AUTUMN STATEMENT 2014: DEPARTMENT FOR BUSINESS, INNOVATION AND SKILLS FACTSHEET

AS14: POSTGRADUATE LOANS

What's the announcement:
Autumn Statement 2014 introduces a new offer of Income Contingent Loans for those aged 30 years old and under wishing to undertake postgraduate taught study. These loans, of up to £10,000, are planned to be available from 2016/17. This is expected to benefit approximately 40,000 students a year, and enable individuals to take advantage of the opportunity to undertake postgraduate study.

Is there new money involved:
Yes, for the first time postgraduate Master's students will have access to a Government-backed Income Contingent Loan.

Key messages:

- If the UK is to remain competitive at an international level, we need more workers with higher level skills to meet the demand from employers and to stimulate future growth in an innovation-led economy.
- Introducing this will support the growth in entrants into full time postgraduate taught study and halt/reverse the decline in part-time postgraduate study by offering help to students who face financial barriers to study.

Key facts/ stats:

- The UK Commission for Employment and Skills estimates that by 2022 one in seven jobs (14.1%) will require postgraduate qualifications.
- Since a peak in 2010/11 there has been a 10% decline in postgraduate study, driven largely by decreases in UK domiciled entrants, part-time entrants, and those studying at postgraduate taught (Master's) level.
- Postgraduate employment share has increased faster than for undergraduates, more than doubling over 10 years to 11%.
- The life time wage premium for a postgraduate degree is £200,000 (£5,500 p.a.). Postgraduates also have higher employability prospects over short and long term.
- UK postgraduate participation has risen 9% since 2005/06, far slower than international competitors – Canada is up 20%, Australia up 25% and the US up 31% since 2005/06.

Ministerial quote:

Universities, Science and Cities Minister Greg Clark said:

"By introducing postgraduate loans, students will have greater flexibility to gain the qualifications they need to get on in life and give the UK the skilled workforce we need to secure long-term economic growth.

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“Our announcement today shows we are determined to make education more available to all people. I welcome contributions to our forthcoming consultation to ensure that we get the detail right and so maximise these benefits."

Background:

- There will be a public consultation to inform the detailed design of the scheme during the first few months of 2015.