in Australia called FEE-HELP (as detailed in Box 6.2 below), eligible students can access up to \$96,000 from a lifetime loan account, and \$120,002 for those who study Medical, Dentistry and Veterinary Science.⁸⁷ However, the loan account should also be low enough to trigger price competition and, in particular, downward pressure on undergraduate tuition fees in England (described in further detail in Box 6.1 below).

The lifetime HE tuition fee loan account should be separate from the maintenance loans UK students can receive for their first undergraduate degree. Maintenance loans would still have to be repaid through the PAYE system, as the superior loan to the loans from this lifetime HE tuition fee loan account. EU students are eligible for tuition fee loans, but not maintenance loans when they study at English universities. EU students would therefore be eligible for this lifetime HE tuition fee loan account.

87. Nick Hillman, “A comparison of student loans in England and Australia”, www.hepi.ac.uk/wp-content/uploads/2014/04/FINAL-AUSTRALIA-PIECE.pdf (2014), 12.

All eligible applicants will be able to draw down from their tuition fee loan account to pay for any type of HE course in England. The only condition is that the Student Loans Company (SLC) will only release funding for a HE course delivered at a HEI (university or FE provider). This means that, unlike with the current system, individuals will be able to get a tuition fee loan for an institutional credit or an ELQ. The effect of this will be to extend student loan eligibility to all possible part-time HE students, a significant improvement on the 31% of part-time HE students that are eligible now. In essence, it replaces an elitist model of funding for part-time HE students – which only gave tuition fee loan support to those academically exceptional students who followed a pathway of undergraduate degree to PhD – to a much more progressive one, by extending tuition fee loan coverage to those students who want to take taster HE courses, qualifications that are equivalent or lower to courses they have studied previously, and to students who want to participate in HE at an older age. This is depicted in Figure 6.1. In the new system, all HE students (including those studying part-time) will have much more choice on the types of courses and pathways they wish to undertake with HE study throughout their lives.

Figure 6.1. What a lifetime HE tuition fee loan account will mean for all HE students, including those studying part-time



Similar to the current system, students will repay the amount they have borrowed from their lifetime loan account to the Student Loans Company through the PAYE system. This tuition fee loan will be junior to the maintenance loan UK students can obtain for a first undergraduate degree. As will be explained, the parameters of repayment – for instance, the minimum salary repayment threshold and the interest rate on the loan – will vary for different graduates.

Graduates of undergraduate degrees currently begin repaying their student loans (tuition fee and maintenance) once they earn over £21,000 a year at a rate of 9% of their gross salary. The interest rate which is charged on loans depends on the annual salary of the graduate, with those on higher incomes paying higher rates of interest: a maximum interest rate of 3% above the government's cost of borrowing is applied to graduates earning above £41,000 per year. Graduates are given 30

years to pay off their student loans, or until they die. Many borrowers never earn enough over a lifetime to repay their student loans in full; it is estimated a third of graduates of undergraduate degrees will not repay their student loans in full.⁸⁸ This may be progressive, since low lifetime earners do not repay as much as high lifetime earners, but it leads to higher government expenditure on undergraduates in the form of a subsidy, or RAB charge (now estimated to be 45p for every £1 loaned).⁸⁹

Crucially, it is possible to change the parameters of tuition fee loan repayment to make it more fiscally neutral. This is an important point for the viability of our lifetime HE tuition fee loan account. Since, under our model, the number of eligible UK and other EU adults drawing down on student loans will increase, and the amount they are receiving will also increase substantially, it is potentially the case that government expenditure through subsidising student loans will increase significantly and unsustainably. This will undermine our key test of fiscal neutrality.

Three measures to those lifetime loan accounts then, are required to achieve our first key test of fiscal neutrality. Or, to put it another way, of ensuring the RAB charge on our lifetime HE tuition fee loan account is no higher than the RAB charge under the current system of student loans (both maintenance and tuition fee loans).

First, the government's cap (currently £9,000 for full-time undergraduates and £6,750 for part-time undergraduates, but could rise with inflation for those proving they comply with the new Teaching Excellence Framework from 2017–18)⁹⁰ on tuition fees at English public universities should remain. If this was removed, universities could have a strong incentive to raise their tuition fees because eligible people would have more money available to spend on their first degree

88. Ibid.

89. BBC, *More student loans won't be repaid, government believes*, BBC, 22 March 2014.

90. Claire Shaw, "Maintenance grants scrapped and tuition fees to increase – your reaction", *The Guardian*, 8 July 2015.

(See Box 6.1 for further discussion on this). Removing the tuition fee cap on undergraduate degrees would likely make the lifetime HE tuition fee loan accounts considerably more expensive to government than they ought to be. Private universities in England have no price cap. But UK and other EU students can access up to £6,000 (full-time) and £4,500 (part-time) in tuition fee loans to pay for undergraduate courses at these institutions. This should remain in the proposed lifetime HE tuition fee loan account.

Second, especially since many more EU students are likely to draw down from this lifetime loan account, it will be important for the Student Loans Company to significantly improve obtaining repayments of tuition fee loans from graduates of English universities who work overseas. New Zealand applies tough measures to their graduates now working overseas: a higher rate of interest on repayments of student loans is applied, and an arrest warrant can be issued on those visiting New Zealand that have not kept up with their student loan repayments.⁹¹

Third, the parameters for the repayment of the lifetime HE tuition fee loan account should be stricter for every additional qualification an individual obtains or if they are above a certain age when drawing down from the account. In other words, when an eligible individual draws down from their lifetime loan account for a second qualification, the repayment parameters should become stricter. When they move to a third qualification, it should become stricter again. Stricter repayment parameters for older students could also be an effective way of increasing the amount of loan that is repaid back to government. This is because older students have less time in the labour market in which to repay their student loan off in full.

The repayment parameters on tuition fee loans that could be made stricter include:

91. Nick Hillman, "A comparison of student loans in England and Australia", www.hepi.ac.uk/wp-content/uploads/2014/04/FINAL-AUSTRALIA-PIECE.pdf (2014), 25.

- The minimum salary threshold for repayment
- The interest rate attached to tuition fee loans
- The total number of years given to repayment of tuition fee loans
- The percentage taken from gross salary when repaying tuition loans

So, take the first parameter. It might be the case that an individual who has drawn down from their lifetime HE tuition fee loan account to pay for their undergraduate degree begins repaying their loan on their earnings above £21,000 per annum, as is the case with the existing system. Some years later, they decide to undertake another undergraduate degree and draw down additional funding from their lifetime account to pay the fees. After the end of this second degree, they would repay the total amount they have borrowed on their earnings at a lower salary.

It may also be the case that new parameters could be applied on the repayment of tuition fee loans. In the Australian FEE-HELP system (described later in Box 6.2), those receiving a loan for undergraduate tuition have to pay a surcharge of 25% of the amount they borrowed.⁹² Similarly, Professor Nicholas Barr recently advocated that those who pay off their student loans in full before the maximum repayment period of 30 years could pay for an additional period. Since these graduates are likely to be higher earners, Barr regards this extended repayment as progressive because high lifetime earning graduates subsidise low lifetime earners.⁹³ Government should especially consider such measures to ensure the RAB charge is not higher than is currently the case.

This report does not specify the exact amount that should be available in the lifetime HE tuition fee loan account. Nor does it specify the exact parameters that should apply after different qualification or ages. This makes it hard to ascertain exactly how to achieve fiscal neutrality in the

92. Nick Hillman, "A comparison of student loans in England and Australia", www.hepi.ac.uk/wp-content/uploads/2014/04/FINAL-AUSTRALIA-PIECE.pdf (2014), 5.

93. *Ibid.*, 11.

proposed system. Nonetheless, it does suggest reasonable ways that it might be achieved.

BOX 6.1. What will lifetime HE tuition fee loan accounts do to tuition fees?

A stated aim of successive governments when raising tuition fees has been to get price variability in the English HE market, where the fees charged would better reflect the quality students attach to different institutions. Such variability would also be progressive. Graduates of top university courses would likely to pay more in total for their better degree than graduates of university courses which are less good.

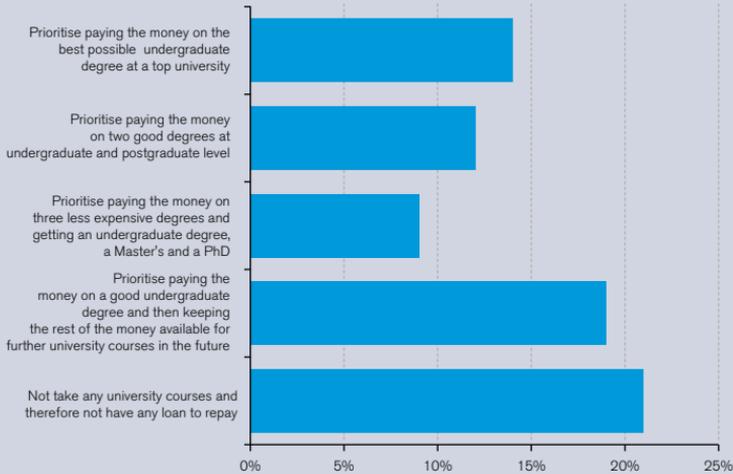
However, this variability has not emerged. Most universities have clustered their tuition fees for full-time undergraduate courses at £9,000 per annum. This is because there is little risk to universities for charging higher fees: students are not so price sensitive when they are not paying upfront from their own pockets. And government, rather than universities charging the fees, subsidise low lifetime earning graduates who do not pay their tuition fee loans off fully. Moreover, it might be the case that price is a signal of quality in a HE market where information on the quality of institutions and courses is imperfect.⁹⁴

This lifetime HE tuition fee loan allowance could create more price competition and variability in fees. This is because, knowing they have a maximum amount to spend on HE courses throughout their lives, students applying for their first undergraduate degree may seek a less expensive course to save enough money for better HE courses later on in their lives.

94. Ryan Shorthouse, "Universities, lend a thought to funding", www.timeshighereducation.com/comment/opinion/universities-lend-a-thought-to-funding/2012839.article (2014).

In our polling, we tested how the general public think they would spend their lifetime loan allowance if they were all aged 18. The amount in the lifetime loan account was not specified, but respondents were told it would be significant. As shown in Chart 6.2 below, of all the options, the most popular response among those who would use the scheme was prioritising 'paying the money on a good undergraduate degree and then keeping the rest of the money available for further university courses in the future'. Nineteen percent of the general public reported they would do this compared to 14% saying they would 'prioritise paying the money on the best possible undergraduate degree at a top university' and 9% saying they would 'prioritise paying the money on three less expensive degrees and getting an undergraduate degree, a Master's and a PhD'. Significantly, a firm majority of the public would not be put off from going to university following the introduction of the lifetime loan account.

Chart 6.2. How the English public think they would spend their lifetime HE tuition fee loan allowance if they were eighteen now, according to Bright Blue polling



Base: 2,000 adults resident in England

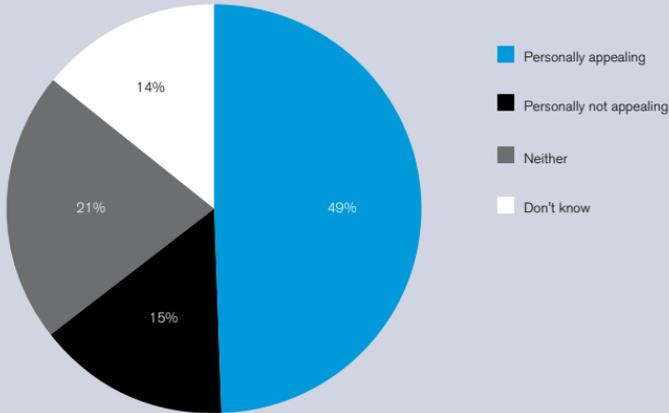
This lifetime HE tuition fee loan account could therefore add downward pressure on the tuition fees of undergraduate courses in particular. This could make it easier to achieve fiscal neutrality in the design of the policy because the total amount being loaned to many students would reduce, thereby reducing the size of the government subsidy.

Making the loan repayment parameters stricter as an individual takes more degrees or gets older does not necessarily make this scheme less progressive. It is true that as someone on lower lifetime earnings takes more HE qualifications or gets older they would have to ultimately repay more from their lifetime loan allowance. But remember that many of these people are not currently eligible for student loans for additional HE qualifications in the first place.

Moreover, it is still possible to make low lifetime earners repay less through their lifetime loan than higher earners. Guaranteeing a generous subsidy on the loans of low lifetime earners whilst achieving fiscal neutrality is possible in numerous ways. First, the Student Loans Company could seek a higher surplus from the repayment of loans of high lifetime earners, for example through the charging of a higher rate of interest on higher earners or an extended repayment period for higher earners who have paid off their lifetime loan account in full. Second, the source of the subsidy for writing off loans that have not been paid in full need not only be in government. Employers could also pay this. Indeed, this is our second policy recommendation and the subject of the next section.

Before describing this second policy proposal, it is worth showing the levels of public support for this idea of a lifetime HE tuition fee loan account among the general public. As Chart 6.3 shows, 49% of the English public find the idea personally appealing compared to only 15% who would find it unappealing.

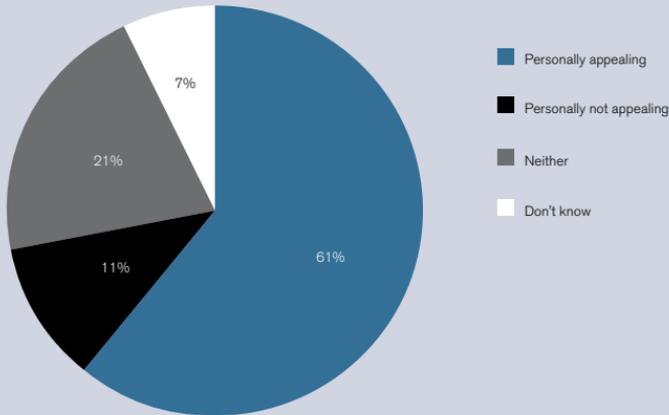
Chart 6.3. Level of appeal among English public for lifetime HE tuition fee loan accounts, according to Bright Blue polling



Base: 2,000 adults resident in England

In fact, among our considerers of part-time HE – the people who are most likely to participate in HE but currently are not – the policy idea is even more appealing. This is shown in Chart 6.4. As shown, 61% of considerers found the lifetime loan account personally appealing compared to 11% who found it unappealing

Chart 6.4. Level of appeal among considerers of part-time HE for lifetime HE tuition fee loan accounts, according to Bright Blue polling



Base: 1,567 considerers

Significantly, the levels of personal appeal among considerers of part-time HE does not vary according to social grade. This suggests that those from the lowest social grades, who we found to be the most credit constrained, find this lifetime HE tuition fee loan account just as appealing as other members of the population.

Box 6.2. Learning from Australia

There are two different forms of tuition fee loans available in Australia. The first is HECS-HELP. This loan is available for students with 'Commonwealth supported places'. Such places are directly subsidised by the Australian state and are very similar to undergraduate places at HEFCE-funded universities in England. In Australia, these places are usually for undergraduate courses but some postgraduate students who are studying 'strategic' courses may also access HECS-HELP.

Running parallel to HECS-HELP is FEE-HELP. FEE-HELP was established in 2005 and provides support for Australian students who are not on Commonwealth supported places. This includes students studying at privately-funded non-university higher education providers, non-research postgraduate students, students studying at The Open University Australia who are not on a Commonwealth supported degree programme and students studying for higher level vocational courses.

FEE-HELP includes a lifetime loan amount (generally \$96,000, but \$120,002 for Medical, Dentistry and Veterinary Science) that students may borrow up to. If they exceed this amount they are no longer entitled to access FEE-HELP. FEE-HELP also includes a 25% surcharge for undergraduate students at non-Commonwealth providers. This surcharge is added onto students final debt and is one way of reducing 'doubtful debt' (the RAB charge) for the Australian Government.

Australian students begin repaying their loans (HECS-HELP or FEE-HELP) once they earn \$51,309 or more annually. In cash terms, this is around one third higher than the English threshold. However, once an Australian student crosses the threshold they are required to repay their loans based on their whole taxable

income and at variable rates. For example, former students earning between \$51,309 and \$57,153 pay back at a rate of 4% of \$57,153 pay back at a rate of 4% of taxable salary, while those with an income of over \$95,288 pay back at 8%.⁹⁵

This model, where ‘doubtful debt’ on student loans in Australia is lower than in the UK, does suggest that it is possible to significantly expand student loan eligibility and significantly expand the amount available from a government-backed loan system without incurring a detrimental public subsidy.

Recommendation two: a new ‘graduate levy’ on large employers with large graduate workforces

The report proposes the introduction of a new ‘graduate levy’ on all large UK employers (private and public) where a significantly large proportion of their total workforce in the UK is graduate-level.

The amount of the levy is unspecified. As is the size of the employer. So is the proportion of their workforce which should be graduate-level before this levy applies. The government should lead an extensive consultation to determine these specifics, as it is currently doing for the ‘apprenticeship levy’ it is introducing. The outcome of this consultation on an apprenticeship levy will supposedly report in November 2015.

The funding raised from our proposed graduate levy should be used to subsidise our proposed lifetime HE tuition fee loan account. As aforementioned, the proposed lifetime loan account should not cost government any more money through the RAB charge and it should be progressive, subsidising low lifetime earners. If government expenditure is to be minimised, some of the subsidising of the loans of low lifetime earners will have to be done by getting high lifetime earners to repay

95. Ryan Shorthouse, “Universities, lend a thought to funding”, www.timeshighereducation.com/comment/opinion/universities-lend-a-thought-to-funding/2012839.article (2014)

more of their tuition fee loans. But large employers with large graduate workforces, who benefit tremendously from increased HE participation, should also contribute to subsidising the lifetime HE tuition fee loan accounts. Doing this would mean our two policies together would be able to achieve our three key tests: fiscal neutrality, progressivity and a fair funding settlement between the key beneficiaries of HE.

Employers may claim that they already contribute significantly to the funding of HE through the taxation they pay, for example Corporation Tax. This is true and should be recognised. But individual graduates also pay considerably for HE, above and beyond their student loan repayments, through the generally higher levels of personal taxation they pay in their lifetime. Just as there is a strong argument for making graduates who benefit significantly from HE pay more through their student loan repayment profile than other graduates, so too is there a strong argument for making employers who benefit significantly from HE participation – specifically, those who recruit a considerably high proportion of graduates – pay more through this graduate levy than other employers.

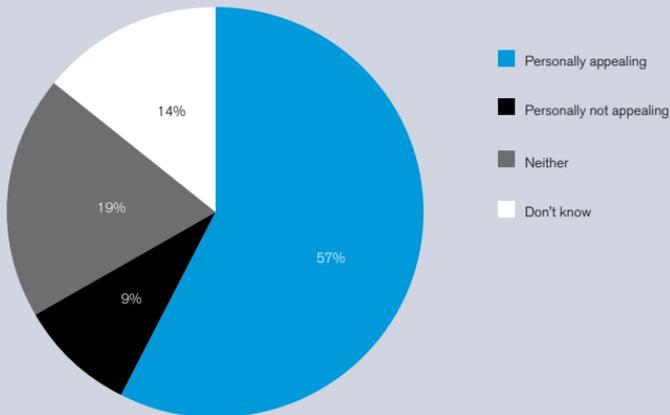
There are additional benefits to the implementation of a graduate levy which are worth mentioning. First, it shares part of the financial responsibility for up-skilling and re-skilling the UK's workforce more evenly across large employers. At present, some employers can 'free-ride' on the investment of other employers, by recruiting their employees who were funded by their previous employer to do a part-time HE course. Second, it could incentivise some employers to improve their recruitment processes. The current Chair of the Social Mobility and Child Poverty Commission has noted that an increasing number of employers, particularly from the professions, use a degree as a pre-requisite requirement for candidates, perhaps unfairly excluding

non-graduates from certain jobs.⁹⁶ If there is a levy applied to large employers who recruit high proportion of graduates, this could make some employers interview a wider pool of candidates for particular jobs and potentially aid social mobility.

Finally, there should be a reduction in the amount some large graduate employers pay through this graduate levy if they are already funding some of their employees to undertake part-time HE study.

Through our polling, we tested public support for our proposed policy of a graduate levy on large employers who employ a large number of graduates. The results are shown in Chart 6.5. A majority of the public (57%) find the idea ‘personally appealing’. Only 9% find it unappealing.

Chart 6.5. Attitudes of English public towards our proposed graduate levy, according to Bright Blue polling



Base: 2,000 adults resident in England

96. Cabinet Office, “Fair access to professional careers”, www.gov.uk/government/uploads/system/uploads/attachment_data/file/61090/IR_FairAccess_acc2.pdf (2012).

Box 6.3. The fourth beneficiary: universities

There is of course a fourth beneficiary of increased participation in HE, including part-time HE: universities themselves. Reforms to the financing of HE – specifically, the increase in the cap on undergraduate tuition fees and the reduction in teaching grants via HEFCE – have been, on average, beneficial to universities.⁹⁷ This is underlined by HEFCE’s recent conclusion that most universities are in a healthy financial position.⁹⁸

As described in Box 6.1, universities currently have little incentive to reduce their undergraduate tuition fees. They have little risk in charging high prices. This means that universities who charge high tuition fees but have a high proportion of graduates who do not pay their tuition fee loans off in full are costing the government a considerable amount of money (through the RAB charge).

Universities could also contribute financially to the RAB charge to reduce government expenditure. Under our proposed lifetime HE tuition fee loan account, if HEIs also contributed to the RAB charge, this could help achieve our goals of fiscal neutrality (government not spending any more money) and progressivity (low lifetime earners having their tuition fee loans subsidised to some degree).

Specifically, universities could contribute a small levy collectively – proportionate to the size of their student intake – to fund the RAB charge in the lifetime HE tuition fee loan account.

97. Ryan Shorthouse, “Universities, lend a thought to funding”, www.timeshighereducation.com/comment/opinion/universities-lend-a-thought-to-funding/2012839.article (2014).

98. Higher Education Funding Council for England, “Financial health of the higher education sector” www.hefce.ac.uk/media/HEFCE,2014/Content/Pubs/2015/201507/HEFCE2015_07.pdf (2015).

Alternatively, universities that will have large numbers of their graduates failing to pay off their tuition fee loan for undergraduate study in full could be financially penalised. Since it takes decades to find out for certain whether graduates will pay off their tuition fee loans in full, this would have to be determined through sophisticated projections of graduate repayment profile based on current earnings over a number of years. New data from the Student Loans Company and HMRC will soon be available which will allow government to establish the salaries of each graduate every year from each institution. This data will enable the sophisticated projections of graduate repayment profiles to take place.⁹⁹

This latter policy suggestion increases the risk to universities of charging high fees, potentially putting downward pressure on fees and thus reducing the RAB charge government faces.

Conclusion

This chapter has proposed two radical but credible policy suggestions to reduce the biggest barrier many of those considering part-time HE face: credit constraints that make them unable to afford to enrol on a part-time HE course. Increasing the financial support available to such considerers through the introduction of a lifetime HE tuition fee loan account should ultimately lead to a rise in part-time HE study. Since the lifetime loan account can be used for any type of HE course, it may be that its introduction also leads to a rise in full-time HE courses.

The two policy ideas build on recent government reforms such as an extension of tuition fee loans to some postgraduates and PhD students, and the introduction of an apprenticeship levy. Our policy ideas also

99. Ryan Shorthouse, "Universities, lend a thought to funding", www.timeshighereducation.com/comment/opinion/universities-lend-a-thought-to-funding/2012839.article (2014).

meet three key tests – fiscal neutrality, progressivity, and a fair funding settlement between the key beneficiaries of HE. Ultimately, therefore, they are complementary to government thinking and policy.

The Government could dramatically improve life chances and raise national prosperity by building a funding system for HE that supports, in a fiscally responsible and progressive way, all upskillers and reskillers. The innovative proposals in this report are part of the answers to the UK winning ‘the global race’.

Annex: Polling questions

The following questions are about part-time Higher Education study in the UK. Higher Education is education at universities or similar post-secondary school educational establishments and can refer to undergraduate or postgraduate study for degrees, diplomas, certificates or other qualifications.

Q1. What experience, if any, do you have of part-time Higher Education study?

1. Never undertaken any part-time Higher Education / university study
2. Completed a part-time Higher Education degree / course, but not in the past five years
3. Completed a part-time Higher Education degree / course in the past five years
4. Currently undertaking part-time Higher Education / university study
5. Started but never completed part-time Higher Education / university study

[Ask all coding 1 and 2 at Q1]

Q2. Over the past five years, to what extent, if at all, have you considered doing a part-time Higher Education course? A Higher

Education course could be an undergraduate or a postgraduate course.

(Allow respondent to answer 3+4+5, otherwise all codes exclusive)

1. It is not something I have really considered
2. I have given it some consideration
3. I have given it significant consideration on my own
4. I have given it significant consideration and researched it online
5. I have given it significant consideration and discussed it with friends / family
6. Don't know

Q3. How much, if anything, do you think that each of the following should contribute financially towards part-time Higher Education courses?

The whole cost / A large amount of the cost / Some of the cost / None of the cost / Don't know

1. The government
2. Organisations who hire high numbers of graduates
3. The employers of students working for them whilst studying for a degree part-time
4. Part-time students themselves
5. A student's family (e.g. their parents, adult children, grandparents, siblings or extended family)

Q4. As far as you are aware, do you think that each of the following statements about part-time Higher Education are true or false?

True / False / Don't know

1. Part-time students can get student loans from the government to help them pay their tuition fees (**TRUE**)
2. Part-time students are eligible for student loans from the government to help them with their living costs whilst studying (**FALSE**)

3. Part-time students who are studying for a qualification at the same or a lower level as one they already have (for example, studying an undergraduate degree when they already have one) can get financial support from the government (**FALSE**)
4. The most popular type of part-time Higher Education course is an online distant learning course (**TRUE**)
5. A majority of part-time students have their course fees paid for by their employer, at least in part (**FALSE**)

[Ask all coding 2–5 at Q2]

Q5. How strongly, if at all, have you considered each of the following types of part-time higher education?

Considered a great deal / Somewhat considered / Not really considered / Have not considered at all / Don't know

1. Undergraduate – first degree (first Bachelor's degree – BA, BSc)
2. Undergraduate – second degree (second Bachelor's degree – BA, BSc. Other modular degree)
3. Undergraduate – other (e.g. diploma in Higher Education, foundation degree, certificate in Higher Education)
4. Postgraduate – Master's: Taught (MSc, MA, MPhil, MBA)
5. Postgraduate – Master's: Research (MSc, MA, MPhil)
6. Postgraduate – PHD (Taught)
7. Postgraduate – PHD (Research)
8. A taster of one of these courses (e.g. a module of a Bachelor's course)

Q6. How strongly, if at all, would you consider each of the following types of part-time Higher Education course?

Considered a great deal / Somewhat considered / Not really considered / Have not considered at all / Don't know

1. Part-time study – face-to-face (daytime)
2. Part-time study – face-to-face (evening/weekends)

3. Part-time study – online or distance learning
4. Part-time study – mix of online / distance learning and face-to-face in the daytime
5. Part-time study – mix of online / distance learning and face-to-face at the weekend or in evening

[Ask all coding 2–5 at Q2]

Q7. Which subject areas have you considered taking a part-time Higher Education course in? Please select any that apply.

- a. Agriculture & Veterinary Science
- b. Arts & Humanities
- c. Building, Architecture & Planning
- d. Business & Management
- e. Computing & IT
- f. Design & Creative Arts
- g. Education
- h. Engineering
- i. Environment & Sustainability
- j. Languages
- k. Law
- l. Mathematics & Statistics
- m. Medicine & Health
- n. Nursing
- o. Social Care
- p. Psychology & Counselling
- q. Science
- r. Social Science
- s. Technology
- t. Don't know

Q8. Which of the following, if any, would you personally find the most appealing reasons for undertaking part-time study? Please rank your top three, where 1 is the most appealing, 2 is the second most appealing etc.

1. The opportunity to change job / career
2. The opportunity to progress in your current career / help get a promotion into a more interesting job
3. The opportunity to earn more money
4. Professional requirement / employer requiring it
5. Self-improvement (expand knowledge, become a more rounded individual)
6. Social opportunities (make friends, meet new people)
7. Interest in subject
8. None of these

[Ask all coding 2-5 at Q2]

Q9. You mentioned earlier that you considered undertaking part-time study, which of the following reflects the most important reasons why you did not pursue this further? Please rank your top three, where 1 is the most important, 2 is the second most important etc.

1. Lack of time to organise it / never got around to it
2. Could not afford it
3. Had other costs which were more important to pay for
4. Didn't want to take on student loan debt
5. Didn't want the loss of income from reduced working hours
6. I wasn't eligible for a part-time student loan
7. Couldn't juggle work and studies
8. Course was at an inconvenient time and / or place
9. Employer wouldn't provide any financial support
10. Employer wouldn't provide flexible hours required to do a part-time course

11. I was nervous about raising the idea of doing a part-time time course with my employer
12. Thought it wasn't worth the money
13. Lack of information about courses / university alternatives
14. Lack of information about availability of finance / student loans

[Ask all coding 2–5 at Q2]

Q10. Thinking specifically about each of the issues below, how much of a barrier would you say each is to undertaking part-time Higher Education study in the future, if at all? Please rate your answer on a scale from 0–10, where 0 is not an issue at all, and 10 is an insurmountable barrier.

1. Access to student finance / loans
2. The flexibility of when / where the course took place
3. The flexibility of your employer to give you time to study
4. The fees for part-time Higher Education courses
5. The state of your personal finances

[Ask all coding 2–5, 6, 9, 14 at Q9]

Q11. You suggested that affordability was a barrier to choosing to pursue part-time Higher Education, what in particular made you feel unable to afford it?

1. Wasn't eligible for a student loan
2. The tuition fees were too high
3. Would have needed a student loan but wasn't sure what financial help was available
4. Employer would not contribute towards course fees
5. My salary would not be enough to cover living costs
6. Other (please specify)
7. Don't know

Q12. Imagine the Government offered a specific, substantial loan allowance to each British citizen over the course of their lifetime and each citizen could choose what university courses this money was spent on (rather than most people just getting a loan for their first degree, regardless of how much it cost). When working, the citizen would pay back the amount of money they borrowed to the government, but only after they started earning more than a reasonably high salary.

Imagine you have just left school and you were to go back and decide again what Higher Education courses you would take using this allowance, which of the following closest reflects how you might prioritise how you spend your money over your lifetime?

1. Prioritise paying the money on the best possible undergraduate degree at a top university
2. Prioritise paying the money on a good undergraduate degree and then keeping the rest of the money available for further university courses in the future
3. Prioritise paying the money on two good degrees at undergraduate and postgraduate level
4. Prioritise paying the money on three less expensive degrees and getting an undergraduate degree, a Master's and a PhD
5. Not take any university courses and therefore not have any loan to repay
6. Other (please specify)
7. Don't know

Q12b. How appealing or unappealing would you personally find each of the following ideas?

Very appealing / Fairly appealing / Neither appealing nor unappealing / Fairly unappealing / Very unappealing / Don't know

1. Giving students a fixed lifetime loan allowance of a large amount of money from the government that can be used for any higher education course. They could divide it between as many courses as they wanted over the course of their lifetime and would be asked to repay this money when earning more than a reasonably high salary.
2. Making large companies who employ a large number of graduates contribute a levy payment to help pay for more people to study at university

Q13. Which, if any, of the following do you think employers should do to support those who are considering undertaking part-time Higher Education study?

1. Helping pay for the course fees
2. Encouraging staff to consider it
3. Offering flexible working hours to those taking a part-time Higher Education course
4. Building it into official training and development criteria for career progression (CPD requirements)
5. Something else [please specify]
6. None of these
7. Don't know

Part-time Higher Education (HE) is associated with a number of benefits to both the individual and to society. However, since 2010–11, there has been a sharp decline in the number of undergraduate and postgraduate entrants from the UK and other EU countries undertaking a part-time HE qualification. This report identifies the possible causes of the decline and the barriers that individuals considering part-time HE face.

Original policy reforms are proposed which are designed to reduce the financial barriers individuals face when trying to access part-time HE. These policies are design to be fiscally neutral, progressive and achieve a fairer funding settlement on HE between government, individuals and employers.



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