

# Student Finance and Wellbeing Study (SFWS) Scotland 2023-2024



**CHILDREN, EDUCATION AND SKILLS**

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# Glossary

| <b>Term used in the report</b>         | <b>Definition</b>  |
|--|--|
| Bursary/ grant                         | A non-repayable form of financial support which can be both means-tested or non-means-tested.  |
| FE student                             | Students enrolled on Further Education (FE) level courses and studying at colleges.  |
| HN/undergraduate student               | Students enrolled on Higher National Certificates or Higher National Diplomas at colleges or universities, and undergraduate degree programmes at universities.                        |
| Living cost loan                       | A repayable form of financial support for living costs which is means-tested and administered by the Student Loans Company.  |
| Postgraduate student                   | Students enrolled on Masters programmes, Postgraduate Certificates (PG Certs), Postgraduate Diploma (PGDip) programmes or Doctor of Philosophy (PhD) programmes at universities.       |
| Students from under-represented groups | This refers to students in this study who are estranged from their parents/ legal guardians/ carers, care experienced students, disabled students, student carers and student parents. |
| Tuition fee loan                       | A non-means-tested repayable form of financial support which goes towards the costs of tuition.  |

| <b>Acronyms used in the report</b> | <b>Definition</b>                                |
|------------------------------------|--|
| ASN                                | Additional Support Needs                         |
| AY                                 | Academic Year                                    |
| CESB                               | Care Experienced Student Bursary                 |
| CoWA                               | Commission on Widening Access                    |
| DfE                                | Department for Education (UK Government)         |
| DWP                                | Department for Work and Pensions (UK Government) |
| EMA                                | Education Maintenance Allowance                  |
| ESB                                | Estranged Student Bursary                        |
| FE                                 | Further Education                                |
| FEB                                | Further Education Bursary                        |
| FTE                                | Full Time Equivalent                             |
| HE                                 | Higher Education                                 |
| HESA                               | Higher Education Statistics Agency               |
| HNC                                | Higher National Certificate                      |
| HND                                | Higher National Diploma                          |
| ISA                                | Individual Savings Account                       |
| ISB                                | Independent Student Bursary                      |
| LPCG                               | Lone Parents Childcare Grant                     |
| NMPH                               | Non-Medical Personal Help                        |
| NUS                                | National Union of Students                       |
| PGDE                               | Professional Graduate Diploma in Education       |
| PNMSB                              | Paramedic, Nursing and Midwifery Student Bursary |
| PTFG                               | Part-Time Fee Grant                              |

|      |   |
|------|---|
| RAG  | Research Advisory Group for this study                |
| REC  | Research Ethics Committee                             |
| SAAS | Student Awards Agency Scotland                        |
| SCQF | Scottish Credit and Qualifications Framework          |
| SFC  | Scottish Funding Council                              |
| SFWS | Student Finance and Wellbeing Study (i.e. this study) |
| SIES | Student Income and Expenditure Survey                 |
| SIMD | Scottish Index of Multiple Deprivation                |
| SLC  | Student Loans Company                                 |
| SVQ  | Scottish Vocational Qualification                     |
| UKRI | UK Research and Innovation                            |
| YSB  | Young Student Bursary                                 |

# 1. Introduction

In 2023 the Scottish Government commissioned the Scottish Centre for Social Research (ScotCen) to conduct the Student Finance and Wellbeing Study (SFWS) 2023 to 2024. The study aimed to collect high-level and up-to-date information on the financial experiences of students in further education (FE) and higher education (HE) in Scotland.

## 1.1. The Student Finance and Wellbeing Study, Scotland

The SFWS emulates the Student Income and Expenditure Survey (SIES) which has been undertaken at regular intervals in England and Wales since 2004/2005<sup>1</sup>, with the last undertaken in 2021/22<sup>2</sup>. The Scottish Government commissioned ScotCen to conduct this independent study in order to explore the financial experiences of FE and HE students in Scotland in more detail, and to address gaps in the policy and research evidence and literature.

The Scottish SFWS was a mixed-methods study consisting of a survey and follow-up qualitative research with full- and part-time students in colleges and universities across Scotland. While the England and Wales SIES focused on students in HE, the SFWS captures a range of student experiences and included students enrolled on: FE, Higher National Certificates (HNC), Higher National Diplomas (HND), undergraduate degrees, and postgraduate courses. The study provides an opportunity to fill a long-standing evidence gap since the last Student Income and Expenditure Survey in Scotland in 2007-2008<sup>3</sup>.

## 1.2. Policy context and background

This section provides a brief summary of the policy context and background to student funding in Scotland.

### 1.2.1. Scottish post-school education

Scottish undergraduate degrees are generally four years in length rather than typically three years in the rest of the UK, and are mainly studied at university. Scottish students are able to progress on to a postgraduate degree such as a Postgraduate Diploma or Masters following on from a successful completion of an undergraduate degree.

Scottish students can study both FE and HE qualifications at college. FE courses are typically those below SVQ level 4 or SCQF level 7<sup>4</sup>. However, some school level qualifications at college, such as Advanced Highers which are SCQF level 7, are classified as FE. HE courses at college are those that are typically at SCQF level 7 or above, such as HNCs or HNDs. These may also be classed as other undergraduate qualifications.

In 2022-23, 26% of full-time equivalents (FTE) enrolled in Scottish colleges were studying an HE level course<sup>5</sup>, with most enrolled on HNCs or HNDs. Upon completion of an HNC/HND, students may have the option to 'articulate' to the

second or third year of university degree programmes. This provides an alternative route into degree level study.

Widening access to HE has been a key policy focus in Scotland in recent years. The Commission on Widening Access (CoWA) target is that by 2030, students from the 20% most deprived backgrounds (SIMD20) should represent 20% of entrants to higher education, and that equality of access should be seen in the college and university sectors<sup>6</sup>. Since the establishment of CoWA in 2015 there has been a 34% increase in the number of entrants from SIMD20 areas, and the first interim CoWA target was met early (to have 16% by 2021). In academic year 2022-23 16.3% of Scottish-domiciled full-time first degree entrants at Scottish Higher Education Institutions (HEIs) were from SIMD20 areas<sup>7</sup>. However, the proportion of SIMD20 students continues to vary by institution and they are disproportionately represented in colleges and in certain universities<sup>8</sup>.

### **1.2.2. Funding of student tuition in Scotland**

Student funding in Scotland is bespoke to Scottish domiciled students and separate to the student finance systems in place in England, Wales and Northern Ireland.

Tuition is free for the majority of full-time Scottish-domiciled HNC, HND and undergraduate students (referred to here after as HN/undergraduate) attending a Scottish college or university. Students must apply to have their fees paid by Student Awards Agency Scotland (SAAS)<sup>9</sup>. If a Scottish-domiciled student is studying part-time, they may be eligible for the Part-time Fee Grant (PTFG)<sup>10</sup>. Scottish-domiciled HN/undergraduate students studying at institutions elsewhere in the UK are charged fees of up to £9,250 per year and may apply to SAAS for a tuition fee loan to assist with the cost of fees. While SAAS pays the fees for the majority of HN/undergraduate students in Scotland, postgraduate students must either fund their fees through tuition fee loans via SAAS, studentships from UK Research and Innovation (UKRI), institutional scholarships, or self-fund their studies.

For FE courses, tuition fees are primarily covered by individual colleges through a tuition fee waiver.

Tuition fees were introduced in the UK in AY 1998/99, when tuition fee payments of up to £1,000 for students throughout the UK were brought in, grants were abolished, and maintenance loans were increased in the following year. Responsibility for education was devolved to Scotland by The Scotland Act 1998. In response to the recommendations in 1999 of Scotland's Independent Committee of Inquiry into Student Finance (known as the Cubie Commission)<sup>11</sup>, Scotland replaced tuition fees with a graduate endowment payment of £2,000 in 2001/02 and reintroduced means-tested grants. The graduate endowment was later scrapped by the Scottish Government in 2007/08<sup>12</sup>, with the Scottish Government establishing its intention that 'access to education should be based on the ability to learn, not the ability to pay'<sup>13</sup>.



Meanwhile, tuition fees continued to increase in the rest of the UK; first rising up to £3,000 in England and Northern Ireland in 2006/07, before a further increase in fees of up to £9,000 in England in 2012/13 in response to the Browne review<sup>14</sup>. Tuition fees in England and Wales are currently set at up to £9,250 per year<sup>15</sup>. Fees are lower in Northern Ireland at up to £4,750 per year<sup>16</sup>.

Although tuition is free for most students in Scotland, students must find ways to support their living costs like in other parts of the UK. Most do so via a combination of repayable student loans and non-repayable bursaries, part-time work, social security benefits, scholarships and family contributions. The Scottish Government provides a range of bursaries targeted at those from lower income households, care experienced and estranged students, and those studying specific courses.

### **1.2.3. Current student support in Scotland**

The amount of student support for living costs provided by the Scottish Government varies depending on whether study is at 1) FE level; 2) HE level (HNC, HND and undergraduate degree) or 3) postgraduate level, with students studying different qualification levels eligible for different forms of support. Other factors which impact on the type of support and the financial amount students may be eligible for include:

- whether study is part-time or full-time
- the student's age
- their household income; and
- residency.

At the time of the research (2023 to 2024), eligible FE students were entitled to an FE bursary of up to £5,398.65 for the academic year, equivalent to £125.55 over 43 weeks<sup>17</sup>.

HN/undergraduate students from the lowest income households (earning less than £21,000) were entitled to a total financial support package of £9,000 per academic year, consisting of a mixture of bursary and loan. Those whose household income was £34,000 or more were eligible for a £6,000 living cost loan<sup>18</sup>. A summary of the support available to Scottish-domiciled HN/undergraduate students in 2023-24 is provided in Table 1.3 in the Appendix. Additional support for specific groups of HN/undergraduate students (e.g. care experienced students, estranged students, student carers, student parents, and disabled students) is also available. For example, colleges and universities in Scotland are considered corporate parents under the Children and Young People (Scotland) Act 2014. This means that they have a legal duty to support the needs of care experienced children and young people, and to promote their wellbeing.

At postgraduate level in 2023 to 2024, Postgraduate Diploma and Masters students were eligible to apply for a tuition fee loan of £7,000 and a living cost loan of £4,500<sup>19</sup>. The Scottish Government does not directly fund PhD students. PhD students may receive a stipend for the agreed duration of their research project

from various funders which include their university or an external funder such as UKRI. Some PhD students self-fund their studies.

Tables 1.1 and 1.2 in Appendix A provide a summary of the various types of financial support available to students at different qualification levels and from different backgrounds. Further, more detailed, information on the various forms of Scottish financial support are provided at relevant points in the report to help contextualise the findings.

#### **1.2.4. Rising concern about students' financial experiences and wellbeing**

In recent years there has been rising concern that students may be experiencing increasing levels of financial hardship and that this may be impacting on their academic and social experiences of study, and on their mental health and wellbeing<sup>20</sup>.

Although the Scottish Government's free tuition policy ensures overall levels of student loan debt in Scotland are lower than in the rest of the UK, the majority of Scottish students incur student loan debt for living costs, and levels of student debt in Scotland have increased. Student Loans Company data shows that in 2023-24, Scottish students' average loan balance upon entering repayment was £16,680, up from £6,050 in 2010-11<sup>21</sup>. For some Scottish students, the amount owed will be considerably higher. Blackburn's analysis of the distribution of student loan debt, using Student Loan Company data, found student loan borrowing in Scotland was skewed towards those from lower incomes, with the likelihood of students taking out student loan debt reducing as their family income rose<sup>22</sup>. There is some evidence to suggest that attitudes to student loan debt may influence students' HE and postgraduate decisions<sup>23</sup>, for example choosing to study locally and work during term-time to avoid student loan debt.

Research has also highlighted the impact of lack of knowledge and understanding of student loans and bursaries on student loan take-up. Scottish school leavers interviewed about how student funding influenced their HE decisions often confused student funding available in Scotland with that in the rest of the UK<sup>24</sup>. Interest rates on student loans in Scotland have risen in recent years, meaning it may take graduates longer to repay their loans in full. While interest rates have increased in Scotland from 1.5% in 2021-2022 to 6.25% in 2023 to 2024 at the time of the research<sup>25</sup>; this compares with 7.3% from some borrowers in England in November 2023<sup>26</sup>.

NUS Scotland's 2010 survey of students<sup>27</sup> highlighted the hardship students experienced as a result of a student support system which was deemed 'insufficient to cover their needs'. More than ten years later, in 2022, NUS Scotland's Broke report<sup>28</sup> found the inadequacy of financial support continued to be problematic for students. Student surveys also highlight the challenge of coping financially over the summer when student support is not provided, with 74% of students responding to a Scottish Government survey reporting that they experienced financial difficulties during the summer of 2021<sup>29</sup>. Since 2022-2023, students in receipt of the Care

Experienced Student Bursary have had the option to choose to receive their payments over the full calendar year rather than the academic year. This option has also now been extended to eligible full-time HN/undergraduate students in 2024-2025.

The majority of students undertake part-time work alongside their studies to supplement their student funding. In 2022, a survey conducted by NUS Scotland of more than 3500 Scottish students found that 74% of HN/undergraduate students did so, followed by 65% of postgraduates and 50% of FE students<sup>30</sup>. The same survey also found that only a third of Scottish FE, HE and Postgraduate students worked fewer than the recommended 10 hours per week<sup>31</sup>, while a 2023 NUS Scotland survey found 28% of FE, 22% of HE and 19% of Postgraduate students worked more than 20 hours per week<sup>32</sup>. While paid work enables some students to participate in study, student surveys and qualitative interviews with HE students from under-represented groups<sup>33</sup> have highlighted the sometimes detrimental impact of part-time work on students' ability to study. Paid work may reduce the time students have available to study, can make them more tired and increase stress. It can impact students' ability to participate in the broader aspects of studying and wider student experience, making it harder to find time to meet new people, socialise or join clubs and societies.

The increasing cost of living has exacerbated the financial difficulties some students face. In a survey conducted by the Office for National Statistics<sup>34</sup>, 91% of participating students were worried about the rising cost of living. Research has found that students are engaging in a number of cost-cutting behaviours, including skipping meals; using less electricity or gas; increasing paid working hours; skipping classes to reduce travel costs; and using food banks<sup>35</sup>.

Recent years have also seen rising rental costs, particularly in some Scottish cities<sup>36</sup>, an increase far greater than inflation during this period. NUS and Unipol's accommodation costs survey<sup>37</sup> found that student rent in Scotland increased at a faster rate between 2018 and 2021 than any other part of the UK. Meanwhile, the Royal Bank Student Living Index<sup>38</sup> found that Edinburgh and Glasgow have some of the highest costs of living in the UK. In 2018, an analysis of UK-wide 2014-2015 student records data from the Higher Education Statistics Agency (HESA) found that Scotland has higher proportions of commuter students than elsewhere in the UK<sup>39</sup>. Other Scottish studies have highlighted the link between living at home while studying and a desire to reduce or avoid accommodation costs<sup>40</sup>. Without access to family support, the cost of paying for accommodation is a particular struggle for care experienced and estranged students<sup>41</sup>. In 2022, a third (33%) of estranged students and 29% of care experienced students in Scotland had experienced homelessness, compared with 10% of all students<sup>42</sup>.

Surveys of Scottish students have found worrying about money is a key source of stress and something which can impact on students' overall mental health and academic achievement: 74% of Scottish university students, and 64% of college students, reported low mental wellbeing<sup>43</sup>. A 2022 student survey by NUS Scotland highlights the close association between financial hardship and mental health with

60% expressing worry or stress about their finances and 12% experiencing homelessness. Worries caused by financial difficulties can also impact on retention and drop out. In Scotland, 37% of students responding to NUS Scotland's 2023 online survey<sup>44</sup> said they had considered dropping out for financial reasons.

Some groups of students have been found to face higher levels of financial difficulty than others; for example, estranged students; student parents; disabled students, and other students from under-represented backgrounds<sup>45</sup>. Estranged students in particular face high levels of precarity and poverty<sup>46</sup>, while 75% of student carers surveyed by the Carers Trust<sup>47</sup> said that finances and budgeting were challenging.

### **1.2.5. Recent policy responses to student funding**

The 2017 Independent Review of Student Support<sup>48</sup> called for a Minimum Student Income of £8,100 in FE/HE, and recommended student loans be extended to FE. The Scottish Government's 2019 review of student funding in FE<sup>49</sup> found that many were unable to meet their essential living costs, particularly lone parents and mature students. ScotCen's 2022 research with estranged students<sup>50</sup> for the Scottish Government found existing student support may not cover students' essential costs, leaving them at risk of homelessness, drop out and poor mental health. A review of Disability Related Student Support was undertaken in 2020 and 2021 by SAAS on behalf of the Scottish Government<sup>51</sup>. The review's surveys and focus groups of FE and HE disabled students and staff in colleges and universities, highlighted the lack of information on disability related student support across FE and HE.

The publication of the 2021/22 Programme for Government<sup>52</sup> reaffirmed the Scottish Government's commitment to the principle of free tuition, while also committing to expanding the total student support package to reach the equivalent of the Living Wage over the next three years, and reviewing the funding provision for postgraduate students.

The Scottish Government has responded with additional investment in bursaries and student loans; however, student loans remain unavailable to FE students. In recent years, the overall combined income available to students (either through a combination of loans and bursaries for those enrolled on HN/undergraduate courses, or through bursaries alone for those in FE) has increased. Other changes include:

- The increase in the HE bursary income threshold in 2019 from £19,000 to £21,000 which aimed to support more students from the lowest income households to access the highest levels of support
- In January 2022, free bus travel was extended to all under 22s resident in Scotland
- A £350 uplift in support for HNC, HND and undergraduate students in 2022-2023 as a first step to delivering the Scottish Government's Living Wage commitment

- A £900 uplift in support for HNC, HND and undergraduate students in 2023 to 2024 as the second step to delivering the Living Wage commitment
- An 11.1% inflationary uplift applied to FE bursaries in 2023 to 2024
- The student loan repayment threshold has increased annually to £27,660 in 2023 to 2024, meaning students do not begin repaying their loans until they earn more
- The creation of a bespoke package of support in academic year 2023 to 2024 for HE students who are estranged from their parents/legal guardians/carers which includes the Estranged Student Bursary (£1,000)
- A £1,500 uplift applied to the postgraduate tuition fee loan in 2023 to 2024.

Whilst undertaking this research, the Scottish Government announced plans to increase levels of student support for the 2024-2025 academic year with a £2,400 Special Support Loan for HN/undergraduate and postgraduate students<sup>53</sup> (see Table 1.4 for details). This will make the support available to HN/undergraduate students who are care experienced, estranged or from the lowest income households (below £21,000) equivalent to the Living Wage (£11,400 for the year). The £2,400 loan uplift will also be made available to full-time Postgraduate Diploma and Masters students, increasing the total loan available to them to £13,900. The Special Support Loan will not be taken into account by the Department for Work and Pensions (DWP) when assessing students' entitlement to benefits, such as Universal Credit. Also for the 2024/25 academic year, HN/undergraduate students will be provided with the option to receive their student support payments over 12 months, allowing them to continue to receive their payments over the summer period.

To conclude, this brief policy review, and the more detailed literature review undertaken as part of SFWS, point to increasing concern for students' finances in Scotland. This is reflected in the recent policy responses to student funding. However, there remain gaps in the research literature in relation to the financial experiences of students at all levels in Scotland, but particularly among FE and postgraduate students and some student groups with protected characteristics. The findings outlined in this report aim to address this by providing baseline data on students' financial experiences and to better understand the impact of finances on students' lives.

## 2. Methodology

### 2.1. Research aims, objectives and research questions

The purpose of this study was to provide up to date information on the financial experiences of students in further and higher education in Scotland. More specifically, the aims of the study were to:

1. Explore the income, expenditure, debt and savings of students in the academic year 2023 to 2024.
2. Gather information on students' experiences of, and attitudes towards, student finance, financial management and the support available whilst studying.
3. Understand the impact that students' finances have on their experiences of studying for a higher and further education course, including on their physical and mental wellbeing.
4. Identify groups of students, including those with protected characteristics, who are in, or are at risk of, financial hardship.
5. Form a baseline for any future similar surveys and provide information on student finance in Scotland prior to the introduction of any future student support policies or policy development.

The objectives of the research were to:

- Provide an up-to-date picture of the financial experiences of the student population in further and higher education in Scotland.
- Inform understandings of how students experience and perceive finance and financial management whilst they are studying.
- Provide insights, where the data are available, on the experiences of particular populations, including students who are: care experienced, estranged, disabled, parents and/or carers.
- Develop an understanding of the impact of current student support policy on students and the difference it makes, including any factors that negatively influence financial experiences.
- Provide evidence to inform the future delivery and development of policy on student support in Scotland.
- Fill a long-standing 15 year evidence gap in this area<sup>54</sup>.
- Provide learning and insights for the development of future research and surveys in this area.

### 2.2. Research design

To address the research aims and objectives, ScotCen conducted: a targeted literature, documentary and policy review; a representative web survey of students; and qualitative research with students in the form of five focus groups and 30 in-

depth interviews. This project was called the Student Finance and Wellbeing Study (SFWS).

The survey was live between 30<sup>th</sup> October to 22<sup>nd</sup> December 2023. Interviews and focus groups took place between 20<sup>th</sup> November 2023 and 14<sup>th</sup> February 2024.

To ensure the research was designed and implemented in an ethical manner, an application was submitted to NatCen Research Ethics Committee (REC) who critically review all NatCen and ScotCen projects to ensure they meet high ethical standards. Ethical approval for the research was granted by NatCen REC in May 2023.

A Research Advisory Group (RAG) formed of public and third sector organisations who lead on policy and/or who engage with students provided support and expert advice to the project. The RAG offered feedback on language/ terminology, advised on the content of research tools, encouraged participation in the study via networks and provided information on the current policy and financial support available to students.

### **2.2.1. Review of policy literature**

To ensure the research built on existing evidence, a rapid literature, documentary and policy review was conducted to inform the development of the survey and qualitative topic guides. This included a review of published evidence on contexts and experiences of student finance, including student financial support, focusing on further and higher education students in Scotland. The majority of literature on student finances and students' experiences of funding and financial wellbeing is based on UK-wide or England and Wales-only data. This review focused on the experiences of Scottish-domiciled students studying in Scotland rather than in the rest of the UK to remain in line with the scope of the study. The following inclusion and exclusion criteria were established.

Inclusion criteria:

- Population: Scottish-domiciled students who are residentially eligible for fees and/or student support and are enrolled in a Scottish college or university.
- Scope: Research and policy studies within the UK.
- Date/language: published in English from 2014 to the present.
- Data sources: peer-reviewed articles published in academic journals; official published government (UK and Scotland) statistics and research reports; third-sector organisations and non-governmental research agency/social change organisation published reports.

Exclusion criteria:

- Population: Non-Scottish domiciled students; Scottish domiciled students attending colleges and universities in the rest of the UK; students domiciled in Scotland who are not eligible for fees and/or student support in Scotland

(such as some asylum seekers, and students whose families are living in Scotland on certain work visas); Scottish students at private training providers; international students.

- Scope: Studies undertaken outwith the UK.
- Date/Language: published in any language other than English and/or published before 2014.
- Data sources: Opinion pieces, editorials, blogs, unpublished statistics or reports.

The literature search was conducted between February 2023 and February 2024. To identify peer-reviewed evidence, searches were conducted using academic catalogues and Google Scholar. Grey literature searches were conducted in the search engine Google to identify Scottish Government statistical data and research reports, and third sector and non-governmental organisation research reports. Additionally, researchers drew upon existing literature searches conducted by the Scottish Government, as well as literature identified by stakeholders and members of the Study's Research Advisory Group. In total, 67 documents were reviewed. These included journal articles, grey literature, policy documents and relevant websites, including those of government bodies.

Evidence was reviewed and synthesised using a framework approach, which involved summarising the evidence thematically so that the review systematically captured the information needed to address the core research questions.

### **2.2.2. Survey of students**

Quantitative data was collected via a 30-minute online survey issued to a randomly selected representative sample of 52,812 Scottish-domiciled students at 32 (16 colleges and 16 universities) institutions in Scotland. Survey responses were received from 1,734 full-time and 694 part-time students (2,429 students in total<sup>55</sup>).

#### **Questionnaire development**

A 30-minute web questionnaire was developed, covering key topics of interest and a range of socio-demographic information.

Specific elements of the Department for Education (DfE) Student Income and Expenditure Survey (SIES), which were relevant to the Scottish context, were integrated into the SFWS survey. However, because Scotland's student finance system differs to England and Wales, some questions had to be adapted, or new questions added, to ensure they were relevant to the Scottish system and current policy. The current cost-of-living crisis and recent findings from NUS Scotland's Broke report<sup>56</sup> provided a case for expanding the questions on financial wellbeing to greater explore the impact of financial hardship on students. In addition, terminology, definitions or references were amended to be in line with current Scottish policy.

Before issuing the full sample, ScotCen conducted a pilot with 66 students from 6 colleges and 11 universities to test survey administration, length of the survey,



questionnaire links and access codes. Respondents were asked to provide written feedback on questionnaire length, accessibility, technical issues, question phrasing and overall views of the questions. The pilot respondents were from FE, HN and undergraduate and postgraduate courses and students from under-represented groups.

## **Survey sampling and recruitment**

The population and subgroups of interest in SFWS were similar to those of the DfE SIES, but the scope was widened for the SFWS to include FE and postgraduate students, who were not included in the DfE SIES.

A census approach to sampling was implemented, with all eligible universities (n=19) and colleges (n=26) in Scotland invited to participate in the survey. Initially, 16 universities and 20 colleges agreed to take part, with 4 colleges subsequently opting out. Therefore, 16 universities and 16 colleges participated in the research. For anonymity none of the universities and colleges will be identified in this report or the dataset.

Participating institutions were then asked to select a random sample of their students, and were sent a detailed protocol on how to do this. The protocol carefully specified which students were eligible, then requested a systematic random sample be drawn. ScotCen specified the number of full-time and part-time students to be selected.

The following information on students eligible to take part in the survey was supplied to ScotCen by the participating universities and colleges:

- Full-time or part-time study<sup>57</sup>
- Sex
- Age group
- Further or higher education level of study
- Undergraduate or postgraduate study.

This information on the profile of eligible students was then used in the weighting strategy. This allowed adjustments to be made to the profile of responses to ensure that they more closely match eligible student population estimates ensuring that the responses to the survey are representative of students from the three different study levels: FE, HN/undergraduate and postgraduate. Full details on the weighting strategy, as well as on sampling and recruitment, are provided in the Technical Report.

Sampled students were sent an email directly from their institution, designed by ScotCen, inviting them to participate in the survey. Two reminders were scheduled to be sent to students by the institutions after the first invitation. The number of reminders issued was increased due to lower than expected responses, particularly from college students. Therefore, many institutions sent 3-4 reminders. Institutions and other stakeholders publicised the study on their websites and social media

channels to encourage response amongst students in the sample. The content of social media and website posts was provided by ScotCen.

The survey invitation and subsequent reminder emails sent to students provided information about the survey and how to take part including the web survey link. Also included were details of how data will be used in compliance with GDPR, a link to the study's website and Privacy Notice, and ways to find out more about the survey or to opt out from further communication. Sampled students were informed that participation was voluntary and that the survey was confidential. It was also explained that respondents could skip any questions they did not wish to answer, and all respondents were provided with a link to a range of relevant organisations offering support or information. Survey participants were given the chance to enter in a prize draw as a thank you for their time and as an acknowledgement of their contribution to the study. They were asked if they would like to be entered into a prize draw with a chance to win an iPad or one of 6 Love2Shop vouchers worth £50 or £25, with 95% of students who took part entering into the prize draw. Communications were developed in line with standard accessibility guidelines and were tested during the survey pilot and adapted in response to feedback.

## **Survey analysis**

Throughout the report, data is reported separately for FE, HN/undergraduate and postgraduate students. Postgraduate students' data includes Masters, Postgraduate Diploma and PhD students. Further breakdown by these levels of study is not possible due to low sample sizes. However, HN/undergraduate data is reported by full-time and part-time status as sample sizes allow for this additional breakdown.

In addition, the report includes analysis of five under-represented groups of students: care-experienced, parents, estranged, unpaid carers, and disabled students. It was not possible to split these into FE, HN/undergraduate, and postgraduate students due to low numbers. However, analysis was undertaken on all student respondents in these five groups of interest regardless of their level of study to provide some initial and high-level insights into their financial experiences whilst studying.

Findings are presented for the 2023 to 2024 academic year, which is assumed to be 39 weeks for all students. The report uses median average values for income and expenditure data (continuous data), in line with the reporting conventions for the England and Wales Student Income and Expenditure Survey (SIES). Median amounts are calculated only for those students who have incurred the particular costs or received the particular sources of income being discussed, rather than showing the medians across all students.

The accompanying data tables for the median amounts also present means and the standard error of the mean. The standard error is a variance estimate that measures the amount of uncertainty (as a result of sampling error) associated with a survey estimate. Statistical testing of differences between medians has not been conducted, so most medians are reported without reference to amounts being

higher or lower than each other. Where a median is cited as being higher than another median, this is based on whether the mean amounts are statistically significantly different, reviewing the standard errors and the size of the difference between the two medians.

Throughout the report where categorical data is reported showing differences in proportions between subgroups, the analysis included chi-square tests of statistical significance.

Where differences between subgroups, such as male and female students, are described in the text of the report, these are statistically significant at the 95% level or above, unless otherwise stated. This means that the probability of having found a difference of at least this size in the sample, if there was no actual difference in the population, is 5% or less. Where differences are described as marginally significant, this means that they are significant at the 90% level or above - this is included in a footnote. Not all subgroup analysis is presented in detail in this report. A full set of data tables are available as separate supporting documents.

Very small base sizes can produce uncertainty in survey estimates. As a precaution against this, the minimum subgroup size for which percentages and medians could be quoted was set at 30. Figures based on subgroup sizes of less than 50 but equal to or more than 30 have an accompanying footnote to show that these figures should be treated with caution due to the low base size. This is the same approach taken with both the England and Welsh SIES data tables.

Findings are compared according to differences in sex, age, parental experience of Higher Education, area deprivation and whether students live independently or with their parents, carers, or guardians.

Further detail is provided in the Technical Report.

### **2.2.3. Qualitative interviews and focus groups with students**

Fifty-three students participated in either an interview (n=30) or focus group (n=23).

The qualitative research sought to understand more about the relationship between students' financial experiences and their physical and mental wellbeing. It also focused on learning more about the financial experiences of students from under-represented groups (care experienced students, students estranged from their family, student parents, student carers and disabled students).

### **Sampling and recruitment**

Students were recruited from the survey to take part in either an interview or focus group. Towards the end of the survey respondents were asked if they would be willing to be contacted about taking part in follow-up qualitative research. If they did, they were asked to leave contact details. Respondents were informed that they had the choice whether or not to take part when the research team invited them for an interview or focus group.

To ensure that a breadth of experience was represented in the qualitative research, students were purposively sampled from the survey to recruit a diverse range of participants in terms of: level of study; full-time and part-time study; year of study; sources of income; institution; age; sex; ethnicity; accommodation type; and other student groups of interest to the study, namely students who were care experienced, estranged, carers, parents and/or disabled. Qualitative participants were purposively sampled based on these criteria. In addition, the focus groups were sampled for five specific groups of students: care experienced; estranged; parents; postgraduates (Masters and PhD), and those studying in colleges.

Those invited to take part in an interview or focus group were sent an invitation by email with an attached information sheet with an embedded link to the privacy notice. The information sheet was written in plain language and formatted to be screen reader accessible, whilst the privacy notice included information on how any data collected for the study would be used in line with GDPR. Those interested in participating in an interview or focus group were asked to contact the project team by email or phone. A time and date for the interview or focus group was then set up.

## **Conducting the research**

Interview participants were given the choice of a telephone or video interview. All focus groups took place online using MS Teams. The interviews took an average of 50 minutes to complete. The focus groups took an average 96 minutes to complete. At the end of the interviews and focus groups, participants were made aware by email of available support organisations. With the consent of participants, all interviews and focus groups were audio recorded and transcribed for ease of analysis. All participants were given a one-off £30 Love2Shop voucher as a thank you for their time and for sharing their experiences with the study.

## **Research materials**

The interview and focus group participant information sheet and topic guides were developed in consultation with the RAG and agreed with the Scottish Government. The interview guide covered a range of topics, including tuition fees (where applicable); sources of income; experiences and impact of sources of income, including paid work; expenditure; financial management; impact of finances on student experience; and suggested improvements to the provision of financial support for students. The focus groups topic guide covered student views and experiences of current financial support available, different types of expenditure (including student accommodation), and suggested improvements to the provision of financial support for students.

## **Analysis**

The transcribed interview and focus group data were managed and analysed using qualitative analysis software NVivo. Analysis involved several stages. First, the key topics and issues which emerged from the research objectives were identified through familiarisation with transcripts by at least two members of the research team. A draft analytical framework was drawn up and an internal meeting was held

to agree the initial coding framework. The analytical framework was then set up in NVivo and piloted with a few transcripts by two researchers and any amendments to the framework made. Each transcript was coded, so that all the data on a particular theme could be viewed together. Through reviewing the coded data, the full range of views were systematically mapped, and the accounts of different participants compared and contrasted. Emergent patterns and explanations for individuals and categories of respondent holding particular views were also explored and tested. All qualitative data was anonymised for analysis and reporting.

## **2.3. Strengths and limitations of the research**

There are a number of strengths and limitations to this research study.

### **2.3.1. Strengths**

The study used a mixed method design. The rapid literature review ensured that both the survey and qualitative research tools were informed by up-to-date evidence on student support in Scotland. Findings from the rapid literature review have also been incorporated into the report to provide context and insight for the reader. Combining a survey with follow-up qualitative research has enabled this study to capture more nuanced and in-depth information on students' experiences of, and attitudes towards, student finance, financial management, and the support available whilst studying. The survey provided high-level data on student income, spend and debt, while the interviews and focus groups captured rich, in-depth data which provide insights into a wide range of views and experiences of further and higher education students in Scotland.

Finally, a strength of the study was its inclusion of students studying FE, HNC, HND, undergraduate and postgraduate courses. While the inclusion of all study levels was technically challenging, this is the first time that a study has attempted to do this. As noted in the literature review, there is a lack of research in Scotland on the financial experiences of students at all levels, but particularly those enrolled in colleges and at a postgraduate level. The study provides insights into the financial experiences of further and higher education students which can be built on in further research.

### **2.3.2. Limitations**

While the census approach to sampling had many strengths, it also had some limitations. Overall, a large number of institutions engaged with the study, though a smaller proportion of colleges participated in the study than universities. As a result, fewer than anticipated FE students took part. This limited the level of sub-group analysis that could be conducted for this group. The four colleges that dropped out after initially opting in to the study reported that it was due to a lack of staff capacity to undertake these tasks. To participate in the study, colleges and universities had to provide staff to draw the sample, with the support of the ScotCen Research Team, as well as send out invitations and reminders to students. If the survey is repeated in the future, the study would benefit from additional time and budget to undertake engagement with colleges, discuss any solutions to staff capacity,

ensure that they understand what they are being asked, and try and further improve the numbers agreeing to take part.

Another limitation of the study was the timeframe in which the survey was implemented. Due to the project timescales, the survey was conducted in the first semester at the start of the academic year. This may have affected student engagement in the study and student awareness of their finances, in particular for first year students. The timeframe for the survey may have also impacted college and university engagement in the study as the period following matriculation is a very busy time for institutions.

If the study was to be run again in the future, it would be worth trying the survey element in the second semester. The use of survey incentives for all those completing the survey could also improve survey response rates. While the survey questionnaire was piloted before being launched, and amendments made based on the feedback received, the survey responses indicate that there were inconsistent understanding of some questions. We would recommend that if this study was to be repeated in the future, that time and budget are provided to enable cognitive testing of the Scottish focused questions to ensure students are fully comprehending questions, and further exploration with potential respondents on the overall flow of the survey.

## 3. Total student income

### 3.1. Introduction

This section examines students' incomes for the 2023 to 2024 academic year, looking separately at FE students, HN/undergraduates (full-time and part-time), postgraduates and students from under-represented groups.

The income for students who shared joint financial responsibility with a partner has been adjusted (where that income was judged to be joint rather than individual) following the procedure used in previous Student Income and Expenditure surveys conducted in England and Wales from 2021 to 2022 and prior to this<sup>58</sup>.

Median average amounts for total income are presented in this chapter excluding Tuition Fee Loans. Tuition Fee Loans are available to students to pay their tuition fee costs, but this is money the student does not have direct access to (if they take out the loan) as it is paid directly to their college or university.

Chapters 5 and 6 present the composition of student total income, again excluding Tuition Fee Loans. Chapter 5 examines education-related income and Chapter 6 examines income from paid work, family and friends, social security benefits and from other sources.

### 3.2 Key findings

The median total income from all sources for the 2023 to 2024 academic year was:

- £8,775 for FE students
- £14,160 for HN/undergraduate students (£13,210 for full-time students, and £17,260 for part-time students)
- £24,038 for postgraduate students, and
- £14,758 for students from under-represented groups

The median total income increased by age:

- For FE students, it was £13,345 for those aged 25 and over compared with £9,849 among those aged 20 to 24 and £4,050 among those aged 16 to 19.
- For HN/undergraduate students aged 25 and over, the median total income was £16,760, compared with £14,640 among those aged 20 to 24 and £10,400 among those aged 16 to 19.
- For postgraduates the median total income for those aged 25 and over was £24,820 compared with £22,240 among those aged 20 to 24.
- For students from under-represented groups the median total income for those aged 25 and over was £17,200 compared with £14,975 among those aged 20 to 24 and £8,018 among those aged 16 to 19.

The median total income was higher for students living independently (renting or with a mortgage) compared with those who lived with parents:

- For FE students the median total income for those who lived independently (renting or with a mortgage) was £13,220 compared with £4,290 for those living with their parents.
- For HN/undergraduate students the median total income for those who lived independently (renting or with a mortgage) was £15,974 compared with £10,680 for those living with their parents.
- For students from under-represented groups the median total income for those who lived independently (renting or with a mortgage) was £16,636 compared with £8,775 for those living with their parents.

### **3.3. FE students**

The median amount of total income for all FE students who received any income was £8,775 for the 2023 to 2024 academic year.

The median total income was:

- £9,970 for female students compared with £4,875 for male students
- £13,345 for those aged 25 and over compared with £9,849 for those aged 20 to 24 and £4,050 for those aged 16 to 19
- £8,865 for those from the 20% most deprived areas, with a similar figure of £8,018 for those from the 80% least deprived areas
- £13,220 for those who lived independently (renting or with a mortgage) compared with £4,290 for those living with their parents.

### **3.4. HN/undergraduate students**

#### **3.4.1. All HN/undergraduates**

The median amount of total income for all HN/undergraduates who received any income was £14,160 for the 2023 to 2024 academic year.

The median total income was:

- Similar for female and male students (£14,339 and £13,650 respectively).
- £16,760 for those aged 25 and over compared with £14,640 for those aged 20 to 24 and £10,400 for those aged 16 to 19.
- Similar for those from the 20% most deprived areas compared with those from the 80% least deprived areas (£15,250 and £14,100, respectively).
- £15,974 for those who lived independently (renting or with a mortgage) compared with £10,680 for those living with their parents.

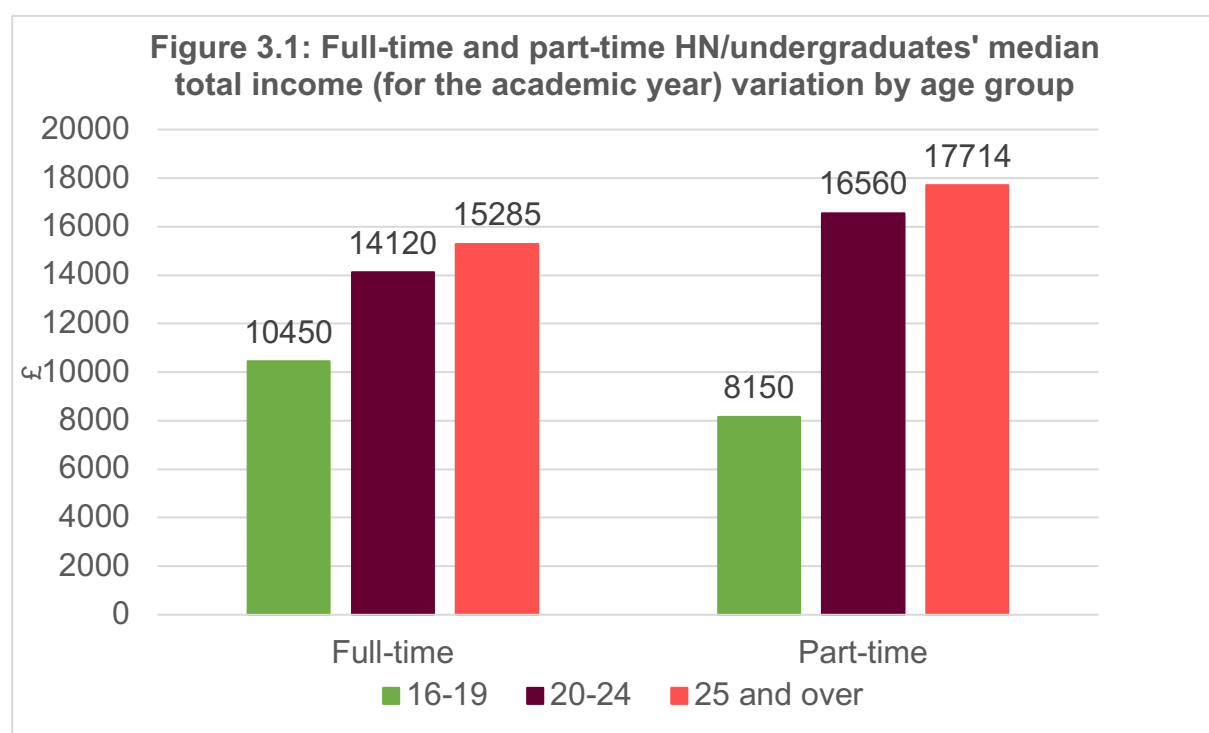


### 3.4.2. Full-time and Part-time HN/undergraduates

The median total income for full-time HN/undergraduates was £13,210 compared with £17,260 for part-time HN/undergraduates.

Among full-time HN/undergraduates the median total income was similar among female and male students (£13,610 and £12,740). Among part-time HN/undergraduates the median total income for female students was £16,870 compared with £18,950 for male students.

As shown in Figure 3.1 the median total income among full-time HN/undergraduates was £15,285 for those aged 25 and over, £14,120 for those aged 20 to 24 and £10,450 for those aged 16 to 19. A similar pattern was evident among part-time HN/undergraduates.



Among full-time HN/undergraduates the median total income for those from the 20% most deprived areas was £15,160 compared with £13,013 from the 80% least deprived areas. Whereas among part-time HN/undergraduates the median total income for those from the 20% most deprived areas was £15,800 compared with £17,740 from the 80% least deprived areas.

Among full-time HN/undergraduates the median total income for those who lived independently (renting or with a mortgage) was £14,975 compared with £10,470 for those living with their parents. A similar pattern was seen among part-time HN/undergraduates for whom the median total income for those who lived independently (renting or with a mortgage) was £18,300 compared with £11,973 for those living with their parents.

### **3.5. Postgraduate students**

The median amount of total income for all postgraduate students who received any income was £24,038 in academic year 2023 to 2024.

The median total income was:

- £23,650 for female postgraduates and £25,587 for male postgraduates.
- £24,820 for those aged 25 and over compared with £22,240 for those aged 20 to 24.
- £20,550 for those from the 20% most deprived areas compared with £24,906 for those from the 80% least deprived areas.

### **3.6. Students from under-represented groups**

The median amount of total income for students from under-represented groups, who received any income, was £14,758 for the 2023 to 2024 academic year. The median total income for the different sub groups was:

- £15,250 for female students compared with £12,688 for male students
- £17,200 for those aged 25 and over compared with £14,975 for those aged 20 to 24 and £8,018 for those aged 16 to 19
- £13,875 for those from the 20% most deprived areas compared with £14,845 for those from the 80% least deprived areas
- £16,636 for those who lived independently (renting or with a mortgage) compared with £8,775 for those living with their parents.

## 4. Tuition fees

### 4.1. Introduction

Eligible Scottish-domiciled further education (FE) and higher education (HE) students (including those enrolled on Higher National courses) have their tuition fees paid by the government, either directly through their college or through the Student Awards Agency Scotland (SAAS) on behalf of the Scottish Government.

Part-time students in FE do not receive support for their tuition fees, though there are some fee waivers available for those on a low income, with a disability, and/or receiving certain benefits. Part-time HN/undergraduate students may be eligible for a Part-Time Fee Grant (PTFG) from SAAS, depending on their personal income and their course of study.

Funding for postgraduate tuition fees is dependent upon the type of qualification. Students enrolled on Postgraduate Diploma and Masters level courses are eligible for a tuition fee loan from SAAS of up to £7,000, which is paid directly to their institution. Students enrolled on PhD or doctorate level courses may either self-fund their studies, apply directly to their university for support through a studentship or scholarship, apply for a PhD studentship from an independent funder, or apply for a studentship from one of the UK Research and Innovation (UKRI) Research Councils.

The ways that students in this study funded their tuition fees, if they were not funded by the Scottish Government, and the implications of this are discussed below.

### 4.2. Key findings

- Whilst the majority of HN/undergraduate and FE students were not paying tuition fees, more than half of postgraduate students (56%) were paying tuition fees. This compared with 12% of HN/undergraduates and 7% of FE students. Higher proportions of FE and HN/undergraduate students aged 25 and over, and HN/undergraduates who were part-time paid fees.
- The median value of tuition fees paid by full-time postgraduate students was £4,805. Among Masters students, the median tuition fee was £7,000 for full-time students. Around half (52%) of postgraduates used savings or loans to pay their fees, while 25% received support from their university.
- The benefits of government-funded tuition were highlighted by FE and HE students taking part in the qualitative research, who reported that they made studying more affordable.
- Postgraduate students' views of tuition fee loans for Masters or Postgraduate Diploma courses were mixed. While these were said to enable postgraduate study, often loans did not cover the entire cost of the tuition fees.

- For some students, having to pay even a small proportion of their tuition fees had a considerable impact on their finances and contributed to students' financial stress.

### **4.3. FE tuition fees**

All students in the survey were asked if they were paying tuition fees this academic year (2023 to 2024), and, if so, the amount they were charged before any financial support, fee discounts or fee waivers. As the majority of Scottish-domiciled FE students have their tuition fees paid by the Scottish Government, the median cost of all FE students who responded to the survey was zero.

A minority of FE students (7%) reported that they were paying tuition fees for their course. Those aged 25 and over were more likely to be paying tuition fees (14%) than those aged 16 to 19 (2%) or aged between 20 and 24 (0%). Female students were also significantly more likely to be paying FE tuition fees (10%) than male students (2%). Those living independently (renting or with a mortgage) (11%) were more likely than those living with their parents (2%) to be paying FE tuition fees. Meanwhile, no students living in the 20% most deprived SIMD areas reported paying FE tuition fees, compared with one in ten (10%) of those living in the 80% least deprived.

Students who reported paying tuition fees for their FE courses were asked whether anyone had contributed towards the costs of their tuition fees this academic year. This included themselves (using their own savings or loans), their parents, spouse, or partner, another relative, employer, the college they were studying at, or someone else. However, given the very low proportion of FE students paying tuition fees and receiving a contribution above zero from one of these groups, the median amount of this contribution cannot be robustly reported.

### **4.4. HN/undergraduate tuition fees**

Eligible Scottish-domiciled students can apply to SAAS to have their tuition fees paid directly to their college or university. Eligibility is based on a number of factors including residency, level of study, and previous funding that the student may have had to undertake a higher education course.

Around 1 in 10 (12%) HN/undergraduate students stated that they paid tuition fees. Among those paying tuition fees, the median value was £1,500 in academic year 2023-2024<sup>59</sup>. This figure excludes any fee discounts, fee waivers or financial support the student may be in receipt of.

Certain groups were significantly more likely to be paying HN/undergraduate tuition fees than others. For example, male students (17%) were more likely than female students (10%) to be paying HN/undergraduate tuition fees. Around 1 in 5 (21%) of those aged 25 and over paid HN/undergraduate tuition fees, compared with just 3% of those aged 16 to 19 who did so. Those paying HN/undergraduate tuition fees were also more likely to be studying part-time (32%) than full-time (7%), which may help to explain the difference by age group. Indeed, a majority of those aged 25

and over who said they were paying HN/undergraduate tuition fees (61%) were studying part-time.

There was also a significant difference by accommodation type: 15% of those living independently (renting or with a mortgage) stated they paid HN/undergraduate tuition fees, compared with 6% of those who lived with their parents. There was no significant difference by area deprivation.

HN/undergraduate students who paid tuition fees were asked whether anyone had contributed something towards the cost of their fees in the current academic year. The most common sources of contributions to tuition fees were students themselves (60%), including using their own savings or loans (not a tuition fee loan), the student's employer (23%) and their parent(s) (13%). Table 4.1 provides a full breakdown of responses from students to this question.

**Table 4.1: Proportion of HN/undergraduate students receiving contributions to tuition fees from others**

| Response  | Total (%) |
|---|-----------|
| Myself, including using savings or any loans taken out for fees BUT excluding Tuition Fee Loan/Student Loan | 60        |
| My employer   | 23        |
| My parent(s)/step-parent(s)/carer(s)/legal guardian(s)  | 13        |
| Other (e.g. Individual Training Accounts)   | 7         |
| Spouse or partner   | 6         |
| Someone else or another organisation (e.g. friends, charity etc.)   | 5         |
| The university or college I am studying at (such as fee waivers, fee discounts, or scholarships/awards)     | 3         |
| Another relative  | -         |
| <i>Unweighted base</i>  | 175       |

*Base: all HN/UG students who stated they paid tuition fees and received contributions to those fees from specific others*

*Note: students answering this question could select multiple responses*

Students were then asked the value of the contribution made by others to their tuition fees. The median amount HN/undergraduate students contributed themselves using their own savings or loans was £750. The number of HN/undergraduate students who both paid tuition fees and selected the other options at this question was too small for their median values to be reported.

## 4.5. Postgraduate tuition fees

Unlike FE and HN/undergraduate students, a majority of postgraduate students in Scotland (56%) said they paid tuition fees. Among those paying tuition fees, the median value paid by postgraduate students in the academic year 2023 to 2024 was £4,805. This is the value before any reductions from financial support, fee discounts or fee waivers. Looking specifically at Masters students, excluding those who answered zero, the median tuition fee cost for full-time students was £7,000 and the median cost for part-time students was £3,500 per academic year.

There were no significant differences by sex, age, parental experience of higher education, accommodation type or area deprivation in the likelihood that a Scottish postgraduate student was paying tuition fees.

As with FE and HN/undergraduate students, all postgraduate students who paid tuition fees were asked whether anyone had contributed something towards the cost of those fees in the current academic year. Similarly to HN/undergraduate students, the most common response was the student themselves, using savings or loans excluding the tuition fee loan (52%). A quarter (25%) of postgraduate students received help with their fees from the university or college they were studying at, which was notably higher than the proportion of HN/undergraduate students who did so (3%). Table 4.2 provides a full breakdown of results for this question.

**Table 4.2: Proportion of postgraduate students receiving contributions to tuition fees from others**

| Response  | Total (%) |
|---|-----------|
| Myself, including using savings or any loans taken out for fees BUT excluding Tuition Fee Loan/Student Loan | 52        |
| The university or college I am studying at (such as fee waivers, fee discounts, or scholarships/awards)     | 25        |
| My employer   | 17        |
| My parent(s)/step-parent(s)/carer(s)/legal guardian(s)  | 12        |
| Other (e.g. Individual Training Accounts)   | 7         |
| Spouse or partner   | 6         |
| Someone else or another organisation (e.g. friends, charity etc.)   | 5         |
| Another relative  | 2         |
| <i>Unweighted base</i>  | 230       |

*Base: all postgraduate students who stated they paid tuition fees and received contributions to those fees from specific others*

*Note: students answering this question could select multiple responses*

Taking only those who reported receiving a figure above zero in contributions from others – the median amount postgraduate students used from their own savings or received from a loan was £2,000. The median amount received from the university or college they were studying at was also £2,000, and the median amount received from employers was £2,400.

## **4.6. Students eligible for government funding towards tuition fees**

### **4.6.1. Experiences of students eligible for government funding towards tuition fees**

Most FE and HN/undergraduate students who participated in an interview or focus group understood that their tuition fees were paid by the Scottish Government to their college or university, and the benefits of this were discussed by students. Students highlighted that having their tuition fees paid helped them to engage in further or higher education, noting that if their tuition fees had not been paid, they would not have been able to afford to study.

“I don't think it would be manageable if [fees] weren't covered. (Full-time FE care experienced student)”

Among those taking part in the qualitative focus groups and interviews, there were full-time FE and HN/undergraduate students who did not have their tuition fees paid by the Scottish Government. The reasons for this related to not having met the residency criteria, or as a result of having exhausted their funding entitlement to HE student financial support. There were also part-time students who were not in receipt of part-time fee waivers and thus self-funded, or accessed funding via their institution or employer.

As outlined in the survey findings, the majority of students who were charged tuition fees were postgraduate students. Qualitative research participants reported that they accessed a variety of funding sources to assist with paying tuition fees, including the postgraduate tuition fee loan, university scholarships, research council funding, and independent funding bodies. Some students were also either partially or fully self-funded. Among Masters students, a key reason for having to pay tuition fees, albeit not the entire amount, was that the postgraduate tuition fee loan available via SAAS did not cover the entire course fee. This is because postgraduate tuition fees are not currently regulated meaning that universities can set their own fee levels.

### **4.6.2. Experiences of repayable postgraduate tuition fee loans**

SAAS offers tuition fee and living cost loans for postgraduate students who meet the eligibility criteria (no tuition fee loans are available to those enrolled on PhD courses). The tuition fee loan of up to £7,000 is available for both full and part-time students, however the living costs loan (up to £4,500 at the time of the research in 2023-2024) is only available for full-time students. The qualitative postgraduate sample did not include any students enrolled on Postgraduate Diplomas.

Students who took part in the qualitative research indicated that a postgraduate tuition fee loan enabled them to continue their progression to postgraduate study. Several Masters students said they would not have been able to afford to pay their Masters tuition fees without the contribution of the loan.

“No, I wouldn't have done it [Masters study without the loan]. I just would not have been able to afford to at all because, as I said, I'd just been made redundant. So when I was made redundant, I just had to take the first job I could get, so I was working as a waitress, and that definitely would not have covered my fees. (Full-time postgraduate (Masters) student)”

Masters students with a postgraduate tuition fee loan had mixed views about repaying them, particularly in light of the fact most had also accrued student loan debt when studying at undergraduate level. Although additional debt was a worry for some, it was nonetheless viewed as being necessary to further their education and career prospects. There was a sense that, like the reduction in income for living costs, the burden of tuition fees or tuition fee loans was a short-term difficulty for a longer-term improvement in prospects. However, other Masters students were of the view that they had little option but to take the tuition fee and/or living costs loan, expressing a sense of resignation that it was not possible to study at Masters level without taking on additional debt.

“I'm just grateful that SAAS was able to cover the majority of it. It's not the worst thing in the world, and obviously this is a Masters, so I appreciate that you have to pay to get an education that's above the undergraduate. It's difficult, I'm quite financially strapped, but I also understand what I'm paying for and why I'm paying for it. I know this isn't forever, and once I finish my Masters, hopefully I'll be able to get a slightly higher-paying job, and it'll all be worth it. (Full-time postgraduate (Masters) student)”

Students' views were partly informed by the level of tuition fees charged by universities to study Masters courses. Several students commented on how high the fees are for such courses, and queried whether they provided value for money. Masters students also noted that the postgraduate tuition fee loan often did not cover the full cost of tuition fees, with students having to fund the remainder themselves.

“I understand universities are businesses, and you do need to pay fees, so I do understand. And I think if there wasn't a £7,000 loan for the Masters, then I don't think a lot of people would be able to do it that are actually Scottish students. [...] I mean, I have some friends that struggle with even just paying the difference of the £800, and they still have a job and things like that, so I do think it should maybe be taken more into account. But then, obviously, I do appreciate that you need to pay the professors, you need to pay for the computers. You need to pay all these things, so I get that. (Full-time postgraduate (Masters) student)”



## **4.7. Experiences of students eligible for tuition fees paid by external organisations or funding body**

### **4.7.1. UKRI Research Council studentships**

One of the funding streams available to postgraduate PhD students is UKRI doctoral funding which covers students' tuition fees as well as providing a tax-free non-repayable stipend (of £18,622 per academic year in 2023 to 2024) for living costs for the expected duration of their PhD (3 years), or for some students, for the duration of a Masters qualification and a PhD (4 years). Several students in the postgraduate focus group and interviews were in receipt of a UKRI studentship and discussed the impact of this. Students noted that they would not have been able to afford to enrol on their PhD without securing the funding, and that the studentship alleviated their worries about paying tuition fees and living costs.

“It [having fees paid by UKRI] means that I can do a PhD. I think the fees for the PhD are a lot less than they are for a Masters. My Masters was really expensive and I had to pay for that myself. I spent £9,000 so I just took out loans to pay it off, because I wanted to do a PhD. I wonder why I did that - but I'm here now! I think the fees are about £4,000 for a PhD per year, but without [UKRI studentship] then I definitely couldn't afford it because I don't have any money saved after my Masters to do this. So, yes, it's a weight off my shoulders. (Full-time postgraduate (PhD) student)”

Although securing Research Council funding was described as having a positive impact on students, it was also noted that the availability of funding and information differed by field of study, with some students suggesting it was easier to access UKRI funding for STEM subjects as opposed to arts and humanities.

“There is a huge disparity between STEM and the humanities and the arts. We are really hung out to dry. If you look at the funding cuts across the board, not just in Scotland but across the UK and the world, let's be honest, higher education is an absolute bunfight at the moment! (Postgraduate focus group)”

### **4.7.2. Scholarships**

Students also accessed support for tuition fees through scholarships from their university or from independent funding bodies. Some of the students who participated in an interview or focus group were in receipt of either full or partial scholarships for their tuition fees, and discussed the positive impact of this, for example, in terms of reducing their overall debt upon graduation by avoiding student loans. One student stated that without their fees scholarship, they would not have been able to afford to undertake postgraduate study. The impact of being awarded a scholarship is discussed in more detail in Chapter 5.

### **4.7.3. Employers**

In some cases, students who were undertaking further or higher education for professional development were funded by their employer. In these cases, employers paid the tuition fees, and for one student, for additional expenses associated with studying. Students described how this enabled them to study when they would not have been able to afford it independently, and how this funding provided a sense of financial security and reduced the chances of having to drop out.

“So [my employer is] paying for the course fees and they're also paying for any like expenses that I may accrue for going to college, so they pay 45 pence a mile for me to travel to college, so there and back, and then if there's any books or equipment that I need, they've paid for that. [...] Doing it this time, I feel a bit more secure in the position that I've got that it won't - like bad circumstances won't lead me to having to drop out again. (Part-time undergraduate student)”

### **4.8. Awareness of support available to help students with postgraduate tuition fees**

Postgraduate students, including those studying at both Masters and PhD level, in interviews and focus groups generally reported finding it difficult to access information about tuition fee support, with mixed views expressed regarding the help provided by university staff. Some students criticised the knowledge held by university staff who did not signpost them to potential funding avenues for tuition fees. A PhD student highlighted how this lack of awareness and signposting can disproportionately impact those without a family history of engaging with postgraduate study. By contrast, some students mentioned receiving help from family in researching and securing funding, with those who had previously been through the funding system able to advise on what they might be eligible for.

“But before I even signed on for the PhD, I asked my supervisors - who were the go-betweens between me and the University - about funding options. They had no clue where to look. The finance department were worse than useless. [...] It was just it's honestly been terrible from the get-go! So, I was kind of put off even looking or asking. I didn't know what - where to look or what to do, and being a first-gen[eration] academic, I didn't realise that there were options. (Focus group postgraduate (PhD) student)”

However, other postgraduate students found it easier to access financial assistance for tuition fees. They spoke of having accessed SAAS for undergraduate study, and using the same route for postgraduate tuition fee loans. Others who studied STEM subjects highlighted the relative availability of UKRI funding for those subjects.

## 4.9. Impact of paying tuition fees

Students who paid some or all of their tuition fees used a range of means to pay their fees. They spoke of drawing heavily upon their savings, with some having used up all their money saved by paying their tuition fees. Others said they received help from their parents to pay tuition fees, or used their wages, particularly those employed full-time and studying on a part-time basis. Some said they had to use a personal/bank loan, or had sold possessions to help fund the gap between a Masters loan and the actual fee.

For some students, having to pay even a small proportion of their tuition fees had a considerable impact on their finances. Having to pay tuition fees contributed to students' financial stress. Students worried about how they would pay for their tuition fees in future years. Some expressed concern about their ability to remain in their course due to difficulties covering the fees.

“I pay the full fees, which is quite difficult because they amount to about £8,000, so this year's fees are covered so I just need to start worrying about next year's fees, how I'm gonnae pay them. [...] I'm not so fortunate that I'm gonnae have another £4,000 next year, so it's - I'm gonnae have to look come September how I'll finance it. At this precise moment, I'm not quite sure how I'll do that. [...] When I looked at the funding, there was no available funding for myself because I earn too much money, so yes, I have to self-fund it myself, but the money coming in my household is obviously to support my child and my wife as well. So, it's not money that I have just sitting there. [...] . If I was to go in and do further education again, PhD, I don't think I'd be able to afford to do it. (Focus group postgraduate (Masters) student)”

Concerns about how to cover the cost of tuition were not limited to postgraduate students. Part-time undergraduate students also spoke of the stress of not knowing how they would pay for their tuition fees. One part-time student suggested they may have to take a bank loan to pay for it.

There were students who said their university allowed them to pay their tuition fees in instalments - some were on a 12 month payment plan - or delay their instalment to allow them time to get sufficient funds together. Among those who struggled with tuition fee payments, in some cases because student loan payments were delayed, there was a sense that communications from universities regarding late or missed payments were 'threatening'. Communications like this added to feelings of stress and anxiety surrounding tuition fee payments for students who were self-funded. More widely, postgraduates in this study also expressed concerns as to whether the payment of tuition fees and any student loan debt incurred associated with this might deter future students from continuing their studies. Again, it was raised that this could disproportionately affect first-generation academics who are more likely to be from low-income households, from ethnic minorities and be care experienced.

“I think the hardest bit was between semesters, because I would get an email from the university that said, 'You need to pay this right now or you will not be allowed to be in classes.' [...] So, you see this threatening email and you think, this is the end of my life, it's the end of my being here right now because they're going to kick me out of whatever. (Full-time postgraduate (Masters) student)”

“I love what I do, but the impacts that it's had on me have been atrocious - and not just personally - but also relationships [...] It's really hard, but yes. I think there's a big disparity in who knows what. I think that there is a lot of first-gen[eration] academics that are really falling through the cracks. (Focus group postgraduate (PhD) student)”

## 5. Education-related income

### 5.1. Introduction

This chapter reports data from both the survey and the qualitative research to explore the income students received from education-related sources. This focuses on three main types:

- repayable education-related income (student loans for living costs and, where applicable, loans for tuition fees);
- non-repayable education-related income (from sources including bursaries, grants, allowances and scholarships); and
- discretionary funding.

### 5.2. Key findings

- Students' median total income from all education-related sources ranged from £3,699 for FE students, £6,689 for HN/undergraduates to £9,600 for postgraduates. It was £6,000 for students from under-represented groups.
- In terms of repayable education-related income, the median income was £6,300 for HN/undergraduate students, £7,000 for postgraduates and £6,930 for students from under-represented groups.
- For non-repayable education-related income, FE students received a median income of £3,699; HN/undergraduates £2,305; postgraduates £8,600 and for students from under-represented groups it was £3,861.
- Median income received from discretionary funding was £1,000 for FE students; £700 for HN/undergraduate students; and £500 for students of all levels of study from under-represented groups.<sup>60</sup>
- Around 3 in 10 (29%) FE students said they were not aware of discretionary funding, compared with 26% of those from under-represented groups, 24% of HN/undergraduates and 20% of postgraduate students. FE students were, however, less likely to say they thought they would be ineligible for discretionary funding (19%) compared with all other student groups (28% of HN/undergraduate students).
- In the qualitative research, students expressed conflicting views of student loans. While they were viewed as being essential to cover living costs, repaying student loan debt was a source of anxiety for some participants.
- Students were positive overall about the impact of bursaries in terms of reducing money worries; however, the impact they had for students and their financial experiences varied according to the amount of the bursary.
- The reduction in, or in some cases removal of, FEB and EMA due to attendance requirements, worsened the already precarious finances of vulnerable FE students.

- Discretionary funding was viewed as an important source of income for some students who relied on it to fill in gaps in their finances to cover a range of costs including rent, tuition fees, travel to university or college, and other living costs whilst studying or during the summer break when loan and bursary instalments ceased.

### **5.3. Total education-related income**

Responses from the survey were used to calculate students' total education-related income from student loans; bursaries, grants and scholarships; and discretionary funding. Students' total median income from education-related income is presented for FE, HN/undergraduate and postgraduate students, and for students from under-represented groups.

#### **5.3.1. FE students**

Among FE students, the median total education-related income of FE students was £3,699. As FE students are not eligible for student loans, their total education-related income consists only of non-repayable education-related income in the form of bursaries, grants, scholarships and discretionary funding.

- Median education-related income was similar for female and male FE students, and was £2,340 for those 16 to 19, and £3,760 for those aged 25 and over.
- Among those from the 20% most deprived areas, the median total education related income was £3,861, compared with £3,170 from those in the 80% least deprived areas.

#### **5.3.2. HN/undergraduate students**

The median total education-related income for HN/undergraduate students was £6,689. This included all three forms of education related income (student loans for living costs; bursaries, grants and scholarships, and discretionary funding).

- Among full-time HN/undergraduate students the median total education-related income was £7,000 while for part-time HN/undergraduates it was £1,500. This is due to part-time HN/undergraduate students being ineligible for student loans and for most bursaries.
- Median total education-related income was £6,930 for female HN/undergraduate students and £6,000 for males. HE students aged 16 to 19 had a median total education-related income of £6,000, while for those aged 25 and over it was £7,560.
- Median total education-related income for HN/undergraduate students whose parents did not have experience of HE was £7,279 compared with £6,000 among those whose parents had HE experience.
- For those from the 20% most deprived areas, the median was £8,000, compared with £6,003 among HN/undergraduate students from the 80% least deprived areas.

- HN/undergraduate students who lived independently (renting or with a mortgage) received a median total education-related income of £7,000, while those who lived with their parents had a median total income of £6,000.

### **5.3.3. Postgraduate students**

Postgraduate students received a median total education-related income of £9,600.

- Female postgraduate students had a median total education-related income of £9,180, while for males it was £11,400.
- Those postgraduate students aged 25 and over had a median education-related income of £9,000 compared with £13,228 for those aged 20 to 24.
- The median total education-related income for postgraduate students from the 20% most deprived areas was £13,000, and £9,000 for those from the 80% least deprived areas.

### **5.3.4. Students from under-represented groups**

Among students from under-represented groups, the median total education-related income was £6,000.

- The median income for students aged 16 to 19 from under-represented groups was £5,400, and £6,840 for those aged 20 to 24, and £5,985 for those aged 25 and over.
- When looking at deprivation, the median education related income for those from the 20% most deprived areas was £6,377 compared with £6,000 for those from areas with lower levels of deprivation.
- Among students from under-represented groups who lived with their parents the median total was £4,674, compared with £6,350 among those living independently (renting or with a mortgage).

## **5.4. Student loans**

A key source of education-related income for HN/undergraduate and postgraduate students enrolled on Masters and Postgraduate Diplomas is student loans.

Eligible students enrolled on HNC/Ds, undergraduate degrees and postgraduate Masters courses are entitled to apply for a student loan for living costs. FE students, and those who undertake HN/undergraduate courses on a part-time basis, are not currently entitled to student loans for fees or living costs. For Masters students who are studying part-time, only the tuition fee loan is available. The amount of living cost loans HN/undergraduate students are entitled to is dependent on 1) whether they qualify as a young (under 25 years) or independent student (25 and over) and 2) their household income, with higher levels of loans available to those from lower income households. At the time of the research (2023 to 2024), living cost loans ranged from £6,000 to £8,000 per year.

In 2023 to 2024, postgraduate students on Postgraduate Diploma and Masters level courses were eligible for a tuition fee loan of up to £7,000 dependent on the

course fees, which was paid directly to the institution. Students on these courses were also eligible for a living costs loan of up to £4,500 (for academic year 2023-2024), which was not means tested.

During the research, the Scottish Government announced the provision of increased financial support for students from the start of the 2024-2025 academic year. The new Special Support Loans will see total funding for HN/undergraduates rise by £2,400 to £11,400 for those students with a household income of less than £21,000. The Special Support Loan of £2,400 will also be provided in addition to the £9,000 Care Experienced Students' Bursary, but will not apply to Paramedic, Nursing or Midwifery students (who receive a non-means-tested, non-repayable annual bursary), part-time HN/undergraduates or FE students. For postgraduates, the uplift will see their funding rise to £13,900.

Repayment of both HN/undergraduate and postgraduate loans begins the April after a student graduates, but payments are not taken until students earn above a threshold, at the time of the research this was set at £27,660. Repayments are made directly to the Student Loan Company from graduates' wages and consist of 9% of their income earned over the threshold. At the time this research was carried out, the interest rate was set at 6.25%.

The following sections consider first the total repayable education-related income received by students who responded to the survey, before then considering the qualitative findings around students' experiences of and attitudes towards student loans.

#### **5.4.1. Total repayable education-related income**

This section reports on the survey data which are used to calculate the median income received by students from repayable education-related sources i.e., student loans. As FE students do not receive student loans, this section reports only on HN/undergraduate and postgraduate students enrolled on eligible Masters or Postgraduate Diploma courses.

#### **HN/undergraduate students**

Almost half (49%) of HN/undergraduate students received education-related income through student loans. As only students who were Scottish-domiciled were eligible to take part in the study, this section relates to living cost loans only. Part-time HN/undergraduate students are not eligible for living cost loans.

- There was little difference in the proportion of female and male students who had income from student loans, however, there were differences in terms of age, with 55% of those aged 16 to 19 reporting that they received income from student loans compared with 38% of those aged 25 and over.
- Two-fifths (40%) of HN/undergraduate students who lived with their parents received income from student loans, compared with 54% of those living independently (renting or with a mortgage).



The median total repayable income from student loans for HN/undergraduate students was £6,300 during the academic year 2023 to 2024.

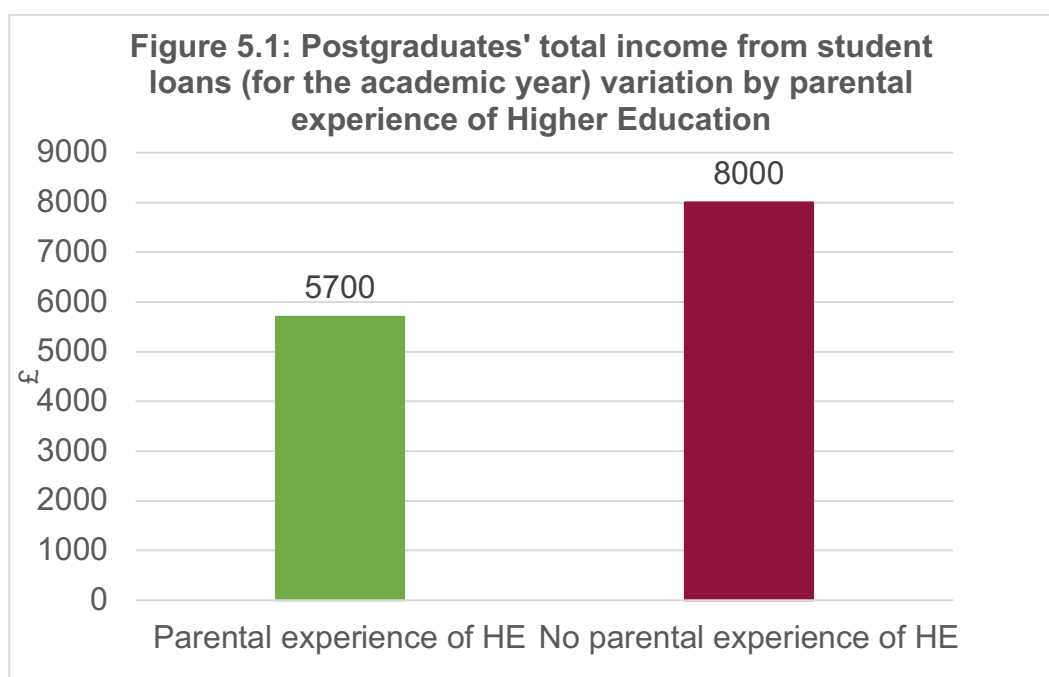
- The median was £6,000 for those aged 16 to 19, and £7,785 for those under 25.
- HN/undergraduate students whose parents had no HE experience had a median income from student loans of £7,000 (compared with £6,000 for those with a parent with HE experience).
- HN/undergraduate students from the 20% most deprived areas had a median income from student loans of £7,938, while those from the 80% least deprived areas had a median income from student loans of £6,000.

### Postgraduate students

Among postgraduate students, only those enrolled on Masters or Postgraduate Diploma courses are eligible for tuition fee and/or living cost student loans. A quarter (25%) of postgraduate students had some form of student loan (tuition fee and/or living costs loan).

- Among those aged 20 to 24, 37% received income from student loans, compared with 23% among those aged 25 and over.
- A higher proportion of postgraduate students who lived with their parents received income from a student loan compared with those who lived independently (renting or with a mortgage), 37% and 22% respectively.

The median total income from student loans (including both tuition fee loans and living cost loans) for the academic year 2023 to 2024 was £7,000 for postgraduate students. Figure 5.1 shows the median total income from student loans of postgraduates whose parents had experience of HE compared with those whose parents did not.



## **Students from under-represented groups**

More than a quarter (29%) of students from under-represented groups received income from student loans.

- More than two-fifths (45%) of students from under-represented groups aged 20 to 24 received student loan income, compared with around a quarter (24%) who were aged 25 and over and around 3 in 10 (29%) of those aged 16 to 19.
- A third (33%) of those who lived independently (renting or with a mortgage) received income from student loans compared with just under a quarter (23%) who lived with their parents.

The median income from student loans for students from under-represented groups was £6,930 in academic year 2023 to 2024. It was £7,000 for female students and £6,300 for male students.

- Among those aged 16 to 19 the median income from student loans was £6,100, while for those aged 25 and over it was £7,740 and similarly, median income from loans was £6,000 for those whose parents had experience of HE and £7,650 for those whose parents did not have HE experience.
- For those students from under-represented groups from the 20% most deprived areas, the median income from student loans was £8,100, compared with £6,300 for those living in the 80% least deprived areas.
- Students from under-represented groups who lived with their parents had a median income from student loans of £6,264 compared with £6,930 for those who lived independently (renting or with a mortgage).

### **5.4.2. Qualitative findings on student loans**

This section outlines the qualitative findings from the interviews and focus groups to explore students' attitudes towards, and their experiences of, student loans. The views of students who were ineligible for student loans are also explored here. The majority of students who took part in an interview or focus group who were entitled to a loan (full-time HN/undergraduate/Masters students) had taken one out.

#### **Decisions to take a loan, and its impact**

Students in the qualitative interviews and focus groups had different reasons for deciding whether or not to take out a loan. The main reason for taking out a loan was because students felt their living costs, or fees, would not be affordable without it. This was mentioned by both HN/undergraduate and postgraduate students. For postgraduate students, the Masters loans were viewed as having been critical to them being able to progress their studies as a result of what was seen as the high cost of tuition associated with Masters courses.

Student loans were often viewed as a necessary part of being a student, something which had to be accessed to cover living costs or fees in order to reach the goal of obtaining a qualification. Often, conflicting feelings of being 'scared' about having student loan debt were expressed at the same time as recognising that loans can

be helpful. For some, accessing a student loan had enabled them to study away from home allowing them a greater choice of institution.

“It certainly was helpful for getting it [a loan]. On the other side, you've always got in the back of your mind, well, I like this money, it helps me buying things, it helps me buying food [...] but you do always know, well, it's got to be repaid at some point. (Student parent focus group)”

“I know that it's something I have to pay back eventually but it is something that I've really needed because otherwise I wouldn't have been able to study away from home. I would've had to apply to [universities in home city]. I would've had to stay at a university closer to home and I feel that that would've really limited my potential because [my university] has a lot of [...] resources I wouldn't have been able to access otherwise. (Part-time HNC/HND student)”

While the loan was essential for some students, for those who had other sources of income to rely on it was viewed differently. In these circumstances the loan was viewed as providing a ‘backup’ or safety net while students waited to hear if they had successfully accessed scholarships or in place of receiving financial support from their parents. Some students who were funded entirely by their parents’ financial contributions had chosen not to take out a loan this year, though one had taken out a partial loan previously. This points to the fluidity of the system, with some students moving in and out of the loans system, taking on a loan as and when required.

### **Attitudes towards student loan debt**

Among the interview and focus group participants a range of different attitudes to student loans were expressed, incorporating those who were debt averse and those who were more relaxed about taking on student loans. Their views are outlined below.

#### **Debt aversion**

While student loans were perceived as being necessary to cover the costs of studying, the prospect of repaying them could be a source of worry and anxiety. Student loans were described as ‘scary’ and ‘intimidating’, and students spoke of their ‘fear’ and ‘dread’ at having to repay them. In some cases, worries about repaying student loans exacerbated students’ existing financial worries. This was particularly the case for students whose student loan was their main source of income and for those who were unable to rely on financial contributions from family. A fourth year student who was estranged from their family spoke of how ‘terrifying’ it was when they calculated that they owed ‘nearly £25,000’. They compared their experiences of finance with those of their peers who the student felt were able to rely on the support of their parents (both financial and non-financial) and reduce or completely avoid student loan debt.

“I did the unthinkable and double-checked how much I'm going to have to pay back. I owe SAAS nearly £25,000. That's terrifying [...] The last two years have been an eyeopener. Some people do in fact have the support that means they will graduate university in Scotland loan-free, debt-free. The eyeopener is that the fact that you can get a higher loan for being in direr circumstances is great while you're studying but it completely screws you over afterwards because you have a higher level of debt to pay back than your peers who maybe were fine taking the minimum amount. (Estranged student focus group)”

While SAAS process and assess student loan applications, loan payments for living cost loans and repayments are handled by the Student Loans Company. However, when discussing their student loan debt, all of the students we spoke with linked this debt to SAAS rather than the Student Loans Company. It was also common for students to refer to their ‘SAAS loan’, rather than recognising the funding as being provided by the Scottish Government. This points to a lack of knowledge and understanding among students as to how student loans work.

As a result of concerns about debt, some students who were fully funded by their parents’ financial contributions chose not to take out student loans, or to take partial loans to reduce their overall debt.

“[The loan] wasn't the maximum I was entitled to. I was applying for it and I didn't feel compelled to go into more debt just to have more money now. I wouldn't be spending it on anything useful, so I just figured out the amount I needed roughly, and I put that as £2,000. (Full-time undergraduate student)”

The prospect of repaying student loans was a source of anxiety, particularly for students with experience of poverty or financial difficulties growing up, and for those who had had to rely on commercial debt. Care experienced students in receipt of the CESB expressed relief that they were not entitled to take out student loans. Whilst student loans differ to commercial debt in terms of their terms and conditions, interest rates etc, students were nonetheless fearful of student loans, particularly those who had used commercial debt in the past.

“I've got really, really bad debt anxiety. The thought of being in debt really does scare me because once you're in it, it can be really hard to get out of. As much as it is really good that they give people the loans, it's also really daunting. (Care experienced student focus group)”

Rising interest rates<sup>61</sup> were a source of concern for those who were worried about repaying their student loans. HN/undergraduate and postgraduate students from a range of different backgrounds mentioned the impact of the recent rise in interest rates as a deterrent to taking out student loans. Research participants who had previously taken out a student loan at a time of low interest were taking steps to repay it early to minimise the impact of rising interest rates.

“When I was in high school my teachers told me it’s a good idea to take the SAAS payment, ‘they’re very low interest’. Because I think it was at about 1% and, yeah, now it’s up to 6% which would make me a bit reticent I guess to go and take out more student loans from SAAS. (Full-time undergraduate student)”

### **Limited concern about student loans**

Not all students who participated in the qualitative research expressed concern about repaying student loans. Some said they did not know, or were not yet thinking about, how much student loan debt they had accrued so far. There were students (both HN/undergraduate and postgraduate) who said they had not calculated the amount of student loan debt owed so as to avoid thinking about it. Others were not as actively concerned about student loans because they were of the view that they would never earn enough to repay the debt in full, or because they were dealing with more pressing financial concerns such as not being able to afford basic essentials.

“It’s almost something I don’t think about, the fact that I need to pay it back. They’re just the least of my worries, basically. (Estranged student focus group)”

“Future me’s problem, frankly. I don’t earn to be able to pay it off. Honestly, I couldn’t even tell you how much I owe. It is so far from the realm of an issue for me right now. I know that it will come back at some point, but as long as I’m not actively adding to it at the moment, which I am lucky to not be in an overdraft, to not have taken out loans, etc., yet. Although it’s looking more likely that I might have to. Yes, it’s just not something I’m even - I don’t think it bears consideration! I’ve still got a couple of years left. I’m so far away from earning enough. (Postgraduate student focus group)”

Students’ beliefs in their ability to repay their loan were also linked to subject studied. Some said they were not worried about repaying their loans as they were comfortable about securing work after they completed their studies. This was particularly the case for those students enrolled on courses which led to careers in specific professions.

“I’m no’ worried about the fact that I’ll have to pay it. I think also, though, that might be quite attached to the fact that I’m studying [a degree in the professions] so I know the chances - when I get out of uni, I’m no’ really gonnae struggle to find a job because they’re in high demand. So maybe if I’d chosen something different, it’d be something I’d be a bit more worried about but I’m no’ too worried. (Care experienced student focus group)”

### **Knowledge and understanding of student loans**

A key factor in how students viewed taking out and repaying a student loan was the extent of their understanding of the student loans system. Some qualitative participants, from all qualification levels, displayed a poor understanding of how

student loans work, and the terms and conditions attached to repaying those loans. For example, some students were vague as to whether or not the money they were awarded from SAAS was a loan or a bursary, or what the ratio of loan to bursary was within their SAAS payment. A student expressed relief upon realising during a focus group that their Paramedic, Nursing and Midwifery Student Bursary did not have to be repaid. Some postgraduate students reported that they were unsure whether they had taken out a loan as an undergraduate or what level of loan they had received, and at what point, for fees and/or living costs.

Students shared that they received limited information about the student loan before deciding whether to apply for one. They recalled their school teachers saying student loans were 'interest free', noting how this differs to the situation at the time of the research, when the interest rate was 6.25%. Others questioned the perceived lack of awareness around student loans and the ease with which students took them on, with little discussion of what the implications are in terms of repayment. There was a desire for more discussion at colleges and universities 'about the risks of getting yourself into debt' to help improve students' awareness. A student expressed concern that student loan repayments may affect their credit ratings. This is not the case, but it highlights the lack of understanding of the terms and conditions attached to student loans.

"I feel like a lot of people aren't aware of the actual risks of taking loans out and stuff because it's just easy-access money. Nobody is thinking, 'oh, I'm gonnae need to pay that back'. Then if you don't pay it back, your credit has bombed. So I feel like there should be a bit more awareness in learning places. (Care experienced student focus group)"

By contrast, there were some students who felt more comfortable with the idea of repaying their student loans. They found reassurance in their knowledge of student loans' terms and conditions, such as the fact that repayments do not begin until such time as you are earning over a specific threshold, that monthly repayments are generally small, and that the repayment period is time limited. Some suggested that because of the way repayments were linked to income, they may never pay off their loan in full.

"The thing about having a SAAS loan, right, is that you only have to pay back in increments. Those increments are relative to how much you earn. So, if you don't earn enough money in the future, you don't have to pay it back, and it's written off after 30 years, 35 years, something like that. (Postgraduate student focus group)"

### **FE and part-time HN/undergraduate students' views of loans**

The qualitative research also explored the views of students who were not currently entitled to student loans, such as students studying FE or part-time HN/undergraduate courses. Some students expressed a desire to receive a student loan as a means of allowing students to undertake less paid work, experience less anxiety and focus more time on their studies.

“I would probably be taking it if it was so I could take more time off work and more time studying because that’s...at the moment I struggle to find time to study outside of going into college and that sort of thing. (FE student focus group)”

However, other FE students expressed reluctance to take on student loan debt, saying they would do so only as a ‘last resort’ due to their concerns about repaying them. A lack of knowledge as to how student loans work was also evident among FE students, partly as a result of not exploring loans as a result of not being eligible for them. FE students who planned to progress to an HNC/D level and had researched their funding, had a better understanding of loans.

“I'd probably feel quite weird about [taking a loan], to be honest, because I don't know, the word loan is quite a scary thing to think about when you're quite young. I don't think I would shy away from it, but I think it'd be a last resort. (Full-time FE care experienced student)”

## **5.5. Non-repayable education-related income**

### **5.5.1. Introduction**

As outlined at the start of this chapter, non-repayable education related income is made up of a range of different sources of funding. These include non-repayable bursaries, grants and allowances funded by the Scottish Government for particular student groups or courses of study. A full list of bursaries, grants and allowances that were available to students at the time the research was undertaken in 2023-24 is included in Annex A.

Non-repayable education related income also includes students’ scholarships. These may be provided by the students’ university or college, an independent funding body or, in the case of postgraduate students only, the UKRI Research Councils.

### **5.5.2. Total non-repayable education-related income**

This section reports on the survey data relating to students’ income from non-repayable education-related income which, for ease, will be referred to as bursaries, grants and scholarships. However, it should be borne in mind that different groups of students are eligible for different types of non-repayable education-related income (see Annex A for further details).

### **FE students**

Almost two-thirds (64%) of FE students received non-repayable education-related income. There were no significant differences by subgroup. The median total income for FE students from bursaries, grants and scholarships was £3,699.

- For FE students aged 16 to 19 the median income from these sources was £2,340, while it was £3,760 for those aged 25 and over.

- FE students who lived in the 20% most deprived areas had a median income of £3,861 from bursaries, grants and scholarships, compared with £3,150 among those living in the 80% least deprived areas.

### **HN/undergraduate students**

Around two-fifths (42%) of HN/undergraduate students received some form of non-repayable education-related income from bursaries, grants and/or scholarships. As shown in Table 5.1 the following were more likely to receive this type of income:

- Those aged 25 and over compared with those aged 16 to 19.
- Students living in the 20% most deprived areas, compared with those living in the 80% least deprived areas.
- Students living independently (renting or with a mortgage) compared with those living with their parents.
- Full-time students compared with part-time students.

The median total non-repayable education-related income for HN/undergraduate students was £2,305. It was £3,000 for full-time HN/undergraduate students, and £1,128 for those who were part-time. The median total income from bursaries, grants and scholarships for each of the sub-groups is shown in Table 5.1.



**Table 5.1: Proportion of HN/undergraduates from each of the sub-groups with non-repayable education-related income and median total income**

| Student characteristics      |  | %  | Median (£) |
|------------------------------|--|----|------------|
| Sex                          | Female   | 42 | 3,500      |
|                              | Male   | 43 | 1,711      |
| Age                          | 16-19  | 38 | 2,000      |
|                              | 20-24  | 44 | 2,000      |
|                              | 25 and over                                    | 43 | 3,600      |
| Full-time / Part-time status | Full-time                                      | 49 | 3,000      |
|                              | Part-time                                      | 20 | 1,128      |
| Area deprivation (SIMD)      | 20% most deprived areas                        | 50 | 2,500      |
|                              | 80% least deprived areas                       | 40 | 2,240      |
| Accommodation                | Living with parents                            | 37 | 2,000      |
|                              | Living independently (with a rent or mortgage) | 44 | 3,000      |

### Postgraduate students

As postgraduate students are not eligible for bursaries, the main sources of non-repayable education-related income available to them are scholarships – from their university, an independent funding organisation or the UKRI research councils.

Almost half (47%) of postgraduate students received some form of non-repayable education-related income. Nearly three-fifths (58%) of those aged 20 to 24 received non-repayable income, compared with 45% of those aged 25 and over.

Postgraduate students received a total median income from bursaries, grants and scholarships of £8,600.

- This was £7,900 for female students and £9,100 for male students.
- Postgraduate students whose parents had HE experience received a median income of £9,500 from non-repayable education-related income, while for those whose parents did not have HE experience it was £6,930.

## **Students from under-represented groups**

Over half (55%) of students from under-represented groups received income from non-repayable education-related sources.

- Over half (57%) of those whose parents had experience of HE received this type of income compared with 50% of those whose parents did not have experience of HE.
- Around three-fifths (62%) of students from under-represented groups living in the 20% most deprived areas received some form of bursary, grant or scholarship, compared with just over half (53%) of those from the 80% least deprived areas.

Among students from under-represented groups, the median income from non-repayable bursaries, grants and scholarships was £3,861.

- The median income for female students was £3,900 and it was £3,000 for male students.
- Students from under-represented groups aged 16 to 19 received a median income of £3,042 from these sources while those aged 25 and over received a median income of £4,066.
- Those who lived with their parents had a median income of £3,600 compared with £4,050 for those who lived independently (renting or with a mortgage).

### **5.5.3. Qualitative findings on bursaries**

The only grant that students who participated in the qualitative research had not received was the Dental Student Support Grant. This section considers how students accessed a range of bursaries, their impact and barriers. As postgraduate and part-time FE and HN/undergraduate students are not entitled to bursaries, this section is focused on full-time FE and HN/undergraduate students only. As the numbers of students in receipt of each type of bursary were small, this section explores students' access to bursaries more broadly, including any factors that made accessing bursaries easier or more challenging, and their overall impact, rather than looking at each type of bursary individually. However, where relevant, issues pertaining to specific bursaries are explored.

Several key themes emerged in discussion with students around access to bursaries. These related to awareness and understanding of available bursaries, application processes and evidence required of students to prove they met the eligibility criteria. Each of these is discussed below.

### **Awareness and understanding of available bursaries**

Students' awareness of bursaries available to them was mixed. Those in receipt of FEB, EMA, YSB and ISB were generally aware of bursaries on offer and noted that their household income made them eligible for these. Some FE students had found out about the FEB when they applied for their course, with college staff said to have encouraged them to apply for the bursary at the same time. Others, however, had less positive experiences, stating that they had to find out the information for

themselves. Students were critical of the lack of information about bursaries on college websites, and had to contact their college to check for their eligibility and what information was required as part of the application process.

“So when I applied for the college, they sent us all an email saying make sure you apply for your funding and they basically hammered it into us you know you apply for it. They were very on top of making sure we’d applied for what was available and we’ve been getting emails recently that there’s a one off grant available and that sort of thing, so any opportunity that comes up for funding they do let us know. (FE student focus group)”

“No, I wasn’t sure at all until I got this email - I’m eligible and how much money I will get. Before that, I didn’t know nothing. There weren’t that much information in the website. (Full-time FE student parent)”

All care experienced student participants were aware of the CESB, having found out about it via different sources. Some recalled that they heard about it from their school teacher while others had only discovered it whilst doing their own research. A student who was in kinship care highlighted the importance of having received advice from a school teacher who helped them understand they were care experienced and therefore entitled to a CESB, and guided them through the application.

“No, I don’t think I would have been able to do it myself. It’s just like the questions just triggered me a bit, like because I didn’t even know what like Kinship Care meant until I was sitting with my teacher and she was telling me. I wouldn’t have known what [option] to pick. [...] I didn’t even know you could access they kind of stuff. So no I probably wouldn’t be able to do it my own. (Full-time HNC/HND care experienced student)”

By contrast, the ESB did not appear to be well known among HE estranged student participants, who were in receipt of a range of different types of bursaries, including the ISB and ESB. Some estranged students linked this variation to a possible reluctance among students to self-declare as estranged. It was suggested that students may be more willing to identify themselves as estranged if they were made more aware (via both SAAS and their college or university) of the range of financial support available to students who are estranged. Students (both estranged and others) noted that the onus appeared to be on students to find information for themselves rather than receiving assistance to navigate the system.

Estranged students also expressed some confusion in relation to bursaries with some questioning whether they had received the bursary they were eligible for. There were also some estranged students who said they had ‘ticked the box’ but had been refused a bursary and received only a loan. They faced additional financial challenges as a result.

“I just didn't get the bursary. That's what confused me so much. If I can get the loan, then why can I not get the bursary along with it? That's why I'm struggling so much, because I don't get the bursary along with it so I don't get half as much as what I should to live with. (Estranged student focus group)”

This confusion extended beyond estranged students. An undergraduate student who was eligible for a bursary did not apply for it because they did not think it was possible to do so without accessing, in their case, an unwanted loan. This meant they potentially missed out on an additional £50 per month.

## **Application processes**

Students had varied experiences of applying for their bursaries both through colleges and SAAS. Some students, including those accessing a range of different bursaries, found it straightforward to apply to their college or SAAS for a bursary. Others found it more difficult. This could be due to the challenge of explaining nuances of their family's financial situation, for example, where parental or household income had been impacted by recent job changes it was not always clear how to explain this in the forms. It was also the case that the process of understanding the questions and completing application forms could be challenging, and this could have knock on effects on students' ability to access the funding. For example, there were students who made mistakes when completing their application which led to delays in receiving their funding.

## **Providing evidence to prove eligibility**

In the interviews and focus groups, students also explored issues relating to the need to provide evidence relating to their bursary applications for both colleges and SAAS. While providing evidence was straightforward for some students, others felt the level of evidence required was intrusive. Student parents, disabled students and estranged students all raised challenges in providing evidence to access bursaries. The volume of evidence required of students, and the difficulty of collecting some evidence (e.g. on estrangement, disability, or their children if they were applying for childcare support) was also problematic for some. Students described the experience of providing evidence for their applications as 'stressful'. Estranged students also discussed some of the challenges associated with having to prove their estrangement in order to access their funding, particularly those who became estranged in the midst of their studies. They also highlighted the frequency with which they were expected to prove their estrangement, noting how stressful it could be having to provide the same evidence each year despite their personal circumstances not changing during that time.

“It's like how can you re-prove that you're still estranged from your family? How can you be like, 'Yep, still ongoing'? It's just - I don't know - hard for estranged students. (Estranged student focus group)”

“For me, when I was filling out the letter thingy and that, they wanted social work stuff and I didn't have that. Then I had to get a letter from

the doctor but I didn't have that either. At the time, I hadn't had any support from anyone except from my high school. That's how I got my estranged bursary the first time so I thought that should get me it the second time and if they need anything else, they can let me know. It just automatically got rejected and I didn't have any other proof to show them that I was estranged so I was just left. 'We know you're estranged. I've seen that but we can't give you it because you don't have enough proof.' (Estranged student focus group)"

### **The impact of receiving a bursary**

Students were positive overall about the impact of receiving bursaries. They spoke of how bursaries reduced their worries about paying bills or, for those in receipt of CESB or PNMSB, removed worries about accruing student loan debts. Some said they felt under less pressure to have to supplement their income with paid work or that they were less reliant on their overdraft as a result of receiving a bursary.

"I mean it has been very helpful because it pays for my bus fares and my food so I don't have to worry...and the electricity and that sort of thing so I don't have to worry too much about...I don't have to work if I don't need to but I'd have to budget extremely well for it and it would be... I probably would be going into my overdraft or having to take out a couple of loans if I didn't have that sort of thing. (FE student focus group)"

The impact of bursaries varied according to the size of award. For those students funded entirely through bursaries (some students with FEB, or those in receipt of CESB or PNMSB) the perceived impact was considerable. This was especially the case for those receiving relatively large payments from FEB which covered both accommodation and other costs. Care experienced students highlighted the benefit of not having to worry about student loan debt and the broader impact this could in turn have on mental health and ability to socialise. It was also viewed as a means of helping address some of the additional challenges care experienced students may face.

"I guess it's great that care experienced young people can access that [CESB] and no' have to worry about loans. It definitely is a small thing that they can do to try and even the playing field. (Care experienced student focus group)"

Where students received smaller bursaries (e.g. FEB topping up Universal Credit or ISB/YSB), the reported impact was understandably smaller. Nonetheless, even those students who were receiving £28 top-ups to Universal Credit or £50 per month YSB spoke of how they had benefitted from this in terms of being able to, for example, pay for their travel between home and their college/university. Those who were not eligible for bursaries also commented on the ways that bursaries could help students to remain in college and reduce their financial stress.

"It's great for students who don't have as good a financial stability as others, and it helps them still be in college while also not having to

worry as much about whether or not they can pay their bills, or pay even for food. I think it's really good to keep people in college as well. (Full-time FE student)"

## **Barriers to accessing bursaries**

Students also highlighted several aspects which minimised or counteracted the positive impact of bursaries.

A particular barrier for FE students was the reduction (or removal in some cases) of FEB and EMA payments in response to poor attendance or lateness. Students receiving these bursaries are eligible on the basis of their household income, yet several students who participated in the qualitative research said their FEB or EMA had been cut or removed entirely. Other students spoke of peers who had been impacted by this or were themselves fearful of it happening. Students recognised that colleges needed some way of ensuring that those in receipt of a bursary attend college. However, they called for colleges to be more understanding of the circumstances students may face. This included student parents who missed classes to care for sick children, disabled students whose physical or mental health conditions made it difficult to attend college every day, as well as students who reported that were unable to afford to travel to college every day.

"You have to keep your attendance above 90% which [...] back when I was doing the other qualification I did struggle with because my mental health wasn't great. So attending in class was really hard for me so it does...again for some of the people that I go to college with if its 80% you do get a portion of your bursary but anything under 80% attendance for the period they look at, you don't get your bursary so it can be a bit worrying if you have to take a couple of days off and that sort of thing. (FE student focus group)"

In some instances, this approach to FEB or EMA worsened the already precarious finances of vulnerable students. For example, an estranged student had their bursary top-up removed after missing classes as a result of their worsening mental health. This led to the student not being able to afford to use heating in the middle of winter.

As outlined above, issues with bursary applications and submitting the correct evidence meant that some students experienced delays in receiving their bursary funds. This caused additional stress for students who were unsure if they would receive their funds, and led to increased financial instability for others who had to borrow from family and friends to tide them over until their bursary was received.

"You have to wait ages for a decision. I was accepted in June after I had to do like a little interview with them. I got all the forms in a week after I got accepted, I got all the forms together and I got them in. I didn't get my acceptance letter till a week before I started college, I started in September. So it was stressful, thinking are they going to pay the tuition, pay the fees, will I get a bursary? (Full-time FE student parent)"

Eligibility rules in relation to HE funding meant that some students who could benefit from a bursary missed out. Barriers relating to the number of years a student can access HE funding for were raised by students in a focus group with care experienced students. HN/undergraduate students in receipt of the CESB receive two additional years of funding to support those who start study but are unable to continue. However, care experienced participants did not express awareness of this. One of the care experienced HN/undergraduate students had used up their allocated years of funding, meaning that they were no longer eligible for the HE CESB. There was a consensus that care experienced students may move in and out of education courses for some time before they find the right course for them, by which time they may have used up the funding they are eligible for. Care experienced students highlighted experiences of trauma which have the potential to impact on educational decision-making.

“I think because of what I went through when I was younger and stuff, I was dealing with a lot - PTSD and stuff like that - for years. Looking back, had I been in the right place to make the decision to have just not tried to go to university, that would have been for the best and then I still would have had access to funding. Again, when you're young, if you don't have a family to support you, it's hard to see that. I was always just trying – ‘oh, this is what everybody else my age is doing. I need to be doing this’. Then because of these issues that you're facing also, it makes it harder. Then maybe, I think, by the time you've come through some of the things that come along with being care experienced, you realise, ‘oh, actually, I've hit this age limit and aged out’. So you're kind of left, I guess. (Care experienced student focus group)”

#### **5.5.4. Qualitative findings on additional governmental support for specific groups of students**

In addition to loans, bursaries and discretionary funding, the government also provides additional support to specific groups of students who meet a defined set of eligibility criteria. This includes disabled students, student parents, care experienced students and carers. Students who participated in the qualitative research discussed their experiences of receiving such support.

#### **Disabled students**

At FE level, disabled students can apply to their college for additional support funded by the Scottish Government, such as travel costs. FE students with additional support needs may be eligible for funding from the Additional Support Needs (ASN) for Learners allowance, which provides allowances for additional support materials, non-medical personal help (NMPH) and extra travel costs.

HN/undergraduate and postgraduate disabled students with a range of disabilities, are eligible for the Disabled Students' Allowance (DSA) which similarly provides allowances for additional support materials, non-medical personal help (NMPH) and for large support items such as laptops, ergonomic equipment, and disability-related software.

Disabled students who participated in the qualitative research were from all study levels, from FE to postgraduate study. Only a small number of students who said they had a disability or a long-term health condition had applied for the Disabled Students' Allowance or the ASN for Learners allowance. Reasons for not applying for this support included: not knowing the support was available, not knowing if they would be eligible for support or not requiring additional support. For example, an HE student with hearing loss who needed to self-fund purchase of equipment to help them engage with lectures and tutorials, was not aware of DSA. Students with mental health conditions or impairments were among those who did not know if they would be eligible for support. There were disabled students who felt that college and university support for disabled students was not well advertised which made it more difficult for students to know support was available. In some instances, even when students became aware of support, they faced challenges making an application due to a lack of response from their institution's support team.

"I think the way it is at college if you don't ask then they don't tell you basically hey. I think that's kind of how the culture is. They don't tell you 'oh you could be entitled to this', it's more you have to find out yourself. (Full-time FE care experienced student parent)"

In contrast, disabled students who had applied for DSA or the ASN Learners Allowance, did so after their institution made them aware that they were eligible for this support. This occurred because students had declared a disability when they applied to study at their institution. There were students who were offered support with their application from a disability advisor and as a result they found the application process straightforward. In comparison, there were students who completed the application without support and found it long and repetitive.

"I think for me the funding they have in place is great and there's a lot of sort of grants that you can apply for if you need, like, I'm dyslexic so I've applied for that one as well where you can get the materials paid for that you need extra, like if you need assessments printed on coloured paper or anything you can get an extra grant for printing and that sort of thing. [...] [the application] it was alright, they always feel to me very longwinded but it makes sense you need to know everything, incomings and outgoings and that sort of thing. It does feel very repetitive at times because you're constantly trying to get the same things. (FE student focus group)"

Disabled students received a variety of support equipment such as laptops, ergonomic equipment and disability-related software. All were positive about the impact of receiving this equipment, though some faced a delay in receiving their equipment due to making errors in the application.

"When I got accepted at the university, I had to get in contact with the Disability Team at the university and I had to send all my assessments that I had done [...] when I was doing my degree and send them all that information and it actually took ages for it to come



through. I don't know why it took so long, there were things wrong and I had to do this and I had to do that and it took quite a wee while. [...] It gave me a specialised chair that would support me, it gave me a laptop, it gave me programmes on the laptop. I got a laptop thing to put the laptop on when you're in bed. I got a thing to rest my arm on when I'm on the computer so that's the kinds of things it gave me and it gave me somebody to read through my work and let me know what they thought. (Part-time postgraduate (Masters) student carer)"

"I'm dyslexic so I know about DSA [...] The university told us previously when we started that you can get that. [...] I contacted the Disability Services and then they basically...gave me a Disability Advisor and then I had a meeting with her and she filled out the majority of the paperwork for me. [...] It was really good actually yeah. It was all done fairly quickly and the uni had all our stuff done within like a couple of weeks and processed. [...] my Advisor told me so as part of my dyslexia I've got visual stress so I'm getting glasses that are tinted lenses and they'll help with my reading. I can get a printer, there's a whole bunch of stuff that I can get that helps sort of offset having dyslexia to an extent. (Full-time undergraduate student)"

## **Student parents**

Institution-specific support for student parents in FE is available from the Discretionary Childcare Fund, to assist with the costs of childminders, after school clubs, day care, sitter services and pre-school education. Students must apply through their college.

HN/undergraduate students who are lone parents are eligible for the Lone Parents' Grant, an income-assessed grant of up to £1,305, and the Loan Parent Childcare Grant, a grant of up to £1,215, to help with childcare costs. Those on paramedic, nursing, and midwifery courses, who are in receipt of the PNMSB, are instead eligible for the Single Parent's Allowance of up to £2,303, and the Childcare Allowance for Parents of up to £2,466 to cover registered childcare. These are administered by colleges and universities.

Postgraduate student parents are not eligible for any additional support.

Student parents who participated in the qualitative research were from all study levels, from FE to postgraduate study. Almost all said they were struggling financially. Awareness of institutional support available for student parents varied from no awareness to those who had applied for support, both successfully and unsuccessfully.

There were student parents who were receiving support for childcare through their college via the Discretionary Childcare Fund or the Lone Parent Grant. For some,

this funding covered all their childcare costs while others needed to top it up with income from paid work.

Student parents who were not receiving childcare support through their institution were either not aware that this support was available, or they did not need this support. Those who were only made aware of support as a result of participating in the research expressed frustration that they were not made aware of this funding. There were student parents who used free informal childcare support from family and friends because they could not afford to use the childcare support funding as it did not cover the full cost of their childcare. Without the support of family to care for their child, they suggested they would not have been able to study.

“I’m quite lucky with my childcare costs, my [family member], she watches my baby. And my other two are at school and she’s not charging so I’m quite lucky when it comes to that. If there was childcare involved, I would have to really think twice about going to college because I couldn’t afford it. [...] I think they pay 80% but even 80% you’re still left with 20% and if you’ve not got that 20%. (Full-time FE student parent)”

## **Carers**

Student carers in FE are eligible for up to £67.55 per week (2023 to 2024) from their college in the form of a dependants’ allowance; this is only available for full-time students whose dependant earns less than £67.55 per week, and applicants are required to provide evidence of their Carer’s Allowance<sup>62</sup>. There is also some institution-specific support available through discretionary funding.

Student carers enrolled on HN/undergraduate courses may be eligible for the Dependants’ Grant, which is an income-assessed grant of a maximum of £2,640 from SAAS (2023 to 2024). Those on paramedic, nursing, and midwifery courses, who are in receipt of the PNMSB, are instead eligible for a Dependants’ Allowance, which is an income-assessed grant of up to £3,640 (2023 to 2024). Scholarships and additional funding may also be available at specific institutions, and student carers are eligible to apply for any discretionary funding through their institution.

There is no additional support available for postgraduate student carers outwith the regular funding options.

All the carers who participated in the qualitative research were studying HN/undergraduate or postgraduate courses, with no participants studying at an FE level. None of the student carers disclosed that they were receiving the Dependants’ Grant or Dependants’ Allowance. Carers were either not aware of institutional support available for student carers or did not think they were eligible for the support.

“There are probably things like emergency funds, crisis funds, that I could tap into if there was a specific reason for it. I don’t think I’m eligible - I might be eligible as a carer [...] I’ve not ruled out going to

student support if later this year or next we really start to struggle. At the moment I think we're all right as we are and I haven't felt the need to. (Full-time undergraduate student parent and carer)"

Instead, student carers' income came from a range of sources including paid work, bursaries, scholarships, Disabled Student Allowance and social security benefits. The benefits participants accessed included Carer's Allowance, Universal Credit and disability payments - Personal Independent Payment or Adult Disability Payment.

## **Care experienced students**

Some care experienced young people can get support from the local authority. This varies depending on the young person's age and other factors. A care experienced young person aged 16 and 17, excluded from Universal Credit because of the special care leaver rules, should be receiving at least the amount they would otherwise be able to get under Universal Credit from the local authority, which should also provide the young person with, or pay for, accommodation. The local authority is allowed to take account of other income the young person has. More generally, the local authority has a responsibility towards care experienced young people who were looked after by that local authority on or after their 16th birthday. This can be advice, guidance and/or assistance and can include financial help. The responsibility lasts up to when the young person is 26.

Awareness of support offered by local authorities to care experienced young people varied. There were care experienced students who talked about receiving the Leaving Care Grant which they used to buy white goods for their accommodation while they were studying. However, care experienced students were not always aware of this support as soon as they could benefit from it and some only became aware of support once they were no longer eligible for it. Students said awareness of support was determined by the Social Worker they had. If they did not know about a certain type of support, or did not inform the young person of this support, it was possible to lose out on support even if the student was entitled to it.

"There is - through the local authority - a leaving-care grant to help with white goods and things like that which is again something that I got to this year without knowing has been available to me since I was 16. So it was nice to find out about in the end and that does help in terms of the living independently. (Care experienced student focus group)"

"I'm actually quite shocked because I've never heard of that [Leaving Care Grant]. It was never reported to me by social work, by any residential workers. I didn't even know that existed. I'm wondering how long you're actually entitled to that for because I feel like social workers - it should be mandatory for them to disclose that information to people leaving care, especially people that have minimum support and not great financial standing. So I'm really shocked about that. (Care experienced student focus group)"

While this additional support was appreciated, there were students who felt it did not fully cover the additional expenses care experienced students faced.

### **Applying for additional governmental support**

Students who participated in an interview or focus group highlighted that a barrier to receiving additional support was knowing that support was available and that they were eligible to receive it. As highlighted above, there were students who only found out about support available to them because they disclosed that they were disabled, care experienced, estranged, a carer or a parent, either when they started their course or when they experienced financial difficulty. However, not all students felt comfortable disclosing this information; disabled, care experienced and estranged students stated that they felt embarrassed or uncomfortable doing so. As a result, there were students who were unaware of the support on offer to them because they had not disclosed this information.

“When I was younger, I hated attaching the label 'care experienced' to myself. I had very negative views of that and I was embarrassed to ever say. So I think unless you're willing to accept that part of yourself really young, you're really no' ever gonnae be aware of these supports. I think in terms of local authority support, more needs to be done to make it - no' something that you need to ask for or apply for; it's something that's a given to every care experienced young person. (Care experienced student focus group)”

“Sometimes I don't tick the box because I'm like - it's a weird shame thing even though I know I shouldn't be ashamed of it. For me personally, it's embarrassing. Just for me. I don't know if anyone else feels that way. (Estranged student focus group)”

Even when students became aware of support available to them, some still faced challenges access these sources of support because they were required to provide evidence of their eligibility or describe personal details as part of the application.

“You don't really want to go into all your disabilities and all your past and whatnot. Whenever the university asks me do I have a disability, I just say no, even though I may have some. It's just that I don't really want to go into it. I suppose it stems from ignorance that support and funding is available for these sorts of things, for me anyway. (Estranged student focus group)”

#### **5.5.5. Qualitative findings on scholarships**

In the qualitative research, eight undergraduate and postgraduate university students were in receipt of a scholarship of some sort. This included UKRI fees and living costs student stipends, university's Access Scholarships which provided living cost bursaries, and fees only scholarships provided by both universities and independent funders.

## Scholarships applications

Students' experiences of applying for scholarships varied. Some had made an application for a specific scholarship (to their university or independent funding body) while others said they received their scholarships automatically as a result of the information their university received via their University and Colleges Admissions Service (UCAS) application.

Most students who were in receipt of a scholarship were postgraduates. Some received merit-based scholarships, while others received them on their basis of their student characteristics, such as their care experienced status. However, some students who received a scholarship were unsure who paid their scholarship or on what basis they received it. This was particularly the case for those who received an 'automatic' scholarship.

"I believe it was merit based, I think. They actually didn't give a reason. I actually hadn't even applied for a scholarship. I just ticked a box that was like, 'Enter me into any potential scholarship'. So I got awarded that one. I'm not sure if it was due to my performance previously. I really don't know, but I was just happy to have some fees knocked off. (Full-time postgraduate (Masters) student)"

By contrast, other students had a much clearer understanding of the scholarships on offer at particular universities and this had informed their choice of institution. An undergraduate applied to their chosen university on the basis of the scholarships available there to students from lower income households.

"I was aware that - this is another reason why I applied to [University] is because it has such a large range of the scholarships available, and so I applied because I had that opportunity to gain a scholarship, to have that sort of financial help. So, I learned about it through the University website and the application process, I emailed and corresponded with the University at different points in time, just to understand a bit more about it. I filled out an application form which was really easy as well. I think when these things are intimidating, it would definitely put people off of applying. But the University made it quite seamless, I would say. (Part-time HNC/HND student)"

Among postgraduate students enrolled on PhD courses, differing experiences and perspectives were expressed with regard to the availability of UKRI PhD studentships. Two students who received them said it was a straightforward process and that the scholarships were easy to apply for and access. However, other PhD students noted that this did not reflect their experience, that there were fewer studentships available in specific fields, and highlighted the high levels of competition involved in accessing studentships. Some called for additional funding to be made available to those studying in the arts and humanities.

More broadly, students who did not receive a scholarship spoke of their awareness of scholarships and the various criteria attached to them. They referred to a range

of other scholarships available through individual universities and, in some cases, the very specific criteria attached to them, such as geography- or subject-based conditions. The 'fierce' competition attached to these was enough for one student to decide not to apply for scholarships offered through their university. Others relayed the difficulty they experienced in finding appropriate scholarships that they would be eligible for. This was particularly the case for postgraduate and part-time undergraduate or postgraduate students who noted they were ineligible for some of the additional supports offered through their universities. Additionally, some postgraduate and undergraduate students highlighted the fact that they did not meet the specific criteria attached to some scholarships.

"I had a look around. I didn't think I was eligible for any of it. The scholarships that I saw for the area I was doing the Masters in appeared to be - and rightly so - directed towards international and Commonwealth students. If there were any for someone in my situation, I didn't see them. (Part-time postgraduate (Masters) estranged student)"

### **Impact of scholarships**

Among those students in the study who were successfully awarded a scholarship, several positive impacts were identified. The consensus was that there was a reduction in stress associated with worrying about money as a result of receiving scholarship funding. This was also the case for students who did not receive cash directly due to the scholarship paying for their tuition fees or accommodation costs, as it was reported that having these elements paid reduced the financial burden and anxiety. Having a scholarship meant students faced less of a financial struggle and reduced the need for longer hours in paid work. Whilst it did not remove the need for students to access additional funding such as student loans, it nonetheless eased the plight of students.

"I think obviously if I didn't have it, I would have had to get a job, because I wouldn't be able to keep up with the finances and stuff like that. (Full-time postgraduate (Masters) estranged student)"

"It's definitely a huge relief financially. It means that I can focus more on studying rather than earning, I'd say, which is a huge, huge impact. It makes you feel less dreadful about what the next meal is gonnae be or how you're gonnae survive in the next year or so. So, yes, it's definitely good to be able to say that's done and dusted and you don't need to worry about it anymore. (Part-time HNC/HND student)"

An undergraduate student in receipt of an income-based access bursary spoke of the challenges associated with attending university for students from low income backgrounds and the stigma associated with receiving a scholarship. However, the stigma had been reduced through the provision of opportunities to meet others who had been awarded a scholarship.

“There's a lot of stigma, I think, attached to scholarships - well, at least I felt like there was. The University does make an effort, though, to make students feel like it's an asset and not something to be ashamed of. So, when I first joined they had a meet-up and so everyone who had received a scholarship from my course met up together and you realised, wow! I'm not the only person in this situation; there is a huge host of us, which was incredibly helpful. (Part-time HNC/HND student)”

Scholarships were also credited with having allowed students to leave home to study, and with providing students without parental financial support to have some form of a safety net. A care experienced student explained that they had placed their scholarship in a savings account, to be used as and when it was needed for any emergencies that might arise.

“I've not used any of it. I've just put it straight into my savings, which is good because it's a backbone which I didn't have. So if I fall behind rent one month, I can just dip into that. That's kind of like my mum and dad's money in there, which I use if need be but thankfully I've not had to yet. (Care experienced student focus group)”

PhD students receiving UKRI studentships highlighted the benefits of the living cost stipend on their accommodation options. Those living at home with their parents noted that it opened up the possibility of moving out to find their own place or enabled them to save up towards this.

“Yes, so I found because of the tax-free stipend I could afford to move out. The only reason I haven't is because everything is really expensive so it wouldn't be worth my while. This is only a temporary position. It's only three-and-a-half years so I'd rather wait until I had something that was more concrete. But I couldn't have done it in undergraduate. I couldn't have lived in my own - when I was an undergraduate. I couldn't afford to do that, absolutely not. (Postgraduate student focus group)”

The adequacy of UKRI stipends was also discussed by postgraduate students. While it was generally viewed as being adequate to suit students' needs, it should be noted that all of those who received it were younger students without families, and some lived at home with their parents and therefore had lower costs than more mature students with caring responsibilities. One of the UKRI postgraduate students did point out that the stipend is relatively low compared to other countries and that this can impact on students' abilities to manage their finances.

“Focussing on the Research Council for a second, the stipends, they are really - I'm doing okay - but they are really not enough for the average PhD student, particularly touching upon other research bodies. [...] it's really not enough especially when you compare it to other countries like Norway for example, how they treat their PhD students effectively like employees. So, you get holiday pay, you get leave, benefits. Sure, you get that here, but not to the extent of what

a Norwegian does. If you look at the rates of pay, it's just absolutely night and day so what will happen is effectively you're either going to get your research talent going abroad, or the people that choose to stay here, they're gonnae really slug away with financial difficulties. It's really just gonnae start impacting research work at this point. (Postgraduate student focus group)”

## **5.6. Discretionary funding**

### **5.6.1. Introduction**

FE, HN/undergraduate and postgraduate students experiencing financial hardship can apply for additional support, known as discretionary funding, through their college or university. Institutions receive these funds from the Scottish Government and it is up to institutions to decide how they are administered. They can be used to assist students with a wide range of costs including accommodation, travel, childcare, utility bills. Students must provide their institution’s funding or support team with evidence of their income and expenditure, often in the form of bank statements, and the reason for their application. As the discretionary fund is limited for each institution, students may not receive the full support they have applied for, but students may appeal the outcome of their discretionary fund application and can apply to the fund multiple times. Other forms of support may be offered if an application is refused, for example financial advice or guidance.

### **5.6.2. FE students**

Around one in ten (9%) FE students had received income from discretionary funding; 10% of females and 6% of males had done so. In terms of age, 13% of those aged 25 and older received discretionary funding, compared with 6% of FE students aged 16 to 19. The median amount of total discretionary funding received by FE students was £1,000.

## **Applications for discretionary funding**

Although most FE students (83%) had not applied for discretionary funding from their college this academic year, around one-sixth (17%) of FE students had. Almost a fifth (19%) of FE students whose parents did not have experience of HE applied for discretionary funding, compared with 12% of those whose parents had experience of HE.<sup>63</sup>

Asked what the outcome of their application for discretionary funding was, 29% of FE students said they received the money they needed, 28% received money but not as much as they needed, and 43% did not receive any money.



## Awareness of discretionary funding

When asked how they knew that discretionary funds were available, the majority of FE students reported that they heard about it from their college, either through student support communications (62%) or from a member of staff at their college (28%). Around one in ten said they heard about it from a friend, family member or colleague (13%) or from the Student Information Scotland website (10%).

## Experience of the application process

Among FE students who applied for discretionary funding, two-thirds (68%) said it was 'very easy' or 'somewhat easy' to apply for, while 21% said it was 'somewhat difficult' or 'very difficult' to do so.

## Reasons for not applying for discretionary funding

The majority of FE students (83%) said they had not applied for discretionary funding. Students were then asked their reasons for not applying and were presented with 14 answer options to choose from, and asked to select all that applied. The most commonly chosen answer option, reported by 29%, was that they were not aware that discretionary funding was available. A quarter of FE students (25%), who had not applied, said they did not need discretionary funds (18% for FE students from the 20% most deprived areas compared with 29% for those from the 80% least deprived areas). Table 5.2 shows the six most commonly chosen answer options.

**Table 5.2: Six most commonly cited reasons among FE students for having not applied for discretionary funding**

| Response  | Total (%) |
|---|-----------|
| I was not aware that hardship/discretionary funding was available | 29        |
| I don't need discretionary/hardship funds                         | 25        |
| I did not think I would be eligible for this support              | 19        |
| I do not know – I haven't really thought about it                 | 16        |
| I did not think my application would be successful                | 16        |
| I am not eligible for this support                                | 14        |
| <i>Unweighted base</i>  | 298       |

### 5.6.3. HN/undergraduate students

Around 1 in 10 HN/undergraduate students (9%) had applied for discretionary funding from their college or university for the academic year 2023 to 2024, with 1 in 20 (5%) receiving income from discretionary funding. While 2% of those aged 16 to 19 received discretionary funding, this was 8% among those aged 25 and over. Almost one in ten (9%) of HN/undergraduate students from the 20% most deprived

areas received discretionary funding, compared with 4% of those from the 80% least deprived areas. While just 1% of those living with their parents received discretionary funding, 7% of those living independently (renting or with a mortgage) did so. The median amount of discretionary funding received by HN/undergraduate students was £700.

## **Applications for discretionary funding**

HN/undergraduate students who were more likely to report they had applied for hardship or discretionary funding from their college or university were:

- Students aged 25 and over (14% compared with 3% of those aged 16 to 19)
- Students whose parents had no experience of HE (11%, compared with 7% of those whose parents had HE experience)
- Students from the 20% most deprived areas (14%, compared with 7% of those from the 80% least deprived areas)
- Students living independently (renting or with a mortgage) (11%, compared with 3% of those living with their parents).

Asked what the outcome of their application for discretionary funding was, around a third said 'I received the money I needed' (32%), a third said 'I received money, but not as much as I needed' (34%), with the final third saying 'I didn't receive any money' (34%). Part-time students were more likely than full-time students to have reported 'receiving the money I need' (52% and 30% respectively). Of those who had received discretionary funding, the majority reported that they did not have to pay the money back (97%), with 3% reporting that they would eventually have to pay the money back.

## **Awareness of discretionary funding**

When asked how they knew that discretionary funds were available the majority reported hearing about the funding from college or university student support communications (57%). Around a fifth had heard about discretionary funding from a member of staff at their college or university (22%), from family, a friend or a colleague (21%) or from the Student Information Scotland website (18%). Fewer than 1 in 10 had heard about the funding from a student organisation (9%) or other source (6%).

## **The application process**

Around 4 in 10 (43%) of HN/undergraduate students who applied for discretionary funding said that the process was 'very easy' or 'somewhat easy', and around a third (34%) said it was 'somewhat difficult' or 'very difficult'. Those who said it was somewhat or very difficult were asked 'in what ways did you find the application process difficult?' The most common responses were 'I found the application process stressful' (67%) and 'I was asked for too much additional information/evidence to support my application' (57%). One-half also said 'I found the application process complicated (50%) and two-fifths (41%) felt that their application took too long to be processed.<sup>64</sup>

## Reasons for not applying for discretionary funding

The majority of HN/undergraduate students (91%) had not applied for hardship or discretionary funding from their college or university for the academic year 2023 to 2024. Students were then asked their reasons for not applying and were presented with 14 answer options to choose from, and asked to select all that applied.

Table 5.3 shows the six most commonly mentioned reasons for not applying for discretionary funding. The two most commonly chosen related to need and eligibility. For example, around a third of HN/undergraduate students (34%) said ‘I don’t need discretionary/hardship funds’ and 28% said ‘I did not think I would be eligible for this support’ (28%). Around a quarter (24%) reported that they did not apply for hardship/discretionary funding because ‘I was not aware that hardship/discretionary funds are available’, with around a fifth (18%) saying ‘I felt others were in more need than me’.

**Table 5.3: Six most commonly cited reasons among HN/undergraduate students for having not applied for discretionary funding**

| Response  | Total (%)    |
|---|--------------|
| I don’t need discretionary/hardship funds                         | 34           |
| I did not think I would be eligible for this support              | 28           |
| I was not aware that hardship/discretionary funding are available | 24           |
| I did not think my application would be successful                | 21           |
| I am not eligible for this support                                | 19           |
| I felt others were more in need than me                           | 18           |
| <i>Unweighted base</i>  | <i>1,351</i> |

HN/undergraduate students who were more likely to say they had not applied for hardship or discretionary funding because ‘I don’t need discretionary/hardship funds’ were male students (42%, compared with 32% of female students); students aged 16 to 19 (42%, compared with 23% of students aged 25 and over); students from the 80% least deprived areas (38%, compared with 19% of those from the 20% most deprived areas); and students living with their parents (43%, compared with 30% of students living independently).

However, the reverse was observed for those HN/undergraduate students who said they had not applied for hardship or discretionary funding because ‘I did not think I would be eligible for this support’. Those who were more likely to say this were: female students (30%, compared with 22% of male students); students aged 25 and over (33%, compared with 22% of students aged 16 to 19); and students living independently (renting or with a mortgage) (30%, compared with 21% of students living with their parents).

For those who said, 'I was not aware that hardship/discretionary funds are available', the only difference was by age, with those aged 16 to 19 more likely (28%) than those aged 25 and over (21%) to have stated a lack of awareness of discretionary funding.

#### 5.6.4. Postgraduate students

##### Applications for discretionary funding

Among postgraduate students, 4% received income from discretionary funding. Only around 1 in 14 postgraduate students (7%) had applied for discretionary funding from their university for the academic year 2023 to 2024. As only 4% of postgraduates had received discretionary funding the bases are too low for any further analysis of these findings.

##### Reasons for not applying for discretionary funding

The majority of postgraduate students (93%) had not applied for discretionary funding from their university for the academic year 2023 to 2024. Students were then asked their reasons for not applying and were presented with 14 answer options to choose from, and asked to select all that applied. Table 5.4 shows the most common reasons selected by students. As with HN/undergraduate students, the most common reasons postgraduate students gave for not applying for hardship/discretionary funds related to need and eligibility. For example, two-fifths (40%) reported that 'I don't need discretionary/hardship funds', and a third (33%) reported 'I did not think I would be eligible for this support'.

**Table 5.4: Six most commonly cited reasons among postgraduate students for having not applied for discretionary funding**

| Response  | Total (%) |
|---|-----------|
| I don't need discretionary/hardship funds                         | 40        |
| I did not think I would be eligible for this support              | 33        |
| I did not think my application would be successful                | 23        |
| I felt others were more in need than me                           | 22        |
| I was not aware that hardship/discretionary funding are available | 20        |
| I am not eligible for this support                                | 20        |
| <i>Unweighted base</i>  | 382       |

Postgraduate students who were more likely to say they had not applied for hardship or discretionary funding because 'I don't need discretionary/hardship funds' were students from the 80% least deprived areas (42%, compared with 22% of those from the 20% most deprived areas).

### **5.6.5. Students from under-represented groups**

Around 1 in 12 (8%) students from under-represented groups received income from discretionary funding, similar to the 9% recorded for both FE and HN/undergraduate students; this was 3% for students aged 16 to 19, 10% of those aged 20 to 24, and 9% of those aged 25 and over. One in ten (10%) students from under-represented groups who lived independently (renting or with a mortgage) received discretionary funding, compared with 3% of those who lived with their parents.

The median total income from discretionary funding received by students from under-represented groups was £500. Among students from under-represented groups from the 20% most deprived areas, the median income from discretionary funding was £800 compared with £500 for those living in the 80% least deprived areas.<sup>65</sup>

### **Applications for discretionary funding**

Around 1 in 7 (14%) students from under-represented groups said they had applied to their college or university for discretionary funding this academic year (86% had made no application). Students aged 25 and over were more likely (17%) than those aged 16 to 19 (7%) to have applied for discretionary funding, as were those from the 20% most deprived areas (19%), compared with those from the 80% least deprived areas (12%). Among those living independently (renting or with a mortgage), 17% had applied, compared with 8% of those who lived with their parents.

Among students from under-represented groups who had applied for discretionary funding, 32% said they received the money they needed, while 29% received money but not as much as they needed, and 39% did not receive any money.

### **Awareness of discretionary funding**

Students from under-represented groups were asked how they knew that discretionary funds were available. More than half (57%) said they heard about it from their college/university student support communications, while a quarter (25%) mentioned hearing about it from a member of staff at their college or university, and a fifth (21%) said they heard about it from a friend, family member or colleague. Less frequently selected options included hearing about discretionary funding from the Student Information Scotland website (13%), or a student organisation (7%).

### **Experience of the application process**

Among students from under-represented groups who had applied for discretionary funding this academic year, nearly 6 in 10 (58%) found it 'very easy' or 'somewhat easy', while 3 in 10 (30%) found it 'somewhat' or 'very difficult'.

### **Reasons for not applying for discretionary funding**

Students from under-represented groups who had not applied for discretionary funding were asked to select the reasons they did not apply from a series of

statements. As shown in Table 5.5 the two most commonly selected reasons were 'I did not think I would be eligible for this type of support' (30%) and 'I was not aware that discretionary funds are available' (26%).

Those from under-represented student groups who were most likely to have said that 'I don't need discretionary funds' were:

- male (32% compared with 23% of females)
- from the 80% least deprived areas (30% compared with 15% of those from the 20% most deprived areas)
- living at home (33% compared with 23% of those living independently (renting or with a mortgage)).

Among those who did not apply for discretionary funding, students aged 25 and over (24%) were more likely to cite the reason 'I did not think my application would be successful' compared with 16% among those aged 16 to 19. Students living in the 80% least deprived areas were more likely to cite the reason 'I'm not eligible for this type of support' (18%) compared with 7% among those from the 20% most deprived areas.

**Table 5.5: Six most commonly cited reasons among students from under-represented groups for not applying for discretionary funding**

| Response  | Total (%)    |
|---|--------------|
| I did not think I would be eligible for this support              | 30           |
| I was not aware that hardship/discretionary funding are available | 26           |
| I don't need discretionary/hardship funds                         | 25           |
| I did not think my application would be successful                | 22           |
| I felt others were more in need than me                           | 16           |
| I am not eligible for this support                                | 16           |
| <i>Unweighted base</i>  | <i>1,116</i> |

### 5.6.6. Qualitative findings on discretionary funding

Among the qualitative participants, there were full and part-time FE, HN/undergraduate and post-graduate students who had applied for, received or been refused discretionary funding at some time during their current course or whilst studying for a previous qualification. This section covers students' experiences of accessing discretionary funding and how receiving or being refused funds impacted on them.

## **Awareness and understanding of discretionary funding**

Students' awareness and understanding of discretionary funding varied greatly. This was the case for FE, HN/undergraduate and postgraduate students.

Students used a range of different terms to refer to their institution's discretionary funds, including hardship funds, hardship payments, emergency funds, funds for equipment as well as discretionary funding. Students' understanding of the perceived frequency of funding availability and amount of funding available varied. Those who were aware of discretionary funding tended to see it as being available once a year, while others mentioned funding being available in different rounds at multiple points in the year.

Students said they found out about discretionary funding from different sources. Some heard about it directly from their institution, either through lectures or presentations as part of course inductions or via regular emails throughout the year. Others heard about it from individual staff members, including lecturers, who identified that they may be in need of additional support and directed them to apply for discretionary funding.

“The university does sort of occasionally send out reminders or guidance about discretionary funding and I think disability support and stuff like that. So I am aware of it already and I believe I would know how to apply for it if I did need it. (Full-time undergraduate student)”

“It was one of my lecturers who actually said to me...everyone else in here has got like Mac Book and stuff and you're sitting there on a £100 used computer that I had to go and buy...and he said, 'are you struggling financially?' I was like, 'yeah, but it's still a pleasure to be at this university because I don't want to bother anybody'. He sort of said, 'right go to Student Services today, dinnae bother about going to your next class just go down there right now and tell them what's going on and because of him it genuinely...the difference that made was spectacular. (Full-time undergraduate estranged student carer)”

There was also evidence of some institutions' student support teams targeting awareness of discretionary funding at specific groups of students e.g. care experienced or estranged students. By contrast, some students in these more financially vulnerable groups said they had heard about discretionary funding via their fellow students rather than from their institution. This highlights the lack of institutional communication about discretionary funding in some instances and the importance of peer networks in light of this.

“I heard that the college was doing a discretionary payment. So I spoke to them about that and they told me how it works...The only downfall with that is I had to hear that off another student rather than being able to hear it from the college themselves. (Estranged student focus group)”

Among those who were aware of discretionary funding, students' understanding and views of its eligibility criteria varied. Some students said they were ineligible for discretionary funding on the basis of their income, noting that they felt financially comfortable and did not need to apply. However, others who did not meet the eligibility criteria queried the fact that eligibility is assessed on the basis of household income, arguing that it should instead be based on the individual's income rather than, for example, their partner's. Despite not meeting the criteria for discretionary funding as a result of their household income, some students were nonetheless still struggling to meet their costs. There were also students who, although aware of the funding, did not believe they would be eligible on the grounds that others may be experiencing greater financial hardship than they were.

More broadly, there were some students who were unaware that institutions offered discretionary funding, including those who had experienced financial hardships and those who had not. Some students highlighted a lack of information from their college or university about when applications for discretionary funding were open, noting that they had not been sent emails to notify them that it was a time applications could be submitted. In some cases, the interview or focus group marked the first time that a student had heard of discretionary funding.

### **Reasons for applying**

Students' reasons for applying for discretionary funding were varied, but were predominantly linked to the fact that their income from other sources (including bursaries and student loans) was insufficient to cover the costs of living and studying. Students applied for discretionary funding to cover a range of costs including rent, tuition fees, travel to university or college, and other living costs whilst studying or during the summer break when loan and bursary instalments ceased. Some students applied for discretionary funding because they were unable to find sufficient paid work or their income from work did not cover their costs. There were others who applied for help to cover living costs during summer work placements when they were unable to undertake paid work and SAAS funding was not available. Students also applied for discretionary funding to cover or help towards course-related costs; for example, funding towards the purchase of laptops, home study equipment and internet access. There were students who had accrued commercial debt or used up all of their savings to try and cover these costs before applying for discretionary funding.

“During my Masters, when I paid off the tuition fees and then realised what money I actually had. The postgraduate, the only money you can get through SAAS is about £4,500 for the entire year, which is barely enough to make ends meet. So, I also had to have a job on top of that. I had to apply for the discretionary fund I think about four times during my Masters... I think they basically ended up paying back the money that I had given them from my savings, for my tuition fees... Yes, it was mainly to pay rent. (Full-time postgraduate (PhD) student)”



## Experiences of applying for discretionary funding

Students who had applied for discretionary funding from their college or university recalled mixed experiences of the application process. To apply for the fund, students said they generally had to submit recent bank statements, usually from the last 3 months. Some also mentioned having to provide other documents such as payslips, copies of their ID, children's birth certificates and a statement of their Child Tax Benefits.

Some students had positive experiences of applying for discretionary funding, noting that they had not had to wait too long for a decision and that they were kept informed of the application's process. However, others said they found the process complicated, repetitive, 'embarrassing' and/or 'invasive'. In some cases, this deterred students from completing their application or from applying the following year. The process of providing proof of income and receipts relating to outgoing costs was viewed as onerous, with some students complaining this did not sufficiently capture their overall expenses, individual needs and finances. Estranged students and care experienced students noted the additional burden of proof they had to supply, with some questioning why such evidence had to be provided so frequently.

"I have applied for a discretionary loan. You filled out like a questionnaire form, a simple questionnaire form with name, your date of birth, your student number and they asked you for the last 4 weeks' worth of your bank statements and that was it. That was it, there was nothing else...It was a simple email; it was done all through email...They said you can check up on the application through the bit where you go for your bursary, it says it's in the final stages. I should hear soon. (Full-time FE student parent)"

"I wanted to apply for the discretionary fund this year but I found it really invasive. The last couple of years, you just applied based off of what funding you receive with college and stuff. This year, it was IDs and they wanted the last three months of your bank statement. I just didn't really understand that, so I ended up not going through with it because I just thought, 'why do you need three months' worth of bank statements? (Care experienced student focus group)"

Students also complained of the time spent waiting for a decision regarding their application, and spoke of the difficulty of having to repeat information contained in the application form to staff who called requesting further details. Some said that the process was 'convoluted and lengthy' and it's 'almost like they do it to put you off applying for Discretionary.' Others described the process as 'embarrassing,' 'disheartening' or reported having to 'plead with the university' to give them more money via personal statements submitted as part of some applications.

"So I had to get it [laptop] on finance to be able to pay it each month. Not great to be honest. Especially when I know that the uni has a thing in place where they can pay for a laptop for you if you need it for your course. But the fact that it [the application for discretionary

funding] was so awkward and convoluted, like I say it was almost as if they're like trying to put you off doing it and I just ended up giving up and just having to take finance. (Full-time undergraduate student)"

"[In the second trimester], you can apply again but they ask for receipts on what you spend in the [first trimester]. That's in my bank statements; I don't have receipts. Life, basically, ate that money up - but they didn't accept that, so I got no funding in [the second trimester], well no extra funding, but then they gave me it in [the third] because they had money left over, so it's a bit kindae wishy-washy, you cannae make any plans, they just sort of throw money when and where they want to, in my opinion. (Student parent focus group)"

The support provided by college and university staff to students applying for discretionary funding was also said to vary. Some students recalled receiving lots of help from staff, for example, advising them on the amount they should apply for, assisting them in completing the relevant sections, and generally being friendly and supportive.

"I mean the first time I was genuinely terrified; I didn't want to go and ask, I had impostor syndrome as it was [...]. So going there and going down to Student Services and being like, 'hey I'm really struggling at the moment with money and they couldn't be nicer. They were like, 'right this is the form you fill in, you sit there the now and we're going to go and get the laptop, we're going to sit down and we'll help you fill it out just to make sure that you get...you hit the right points'. So they were absolutely amazing. The whole team was absolutely brilliant with that as well. (Full-time undergraduate estranged student carer)"

By contrast some students, who had requested help from the finance or student support team, said they did not receive any assistance or that staff did not respond to their request for help, making it difficult to complete their application. Some students said they did not feel able to complete the application due to its complexity and lack of support available to assist with the process.

"I applied for it and I struggled to do it on my own. Well I tried my hardest but they asked for like bank statements and like fae this date to that date and I screen shotted them but I was unaware of how to attach them because it would only let me attach one image at a time and so I missed the date for it because I just didn't know. I did send them an email to see if they could help but they were like not really that much help with what they said to me, so I just left it because it was stressing me. (Full-time HNC/HND care experienced student)"

## **Outcomes of applications for discretionary funding**

Within the sample of students who participated in the qualitative research, there were those whose applications for discretionary funding were successful (sometimes multiple times) and those whose applications were refused.

The exact amounts awarded to students varied: some said that while they received discretionary funding, this was lower than the amount they had requested; others received the amount they applied for, or, occasionally, they were awarded more than what they had requested. Some estranged students had applied multiple times, sometimes every year. However, there were also students whose applications for discretionary funding were refused by their college or university. When this happened, students queried the eligibility criteria (which are related to household rather than individual income), and suggested the applications had been too restrictive to allow them to explain their particular situation. Some students were unclear as to why their applications were refused, highlighting the lack of information provided by their institution.

“It's an incredibly invasive process, in my opinion, some of the questions. I know that some of them have to be asked but the reasons that people get knocked back don't take into account things like mental illness, not just mental health but mental illness and disability. So, somebody was told that they were ordering too many takeaways but due to their disability they weren't able to cook for themselves if they were doing four days of uni work, which is what the university was requiring of them. So, they couldn't work enough - make enough hours to then make up their financial disparity to keep them in their house. [...] The university claimed that because they had too many takeaways on their bank statement. It's a lack of kind of context, there is a lack of flexibility with the reasoning and things like that, in my experience. (Postgraduate student focus group)”

## **Impact of Discretionary Funding**

Students who had been awarded discretionary funding from their college or university generally indicated that this had been crucial in allowing them to be able to afford to pay accommodation and living costs and continue their studies. Receiving this funding reduced students' stress and had a positive impact on their wellbeing and studies. There were students who said that receiving discretionary funding meant that they didn't have to take on as much paid work and had more time to focus on studying and taking breaks when they needed it. Among those who had felt supported by staff in the process of applying for the funding, there was a sense there was a positive impact, beyond the financial help itself, of having felt listened to and 'understood'.

“I just really needed it each time, because each time I was put off applying for a little bit and then I'd be like, 'No, you need to just do it again because they have the money sitting there. Just apply and see what happens.' Then each time, I would get the money and I would be like, 'Thank God! I can afford to pay my rent this month. I

don't have to beg my parents for a little bit of extra money.' I don't think I would've finished the Masters without having that. I think I would've had to just call it quits and, 'I can't afford to do it,' so yes, it was very helpful. (Full-time postgraduate (PhD) student)”

“So I came off the Universal Credit and they put me on to that and the college actually paid for my house and gave me money to help me get food and that so I wasn't having to go out and work, do so many hours, do myself in, stressing out. It relieved a bit of stress and all that...It helped pay for the house...They also got me a washing machine when mine broke. (Estranged student focus group)”

Discretionary funding was a key source of income for students from a range of under-represented groups, but this was particularly the case for estranged students, some of whom applied for discretionary funding every year in response to their financial difficulties. Estranged students are a priority group for college and universities when assessing eligibility for discretionary funding, but this was not something which was raised by any of the participating estranged students. An estranged student who had been awarded discretionary funding each year was advised to apply for more than they had requested by a member of their university's student finance team. Having initially applied for £1000, the student went on to receive £2500. This points towards some of the opaqueness of the discretionary funding system, with students unaware how much funding their institution might be able to make when they make their applications.

“I didn't know what to do because it was just such a large amount and I wasn't expecting it, so it's just really good that that was available, and it seemed like the person who dealt with my case just understood and didn't want me to be overworked. I do feel like sometimes I'm going from doing quite a lot during term time and then when I'm not in term time, I've got to work more. So, it's like there's never really a break. It's almost like this summer and last summer I was able to have a little bit of downtime but still work - like what everybody else does. (Full-time undergraduate estranged student)”

Being refused discretionary funding could have a negative impact on students both financially and emotionally. Without discretionary funding, some students said they needed to take out commercial credit to pay for essential items such as laptops or tuition fees which resulted in them going into debt or arrears. Not being able to pay for tuition fees was particularly stressful for students, who worried about having to drop out.

## 6. Other types of income

### 6.1. Introduction

This chapter reports data from both the survey and the qualitative research to explore the income students receive which does not form part of their education-related income described in Chapter 5. This includes four categories of income:

- Earnings from paid work: these are calculated from any paid work that takes place across the academic year, including term-time work and earnings predicted for the winter or spring holiday breaks, and, in addition, any summer vacation paid work (prior to the academic year of study).
- Family financial support where available: this includes support from parents, partners and other relatives, with support in the form of financial contributions towards the costs of study, rent and living costs, gifts of money, and the value of other gifts such as computers, household goods, clothes etc.
- Social Security benefits and related financial support, such as Child Benefit, Universal Credit and Child Tax Credit.
- Other miscellaneous income including maintenance payments for children, money from pensions or shares, rent from lodgers and money generated through the sale of books, computers, equipment etc.

### 6.2. Key findings

- Students' median total income from these other sources (excluding education-related sources) ranged from £6,700 for FE students, £8,700 for HN/undergraduate students, to £15,565 for postgraduate students. It was £6,000 for students from under-represented groups.
- Fewer than half (46%) of FE students had income from paid work, increasing to around three-quarters (76%) of HN/undergraduate students, and over 8 in 10 (83%) of postgraduate students. Around two-fifths (64%) of students from under-represented groups had earnings from paid work.
- The median amount earned from paid work by postgraduate students was £14,800; for HN/undergraduates the median was £7,659; and for FE students was £8,120; and for students from under-represented groups was £8,700.
- The median number of hours worked in the previous 7 days for FE students was 22; for HN/undergraduate students the median was 19 hours; for postgraduate students the median was 27 hours; and for students from under-represented groups the median was 20 hours.
- The most common job sectors that FE and HN/undergraduate students worked in were health and social care; retail and sales; and hospitality, with around 1 in 5 reporting that their main job was in one of these sectors. In contrast, the most common job sector for postgraduate students was teaching and education.

- FE students and those from under-represented groups were the most likely to have income from Social Security benefits (20%), compared with 9% of HN/undergraduate students and 7% of postgraduate students.
- Students from under-represented groups and FE students received a median amount of £8,210 from Social Security benefits, and the median amount was £6,825 for HN/undergraduate students.

### **6.3. Income from all other sources**

#### **6.3.1. FE students**

The median amount of income from the four sources analysed in this Chapter (paid work, family, Social Security benefits, and other miscellaneous income), as reported by Further Education (FE) students was £6,700. For female FE students it was £8,000, whilst for male FE students it was £3,740. For FE students whose parents did not have experience of HE, the median income received from other sources was £9,165; for those whose parents did have experience of higher education, the median income was £5,850.

The median income received from other sources was £6,460 for FE students from the 80% least deprived areas, and £5,850 for those from the 20% most deprived areas. For FE students living independently (renting or with a mortgage), the median income received from these other sources was £11,700; compared with £2,633 for those living with their parents.

#### **6.3.2. HN/undergraduate students**

The median amount of income from all four other sources reported by HN/undergraduate students was £8,700, with full-time HN/undergraduate students having a median income of £7,659, and part-time HN/undergraduate students a median income from other sources of £17,050.

The median income from other sources for full-time HN/undergraduate students from the 80% least deprived areas was £7,750, and for those from the 20% most deprived, £6,200. Similarly, for full-time students living independently (renting or with a mortgage), the median income from other sources was £7,950, while the median for those living with their parents was £6,650.

The median income from other sources received by male part-time HE students was £18,900; the median for female part-time HE students was £16,405.

For part-time HN/undergraduate students from the 80% least deprived areas, the median amount received from other sources of income was £17,450, and £14,850 for those from the 20% most deprived areas. Those part-time students living independently (renting or with a mortgage), the median amount from other sources of income was £17,988 compared with £12,060 for those living with their parents.

### **6.3.3. Postgraduate students**

The median amount of income received by postgraduate students from other sources of income was £15,565: £16,800 for male postgraduate students receiving this type of income and £14,620 for female postgraduate students.

Postgraduate students from the 80% least deprived areas received a median income from these other sources of £16,800; for those from the 20% most deprived the median income was £11,800.<sup>66</sup> Similarly, postgraduate students living independently (renting or with a mortgage) reported a median income from other sources of £16,200, while those living with their parents reported a median of £10,000.

### **6.3.4. Students from under-represented groups**

The median amount received from other sources of income for students from under-represented groups was £9,165: £9,400 for female students and £8,305 for male students.

The median amount received from other sources of income for students from under-represented groups increased with age: £4,600 for those aged 16 to 19, £9,100 for those aged 20 to 24, and £12,740 for students aged 25 or over.

Those from the 80% least deprived areas received a median income from other sources of £9,485; compared with a median of £7,882 for those from the 20% most deprived areas. And those living independently (renting or with a mortgage) reported a median income of £10,760, compared with £5,210 for those living with their parents.

## **6.4. Income from paid work**

### **6.4.1. FE students**

Almost half of FE students (46%) had earnings from paid work. Among those that had paid work, the median amount earned was £8,120 over the academic year. The proportion of FE students who had earnings from paid work increased with age (38% for those aged 16 to 19, 45% for those aged 20 to 24, and 55% for those aged 25 and over). Median earnings for those aged 25 and over were £11,000 and £4,050 for those aged 16 to 19. FE students from the 80% least deprived areas (50%) were more likely to be earning from paid work than those from the 20% most deprived areas (33%).

### **Hours worked and job sectors**

In terms of the number of hours worked alongside studying, Scotland's Independent Committee of Inquiry into Student Finance (known as the Cubie Commission, 1999) recommended students work no more than 10 hours per week. Today, the Student Information Scotland website recommends that students work around 10-15 hours of paid work per week, while the Independent Review of Financial Support for Students in Scotland (Scottish Government, 2017) notes its support for the Cubie

Review's recommendation of ideally no more than ten hours per week during term-time.

The median number of hours worked by FE students was 22 hours per week. The median number of hours worked per week by male FE students was 28 hours; for female FE students the median was 20 hours. Those from the 20% most deprived areas worked a median number of 16 hours, and for those from the 80% least deprived the median was 22 hours.

Only 15% of FE students worked fewer hours than the recommended 10 hours per week over the previous 7 days. Almost a third (32%) worked between 10 and 20 hours, 23% worked between 21 and 30 hours, and 29% worked more than 30 hours.

As shown in Table 6.1 there were differences in the number of hours FE students worked over the previous 7 days by sex, age, parental experience of HE, area deprivation and whether or not students were living with their parents.

The proportion of female FE students working 10-20 hours (38%) was higher than that of male FE students (18%), whereas the proportion of male students working more than 30 hours (41%) was higher than that of female students (24%). FE students aged over 25 were less likely to be working fewer than 10 hours (3%) than those aged 16 to 19 (37%), and were more likely to be working between 10 and 30 hours (66%) than those aged 16 to 19 (32%).

FE students whose parents had experience of HE were more likely to be working less than 10 hours or between 10 and 20 hours over the previous 7 days (56%) than those whose parents did not have experience of HE (42%).

FE students from the 20% most deprived areas were more likely to be working between 10 and 20 hours over the previous 7 days (44%) than those from the 80% least deprived areas (31%), while those from the 80% least deprived areas were more likely to be working more than 30 hours per week (27%) than those from the 20% most deprived areas (17%). FE students who were living with parents were more likely to have worked less than 10 hours (28%) than those living independently (renting or with a mortgage) (9%), and less likely to be working between 10 and 30 hours (45%) than those living independently (63%).



**Table 6.1: Number of hours worked per week among FE students from each of the sub-groups (%)**

| Student characteristics   |  | <10 hours | 10-20 hours | 21-30 hours | Over 30 hours |
|---------------------------|--|-----------|-------------|-------------|---------------|
| Sex                       | Female   | 15        | 38          | 23          | 24            |
|                           | Male   | 17        | 18          | 23          | 41            |
| Age*                      | 16-19  | 37        | 18          | 14          | 31            |
|                           | 25 and over                                    | 3         | 39          | 27          | 30            |
| Parental experience of HE | Yes  | 17        | 39          | 18          | 25            |
|                           | No   | 13        | 29          | 33          | 25            |
| Area deprivation (SIMD)   | 20% most deprived areas                        | 14        | 44          | 25          | 17            |
|                           | 80% least deprived areas                       | 15        | 31          | 26          | 27            |
| Accommodation             | Living with parents                            | 28        | 29          | 16          | 27            |
|                           | Living independently (with a rent or mortgage) | 9         | 34          | 29          | 27            |
| Total                     |  | 15        | 32          | 23          | 29            |

Unweighted bases: Total (130); Sex (Females = 94, Males = 33), Age group (16-19 = 42, 25 and over = 71), parental experience of HE (Yes = 54, No = 56), SIMD (20% most deprived = 33, 80% least deprived = 75), accommodation (living with parents = 49, not living with parents = 76).

\* Age category 20-24 is excluded due to low base size.

The three most common job sectors for FE students, who were working, were retail and sales, health and social care, and hospitality and food. Around one in 5 reported that their main job was in one of these sectors (23% in retail, 21% in health and social care, and 19% in hospitality).

#### **6.4.2. HN/undergraduate students**

Around three-quarters (76%) of HE students had earnings from paid work, considerably higher than the proportion of FE students who had paid work (46%). Among those who had paid work, the median amount earned was £7,659 over the academic year. Those aged 20 to 24 were the most likely to be in paid work (86%) compared with both those aged 16 to 19 (76%) and those aged 25 and over (71%).

Median earnings for those aged 25 and over were £11,468, for those aged 20 to 24 were £7,480, and for those aged 16 to 19 were £5,600.

HN/undergraduate students from the 80% least deprived areas (79%) were more likely to have earnings from paid work, with a median income of £7,750, than those from the 20% most deprived areas (68%), with median earnings of £6,200.

While the proportion of HE students receiving income from paid work was similar for full-time and part-time students, the amount received was not, in part due to part-time students working more hours than full-time students (see section below). The median amount received from paid work for full-time students was £6,580; the median for part-time students was £17,100. Similarly, the proportion of HN/undergraduate students with earnings from paid work was comparable for those whose parents had experience of HE and those whose parents did not (78% and 75%, respectively, with the median earnings for those whose parents had experience of HE being £6,682 and the median earnings for those whose parents did not have experience of HE, £8,919).

### **Hours worked and job sectors**

The median number of hours worked by full-time HE students was 16 hours per week; for part-time students the median was 35 hours per week. There were no differences in the number of hours worked between any of the student subgroups.

One-fifth (20%) of full-time HN/undergraduate students reported working less than the recommended 10 hours over the previous 7 days. Almost half (48%) reported working between 10 and 20 hours, 19% worked 21-30 hours, and 12% had worked more than 30 hours over the previous 7 days. Full-time HN/undergraduate students from the 20% most deprived areas were more likely to have worked 10-20 hours over the previous 7 days (63%) than those from the 80% least deprived areas (46%).

Only 7% of part-time HN/undergraduate students reported working less than the recommended 10 hours over the previous 7 days. The majority (63%) reported working more than 30 hours over the previous 7 days, with 30% having worked between 10-30 hours. Female students were more likely to have worked 20-30 hours over the previous 7 days (20%) than male students (3%), however male students were more likely to be working more than 30 hours (80%) than female students (58%).

Three-quarters (75%) of part-time HN/undergraduate students from the 20% most deprived areas reported working more than 30 hours over the previous 7 days, compared with 59% of those from the 80% least deprived areas. Part-time HN/undergraduate students who were living with their parents were more likely to be working less than 20 hours (37%) than those living independently (19%), and less likely to be working more than 30 hours (49%) than those living independently (67%).

The three most common job sectors for HN/undergraduate students who were working were, hospitality, retail and sales, and health and social care, as they were for FE students. Around one in 5 reported that their main job was in one of these sectors (23% in hospitality, 21% in retail, and 20% in health and social care).

### **6.4.3. Postgraduate students**

Over four fifths (83%) of postgraduate students had earnings from paid work, the highest proportion of all the study level groups. Among those that had paid work, the median amount earned was £14,800 in total over the academic year.

The median income received from paid work for those not living with parents was £15,120; the median received for those living with parents was £10,479.

The median income from paid work differed by several factors. Male postgraduate students had median earnings of £15,470, while female postgraduate students had a median income of £14,599. The median income for postgraduate students aged 25 and over was £18,000, while the median income for those aged 20 to 24 was £7,240.

Postgraduate students from the 80% least deprived areas received a median income from paid work of £15,500, while those from the 20% most deprived areas received a median income from paid work of £13,500.<sup>67</sup>

### **Hours worked and job sectors**

The median number of hours worked by postgraduate students was 27 hours per week. The median number of hours worked per week by male postgraduate students was 35 hours; for female postgraduate students the median was 26 hours. Postgraduate students aged 20-24 worked a median of 15 hours per week, and those aged over 25 worked a median of 31 hours per week. Postgraduate students from the 80% least deprived areas worked a median of 28 hours per week, and those from the 20% most deprived areas worked a median of 20 hours per week.

Only 14% of postgraduate students worked fewer than the recommended 10 hours per week over the previous 7 days. Over a quarter (27%) worked between 10 and 20 hours over the previous 7 days, 14% worked between 21-30 hours, and almost half (45%) worked over 30 hours.

Postgraduate students over 25 were more likely to have worked more than 30 hours in the previous 7 days (51%) than those aged 20 to 24 (24%), and were less likely to have worked 20 hours or less (34%) than those aged 20 to 24 (65%).

Postgraduate students from the 20% most deprived areas were more likely to have worked 10-20 hours in the previous 7 days (46%) than those from the 80% least deprived (24%).

The two most common job sectors for postgraduate students who were working were, teaching and education and health and social care, with 27% reporting their

main job was in teaching and education, and 26% reporting it was in health and social care. Fewer than 1 in 10 of postgraduates' main job was in any other sector.

#### **6.4.4. Students from under-represented groups**

Around two thirds (64%) of students from under-represented groups had earnings from paid work. Among those that had paid work, the median amount earned was £8,700 over the academic year. The proportion of female students earning from paid work (67%) was higher than that of male students (56%). The median earnings from paid work for female students was £8,500; the median earnings for male students was £9,600. Students aged 16 to 19 from under-represented groups (52%) were less likely to have earnings from paid work than those aged 20 to 24 (70%) and those aged 25 and over (67%). Median earnings for those aged 25 and over were £11,850 compared with £8,125 for students aged 20 to 24, and £5,220 for those aged 16 to 19.

Those from the 80% least deprived areas were more likely to have earnings from paid work (68%) than those from the 20% most deprived areas (50%), although the median earnings were similar (£8,800 and £8,700, respectively).

The proportion of students from under-represented groups with earnings from paid work was higher for those living independently (renting or with a mortgage) (69%) compared with those living with their parents (54%). The median earnings from paid work for those living independently was £9,600; the median earnings for those living with their parents was £6,600.

#### **Hours worked and job sectors**

The median number of hours worked by students from under-represented groups was 20 hours per week. Those aged over 25 worked a median number of 24 hours per week, and the median for those aged 20 to 24 was 16 hours per week. Students from under-represented groups living independently (renting or with a mortgage) worked a median of 22 hours per week, and those living with parents worked a median of 15 hours per week.

Only 15% of students from under-represented groups worked fewer than the recommended 10 hours per week over the previous 7 days. Over a third (38%) worked between 10 and 20 hours, 18% worked 21-30 hours, and 29% worked more than 30 hours over the previous 7 days.

As shown in Table 6.2 there were differences in the number of hours students from under-represented groups worked over the previous 7 days by sex, age, area deprivation and whether or not students were living with their parents.

When asked about work in the previous 7 days:

- the proportion of male students from under-represented groups who had worked more than 30 hours (43%) was higher than that of female students (26%).

- Students aged 25 and over were more likely to have worked more than 30 hours (40%) than those aged 20 to 24 (15%) and those aged 16 to 19 (6%).
- Those aged 16 to 19 (74%) and 20 to 24 (70%) were more likely to have worked less than 20 hours than those aged over 25 (41%).
- Students from under-represented groups from the 20% most deprived areas were more likely to have worked 10-20 hours over the previous 7 days (51%) than those from the 80% least deprived (37%), and less likely to have worked 21-30 hours (10%) than those from the 80% least deprived (21%).
- Those living with their parents were more likely to have worked less than 20 hours (71%) than those living independently (renting or with a mortgage) (48%), and less likely to have worked more than 30 hours (11%) than those living independently (33%).

**Table 6.2: Number of hours worked per week among students from under-represented groups from each of the sub-groups (%)**

| Student characteristics |  | <10 hours | 10-20 hours | 21-30 hours | Over 30 hours |
|-------------------------|--|-----------|-------------|-------------|---------------|
| Sex                     | Female   | 15        | 39          | 20          | 26            |
|                         | Male   | 12        | 32          | 13          | 43            |
| Age                     | 16-19  | 23        | 51          | 20          | 6             |
|                         | 20-24  | 24        | 46          | 15          | 15            |
|                         | 25 and over                                    | 9         | 32          | 19          | 40            |
| Area deprivation (SIMD) | 20% most deprived areas                        | 11        | 51          | 10          | 28            |
|                         | 80% least deprived areas                       | 15        | 37          | 21          | 27            |
| Accommodation           | Living with parents                            | 23        | 48          | 18          | 11            |
|                         | Living independently (with a rent or mortgage) | 13        | 35          | 19          | 33            |
| Total                   |  | 15        | 38          | 18          | 29            |

Unweighted bases: Total (704); Sex (Females = 530, Males = 146), Age group (16-19 = 104, 20-24 = 144, 25 and over = 456), SIMD (20% most deprived = 115, 80% least deprived = 522), accommodation (living with parents = 140, not living with parents = 536).

The three most common job sectors for students who were in paid work from the under-represented groups were health and social care, retail and sales, and hospitality and food. Around a quarter (26%) reported that their main job was in health and social care, 20% in retail and sales and 18% in hospitality.

#### **6.4.5. Reasons for undertaking paid work while studying**

Students discussed the various forms of paid work they had undertaken during their studies. Paid work ranged from zero-hour contract jobs to working full-time hours in their desired career. While some students working full-time hours were studying part-time, there were also full-time students working 17-30 hours per week. Working hours also varied greatly across students, with a reported maximum number of approximately 45 hours per week. It was not uncommon for students to work multiple part-time jobs, with up to three separate forms of employment being reported by students taking part in this study.

When discussing paid work, students highlighted their reasons for working alongside studying, their experiences of paid work and any benefits and challenges.

Students discussed their reasons for working, or not, alongside their studies. The primary reason for working while in higher or further education was that students viewed their income from SAAS/FE bursaries and/or student loans as insufficient to meet their everyday needs. Although loans and bursaries were mentioned as a helpful addition to their income, students reported concerns regarding paying rent and bills without taking on additional work.

“Yes, I would say obviously SAAS is a big chunk but the bigger part of my income comes from employment. I definitely wouldnae be able to just live on SAAS. (Care experienced student focus group)”

There were also students who worked that were not in receipt of bursaries, loans, grants or benefits. In these cases, students worked full-time and were in part-time postgraduate or higher education courses. In one case, a student’s employer covered the fees of their course.

Other reasons for working included gaining experience in a desired field of work. For example, there were students who worked in caring roles relevant to their degrees. There were also students who decided to study part-time alongside their full-time jobs. Reasons for this included improving career prospects and further developing their knowledge in their current careers. Others sought out work related to their interests within their own institutions, such as student ambassador roles.

#### **6.4.6. Reasons for not undertaking work while studying**

There were several reasons given by students for not undertaking paid work. There were students who chose not to work because they had sufficient income to meet their expenses without paid work, including those whose expenses were covered entirely by their parents. Other students did not work because they were able to meet their expenses by living in accommodation that cost less (including living at home), using their savings to cover their expenses or meeting their costs through

budgeting. Budgeting skills to manage income were also raised by students who volunteered in their free time instead of undertaking paid work.

“Yeah, my parents do support me so I never really have to worry about rent or food or anything like that. Also I do try to spend as little money as possible really. Like yeah, I tend not to buy many clothes and try to sort of scrimp when I go to the supermarket. (Full-time undergraduate student)”

“I'm very reluctant to give up [volunteering] and I think I've just gotten quite good at cutting corners and living off of less. It's certainly very tempting to go and take a terrible job, which I won't, but I've managed to avoid that just now. It is a little bit more difficult trying to make do without that extra income. (Care experienced student focus group)”

Demanding coursework was another reason why students chose not to undertake paid work. Students expressed a desire to work but perceived their course as challenging and too intensive to balance both work and studies. As mentioned in Chapter 7, students on courses with placements found it difficult to undertake paid work because they did not think employers would grant them time off from their contract while they were in another location.

“I did really want to have a job but I think the course is just too challenging, and I know a lot of my peers, they tried to do that and balance it, and they had to give up their jobs quite soon. (Part-time HNC/HND student)”

However, there were also students who were unable to take up paid employment while studying due to a range of barriers. An example of this was student parents not having access to sufficient childcare, particularly free or funded childcare, to enable them to work. Student parents with access to paid childcare said that the amount of work they would be able to do while studying would only cover the cost of paying for childcare, therefore not benefiting their overall financial situation. There were student parents who were working while studying but were able to do so because they had a partner, family member or friend who could provide free childcare while they worked. Carers faced similar challenges to student parents. Caring responsibilities for a partner, parent or adult children made paid work difficult or impossible without support, and not all student parents or carers had anyone they could rely on to support them with caring.

Mental and physical health were other barriers to working for students. Some students who were disabled or struggled with their mental health discussed the potential difficulties of working alongside their education. For example, there were students with anxiety who were concerned that working while studying would be too overwhelming. Additionally, there were also disabled students who wanted to work but despite applying for jobs had not secured employment.

“Originally it was due to my mental health and disabilities, but now it's very much a case of I am actively looking - but I'm not getting anything back! (Full-time FE care experienced student)”

#### **6.4.7. Experiences of paid work**

Students described their experiences of working while studying and highlighted both the benefits and challenges of doing so.

##### **Benefits of undertaking paid work**

The main benefit to students for undertaking paid work while studying was it helped them to cover their expenses. This in turn reduced financial stress related to paying bills and rent, as student bursaries and loans were considered insufficient to meet their needs.

Students discussed their experiences of managing work and studying, and there were a range of factors which made balancing work and studying more straightforward. For example, there were students who sought out forms of employment that complemented their study schedules, such as jobs that allowed them to work shifts during evenings, weekends or days they did not need to attend classes at college or university. There were also students who reported using zero-hour contracts to their advantage. This included being able to work as and when they needed extra income. Students could therefore decide not to work during busy periods of their courses, such as during exam time or when multiple assessments were due.

“Yes, it's really flexible, which I think is ideal, because then I can make loads of money, or as much money as I need, and then if I've got three essays, I can spend those two weeks just writing them, and then go back to doing it again. (Full-time postgraduate (Masters) student)”

Having a positive working relationship with their employer also helped students manage paid work and studies. Employer support with flexible working arrangements helped students navigate their study schedules, such as having the ability to swap shifts during exam periods or meet course deadlines. There were also students who worked full-time and studied part-time, who had managers who allowed them to work flexibly to enable them to attend classes and other course obligations.

“If you've got kids and it's school runs and all that, it's to give you that flexibility to make your work fit around your life. For example, me doing the Masters is a good indication. My class time - I make that work with flexi. So if it's a two-hour class that I go to, I work an extra two hours back later in the week to balance that. I think that's the best way I can describe it. (Part-time postgraduate (Masters) estranged student)”



“I'm so lucky to have the type of job I have because they just - they work round me, they work round what I need and what I want, so there's quite a lot of... I've got a really good flexible working agreement, which a lot of people that I'm in uni with don't have the same luxury of that. (Full-time undergraduate estranged student)”

Students that were in paid work relevant to their degrees reported a positive impact on managing their work and studies. These forms of employment allowed students to see and apply their learning from their education into practice. The relevance and interest in their paid work also positively impacted students in terms of burden, making it less challenging to balance their work and education.

“Hard, but because I like it, it's not as hard, do you know what I mean? The experience that I get from what I do is tremendous. It's like I can see - so I read, I can see it in real life so all these theories and things, what I read and what I learn, I can see it in my work. I can also apply some of it. (Part-time undergraduate student parent)”

“It's useful. It teaches a lot of relevant theories and things I could use in my full-time job, so I appreciate that I have the opportunity to study it. (Part-time postgraduate (Masters) student)”

#### **6.4.8. Challenges of undertaking paid work**

Students also recalled a number of challenges they experienced as a result of working while studying. Students who worked part-time reported experiences of financial instability due to infrequent and sporadic shifts. To overcome this challenge, some students discussed changing jobs so they could take on contracted hours to guarantee a stable income.

Undertaking paid work while studying also had an impact on some students' attendance and attainment at college or university. For example, there were students who worked long hours on top of studying as a means to cover their expenses which reduced the time they had to study and could negatively impact their grades. Additionally, students who worked night shifts reported instances where they missed morning classes due to exhaustion related to their paid work.

“I think the biggest downside to working is not having enough time to study because you're having to work and then that affects you, whereas other students who don't have to work necessarily they have substantially more time to be able to study. (Full-time undergraduate student)”

“Semester 1 of third year, I failed three modules, which was partly to do with the amount that I was working and just not spending enough time doing uni stuff, so it had a bigger impact. I think that's what's really, this year, made me think, I can't do that again. (Full-time undergraduate estranged student)”

In comparison to students with positive working relationships with their employers, there were students who highlighted a negative impact on their mental health due to the stress from their paid work and challenging experiences with management.

“I felt like I was just constantly catching up, just constantly doing something, and it was very draining. I felt a sort of pressure in my head that I only really got when I did exams. It was really horrible, because the management would really short staff us so they didn't have to pay the shift. (Full-time undergraduate student)”

The demanding nature of balancing paid work and studies also left some students with little time to relax or socialise with friends and family. Burnout and exhaustion were common experiences among these students and some said they had to reduce their hours working, or stop working altogether, so they could manage coursework pressure and protect their mental health.

“Yes, so this academic year it's the least that I've worked, but I think it's just realising that I shouldn't put so much pressure on myself, if that makes sense. (Full-time undergraduate estranged student)”

“It's a long work week. I work 50 hours a week, so it gets very draining sometimes. Come home. Sleep. Wake up. Do it all over again. It goes back to the balance of sometimes where I can just - I'm exhausted. I sometimes find it hard to find time to study. (Part-time HNC/HND student)”

“It's the time away from my family, I work the weekends so we can't practically go out for dinner during the weekend because I have to sleep and I have to work. My daughter isn't really happy about it but I have explained to her that for now this is what I am able to do and once I have my degree, I can get a job that I can do while they are in school and when everybody comes back from school, we will be together as a family so that is what I'm working towards. (Full-time FE care experienced and estranged student)”

## **6.5. Income from family members**

### **6.5.1. FE students**

Around 4 in 10 (41%) FE students received income from family members and the median amount received was £300 over the academic year. Younger students aged 16 to 19 (60%) were more likely than students aged 20 and over (for example, 24% of those aged 25 and over) to have received income from family members.

Those in the 20% most deprived areas and those living independently (33% and 26%, respectively) were more likely than those in the 80% least deprived and those living with their parents to have income from family members (49% and 59%, respectively).

### **6.5.2. HN/undergraduate students**

A higher proportion of HN/ undergraduate students (62%) compared with FE students (41%) were receiving income from family members. Among those receiving this income, the median amount received was £825 over the academic year. Full-time students were more likely to be receiving income from family members (67%), with a median income of £950, than part-time students (40%) with a median income of £300.

Similar to FE students, the proportion of HN/undergraduate students receiving income from family members decreased with age, with 82% of HN/undergraduate students aged 16 to 19, 79% of those aged 20 to 24, and 34% of those aged over 25 receiving this income. The median income from family members for those aged 24 or under was £1,000 and £250 for those aged 25 and over.

HN/undergraduate students from the 20% most deprived areas (50%) were less likely than those from the 80% least deprived areas (66%) to have received income from family members, with median incomes of £500 and £900, respectively. Those who were living with their parents (79%) were more likely to be receiving income from family members than those who were living independently (renting or with a mortgage) (56%). The median income from family members for those living with their parents was £600, and for those living independently (renting or with a mortgage) was £1,100.

### **6.5.3. Postgraduate students**

Over half (54%) of postgraduate students reported receiving income from family members, and among those, the median amount received was £800 over the academic year. Those aged 20 to 24 were twice as likely (90%) as those aged 25 and over (45%) to receive income from family members. Female students and those aged 25 and over received a median income from family members of £600 compared with £1,000 median income for male students and those aged 20 to 24.

Those living with their parents (85%) were significantly more likely than those living independently (renting or with a mortgage) (50%) to be receiving income from family members, with similar median levels of income (£800 and £900, respectively). Those from the 20% most deprived areas received a median income from family members of £560 and those from the 80% least deprived areas received a median income of £900, although there was no difference in the proportions who received income from family members.

### **6.5.4. Students from under-represented groups**

Half (50%) of students from under-represented groups reported receiving income from family members, and among those who reported receiving this income, the median amount received over the academic year was £450. In comparison, only around a third (34%) of those aged 25 and over received income from family members compared with, for example, 74% of those aged 16 to 19, with median incomes of £300 and £480, respectively.

Students from under-represented groups from the 80% least deprived areas were more likely (55%) to have received income from family members than those from the 20% most deprived areas (41%), with median incomes of £500 and £300, respectively.

Around three-quarters (74%) of students from under-represented groups who lived with their parents received income from family members, compared with 42% of those living independently (renting or with a mortgage), with median incomes of £400 and £500, respectively.

### **6.5.5. Regular financial contributions**

Students in the qualitative research who received regular financial contributions from their parents and others were from higher-income households, and were living away from home, either in privately rented accommodation or halls of residence. There were students who were entirely funded by their parents, and therefore had no need to take out student loans or to take on paid work during term-time. Others were partially funded, with payments from their parents and others supplementing incomes from student support from SAAS, their college and paid work.

The amount provided to those who received regular financial support from their parents was reported to range from £1,200 to £13,000 per year. Students primarily used this income towards the costs of their rent, or for other essentials such as food and bills. The frequency of regular financial contributions varied, ranging from annual lump sums to pay for a year's rent to monthly instalments.

“Yeah so, my parents send me about £1,000 each month yeah. That's to cover rent, food, any other expenses really. [...] They felt I'd need support to be able to cover my costs and they sort of...yeah put that figure forward and that's been good enough to see me through. (Full-time undergraduate student)”

Students who were completely funded by their parents were more financially comfortable and reported less anxiety than those who relied on student loans and/or bursaries which were supplemented with paid work. Not having to worry about how to pay for accommodation, and without the prospect of repaying student loan debts, these students had more disposable income than their peers. They were able to afford to go out for meals, socialise with friends and accrue savings for the future, which appeared to have positive impacts on their mental health. Even in instances where parents provided seemingly small monthly amounts, it nonetheless was perceived to make a considerable difference, allowing students to put money aside for savings or pay for course costs.

“I try not to eat too much into my SAAS. I try to put as much of that to my savings as possible, but obviously there are expenses that you just have to cover once in a while. [...] So, that extra £100 from my mum does really help. (Part-time HNC/HND student)”

However, where parental financial contributions were low and were not supplemented by other forms of income, this could present challenges for students.

An 18 year old who lived at home and received no additional funding through their college received £50 'pocket money' each month, from which they were expected to buy a range of essential and non-essential items. Noting that the £50 'doesn't last that long', the student said they felt too uncomfortable to ask their parents for more, and sometimes skipped lunch at college when their allowance had run out.

It was said that parental financial contributions may change over time. For example, some postgraduate students, or those returning to study after a break, explained that while they had previously received regular funding from their parents, including paying for rent, they now received ad hoc payments or nothing at all. This was due to their parents either no longer being able to afford to help out or because their parents wished them to be more self-sufficient.

### **Ad hoc financial contributions**

Among the qualitative research participants, many received financial contributions from their parents and others on an ad hoc basis. These were used to supplement income from student loans, bursaries and paid work. Ad hoc payments from parents took different forms. There were those who noted that their parents would 'slip' them some money for groceries, rail fares, bills, or to treat themselves, or as a gift for birthdays or Christmas. In these situations, the money appeared to be intended as a non-repayable gift, something which some students had mixed feelings about.

"For me paying rent to my partner, he has been very accommodating occasionally if I can't pay a month. [...] I hate to owe him money so I will always try and pay what I'm due but a couple of months he's maybe subsidised me and said 'don't worry I'll pick it up this time', or maybe my mum will send me some money to help cover the rent. (FE student focus group)"

In other cases, ad hoc support was provided by parents and others in response to a request for help from the student – either because they were unable to cover their essential costs, such as rent or energy bills, or because an unexpected cost had arisen. Students who were unable to rely financially on their parents - including those who were estranged, care experienced and from low income households - mentioned receiving financial payments from grandparents, siblings, aunts, uncles, friends and friend's parents. Some of these payments were non-repayable while others were provided as informal loans.

A postgraduate student who received ad hoc support from their parents in large payments, which allowed them to pay three or four months' rent, reflected on how grateful they were for this support, but questioned whether how they would have managed without it.

"I think to myself, if I didn't have my partner and we didn't have - or the person that I was with wasn't able to provide that small bits or that amount of money that paid for our rent for four months - how we'd have done it. It's that thing of, I'm sure we would've; we

would've figured something out but while it's nice that it happens, it's frightening to think if it didn't. (FE student focus group)”

## **Informal loans**

It was common among students who took part in the qualitative research to borrow money from friends and family to tide them over until their SAAS or college funding instalments arrived or they received their wages from paid work. Students who informally borrowed from their family and friends tended to be financially vulnerable, receiving little or no financial support from their parents. Borrowers included both full-time and part-time students, student parents, care experienced and estranged students.

The amounts borrowed from friends and family varied. Some regularly borrowed £10 or £20 at a time, while others borrowed up to £400 a month from an individual or groups of different people. Some students borrowed money frequently, using this as an additional source of regular income, albeit one which was repayable. Money was borrowed to cover bills, rent or other essentials. Others borrowed money less frequently as and when they needed it, for example, to cover larger or unexpected payments such as holidays, repairs to cars or broken boilers, or in lieu of late payments from bursaries, loans or wages. It was notable how strongly students conceived of these as loans which had to be paid back. This was partly due to feelings of indebtedness and a reluctance to owe people money, but for those who borrowed from friends and family regularly, this also meant students felt they could ask for loans again in the future, if and when they needed it.

“Basically, if I pay it back, I know that if I need it again, I can get it again. Whereas if I don't pay it back then it's not an option really.  
(Full-time FE care experienced student parent)”

## **In-kind support and contributing to the household**

Students who lived at home were able to access additional 'in-kind' support, irrespective of whether their parents made regular or ad hoc financial contributions. This took the form of free accommodation, food and bills. Students noted that it was cheaper to live at home than move into rented accommodation, with some staying at home because they could not afford to move out. However, the in-kind support they received was a largely unacknowledged aspect of financial support accessed through parents/guardians, and was rarely mentioned by students who lived at home but did not pay 'digs'.

By contrast, some students who lived at home said that they paid 'digs', a nominal contribution towards the costs of running the household. Some students gave their parents money for groceries every now and again, or they looked after the upkeep of a car as part of their contribution. Others had a more formal arrangement in place and were expected to make a regular payment. A postgraduate student who lived at home highlighted the benefits of not being charged for this by their parents in terms of being able to accrue savings.

“There are discussions in the next year or so for me starting to contribute something like board, but as long as I keep the car maintained, maybe occasionally buy the odd grocery thing here or there, they're not that much bothered. They quite want to see my savings grow at the minute - which again I'm very fortunate for, very thankful for. (Postgraduate student focus group)”

### **Impacts of receiving financial support from family and friends**

Students highlighted a range of ways in which they benefitted from receiving financial support from parents, family and friends. Regular financial contributions removed some of the worry around money and allowed students to feel comfortable knowing that their costs were covered. The large payments received by some meant they did not have to work during term-time, leaving them free to socialise and able to focus on their studies. They were also able to graduate free of student loan debt, and could save for the future. For those who were partially funded, regular and ad hoc payments from parents and others helped to fill the perceived gaps in terms of the funding provided by colleges and SAAS, with students turning to family and friends for help when they were unable to cover the costs of essentials. However, many students who participated in the qualitative research noted that they were unable to rely on their parents financially, either because they were estranged, care experienced, or because their parents could not afford to provide financial contributions. This led students to take informal loans from friends and other family members to ‘tide them over’.

Despite the benefits of receiving financial support from family and friends, those who were helped in this way nonetheless spoke of how uncomfortable they felt as a result. Students said they were reluctant to ask for money, noting their embarrassment at having to ‘beg’ others for help to pay for essentials, whether they viewed the payment as repayable or not. For postgraduate students, in particular, having to ask for money raised issues around extended financial dependence on parents, at a time when students felt they should be increasingly self-sufficient. Students who had been forced to request additional help from their family or friends expressed concern at being considered a burden as a result.

“At the end of my Masters, when I did have to extend it, I felt really guilty asking people for money. [...] My mum has a little bit extra money that she could help me out with when I had to extend my Masters. [...] So, yes, it felt not great having to ask her for help even though I felt like, at 23, I should've been able to do things for myself and not have to ask for help. (Full-time postgraduate (PhD) student)”

“Especially my flatmate now, having to organise bills. She pays two of the bills. She pays gas and electric and council tax, and I've had to ask her quite a few times, 'Oh, can I pay you back when I get paid?' She's always fine with it, but it feels embarrassing to have to ask, to be like, 'Oh, I don't have enough.' (Full-time postgraduate (PhD) student)”

More broadly, students also highlighted the difficulties of discussing household finances with their parents/guardians. While some students felt that receiving financial support from their parents/guardian had not impacted on their relationship, others felt it had a detrimental impact, noting how it could sometimes cause arguments. Even those who were heavily or entirely funded by their parents mentioned how reluctant their parents were to discuss the degree to which they would fund their living costs. Among those who said their parents were unable to afford to make financial contributions, some refused to ask for help, regardless of how bad their financial situation might be.

## **6.6. Income from Social Security benefits**

### **6.6.1. Introduction**

Most full-time students are not eligible to claim social security benefits. However, the following full-time student groups may be eligible: estranged students aged under 22 who are studying an FE course; parents; students living with a partner who is not a student, and some students with a disability. The amount of benefits students in these groups receive is dependent upon, in most cases, how much financial support a student accesses through their student funding (from SAAS or their college). An exception to this is disability benefits which are not calculated based on income.

For students studying at FE level, it is more likely they will be able to remain on benefits while studying, as they are eligible for less student support. Some colleges may 'top up' benefits with the FE bursary. HE students who are eligible for benefits are expected to access any student support that they are eligible for before applying for social security benefits, and this can have an impact on the amount of social security benefits they then get (and can even end benefits completely). Postgraduate students in particular groups, such as those with children or disabilities, may be eligible for some social security benefits. This section explores students' experiences of accessing social security benefits.

### **6.6.2. FE students**

A fifth (20%) of FE students were receiving income from Social Security benefits. Among those who were receiving this income, the median amount received was £8,210 in total over the academic year.

The proportion of FE students receiving Social Security benefits increased with age, with 6% of those aged 16 to 19 receiving this income, 19% of those aged 20 to 24, and 34% of those aged 25 and over.

FE students not living with their parents were more likely to be receiving Social Security benefits (29%), reporting a median income from this source of £9,652, compared with those living with parents (7%), who reported a median income from this source of £6,737.



### **6.6.3. HN/undergraduate students**

Around 1 in 10 (9%) of all HN/undergraduate students were receiving income from Social Security benefits. Among those who were receiving this income, the median amount received was £6,825 over the academic year. The proportion of HN/undergraduate students receiving income from benefits was higher for part-time students (18%) than full-time students (7%). The median amount received by part-time students was £9,682; the median amount received by full-time students was £5,850.

As seen with FE students, more female students were receiving benefits (10%) than male students (5%). The proportion of HN/undergraduate students receiving benefits increased with age, with only 1% of those aged 16 to 19 receiving benefits, rising to 5% of those aged 20 to 24 (with a median income of £6,240) and 19% of those aged 25 and over (with a median income of £7,371).

The proportion of HN/undergraduate students receiving income from benefits whose parents had no experience of HE (12%) was higher than the proportion of those whose parents did have experience of HE (7%). The median amount received for those whose parents had no experience of HE was £7,761 and for those whose parents did have experience of HE was £5,850.

Those from the 20% most deprived areas were twice as likely to receive benefits (16%) than those from the 80% least deprived areas (8%).<sup>68</sup> The median amount received by those from the 20% most deprived areas was £5,840, and was £7,371 for those from the 80% least deprived areas.

### **6.6.4. Postgraduate students**

A smaller proportion (7%) of postgraduate students reported receiving income from Social Security benefits than both FE and HN/undergraduate students. Due to the small base sizes, no further analysis was possible for this group (N=28).

### **6.6.5. Students from under-represented groups**

A fifth (20%) of students from under-represented groups were receiving income from Social Security benefits, with the median amount received being £8,210 over the academic year.

The proportion of students from under-represented groups receiving income from benefits increased with age, with 7% of those aged 16 to 19 reporting income from this source, 12% of those aged 20 to 24, and 28% of those aged 25 and over. The proportion of male and female students receiving income from benefits was similar, however, the median amount of income for female students was £8,775 compared with £6,737 for males.

The proportion of students from under-represented groups who received income from benefits was higher for those whose parents did not have experience of HE (24%) when compared with those whose parents had HE experience (17%). The median amounts received were £9,087 and £6,737, respectively.

Students from the 20% most deprived areas (26%) were more likely to be receiving benefits than those from the 80% least deprived areas (17%), although the median income from benefits was similar (£8,210 and £8,151, respectively).

Students from under-represented groups who were living independently (renting or with a mortgage) were more likely to have income from benefits (23%) than those living with their parents (10%), with median incomes of £8,931 and £6,737, respectively.<sup>69</sup>

#### **6.6.6. Student experiences of social security benefits**

Students who participated in an interview or focus group received a range of different social security benefits including Universal Credit (UC), often in combination with family and/or disability benefits.

There were students who received social security benefits alongside other sources of income, including bursaries and loans. For these students, social security benefits helped them to meet their expenses, for example by bridging the gap between other sources of income. There were also students who relied on social security benefits as their main source of income. Without social security benefits these students said they would not be able to pay for essentials, such as accommodation, and could not afford to study.

“It [social security benefits] helps in a good way and maybe if I am waiting to be paid, if there is just a day left or two days left, so with the Child Benefit I can be able to provide what my kids need. (Full-time FE care experienced and estranged student)”

“[Without benefits] I would probably still be in a homeless unit, to be honest. [...] If it wasn't for Universal Credit, my DLA, I wouldn't be able to even get to the college. I also wouldn't have my own flat or anything. (Full-time FE estranged student)”

Despite social security benefits being a vital source of income, there were students who faced challenges applying for benefits. This included challenges completing application forms, supplying evidence and coping financially while they waited for an outcome. There were also students who did not know whether they were eligible for certain benefits which could lead to delays in applying or not applying at all.

Some of the challenges students faced related specifically to Universal Credit. For example, there was a student who complained that the Department for Work and Pensions (UK Government), DWP, scheduled meetings about Universal Credit at times they were in college which impacted on their course attendance and put their student funding at risk. There were also FE students who were struggling to meet their expenses while receiving Universal Credit because of how it interacted with the funding they accessed via the college. These students found they were financially better off when they came off Universal Credit as their FE bursary increased.

“There have been a couple of days that I've had to take days out of college just because I've booked Universal Credit appointments, which my lecturers are already breathing down my throat about my attendance - which annoys me because the Universal Credit know that I'm at college. They know what days I'm at college. My DLA, other than that application, doesn't give me that much hassle. (Full-time FE estranged student)”

Students shared that they did not think there was enough knowledge among their peers about the eligibility criteria for social security benefits or how they interact with other sources of income, particularly the interaction between Universal Credit and other sources of support, such as the Further Education Bursary (FEB). As a result, there were students who did not apply for additional sources of income alongside Universal Credit for fear of losing this source of income.

“That was quite a struggle, just trying to support myself, the food, the house, and just being able to survive. I was working cash-in-hand jobs on the side, trying to make some extra money while getting money off the government but then I actually found out - I heard that the college was doing a discretionary payment. So I spoke to them about that and they told me how it works. So I came off the Universal Credit and they put me on to that and the college actually paid for my house and gave me money to help me get food and that so I wasn't having to go out and work, do so many hours, do myself in, stressing out. It relieved a bit of stress and all that. So that was quite good that way. The only downfall with that is I had to hear that off another student rather than being able to hear it from the college themselves. It was good in the end. It did help a lot. It helped pay for the house. (Estranged student focus group)”

Students' attitudes to Universal Credit varied. There were students who would have liked to receive Universal Credit because they struggled to cover their expenses on the support they were eligible for from SAAS; however they were not eligible for it, because they were a postgraduate. There were also student parents who were about to be transferred to Universal Credit and expressed concern about how their overall income would be impacted by this change.

“I do still get Working Tax Credit and Child Tax Credit, but unfortunately I have been getting the dreaded letter now that I'm gonnae be put on Universal Credit, which means I will lose the Child Tax element because I don't get the Child Benefit, which automatically disqualifies me for getting the child element or any other help around at all. So, that's something I'm not looking forward to. [...] it means I'm gonnae be having £200 a month less and it's not as if I do have an overly-generous income. Otherwise I wouldn't qualify for the Working Tax element either. (Student parent focus group)”

## **Disabled students' benefits**

Disabled FE and HN/undergraduate students are eligible for the Transition Fund, provided by the Independent Living Fund Scotland and designed to help young people become more independent, spend time with others, become more engaged in their communities and try new things. The Transition Fund is available to disabled people in Scotland aged 16-25 for a limited number of purposes, e.g. for sports lessons, driving lessons, music or art lessons, joining classes or clubs, gym memberships, or photography or technology equipment. None of the students who participated in an interview or focus group mentioned receiving this support.

Disabled students may be eligible for Adult Disability Payment (ADP) or its predecessors, Personal Independent Payment (PIP) or Disability Living Allowance (DLA), which provides a payment every four weeks to help people with a disability or long-term health condition. The value of the payment depends on how someone's condition affects their ability to do everyday activities and get around. There are two parts to ADP and PIP: daily living and mobility; people qualify for one or both. Someone can apply for disability benefits if they are studying full-time or working, as income and savings are not taken into account.

Experiences of applying for disability benefits varied among students who participated in the qualitative research. Those who received support with the application tended to find the process more straightforward. Support included help gathering evidence and advisors coming to their home to help with the application. Those who completed the application on their own found it more challenging. There were participants who did not know they were eligible for disability benefits or whose initial application was rejected and had to appeal the decision – both of which resulted in delays in receiving support.

“I didn't actually even get interviewed for my PIP. They had managed to pull evidence from doctors and ambulance letters and stuff and they'd just taken it and they were like, 'Right, here you go.' Which I didn't expect at all. (Full-time FE care experienced student)”

Receiving disability benefits had a range of positive impacts on students. For some students, disability benefits made up most of their income and without it they would have been unable to pay for housing, bills or food, let alone study. An estranged student said receiving ADP acted as a safety net for them, particularly over the summer when they did not have SAAS payments and had no family support.

“I qualified for and receive Adult Disability Payments. [...] It took them about six months for them to fully process it and interview me over the phone and everything like that. They do back pay. When I'd just become estranged in February and my money was running out and I'd just started a new job and hadn't been paid yet, it meant that I could live. [...] That's a safety net I have until 2027. That's when they'll reassess me. That's a source of income that's going to be particularly helpful during summer next year when I don't have SAAS and I'm potentially looking at where I'm going next and being between jobs. (Estranged student focus group)”

Without the mobility part of disability benefits there were students who would have been unable to physically attend college. Receiving disability benefits also provided a gateway for one student to receive additional support related to their health which was having an impact on their studies.

“[Motability car has made] A massive difference, as I say I go to the chemist every day and that would be a struggle without the Mobility car. Getting to college and back would be a struggle. I get my kids on a Tuesday after school, picking them up fae school would be a nightmare. But aye its changed my life dramatically having a Mobility car. [...] The buses are always cancelled, or running late, or taxis are extortionate and there’s not really any trains or anything within the town, it’s all outwith. (Full-time FE care experienced student parent)”

“It’s [Disability benefits] actually managed to help me get a private hospital appointment for something that was previously impacting my studies, like health-wise, and that’s within the next two weeks, I believe. So, it’s definitely helping me get on my feet health-wise and stuff. [...] I’m quite weird about my disabilities and stuff. I’ve not fully accepted that I am disabled, so it’s annoying that I have to claim them but I’m glad that they’re there. (Full-time FE care experienced student)”

### **Student parents’ benefits**

Some FE, HE and Postgraduate student parents may also be eligible for various family benefits. These include Child Benefit, the Scottish Child Payment, Best Start Food Grant vouchers, and Working Tax Credit.

Parents who took part in an interview or focus group accessed a range of family benefits including Child Benefit, Child Tax Credit, Scottish Child Payment, Child Disability Payment, Best Start Grant. Some received these alongside other benefits such as Universal Credit, disability payments, Working Tax Credit, and Council Tax reductions. Student parents who received family benefits said they helped them with affording everyday living costs for their family. There were students who had some of their family benefits removed due to income thresholds which placed greater financial strain on them.

“We were told in the summer that we don’t qualify for anything additional like Tax Credits, Scottish Child Payment. Nothing like that can - we’re not allowed it, apparently. [...] We did get it; we got it last year but in the summer they just decided, no. We earn too much money, apparently, one being on minimum wage full time and the other one being a student. I don’t get it myself but here we are. (Student parent focus group)”

## **Carers' benefits**

Only one of the carers who participated in the qualitative research was receiving Carer's Allowance. They purposefully studied part-time so they could claim Carer's Allowance. Other student carers said they had not applied for Carer's Allowance because they were not eligible for it because they studied full-time, or because they were unsure if they were eligible for it. There was a view among student carers in this research that the rule on studying part-time was unfair as it put greater financial strain on them by requiring them to take longer to complete their studies.

"It's [course] part-time because that's a requirement of the Carer's Allowance that you can't study full-time which is a fairly stupid rule because you could be sitting in the house all day with somebody which is because they need that but you're doing nothing and you could quite easily be studying all day. Not particularly for me but it's very, I think it's a particularly cruel rule for younger people. I mean I do know younger people who have made the decision to study full-time in order to give themselves a qualification quicker and they've had to give up the Carer's Allowance, that does'nae mean you've given up caring it just means you're doing it for nothing you know. (Part-time undergraduate student carer)"

There were also student carers in this research who were anxious about applying for Carer's Allowance while receiving Universal Credit as they did not know how they would interact and they did not want to risk losing Universal Credit. Students said they would welcome more information about how different benefits interact so they could make informed decisions.

"It would be nice to have a bit more clarity on what, you know, actually have it in writing what I'm eligible for and what I have to do to maintain that and what the rules around it are. It's all very vague and no one seems to be able to provide you with that information. [...] That impacts us just in the sense that I feel we would be eligible for more. (Full-time undergraduate student parent and carer)"

Although outwith the timeline of the fieldwork for this study, from November 2024, the Scottish Government's new Carer Support Payment will be rolled out to replace the Carer's Allowance in Scotland.

## **6.7. Income from other miscellaneous sources**

Students also reported receiving income from a range of other miscellaneous sources. The types of income accounted for in the analysis below include maintenance payments from former partners or spouses, income received from rent payments, income from gifts from friends or others, or from pensions or shares, and income from selling possessions e.g. clothes, books, computer equipment or other items.

### **6.7.1. FE students**

Over a quarter (29%) of FE students reported receiving income from other miscellaneous sources. Among FE students who were receiving this type of income, the median amount received was £100 over the academic year. The proportion of FE students receiving income from other miscellaneous sources decreased with age, with 37% of those aged 16 to 19 receiving miscellaneous income, compared with 21% of those aged 25 and over.

FE students from the 80% least deprived areas were more likely (32%) to be receiving income from other miscellaneous sources than those from the 20% most deprived areas (20%), as were those living with their parents (35%) compared with those living independently (23%).

### **6.7.2. HN/undergraduate students**

Around a third (34%) of HN/undergraduate students reported receiving income from other miscellaneous sources, with the median amount received of £115 over the academic year – broadly similar to that for FE students. The proportion of full-time HN/undergraduate students receiving income from other miscellaneous sources (35%) was higher than that for part-time HN/undergraduate students (28%).

The proportion of HE students receiving income from other miscellaneous sources was lower for those aged 25 and over (28%), compared with those aged 16 to 19 (37%).

### **6.7.3. Postgraduate students**

Two-fifths (40%) of postgraduate students reported receiving income from other miscellaneous sources – this was higher than for the other student groups in this study. Among those receiving this income, the median income received was £200 over the academic year. Almost half (46%) of female postgraduate students reported receiving income from other miscellaneous sources, compared with 28% of male postgraduate students.

### **6.7.4. Students from under-represented groups**

Almost a third (32%) of students from under-represented groups were receiving income from other miscellaneous sources. Among those receiving this income, the median amount received was £110 in total over the academic year – similar to that for FE and HN/undergraduate students.

The proportion of under-represented students receiving income from other miscellaneous sources decreased with age. Around a third of those aged 16 to 19 and 20 to 24 (37% and 35%, respectively) received income from miscellaneous sources compared with 28% of those aged 25 and over.

Around a third (34%) of under-represented students from the 80% least deprived areas received income from other miscellaneous sources, compared with around a quarter (24%) of those from the 20% most deprived areas.



# 7. Expenditure

## 7.1. Introduction

Students were asked about a range of different types of expenditure in the survey. This was then used to calculate expenditure for the academic year 2023 to 2024. The questionnaire covered four key areas of expenditure: participation costs, living costs, housing costs and spending on children:

- Participation costs include expenditure on books, stationery, computer equipment and accessories, and any special equipment or trips associated with course work. Costs associated with tuition fees are not included, as these are reported separately in Chapter 4.
- Living costs include expenditure on food and drink, personal entertainment, household goods and non-course travel.
- Housing costs include mortgage and rent costs, retainer costs, household bills (including fuel costs and council tax) and other housing costs (such as household insurance).
- Spending on children includes the purchase of items such as toys, clothes, school uniforms, entertainment, presents, nappies and baby equipment, school lunches, school trips, school fees, and childcare costs, such as nurseries, childminders, school aftercare fees, travel and babysitters.

For all students, annual estimates were calculated by multiplying weekly totals by the number of weeks in an academic year (39), with monthly totals first being converted to weekly totals. Estimates of expenditure for students who shared joint financial responsibility for housing costs or other essential expenditure with a partner have been adjusted, where that expenditure was judged to be joint rather than individual.<sup>70</sup>

## 7.2. Key findings

The median total expenditure was:

- £7,723 for FE students
- £8,883 for HN/undergraduate students
- £10,558 for postgraduate students
- £10,525 for students from under-represented groups
- Housing costs were the highest category of expenditure for all but FE students, representing around half of the median total expenditure for HN/undergraduates, postgraduates and students from under-represented groups.
- The median spend on housing was the same for HN/undergraduate students and students from under-represented groups (£4,900), was £4,250 for FE and £5,213 for postgraduate students.

- Fuel costs represented around a quarter (24%) of mean housing costs for postgraduate students, rising to a third (33%) of mean housing costs for FE students.
- Living costs were the highest category of spend for FE students, representing over half (54%) of their mean total expenditure, with food purchases making up 72% of their mean living costs.
- The median spend on living costs was similar for FE students (£3,803) and students from under-represented groups (£3,811). It was £3,542 for HN/undergraduate students, and £4,190 for postgraduate students.
- The qualitative research highlighted how students' biggest spends varied by their personal circumstances, and participants discussed the impact of the cost of living crisis on their spending.
- Course related costs and those associated with course placements further contributed to the financial strain caused by unpaid placements.
- In the interviews and focus groups, students highlighted the high cost of rent and the lack of appropriate student accommodation. This was more sharply felt by participants who were estranged and care experienced students.
- Living at home allowed students to reduce their costs but some were travelling long distances to their college or university.

### **7.3. Expenditure for FE students**

#### **7.3.1. Total expenditure**

The median amount of total expenditure for all FE students who incurred expenses was £7,723 for the 2023 to 2024 academic year. The median total expenditure was:

- £8,812 for female students compared with £6,550 for male students.
- £10,870 for those aged 25 and over compared with £3,750 for those aged 16 to 19.
- Similar for those from the 20% most deprived areas compared with those from the 80% least deprived areas (£7,131 and £7,405, respectively).
- £10,588 for those who lived independently (renting or with a mortgage) compared with £3,509 for those living with their parents.

#### **7.3.2. Living costs**

Living costs were incurred by nearly all FE students (98%) and represented the highest category of expenditure for FE students, at 54% of their total mean expenditure. The median amount spent on living costs was £3,803 across all FE students.

- Expenditure on living costs was similar for female and male students, but those aged 25 and over spent a median amount of £4,783 compared with £2,235 for those aged 16 to 19.

- Similarly, those who lived independently (renting or with a mortgage) had a median spend on living costs of £4,336 compared with £2,235 of those living with their parents. There were no differences by area deprivation.

By far the highest expenditure within living costs was on food, with this representing 72% of their mean expenditure on living costs. This included grocery bills, eating out and takeaway spending.

- The median amount spent on food by FE students was £2,496, with those aged 25 and over having a median spend of £3,105 compared with a median spend of £1,800 for those aged 16 to 19.
- Those living independently had a median spend of £2,715 with those living with their parents having a median spend of £1,950.

### **7.3.3. Housing costs**

Housing costs were incurred by around three-quarters (74%) of all FE students but represented the second highest category of expenditure among those who it applied to, at 43% of their total mean expenditure. Overall, the median spend on housing costs among all FE students was £4,250.

The median spend on housing costs for FE students was:

- £4,500 for female students compared with £3,297 for male students.
- £5,165 for those aged 25 and over compared with £2,250 for those aged 16 to 19.
- £3,297 for those from the 20% most deprived areas compared with £4,755 for those from the 80% least deprived areas.
- £5,246 for those living independently compared with £2,000 for those living with their parents.

Fuel made up 33% of the mean spend on housing costs for FE students. The median spend on fuel was £1,260, with female students spending £1,350 and male students £1,080 on fuel. Those from the 20% most deprived areas had a median spend of £1,300 on fuel, compared with £1,116 for those from the 80% least deprived areas.

### **7.3.4. Course related costs**

Course related costs were considerably lower than both living and housing costs for FE students, with a median spend of £250 in the academic year 2023 to 2024 among the 72% of FE students who incurred any course related expenditure.

Students aged 25 and over, those from the 20% most deprived areas and those living independently had a median spend on course-related items of £350, compared with a median spend of £100 for those aged 16 to 19, £200 for those from the 80% least deprived areas, and £100 for those living with their parents.

### 7.3.5. Spending on children

A quarter (25%) of FE students reported spending on children with a median spend of £2,225. The vast majority of these students were female (92% compared with 8% who were male students) and aged 25 and over (93% compared with 7% who were aged under 25).

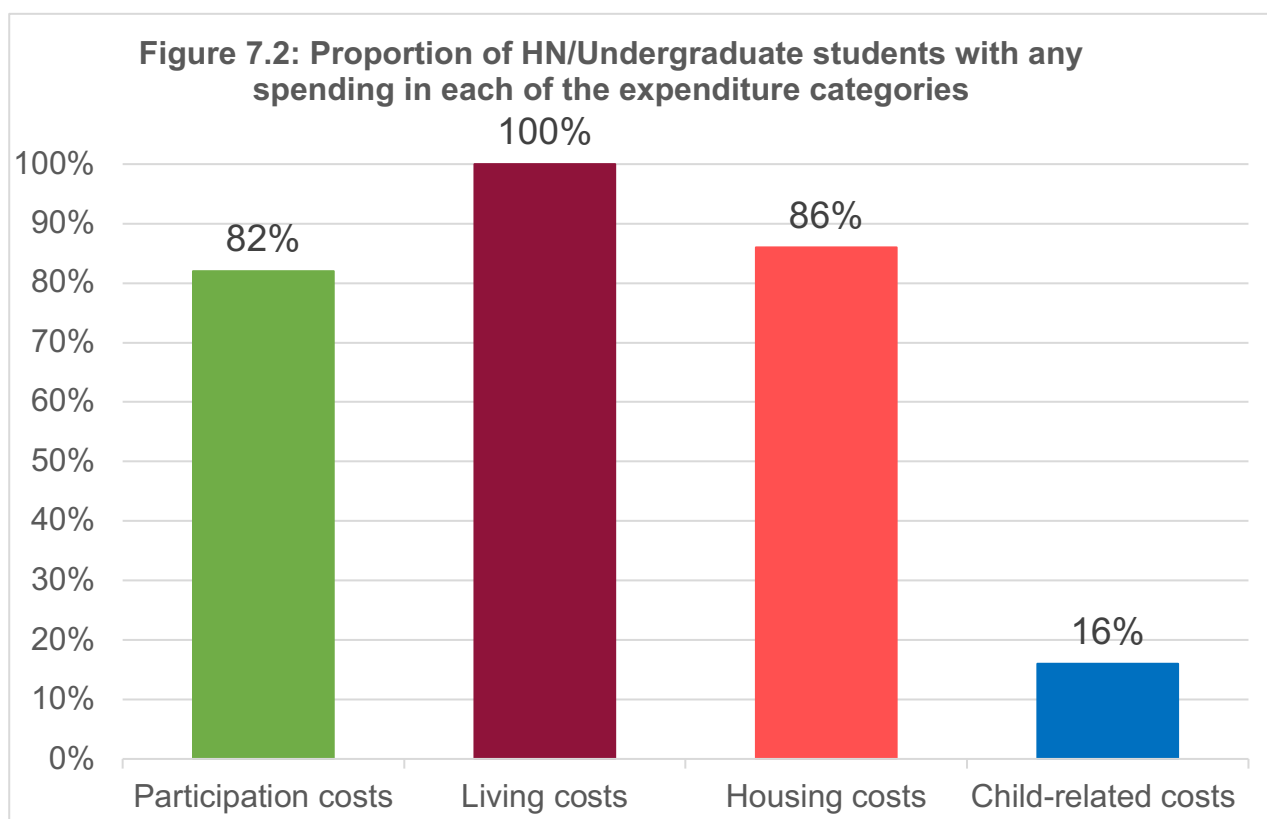
## 7.4. Expenditure for HN/undergraduate students

### 7.4.1. Total expenditure

The median total expenditure for all HN/undergraduate students was £8,883, compared with £3,803 reported by FE students. Male students' median spend was £9,070 and for female students it was £8,883. The median total expenditure was:

- £11,071 for those aged 25 and over compared with £7,979 for those aged 20 to 24, and £7,506 for those aged 16 to 19.
- £10,015 for those who lived independently (renting or with a mortgage) compared with £5,145 for those living with their parents.
- £9,400 for those from the 20% most deprived areas compared with £8,849 for those from the 80% least deprived areas.
- £8,530 for full-time HN/undergraduate students compared with £10,311 for part-time students.

Figure 7.2 shows the proportion of HN/undergraduates who incurred various types of expenditure. The median amount spent on each of these different types of expenditure and differences among sub-groups are explored within the sub-sections below.



## 7.4.2. Living costs

All HN/undergraduate students incurred living costs but this was not the highest category of expenditure, as was the case with FE students, but their second highest, at 45% of their total mean expenditure. The median spend on living costs for HN/undergraduate students was £3,542.

- Part-time students had a median spend of £4,407 on living costs, compared with full-time students (£3,378).
- The median spend increased with age, with those aged 16 to 19 having a median spend on living costs of £2,955 compared with £4,163 for those aged 25 and over.

Median spending on food was £2,310 with a lower median among those aged 16 to 19 (£1,920) and full-time students (£2,175) compared with those aged 25 and over (£2,580) and part-time students (£2,730). There was no difference in the median spend on food by area deprivation or whether students lived with their parents or independently.

## 7.4.3. Housing costs

Housing costs represented the highest category of expenditure at 54% of total mean expenditure, with a higher proportion of HN/undergraduate students (86%) incurring housing costs compared with FE students (74%). Among those who incurred housing costs, the median spend was £4,900.

The median spend on housing costs for HN/undergraduate students was:

- £5,400 for students aged 16 to 19, compared with £4,854 for those aged 25 and over.
- £4,353 for those from the 20% most deprived areas compared with £4,996 for those from the 80% least deprived areas.

Unsurprisingly, those students living at home only had a median housing spend of £1,800 compared with £5,260 for those living independently. Median housing expenditure was similar for male and female students and for full-time and part-time students.

Fuel costs for electricity and fuel bills made up 26% of the mean spend on housing for HN/undergraduate students. The median spend on fuel for HN/undergraduate students was £1,080 per academic year and was:

- £1,500 for full-time students, and £975 for part-time students.
- £1,170 for female students compared with £946 for male students.
- £1,463 for those aged 25 and over compared with £720 for those aged under 25.
- There were no differences by area deprivation or whether students lived independently or with their parents.

#### **7.4.4. Course related costs**

Around 8 in 10 (82%) of HN/undergraduate students reported incurring course related costs, with a median amount of £350, higher than that reported for FE students.

- Male students had a median spend on course related costs of £430 compared with £350 for female students.
- Full-time students had a median spend of £350 compared with £300 among part-time students.
- Those from the 20% most deprived areas had a median spend of £420 compared with £320 for those from the 80% least deprived areas.
- There was no clear pattern for differences by age.

#### **7.4.5. Spending on children**

Around 1 in 6 (16%) HN/undergraduate students reported spending on children, with a median spend of £2,204, similar to that of FE students. Part-time students were considerably more likely than full-time students to spend on children (33% compared with 12%, respectively), although the median amount of spending was similar (£2,204 and £2,220, respectively).

Over 8 in 10 (83%) HN/undergraduate students reporting spend on children were female (compared with 17% who were male students) and 97% were aged 25 or over, with 3% aged 24 or under. Those from the 20% most deprived areas were more likely (22%) than those from the 80% least deprived areas (16%) to have incurred spending on children with a median spend of £2,400 and £2,085, respectively.

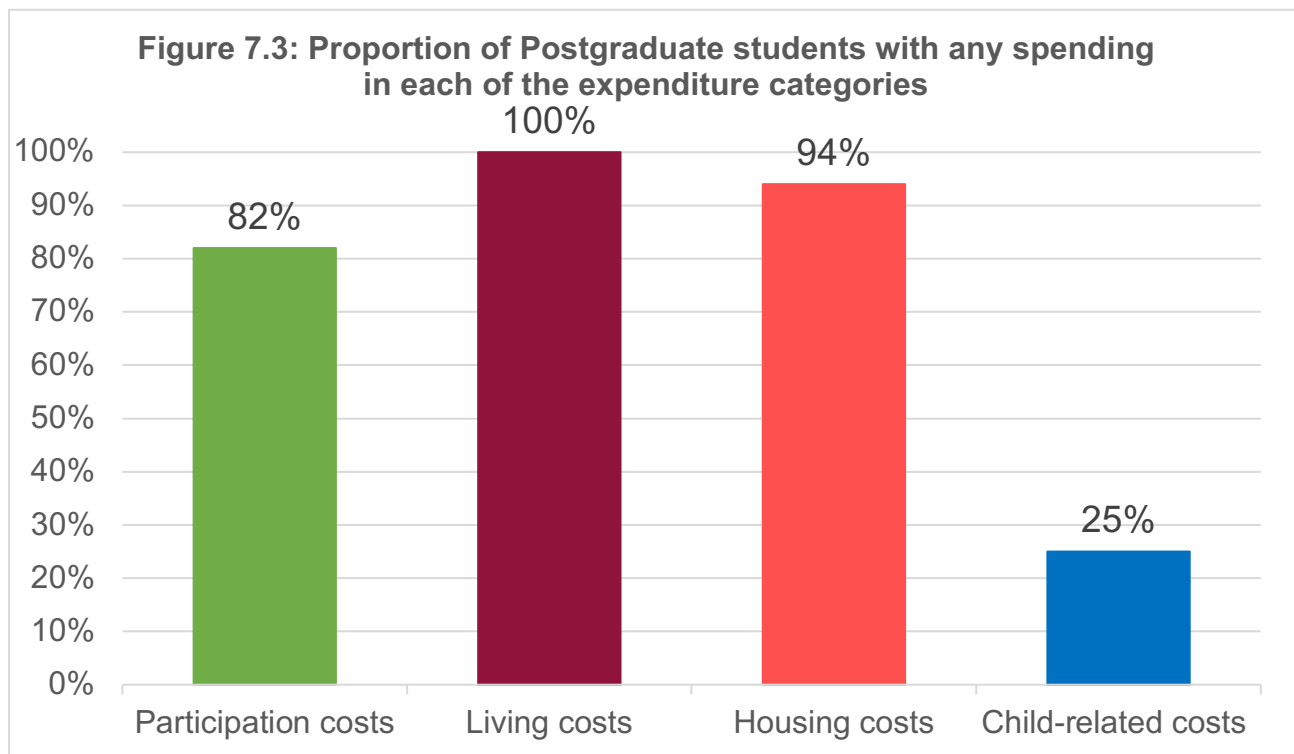
### **7.5. Expenditure for postgraduate students**

#### **7.5.1. Total expenditure**

The median total expenditure for postgraduate students was £10,558.

- Those aged 25 and over reported a median total expenditure of £11,176 compared with £9,562 for those aged 20 to 24.
- Median total expenditure was similar for male and female students and those from the 20% most deprived and the 80% least deprived areas.

Figure 7.3 shows the proportion of postgraduates who incurred various types of expenditure. The median amount spent on each of these different types of expenditure and differences among sub-groups are explored within the sub-sections below.



### 7.5.2. Living costs

Median living costs was the second highest expenditure category for postgraduate students, as it was for HN/undergraduate students, incurred by all students and representing 43% of their total mean expenditure. The median spend on living costs was £4,190.

The median spend on living costs for postgraduate students was:

- £4,890 for male students compared with £3,985 for female postgraduate students.
- £3,658 for those from the 20% most deprived areas, compared with £4,340 for those from the 80% least deprived areas.

There was no difference in the median spend on living costs by age, or whether the students were living with their parents or independently.

Median spending on food was £2,288 with male students having a median spend of £2,490 compared with £2,175 for female students. There were no other differences by subgroups.

### **7.5.3. Housing costs**

Housing costs represented the highest category of expenditure at 49% of total mean expenditure, with a higher proportion of postgraduate students, 94%, incurring housing costs compared with all other student groups. Among those who incurred housing costs, the median spend on housing was £5,213.

The median spend on housing was:

- £5,435 for female students compared with £4,950 for male students.
- £5,387 for those aged 25 and over compared with £4,918 for those aged 20 to 24.
- £4,856 for those from the 20% most deprived areas compared with £5,400 for those from the 80% least deprived areas.<sup>71</sup>

Fuel costs represented 24% of the mean housing costs for postgraduate students, similar to that for HN/undergraduate students. The median spend on fuel was £1,170 and £1,258 for those HN/undergraduate students aged 25 and over, and £810 for those aged 20 to 24. There were no differences in the median fuel spend by sex or area deprivation.

### **7.5.4. Course related costs**

The median spend on course related costs was £300 for postgraduate students, with a median spend of £500 for male students and for those from the 20% most deprived areas, compared with £260 for female students and £250 for those from the 80% least deprived areas.

### **7.5.5. Spending on children**

A quarter (25%) of postgraduate students incurred spending on children, with a median spend of £1,688. Female students had a median spend on children of £1,950 and male students a median spend of £1,318.

## **7.6. Expenditure for students from under-represented groups**

### **7.6.1. Total expenditure**

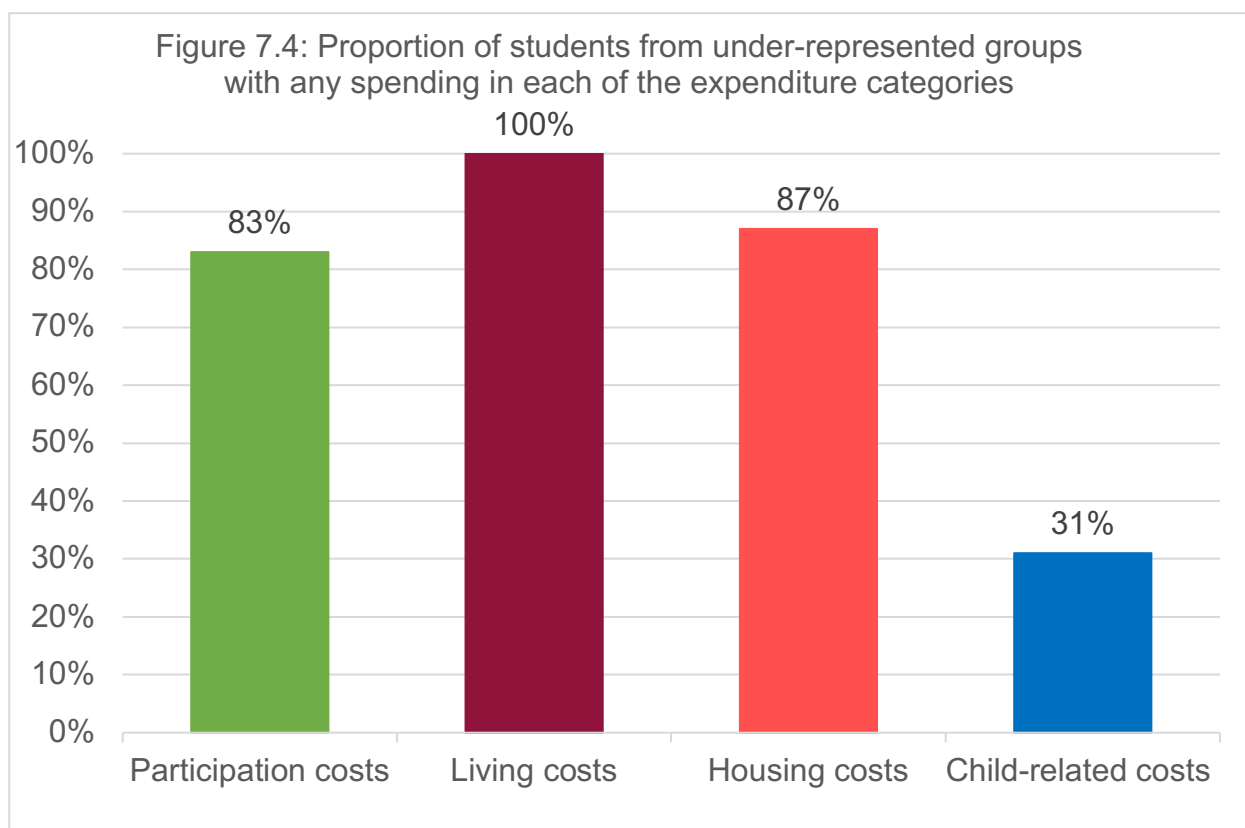
The median total expenditure for students from under-represented groups was £10,525, similar to that for postgraduate students but higher than both the median total expenditure for FE and HN/undergraduate students.

- Female students had a median total spend of £9,809, compared with £8,495 for male students.
- Students aged 25 and over had a median spend of £11,455, with £8,023 reported for those aged 20 to 24 and £6,166 for those aged 16 to 19.
- Unsurprisingly, those who lived independently (renting or with a mortgage) had a higher median spend, £10,764, compared with those living with their parents, £4,820, following a similar pattern to other student groups.



- There was no difference between the median expenditure for those from the 20% most deprived and the 80% least deprived areas.

Figure 7.4 shows the proportion of students from under-represented groups who incurred various types of expenditure. The median amount spent on each of these different types of expenditure and differences among sub-groups are explored within the sub-sections below.



### 7.6.2. Living costs

Median living costs was the second highest expenditure category for students from under-represented groups, similar to HN/undergraduate and postgraduate students. All students from under-represented groups incurred living costs, representing 44% of their total mean expenditure. The median spend on living costs was £3,811.

As age increased, so did the median spend on living costs, with those aged 16 to 19 having a median spend of £2,580, rising to £4,370 for those aged 25 and over. Those living with their parents had a median spend on living costs of £3,014 compared with £3,990 of those living independently (renting or with a mortgage). There was no difference in the median spend on living costs by sex, or area deprivation.

Median spending on food was £2,400, with female students having a median spend of £2,451 compared with £2,340 for male students, and older students having a higher median spend on food (£2,652 for those aged 25 and over) than younger students (£1,773 for those aged 16 to 19). Those living with their parents also had a lower median spend on food (£2,304) compared with those living independently (renting or with a mortgage) at £2,652.

### **7.6.3. Housing costs**

Housing costs were the highest category of spending for students from under-represented groups, representing 51% of the mean total expenditure and incurred by 87% of this group of students. The median spend on housing costs among all students from under-represented groups was £4,860.

The median spend on housing costs was:

- £5,025 for female students compared with £4,608 for male students.
- £5,073 for those aged 25 and over compared with £4,569 for those aged 20 to 24, and £3,882 for those aged 16 to 19.
- £4,410 for those from the 20% most deprived areas compared with £5,100 for those from the 80% least deprived areas.

Fuel costs represented 29% of mean spend on housing for students from under-represented groups. Overall students had a median spend on fuel of £1,300, with female students having a median spend of £1,350 and male students, £1,170. Those aged 25 and over had a median spend of £1,485 compared with £900 for those aged under 25. There were no differences by area deprivation.

### **7.6.4. Course related costs**

The median spend on course related costs was £325 for students from under-represented groups, with a median spend of £429 for male students and £400 for those from the 20% most deprived areas compared with £300 for female students and for those from the 80% least deprived areas. The median spend on course related costs for those living independently (renting or with a mortgage) was £350 and for those living with their parents was £260.

### **7.6.5. Spending on children**

As the students from under-represented groups included those who were parents, unsurprisingly, 3 in 10 (31%) of this group incurred spending on children, with a median spend on children of £2,175. Those who incurred spending on children, as seen for those at HN/undergraduate study level, were more likely to be female than male (36% of students from under-represented groups with spending on children were female and 17% were male) and aged over 25 (53% compared with 5% aged under 25).

Female students reported a median spend on children of £2,225 compared with £1,555 among male students. Those from the 20% most deprived areas had a median spend of £2,473 compared with a median spend of £2,050 among those from the 80% least deprived areas.

## **7.7. Student experiences of expenditure**

As illustrated by the survey responses, students experience a range of different types of expenditure, with basic living costs such as housing, food and essentials, and bills such as gas and electricity making up the biggest proportion of these costs.

However, it is important to highlight that students' biggest expenditure varied by personal circumstances. For example, the qualitative research identified that accommodation was the biggest expenditure for those in private rented accommodation. However, this was not the case for students who lived with family rent free, owned their property outright, received housing benefit or had their accommodation paid for via their college or university. Travel was one of the biggest expenses for students who had to use a car to commute to college or university, particularly as fuel prices increased. For student parents, costs related to their children, including childcare and increased food and utility costs, were a major expense.

“Mine would be fuel, definitely. About £60 a week, roughly, so just shy of £300 a month sometimes, depending on how much I need to commute up. On top of that, car maintenance, etc. (Postgraduate student focus group)”

“For myself, definitely it is childcare, especially now getting into January, with being placed into placements for part of my first year. My childcare is going to go up quite considerably because I now need to put my little youngest one into nursery more often. Luckily, the eldest is in school, which is great, so that helps but I still have to obviously make those financial payments. My little one's dad has split - over a year-and-a-half ago - and unfortunately with him having to take half of the free [nursery] hours, I only get half of what's what, so I have to make up the best of that. So, it's not like I can entirely live off pretty much what the government give the children to be in education. (Student parent focus group)”

The qualitative research also highlighted the impact of the cost of living crisis on student expenditure and overall financial wellbeing. While the price of food, gas and electricity and fuel prices increased, the students' income stayed the same or did not increase at the same rate. This made it more challenging for students to meet the cost of their expenses with their income. The ways in which students managed their finances, and the impact this had on them, are explored in Chapters 8 to 15.

### **7.7.1. Student experiences of course related costs**

Students experienced a range of different course-related expenses, including the need to buy reading materials and specialist course materials such as safety equipment, art supplies or IT hardware or software. Some of these expenses would last students through the entirety of their course, though students expressed frustration at course costs for materials or equipment that they would only use once. While some costs could be mitigated by, for example, using the library or

accessing digital versions instead of buying textbooks, others, such as safety equipment or assessment costs, could not.

“The textbooks are prohibitively expensive. Sort of I think the average I would say would be about £40 per textbook and some modules its recommended that you’ll use more than one. So I think...I just borrow my textbooks from the library. There’s a fairly decent collection at the library. But people who do sort of want to have access to textbooks anytime they spend a couple of hundred pounds each semester buying them. (Full-time undergraduate student)”

“The course is good but the unexpected expenses it’s causing is shocking. [...] I didn’t take into account when I started college that for assessment, my assessment that need to be done need to be paid for, like haircuts and stuff [...] if my client can’t pay and I need that assessment rather than, fail I’ll have to pay you know. This sounds silly, if it’s a cut it’s only £8 but that £8 that could go towards food, that £8 could go towards gas and electric. [...] It’s robbing Peter to pay Paul, a colour is about £12 to £22 depending on what they want. (Full-time FE student parent)”

The ways in which students paid for these expenses varied. In some circumstances, course materials and costs were covered by their college or university, while in others, students had to self-fund using their bursary or loan, money from paid work, or by taking out credit to meet these costs. There were also examples of employers meeting students’ course costs, when a student was working full-time and studying part-time.

## **Course placements**

For some of the students, work placements were an essential part of their courses. While students did not have to pay to do these placements, and some were able to access reimbursements for placement costs such as travel from their institution, they did have financial implications. Students stated that these placements were unpaid, and because they were full-time placements, and students did not always know exactly when placements would occur, it was difficult for them to find paid work which could be based around these course commitments. This further contributed to financial stress experienced by students. There were instances where students considered dropping out due to the financial strain caused by unpaid placements. One student decided to change course as they could not afford to do an unpaid placement as part of their original course.

“What I get is pretty much just SAAS and that’s it. I don’t have any job. I had to give up my job just last month because of a placement coming up. I simply can’t do the hours that were required of me because I still don’t really know what my hours for placement are yet. I’m pretty much on hold from Monday to Sunday and I can start any time between half-seven until half-six. So, I’m still kindae waiting on the things for that one, so it kindae restricts me on finding a job at

the moment. Unfortunately, there's a lot of stress on my husband! So, we're really kindae relying on him as being the breadwinner. (Student parent focus group)"

"When I was considering dropping out, it was because there was not really anything in place that would - It's an unfunded placement but you were expected to work full time and just like, 'How am I meant to do a full-time degree and do this placement that is full time and work as well on the side?' So, that's when I changed to applied social sciences because there wasn't any placement requirement but during that time I considered dropping out and then trying to work out what I would do instead. (Full-time undergraduate estranged student)"

### **7.7.2. Student experiences of accommodation**

As outlined above, often one of the largest costs students had to cover was that of their accommodation. This section explores findings from the qualitative research to consider how finance affected students' experiences of accommodation. It outlines the factors which students stated made meeting their accommodation costs easier and more difficult, as well as the impact of these factors on students and their experiences of accommodation.

#### **Factors which make meeting accommodation costs easier**

Students discussed the factors which made meeting the costs of their accommodation easier. These included financial support from parents/carers, family, partners, and friends, being able to live within the parental home whilst studying, and for care experienced students, prioritisation for local authority housing and other support.

#### **Receiving financial support with accommodation**

Parents were a key source of financial support for accommodation. Examples of support for accommodation provided by parents included: making regular or more ad hoc payments towards students' rental costs; paying for a year's worth of rent in a one off payment to the university or landlord; assisting with rental deposits; buying a property for their child to live in while studying; and, more commonly, through allowing students to remain in the family home while studying and therefore reducing or avoiding costs associated with paying rent. Most students from the qualitative research who lived at home did not contribute financially towards household expenses, often referred to as 'digs', meaning it was far cheaper to live at home than move away and they were able to build up savings as a result. For students living at home who did contribute towards the financial running of the household, it was not common for families to have formal arrangements in place. Instead students said they occasionally gave their parents money for groceries or did grocery shopping as part of their contribution. Others had a more formal arrangement in place whereby they made regular financial contributions.

“It was cheaper to commute [...] I paid my parents money to stay at home and then factoring in the cost of trains and stuff it still was cheaper than renting. (Full-time undergraduate student)”

Students’ partners were also an important source of support with accommodation costs with some students describing how their partner subsidised their accommodation costs. This was often done through informal arrangements in distribution of rent or mortgage payments, and/or through flexibility in contributions to these payments, with partners taking on extra or sole responsibility for housing costs, often as a result of them working full-time. Students said that this enabled them to continue with their studies when they otherwise would not have been able to afford their accommodation while studying.

### **Accommodation support for care experienced students**

Care experienced students highlighted the benefits of receiving assistance with their accommodation costs. As a result of care experienced individuals being given priority for social housing up to the age of 26, some lived in local authority housing with low rental costs. Others had their housing costs partially or entirely subsidised by their local authority, or were able to access accommodation-specific support from their universities via scholarships which covered accommodation costs for a year. Some care experienced students also mentioned their university offered 365 days of free accommodation for care experienced students. However, a care experienced student who had their rent paid by the local authority said they had ‘no idea’ this option was available until they re-engaged with their local authority social worker after a long break. It was then that they also found out they were eligible for a Leaving Care Grant which helped them furnish their home.

“My rent is around £500 a month. I am quite lucky. [...] It's paid for at the moment by the local authority but I didn't actually know - when I signed up for the course, I had no idea that was available. It was by sheer luck that I happened to mention - it was the first time I'd spoken to anyone at the office in years and they said, 'We can pay your entire rent cost. It doesn't have to come out of any bursary money.' So I nearly missed out on that opportunity but luckily mentioned it. (Care experienced student focus group)”

### **Factors which make it harder to access accommodation**

#### **The high cost of accommodation**

Students highlighted the high cost of rent – be that of university-owned accommodation, purposely built student accommodation or private rentals – as a key issue which impacted on their experiences of accommodation. Halls of residence, both university-owned and private, were viewed as being particularly expensive. University students noted that the combined income from loans and bursaries is insufficient to cover rent as well as other living costs, noting how rent has increased in recent years. There was a view among students that some towns and cities are cheaper to live in than others. Recent rent prices made some students reluctant to move, for fear that they might end up paying more.

“I think particularly with [name of city], I know the rent has gone up very crazy particularly to last year. It just can't – grants and those loans don't – will never really cover it. (Full-time undergraduate student)”

“So I am actually considering moving in with my partner next year but I've been looking at rentals just to sort of gauge what we might expect when we look for a place next year and they're a lot higher than they were 2 years ago when I found the place I'm living in now. Yeah, I believe [name of city] is sort of...rent prices have increased the fastest in the UK over the last year. So it is hard to find places, in fact a friend of mine she recently had to move into a flat and she's paying about £800 a month. Yeah, so it is expensive. (Full-time undergraduate student)”

In particular, accommodation in close proximity to universities and colleges in the bigger cities was viewed as being prohibitively expensive. To find cheaper properties, students described having to select rentals further away from their institution, which increased their commuting distances and costs. In some cases, students spoke of living in a different city to where they studied, in order to manage their housing costs. Students attempted to balance accommodation and commuting costs when finding accommodation. Some said they could not afford to move closer to their college or university, while others said that once they took into consideration commuting costs, staying closer to their institution was a better option.

“Back when I was doing my other course I was staying in student accommodation and then I stayed in rented accommodation and a big factor for that was if I stay close to the college it's slightly more expensive but I don't have to pay for transport so that's a big chunk of money that I can save there so...that was a pretty big factor for where I was staying. (FE student focus group)”

### **Lack of student accommodation in student areas**

Another factor raised by students was the lack of suitable student accommodation in some areas, with students describing a high level of competition for rental properties. Some suggested the lack of student accommodation was impacted by the rise of short-term lets. Others mentioned the challenges associated with trying to find accommodation which has been deemed a House of Multiple Occupancy (HMO), with the view that HMO properties are expensive and often lower quality.

“In [city], it's an absolute catastrophe. It's not really enjoyable to be a student at university and then to not even live in that town. [...] speaking to some of my friends who are in high school, it's an actual obstacle to their studies. They would say [city] sounds really nice, they would speak to me because they know I go there, and then they'd find out, by the way, it's average £800 for rent and they know they can't afford that. [...] right now [city] is just filled with Airbnbs that take away actual homes that people can live in. (Full-time undergraduate student)”

## **Additional challenges in finding accommodation for students who are care experienced, estranged and carers**

There were some groups of students who found it more difficult to access accommodation than others. Estranged and care experienced students described some of the difficulties they faced in securing accommodation as a result of not being able to live with or rely on financial contributions from their parents. A key aspect of this was not being able to use parents as a guarantor for rental agreements. Not having a guarantor made it harder to access properties to rent, with some commenting that private landlords were reluctant to rent a property without a guarantor. One student described having to pay much more than they had originally budgeted and having to live much further away from their institution than their peers due to not having a guarantor to help them secure affordable accommodation.

“I know for me, my place of living - when I had to leave my home, I think I had to keep upping my budget because nobody would take on a 19-year-old in their own house. I don't blame them but it was down to my responsibility to find somewhere and the longer it went on, the more places I got rejected with. It was going out further, raising the rent. Before you know it, I was an hour and a half away from where I used to live and the rent is something way higher than I should be on because I didn't have that guarantor. I didn't have someone that could help me. I think being care experienced has really affected where I've lived, where I'm living now, compared to all my friends. (Care experienced student focus group)”

“I also have to leave halls in June and I don't have a guarantor. I won't be a student at the university [as will have graduated] so I can't use the scheme that they've got where if you're estranged, they offer you guarantorship. So I'm a little bit screwed in that regard but we'll see. (Estranged student focus group)”

The accommodation options available to student carers were also limited. Caring responsibilities meant it could be difficult to find flexible work, which made it harder to afford rental costs. The need to be close to the people they cared for also meant that they tended to have to live close to, or with, the people they cared for.

## **Impact of commuting**

Students' experiences varied in terms of the distances they were travelling to college or university. Some had very short commutes and were able to walk or cycle. Others were travelling longer distances by car, bus or train. Some students had commutes of up to two hours in each direction. While commuting from their own home or that of their partner's or parents allowed students to reduce their rental costs, it impacted on students in a variety of ways. The cost of travel was a key issue for some students. While those aged under 22 were able to benefit from free bus travel, others highlighted the cost of taking the bus or the train. Some students, particularly those who travelled longer distances, spoke of how tired they felt as a result. Long commutes could make it harder to fit in time for both academic study and paid work. Classes with a 9am start time were particularly problematic for



commuter students, as a student with a travel time of 2.5 hours each way explained:

“I think it would be fine, but during the new semester, one of the [classes] starts at nine o'clock in the morning, so I have to get up at like, five, and then try and get there in time. I'm still late because obviously the traffic and stuff like that when I have to get the bus. That's not so great, but I know that it's not the lecturer's fault. He tried to get a later slot, but he couldn't. (Full-time postgraduate (Masters) estranged student)”

### **Experiences of homelessness**

Some students who participated in the qualitative research had experienced homelessness, either previously or at the time of the interview or focus group. This included both college and university students and students who were care experienced, estranged and/or parents who had lived in homeless accommodation and those who were having to stay with friends due to not being able to find an affordable home. Those who had been homeless in the past spoke of the impact this had on their studies, with some having dropped out of school or college as a result. A student who was in temporary accommodation staying with a friend was considering dropping out so as to be able to earn more from paid work.

“If I wasn't staying with my friend, I don't think I could keep a house going with being a student as well because I'd have the whole whack to pay on my own. (Full-time FE student parent)”

## 8. Savings and borrowing

### 8.1. Introduction

In the survey, qualitative interviews and focus groups, students were asked about their experiences of savings and borrowing. The survey findings are explored by level of study and groups of specific interest to this study. The qualitative research provides insight into the experience and impact of savings and borrowings.

### 8.2. Key findings

- FE students had the lowest level of savings at the start of the academic year (37%), followed by students from under-represented groups (49%), part-time HN/undergraduate students (51%) and full-time HN/undergraduate students and postgraduate students (71% and 70%, respectively).
- The level of predicted savings at the end of the academic year were highest among postgraduate students (49%) compared with 45% of full-time HN/undergraduate students, 30% of part-time HN/undergraduate students, 28% of students from under-represented groups, and 19% of FE students.
- FE students had median savings of £500 at the start of the academic year, compared with £1,513 for students from under-represented groups, £2,000 for both full-time and part-time HN/undergraduate students, and £4,000 for postgraduate students.
- By the end of the academic year, predicted median savings were £700 for FE students, £2,500 for students from under-represented groups, £3,000 for both full-time and part-time HN/undergraduate students, and £6,000 for postgraduate students.

For borrowing,<sup>72</sup> the following proportions of students from each of the four key groups had predicted borrowings at the end of the academic year:

- 44% of FE students (with a median amount of £900).
- 68% of HN/undergraduate students (with a median amount of £10,000 for full-time and £3,075 for part-time students).<sup>73</sup>
- Nearly two-thirds (63%) of postgraduate students (with a median amount of £7,000).
- Around two-thirds (64%) of students from under-represented groups (with a mean amount of £6,000).

For FE, HN/undergraduate students and students from under-represented groups those aged 25 and over were more likely to have borrowings than students aged 20 to 24 and aged 16 to 19, as were those living independently (with rent or mortgage) compared with those living with their parents.

Among the five main areas of borrowing, student loans accounted for the largest amount of overall borrowing for each of the following:

- 45% of HN/undergraduates total borrowing (with a median of £10,400)
- 36% for postgraduate students (with a median of £8,000)<sup>74</sup>
- 27% for students from under-represented groups (with a median of £10,000).

Net debt was calculated for each student by subtracting the predicted amount of savings at the end of the academic year, from the total amount of predicted debt or borrowing.

- The majority of students with savings and borrowings were predicted to have negative net debt by the end of the academic year

The median predicted net debt was:

- £900 for FE students
- £2,734 for HN/undergraduate students
- £9,000 for postgraduate students
- £4,500 for students from under-represented groups.

The proportion of net debt was:

- higher among full-time HN/undergraduate compared with part-time students (96% and 88%, respectively)
- lower for those students from under-represented groups aged 16 to 19 compared with those aged 25 and over (83% and 92%, respectively)
- higher for those students from under-represented groups living independently (renting or with a mortgage) compared with those living with their parents (93% and 85%, respectively).

### **8.3. Savings**

All students taking part in the survey were asked about their levels of savings at the start of the academic year and their predicted levels of savings by the end of the academic year.

#### **8.3.1. FE student savings**

##### **Savings at the start of the academic year**

Around two-thirds of FE students (63%) did not have savings at the start of the academic year. Among the third that did (37%), the median amount they had saved was £500.

Younger FE students were more likely than older FE students to have savings at the start of the academic year (48% of those aged 16 to 19 and 27% of those aged 25 and over), as were FE students whose parents had experience of higher education (HE) (54%) compared with those whose parents had no experience of HE (26%). Furthermore, FE students living with their parents were more likely to have savings at the start of the year (50%) than those living independently (renting or with a mortgage) (27%).

FE students from the 20% most deprived areas (28%) were less likely to have savings than those from the 80% least deprived areas (43%).

### **Savings at the end of the academic year**

Around 1 in 5 (19%) FE students reported that they expected to have savings at the end of the academic year which was lower than the 37% who stated that they started the academic year with savings.

The differences between subgroups of FE students who predicted having savings at the end of the academic year followed a similar pattern to those for savings at the start of the academic year. Younger FE students were more likely than older FE students to predict that they would have savings at the end of the academic year (26% of those aged 16 to 19 and 13% of those aged 25 and over), and a higher proportion of FE students whose parents had experience of HE predicted having savings at the end of the academic year (23%) than students whose parents had no experience of HE (19%). However, while a lower proportion of FE students from the 20% most deprived areas had savings at the start of the academic year than those from the 80% least deprived areas, predicted savings at the end of the academic year were similar for both groups (15% of students from the 20% most deprived areas and 19% of students from the 80% least deprived areas). Around a quarter (27%) of those living with their parents predicted having savings at the end of the academic year, compared with 14% of those living independently (renting or with a mortgage).

### **8.3.2. HN/undergraduate student savings**

#### **Savings at the start of the academic year**

Full-time HN/undergraduate students were more likely than part-time HN/undergraduate students to have savings at the start of the academic year (70% and 51%, respectively). The median amount saved at the start of the academic year for both full-time and part-time HN/undergraduate students was £2,000.

There was no difference between full-time female and male students in the proportion who had savings, however, a slightly higher proportion of male part-time students (57%) had savings than female part-time students (48%). Among HN/undergraduate full-time students with savings, the median amount saved was £2,000 for females and £3,000 for males. Part-time HN/undergraduate female students had median savings of £1,000 and male part-time students £2,500.

Those who had parents with HE experience were more likely to have savings at the start of the academic year. For example, nearly 3 in 5 (59%) HN/undergraduate part-time students who had parents with experience of HE compared with around 2 in 5 (44%) of part-time students whose parents did not have experience of HE had savings. Median amounts of savings among part-time HN/undergraduate students whose parents had experience of HE was £1,500 and for those whose parents did not, £2,000.

Students from the 20% most deprived areas were less likely to have savings than those from the 80% least deprived areas. For example, nearly two-thirds (58%) of full-time students from the 20% least deprived areas had savings compared with around three-quarters (74%) of full-time students from the 80% most deprived areas. Full-time HN/undergraduate students from the 20% most deprived areas reported a median amount of savings of £1,250 compared with £2,500 for those from the 80% least deprived areas.

Full-time students aged 25 and over were the least likely to have savings (45%) compared with 73% of those aged 20 to 24, and 86% of those aged 16 to 19. The median amount saved was £1,500 for full-time HN/undergraduate students aged 25 and over and £2,000 for those aged 16 to 19. This compares with £3,000 for full-time students aged 20 to 24. There were no differences by accommodation type in the level of savings for HN/undergraduate students.

### **Savings at the end of the academic year**

Overall, 42% of HN/undergraduate students reported having predicted savings at the end of the academic year, with this being more likely for full-time students (45%) than part-time students (30%). Median predicted savings of £3,000 were reported for both full-time and part-time students at the end of the academic year.

HN/undergraduate students whose parents had experience of HE (51% for full-time and 34% for part-time students) were more likely to predict having savings at the end of the academic year than those whose parents had no HE experience (37% for full-time and 28% for part-time). For those whose parents had HE experience, full-time students reported a median amount of predicted savings of £3,500, while part-time students reported a median of £3,000 compared with £2,000 for full-time students whose parents did not have HE experience and £2,500 for part-time students.

The proportion of HN/undergraduate students who predicted having savings was similar for full-time male (47%) and female (44%) students (but higher among part-time male (46%) than female students (24%). Full-time male students predicted a median savings amount of £4,000 compared with £2,500 for full-time female students. Part-time male students had a predicted savings median of £3,000 and it was £2,500 for part-time female students.

Overall, HN/undergraduate students aged 25 and over were less likely to predict they would have savings at the end of the year (23% for full-time) compared with those aged 20 to 24 (54% for full-time and those aged 16 to 19 (53% for full-time). Full-time students aged 25 and over had median predicted savings of £2,500, those aged 20 to 24 had £4,000, and for those aged 16 to 19, it was £2,500.

A higher proportion of HN/undergraduate students from the 80% least deprived areas had predicted savings at the end of the academic year (49% for full-time and 32% for part-time students) than those from the 20% most deprived areas (34% for full-time and 21% for part-time). Full-time students from the 80% least deprived

areas reported a median amount of predicted savings at the end of the year of £3,000 and those from the 20% most deprived areas a median amount of £2,000.

### **8.3.3. Postgraduate student savings**

#### **Savings at the start of the academic year**

Similar to HN/undergraduate students, around two-thirds of postgraduate students (71%) had savings at the start of the academic year, with the median amount saved being £4,000 compared with median amounts of £2,000 for HN/undergraduate students and £500 for FE students.

The proportion of postgraduate students with savings at the start of the academic year was similar for females (72%) and males (70%) with the median amount saved by females being £4,000, and £5,000 by males. Postgraduate students aged 20 to 24 were more likely than those aged 25 and over to have savings at the start of the academic year (82% and 68%, respectively). The median amount saved was £4,000 for students aged 20 to 24 and £4,700 by those aged 25 and over.

As for FE and HN/undergraduate students, postgraduate students whose parents had experience of HE were more likely to have savings at the start of the academic year (76% and median amount saved of £4,700), than those whose parents had no experience of HE (64% and median amount saved of £4,000).

For postgraduate students from the 80% least deprived areas, 72% reported having savings at the start of the academic year with a median amount saved of £4,700 compared with 57% of students from the 20% most deprived areas having savings with a median amount of £2,500.

#### **Savings at the end of the academic year**

Around half of all postgraduate students (49%) predicted that they would have savings by the end of the academic year, compared with the 68% who stated that they started the year with savings. The median amount of savings predicted at the end of the year was £6,000 compared with £4,000 at the start of the year. The proportion of students who predicted having savings was similar among females (50%) and males (47%), with a median predicted savings amount of £5,000 and £7,000, respectively. Postgraduate students aged 20 to 24 (63%) were more likely to predict having savings at the end of the year than those aged 25 and over (46%) with levels of savings of £6,000 and £5,000, respectively.

A higher proportion of postgraduate students whose parents had experience of HE predicted having savings at the end of the academic year (55%) than those whose parents had no HE experience (43%). Those with parents with HE experience reported a median amount of predicted savings of £6,000 compared with £3,000 for those whose parents had no HE experience. A higher proportion of students from the 80% least deprived areas predicted having savings at the end of the academic year (52%) than students from the 20% most deprived areas (40%).

### **8.3.4. Savings of students in under-represented groups**

#### **Savings at the start of the academic year**

Around half (49%) of students from under-represented groups had savings at the start of the academic year and among those who had savings, the median amount of money saved was £1,513. This compares with median amounts of £4,000 for postgraduate students, £2,000 for HN/undergraduate students and £500 for FE students.

The proportion of students from under-represented groups with savings at the start of the academic year was similar for male students (46%) and female students (49%). The median amount of savings for males was £2,800 and it was £1,500 for females. In terms of age, around 2 in 5 students aged 25 and over (39%) had savings at the start of the year, compared with around 3 in 5 students aged 20 to 24 and 16 to 19 (60% and 65%, respectively). The median amount of savings at the start of the academic year for students aged under 20 was £1,200 compared with £2,500 for those aged 20 to 24, and £1,500 for those aged 25 and over.

Those whose parents had experience of HE were more likely to have savings (62%), than those whose parents had no experience of HE (39%). However, the median amount was £2,000 for those whose parents had experience of HE and £1,250 for those with no HE experience.

Over 4 in 10 (45%) of those who were living independently (renting or with a mortgage) reported having savings at the start of the academic year with a median amount of £2,000, compared with around 6 in 10 of those living with their parents (64%) with median savings of £1,500. Students from under-represented groups from the 80% least deprived areas (56%) were more likely to have savings than those from the 20% most deprived areas (34%). The median amount of savings for those from the 80% least deprived areas was £2,000; for those from the 20% most deprived areas it was £750.

#### **Savings at the end of the academic year**

Overall the proportion of students from under-represented groups who expected to have savings at the end of the academic year was less than at the start of the academic year. Over a quarter (28%) of students from under-represented groups expected to have savings at the end of the year, compared with 49% at the start of the academic year, with a median amount at the end of the academic year of £2,500. The proportion of male and female students were similar (29% and 28%, respectively), with the median predicted savings for female students £2,000 and £3,000 for male students. Those aged 20 to 24 (41%) were most likely to predict having savings compared with students aged under 20 years (36%) and those aged over 25 (21%). Students from under-represented groups aged 20 to 24 had median predicted savings of £3,700 at the end of the academic year, and it was £2,500 for those aged 25 and over, and £2,000 for those aged 16 to 19.

A higher proportion of widening participation students whose parents had experience of HE predicted having savings at the end of the academic year (37%)

than those whose parents had no HE experience (22%). Those with parents with HE experience had predicted savings of £3,000 compared with £2,000 for those whose parents did not. A higher proportion of students from the 80% least deprived areas predicted having savings at the end of the academic year (32%) than students from the 20% most deprived areas (19%). The median predicted savings for students from the 80% least deprived areas was £2,500 compared with £1,500 for those from the 20% most deprived areas. Additionally, those students from under-represented groups who were living with their parents were more likely (37%) than those living independently (renting or with a mortgage) (27%) to have predicted savings at the end of the year, with a median amount of savings of £3,000 and £2,500, respectively.

### **8.3.5. Impact of not having savings**

Many students from all study levels who participated in the qualitative research for this study said they had no savings or were unable to put aside money regularly. This impacted negatively on students' self-esteem and mental health. Some worried about being able to move forward with their life, without being able to save up for the future.

“Doing a PhD, you're surrounded by people who are pretty well-off, or they come from a well-off background. A lot of them have savings, a lot of them have had flats bought for them by their parents, so they don't have to pay rent, so they can save. They think that actually income is not that important and it's totally fine, the stipend is not that bad. What am I complaining about? But actually for someone who hasn't had that sort of support and has to save and pay for all these things myself, it's a big deal. [...] It makes me feel just like a child, like I'm just a student, I don't have extra resources, I can't save. (Full-time postgraduate (PhD) student)”

Postgraduate students who used their savings to pay tuition fees said doing so had exhausted all or most of their savings. While some students were able to rebuild their savings between Masters and PhD studies, through work, living at home rent free, or via inheritance, others were not able to replenish them. This demonstrates that even with some students able to save for particular purposes, once fees are paid they are left with no safety net.

Estranged students in the qualitative research also mentioned the financial worries they experienced from not having a safety net in terms of either personal savings or parental support, stating that this amplified worries about large or unexpected expenses which could force them into financial hardship.

“I'm doing my best to save whatever I can from my loans, my job and my disability payments to move out of halls. Regardless of what I save or whether, logically speaking, I'm in a comfortable spot or not, it always feels tight. It always feels like the moment something goes wrong or an emergency happens, I'm going to be completely f\*\*\*\*\*. (Estranged student focus group)”



### **8.3.6. Ways of saving**

Students who were able to save described a number of sources for this. Some students were able to save due to having money left over from student financial support instalments or scholarships after paying their expenses, especially those whose parents made regular financial contributions. Parents also provided support through in-kind support such as allowing students to live in the family home without contributing financially which enabled students to build up their savings. Parental support also allowed some students to use the summer period to work and accumulate savings. One student noted that they would likely not be able to manage financially without this support.

“I worked at a hotel over the summer, just two months, and I made £2,500. My parents agreed that they wanted me to save that money for stuff that I wanted and not just put it towards rent, so they made sure that they didn't cut down what they gave me because I worked. That's more like recreational spending. (Full-time undergraduate student)”

Students also discussed strategies for saving such as using different types of bank account including savings accounts, stocks and shares Individual Savings Accounts (ISAs) or Lifetime ISAs, and use of budgeting. Students described putting money aside to their savings as soon as they are paid and topping up their savings regularly in order to continue to build this fund.

“I would say I'm quite good at it [managing money], to be fair. I've always made sure that I have... With my bank, I always make sure that I have a savings account set up. Obviously then as soon as my wages come in, it always gets sent to my savings account. A portion obviously gets put in my current account, but with that, I feel like I'm quite good with that. (Full-time undergraduate student)”

### **8.3.7. Impact of having savings**

Students discussed the impact of having savings as being a positive one overall, with students describing it as a 'safety net' which reduced their worries about money. One student mentioned their savings could be used in a worst-case scenario, for example if they lost their job; another student mentioned using their savings in times of financial difficulty or for large or unexpected payments such as vehicle maintenance emergencies.

“I do have savings that I use when it gets a bit tight, but I really try not to use them at all. It's just there as a safety net if something was to go wrong with the car or if I needed to buy some equipment or something. It's just there as a fallback. (Part-time HNC/HND student)”

### **8.3.8. Selling possessions**

Although not raised frequently in the interviews or focus groups, some students said they supplemented their incomes by selling their possessions (e.g. books, clothes etc.) or through running their own small business. Websites such as Vinted, Depop, Ziffit and Etsy were mentioned as platforms which students had used to sell their items from.

## **8.4. Borrowing**

All students in the survey were asked about a range of different types of borrowing or debt they had and their predicted levels by the end of the academic year. This section focuses on the predicted levels of borrowing at the end of the year, and then compares savings and borrowing levels to produce findings on net debt to show whether students are borrowing more than they have in savings.

Students were asked about five specific different sources of borrowing, student loans or debt, which are reported on separately by student level, and are combined to create the overall predicted borrowing medians:

1. Commercial credit (including loans, credit and store cards)
2. Bank overdrafts
3. Being in arrears on household bills
4. Student loans from the Student Loan Company (SLC) (including both fees and maintenance loans), and
5. Any repayable part of a discretionary or hardship payment – as discretionary funding was almost entirely non-repayable, there is no data included on repayable discretionary payments.

### **8.4.1. FE borrowing**

#### **Total predicted borrowing at the end of the academic year**

Overall, 44% of FE students had predicted borrowings at the end of the academic year with a median amount of £900. A higher proportion of females (49%; compared with 36% of males), and students aged 25 and over (68%; compared with 22% of students aged 16 to 19) had predicted borrowings at the end of the academic year. The median amount of borrowing for female FE students was £1,109 and £500 for male FE students. When comparing age, for students aged 25 and over this was £1,640 and £250 for those aged 16 to 19.

FE students whose parents had no experience of HE were more likely to have borrowings (56%; compared with 35% of students whose parents had experience of HE), with the median amount of their borrowings being £1300 and £500, respectively.

Finally, those living independently (renting or with a mortgage) were more likely than those living with their parents to have borrowings; 64% compared with 22%, respectively. The median amount of borrowings for those living independently

(renting or with a mortgage) were £1,300 compared with £270 for those living with their parents.

In summary for FE, students who were female, students who were 25 and over, those whose parents had no experience of HE, and students who lived independently (renting or with a mortgage) were most likely to report predicted borrowings at the end of the 2023 to 2024 academic year.

## Sources of borrowing

The survey covered 5 main areas of borrowing but as FE students are not eligible for students loans and no students had discretionary funding that needed to be repaid, these are not included below.

The main source of FE student borrowing and debt was being in arrears on household bills (35%), followed by commercial credit (22%) and overdrafts (14%).

The median total borrowing for FE students from each of these 3 main sources is shown in Table 8.1.

**Table 8.1: Median total borrowing from each of the main sources for FE students**

| Source                     | Median (£) |
|----------------------------|------------|
| Commercial credit          | 2,000      |
| Arrears on household bills | 300        |
| Overdrafts                 | 250        |

Approximately a third of females (36%) and males (33%) were in arrears on household bills. However, just over half of FE students aged 25 and over (51%) were in arrears compared with 1 in 5 of those aged 16 to 19 (20%). Those who were living independently (renting or with a mortgage) were more likely than those living with their parents to be in arrears on household bills (50% and 18% respectively).

Approximately a fifth (22%) of FE students had borrowings in the form of commercial credit. The proportion of students taking out commercial credit was higher for female (27%) than male students (12%) and for FE students aged 25 and over (43%, compared with 4% for those aged 16 to 19). A similar pattern was seen for overdraft borrowings, with 18% of female students having an overdraft, compared with 7% of male students, and students aged 25 and over (22%) having higher levels of overdrafts than those aged 16 to 19 (6%). Borrowings from commercial credit and arrears were higher for students whose parents had no experience of HE than students whose parents had experience of HE. For example, 30% of students whose parents had no experience of HE had some form of commercial credit, compared with 16% of those whose parents had experience of HE.

A higher proportion of FE students from the 20% most deprived areas were in arrears on household bills compared with those in the 80% least deprived areas (42% and 29%, respectively). There was no difference by area deprivation for borrowing from commercial credit or overdrafts. Those who were living independently (renting or with a mortgage) were more likely than those living with their parents to have an overdraft (23% and 6%, respectively).

As the proportion of FE students with borrowings, loans or other debts in specific categories is low (between 14% and 35%), it is not possible to report on the median amounts for these subgroups due to low base sizes in the sample.

#### **8.4.2. HN/undergraduate borrowing**

##### **Total predicted borrowing at the end of the academic year**

Overall, 68% of HN/undergraduate students predicted that they would have borrowings by the end of the academic year. The median amount of borrowings was £8,500; £10,000 for full-time HN/undergraduate students and £3,075 for part-time students. It should be noted that the amount for full-time students includes any student loans, whereas part-time students are not entitled to student loans for living expenses.

A higher proportion of HN/undergraduate students aged 25 and over had borrowings compared with those aged under 20 (77% and 55%, respectively). The median amount of borrowing for full-time students aged 25 and over was £9,650, for those aged 20 to 24 it was £12,400 and for those aged under 20, £7,000. The median amount of borrowings for full-time and part-time students were similar (£3,500 and £4,000, respectively) and the median amounts were the same for those from the 20% most and the 80% least deprived areas (£10,000).

HN/undergraduate students whose parents had no experience of HE were slightly more likely to have borrowings (72%) compared with students whose parents did have experience of HE (67%). The median amount of borrowing was £7,450 for those whose parents had no experience of HE compared with £10,000 for those whose parents did have experience of HE. A similar pattern was seen for both full and part-time students.

There were no differences in the level of borrowing between full-time females and males (70% for both), however a higher proportion of part-time female students had borrowings (65%) compared with part-time male students (50%). The median amount of borrowing for full-time females was £9,000 and £11,500 for males. For part-time students, it was £3,075 for females and £2,600 for males. Those who were living with their parents were less likely to have borrowings (51% of full-time and 39% of part-time students), compared with those living independently (renting or with a mortgage) (79% of full-time and 69% of part-time students).

## Sources of borrowing

The main source of HN/undergraduate students borrowing and debt was student loans (45%), followed by commercial credit (28%), being in arrears on household bills (22%), and overdrafts (16%).

The median total borrowing for HN/undergraduates from each of these 4 main sources is shown in Table 8.2.

**Table 8.2: Median total borrowing from each of the main sources for HN/undergraduate students (£)**

| Source                     | All HN/<br>undergraduate<br>students | Full-time | Part-time |
|----------------------------|--------------------------------------|-----------|-----------|
| Student loans              | 10,400                               | 10,590    | 7,000     |
| Commercial credit          | 2,500                                | 2,500     | 3,000     |
| Arrears on household bills | 500                                  | 500       | 500       |
| Overdrafts                 | 625                                  | 700       | 475       |

Over half of all HN/undergraduate students aged 20 to 24 years (56%) had student loans, compared with 47% of those aged under 20, and 34% of those aged 25 or over. A higher proportion of those whose parents had experience of HE had student loans compared with those whose parents did not (50% and 40% respectively).

Over a quarter (28%) of HN/undergraduate students had borrowings in the form of commercial credit, which was higher for HN/undergraduate students aged 25 and over (55%) than those aged 20 to 24 years (18%) and those aged 16 to 19 (6%). In contrast to student loans, HN/undergraduate students whose parents had experience of HE were less likely to have commercial credit (20%) than students whose parents had no experience of HE (39%). Nearly half of part-time students had commercial credit (47%) compared with around a quarter of full-time students (23%).

Approximately a fifth of HN/undergraduate students (22%) were in arrears on household bills. As with commercial credit, HN/undergraduate students aged over 25 (36%) were more likely to be in arrears on household bills than those aged 20 to 24 (17%), and those aged 16 to 19 (11%). HN/undergraduate students whose parents had no experience of HE (29%) were more likely than those whose parents had experience of HE (17%) to be in arrears on household bills.

The findings for overdrafts followed a similar pattern to commercial credit and arrears in household bills with HN/undergraduate students aged over 25 (25%) more likely to have an overdraft than those aged 16 to 19 (5%). HN/undergraduate

students whose parents had no experience of HE (20%) were also more likely than those whose parents had experience of HE (13%) to have an overdraft.

While the proportion of HN/undergraduate students who had student loans did not differ by area deprivation, the proportion that had commercial credit, arrears in household bills and overdrafts was higher for HN/undergraduate students from the 20% most deprived areas compared with those from the 80% least deprived areas. For example, over a third of students from the 20% most deprived areas (37%) were in arrears on household bills, this compared with 19% of those from the 80% least deprived areas.

The proportion of HN/undergraduates with student loans, commercial credit, arrears in household bills and overdrafts was highest among those who lived independently (with a rent or mortgage) compared with those who lived with their parents. For example: one third (33%) of those living independently (with a rent or mortgage) have commercial credit compared with 16% who are living with their parents. And nearly half (49%) of those who lived independently (with a rent or mortgage) had a student loan compared with 37% of those living with their parents.

### **8.4.3. Postgraduate borrowing**

#### **Total predicted borrowing at the end of the academic year**

Nearly two-thirds (63%) of postgraduate students predicted that they would have borrowings by the end of the academic year, with a median amount of borrowings of £7,000.

The proportion with borrowings was similar among females (64%) and males (61%), with a median amount of borrowings of £7,000 and £7,500 respectively. Students aged 25 and over were more likely than those aged under 20 years to have savings (37% and 27%, respectively). The median amount of borrowings for postgraduate students aged 20 to 24 was £17,000 and for those aged 25 and over was £6,800.<sup>75</sup>

Postgraduate students whose parents had no experience of HE and those whose parents did (69% and 60% respectively). Those in the former had a median amount of £9,500, compared with students whose parents had experience of HE with a median amount of £7,000. Students from the 20% most deprived areas (80%) were also more likely to have borrowings than students from the 80% least deprived areas (61%).<sup>76</sup>

#### **Sources of borrowing**

The two main sources of postgraduate student borrowing and debt were commercial credit (42%) and student loans (36%), followed by overdrafts (20%) and being in arrears on household bills (19%).

The median total borrowing for postgraduate students from each of these 4 main sources is shown in Table 8.3.

**Table 8.3: Median total borrowing and percentage of students borrowing from each of these sources for postgraduate students**

| Source                     | Percentage with borrowing | Median (£) |
|----------------------------|---------------------------|------------|
| Commercial credit          | 42%                       | 3,300      |
| Student loans              | 36%                       | 8,000      |
| Overdrafts                 | 20%                       | 1,000      |
| Arrears on household bills | 19%                       | 500        |

Commercial credit was higher for postgraduate students aged 25 and over (50%) than for those aged 20 to 24 (15%). In contrast, the proportion of those with student debt was higher for postgraduate students aged 20 to 24 (49%) than for those aged 25 and over (33%). A similar proportion of females and males had commercial credit, student loans and were in arrears on household bills.

Postgraduate students whose parents had no experience of HE were more likely than those whose parents did not to have commercial credit and be in arrears on household bills. For example, 25% of students whose parents had no experience of HE reported being in arrears on household bills compared with 16% of those whose parents had experience of HE.

Postgraduate students from the 20% most deprived areas were more likely than those from the 80% least deprived areas to have borrowings in the form of overdrafts and arrears on household bills. For example, 38% of postgraduate students from the 20% most deprived areas had arrears on household bills compared with 17% of those from the 80% least deprived areas.<sup>77</sup>

#### **8.4.4. Students from under-represented groups**

##### **Total predicted borrowing at the end of the academic year**

Around two-thirds (64%) of students from under-represented groups had predicted borrowings at the end of the academic year, similar to both HN/undergraduate and postgraduate students, but higher than the 44% of FE students with predicted borrowings. The median amount of borrowings for students from under-represented groups was £6,000 compared with £900 for FE students, £7,000 for postgraduate students and £8,500 for HN/undergraduate students.

Older students from under-represented groups were more likely to have borrowings compared with younger students, 74% of those aged 25 and over compared with 37% of those aged 20 to 24 years, and 58% of those under 20 years. The median amount of borrowings for students from under-represented groups aged 25 and over was £5,125, for those aged 20 to 24 was £11,100, and for those aged under 20 years was £5,400. The proportion of females (66%) and males (61%) with

borrowings was similar,<sup>78</sup> with median amounts of borrowings of £5,850 and £6,150, respectively.

Students from under-represented groups whose parents had no experience of HE were more likely to have borrowings (74%) than students whose parents had experience of HE (59%), with median amounts of borrowings of £5,750 and £7,750, respectively. Three-quarters (74%) of those who were living independently (renting or with a mortgage) had borrowings compared with 41% of those living with parents, with median total amounts of £6,300 and £5,700, respectively.

Similar proportions of students from under-represented groups from the 20% most deprived areas (67%) and from the 80% least deprived areas (64%) had borrowings. The median amount of borrowings for students from under-represented groups from the 80% least deprived areas was £6,150, and for those from the 20% most deprived areas was £3,750.

### Sources of borrowing

The main sources of borrowing and debt for students from under-represented groups were commercial credit (35%) and being in arrears on household bills (32%), followed by student loans (27%), and overdrafts (20%).

The median total borrowing for students from under-represented groups from each of these 4 main sources is shown in Table 8.4.

**Table 8.4: Median total borrowing from each of the main sources for students from under-represented groups**

| Source                     | Median (£) |
|----------------------------|------------|
| Commercial credit          | 2,500      |
| Arrears on household bills | 500        |
| Student loans              | 10,000     |
| Overdrafts                 | 500        |

Those aged 25 and over were more likely to have commercial credit and be in arrears on household bills than those aged 24 or under. For example, 55% of students from under-represented groups aged 25 and over had commercial credit, compared with 19% of those aged 20 to 24, and 6% of those aged under 20. Similarly, a higher proportion of those aged 25 and over (25%) had overdrafts compared with those aged under 20 (7%). In contrast, students from under-represented groups aged 20 to 24 years (40%) were the most likely to have student debt compared with those aged under 20 years (26%), and those aged 25 and over (24%). The proportion of students who had commercial credit, student loans, were in arrears on household bills and had overdrafts was similar for males and females, for example 36% of both females and males had commercial credit.



Those who were living independently (renting or with a mortgage) were more likely than those living with their parents to have commercial credit, student loans, borrowings from an overdraft, and be in arrears on household bills. For example, 44% of widening participation students who were living independently (renting or with a mortgage) had commercial credit compared with 13% of those living with their parents.

The proportion of students from under-represented groups with borrowings from commercial credit and arrears were higher for those whose parents had no experience of HE (47% and 40%, respectively) than students whose parents had experience of HE (27% and 24%, respectively).

The proportion of those in arrears was higher for students from under-represented groups from the 20% most deprived areas (46%) compared with those from the 80% least deprived areas (27%). For commercial credit, student debt and overdrafts, the level of borrowing was similar for those from the 20% most deprived and the 80% least deprived areas.

#### **8.4.5. Predicted net debt at the end of the academic year**

By comparing student savings and borrowing, it is possible to consider a student's overall financial position. Student net debt was calculated for each student by subtracting the predicted amount of savings at the end of the academic year, from the total amount of predicted debt or borrowing that they would owe at the same point.

Around 9 in 10 HN/undergraduate students (94%), postgraduate students (95%) and students from under-represented groups (90%) were predicted to have negative net debt (where their borrowing is higher than any savings) by the end of the academic year. This compared with 8 in 10 of FE students (83%) who were predicted to have negative net debt by the end of the academic year.

For FE students, there were no differences by subgroups in the level of predicted net debt by the end of the academic year. The median amount of net debt for FE students was £900.

For HN/undergraduate students, the level of predicted net debt was similar for female and male students and all age groups but was slightly higher among full-time HN/undergraduate students (96%) compared with part-time students (88%). The median amount of net debt was £2,734.

The proportion of postgraduate students with predicted net debt did not vary by subgroups and the median amount of net debt predicted by the end of the academic year was £9,000.

The proportion of students from under-represented groups with predicted net debt was lower for those aged 16 to 19 (83%) compared with those aged 25 and over (92%). Those living independently (renting or with a mortgage) were more likely (93%) than those living with their parents (85%) to have predicted net debt. The

median amount of net debt for students from under-represented groups was £4,500.

## **8.5. Commercial credit**

This section explores findings from the qualitative research on the use of commercial credit, that is, credit acquired from commercial bodies which is distinct from student loan debt. The section outlines the types of credit used by students, their reasons for using credit, their attitudes to taking on commercial credit or other commercial debt, and the impact of this on their financial and mental health. Qualitative insights on student loans from students taking part in this study can be found in Chapter 5.

### **8.5.1. Types of commercial credit**

The qualitative research found students were drawing upon a wide range of commercial credit in order to support their finances. Students accessed different types of commercial credit, including both formal and informal credit agreements. Most commonly discussed were overdrafts, store cards, credit cards, buy now pay later schemes (e.g. Klarna, PayPal, Pay in 3), and catalogue credit. Students also mentioned having used door-to-door and payday loans.

### **8.5.2. Reasons for using commercial credit**

Students used commercial credit for a number of reasons which are outlined below.

#### **Using credit to cover everyday essentials**

Students were primarily using commercial credit because their income was insufficient to cover essential costs such as accommodation, utility bills and food. Some students only experienced difficulty paying for essentials over the summer when the majority of bursary and loan payments ceased. Without these payments students experienced considerable hardship and had to rely on credit to get by. A student described having to use their overdraft to pay their rent after using up their savings to compensate for the suspension of student loan instalments over the summer. It took some time for them to repay the overdraft and overdraft fees.

“I was paying rent out of my overdraft. I think I was like I was in the pits of my overdraft and I think it was like minus £1,500, plus all my savings were gone. So, for months after that I was paying off fees on my overdraft. I think now I break even every month so I just kind of come up on zero, which is what it is. But now I've opened that new bank account so if I do need to use my overdraft, I'm not getting charged on it. (Full-time postgraduate (PhD) student)”

Other students relied on credit during term time as well as over the summer period, using credit cards, store cards and overdrafts to pay for their essentials. For some this was due to insufficient income from student loans, bursaries, paid work or benefits. For others, this was to cover large or unexpected payments. These students said they generally had just enough income from their student support and other sources to cover their everyday expected payments, but that for anything out

of the ordinary they turned to commercial credit. Unexpected and/or large payments mentioned by students included everyday living costs such as boiler breakdowns, car servicing, rental deposits and furniture.

Those who mentioned taking out commercial credit to pay for essentials or for large or unexpected payments often said they were only able to make the minimum or interest-only repayments on their credit. Accumulating high interest on debts, particularly for those only able to make minimum repayments, perpetuated students' financial difficulties.

"I am reducing [credit card debt] a little bit, so it's just hard because every time you get better and then another expense, it comes, because at the moment my earnings just enough to pay everyday expenses. So, if you have, say, Road Tax, I just paid recently so that's not in the budget so that comes on the credit card and all these kinds of things. Over time, any extra expenses like service for the car is £300, or for the boiler, so all those normally come off the credit card because my earnings only pay for the everyday bills, monthly bills. (Part-time undergraduate student parent)"

"I'm currently paying off quite a lot of debts, to be honest, just over the last two years. I've racked up credit cards and payday loans and then the [store card]. Just paying the minimum that I can just to keep myself going. [Store name] was to get beds for the kids because they were all needing new beds and I just thought I need them, so that's how I took that out. But all the other stuff was just for day-to-day stuff and I just pay the minimum back, as much as I can. (Student parent focus group)"

### **Course-related costs**

Students also discussed the use of credit for course-related costs, such as tuition fees, travel costs and course materials. There were postgraduate students who said they had to use an overdraft or a bank loan to pay postgraduate tuition fees, as these were not completely covered by the Postgraduate Support Package from SAAS. Others described using credit to buy equipment for their course, such as laptops.

### **Building credit score**

Not all students used credit out of necessity. A key reason for using commercial credit among some students who reported experiencing less financial hardship was the desire to improve their credit score. These students were not reliant on credit to purchase essentials and generally did not use large amounts of credit frequently, instead paying the balance each month as a way to build their credit score and improve their financial health. These students demonstrated a high level of financial awareness.

“I have an overdraft and a credit card. I had the good fortune of working for a credit card company for a couple of years, though, so I know better than to get myself into any trouble and just generally use it to try and build credit. Very aware that in the future, if I want to try and get a mortgage and things, I'm not going to have any guarantor option or anything like that so I'm trying to be conscious of making that a bit better now. (Care experienced student focus group)”

### **8.5.3. Impact of commercial credit and debt**

The impact of having commercial debt was mixed. While some students were able to manage their debt, others struggled. Those who were able to manage discussed adopting debt management strategies such as switching credit cards to maintain 0% interest rates on their balance, and of incorporating monthly repayments into their budget. Those who took on credit to build their credit score were most often able to manage their debt.

“I then got a balance transfer to a zero per cent one for 18 months or something and that's the one I've got just now. I'm paying that off. That comes into my bills. It's like £100 that I have to pay back. I'm just sticking with it. It worked out okay in the end and it's just part of my bills that I pay back now. (Estranged student focus group)”

Students who were struggling to pay their debt, described being in a cycle of repayment; as soon as they made a payment, they were immediately back into arrears. There were also students who relied on multiple sources of debt to make repayments, which compounded their debt and increased financial difficulty. As previously mentioned, students also discussed only being able to make minimum repayments or interest-only repayments, which made it more difficult for them to be free of debt.

“Because I had used all my savings and maxed out my overdraft, and then when I got paid my first stipend, I think I only saw about £500 of that because the rest of it just paid off my overdraft. Then each month was the same cycle; I would have to spend £400, £500 on rent and then I'd go straight back into my overdraft after paying rent, and then I'd get paid the next month and the same thing would happen. Every month it was just a continuous cycle. I just need a little bit extra so that I'm not paying off that overdraft so that I can start living off my stipend. (Full-time postgraduate (PhD) student)”

High interest rates and fees for missed or late payments significantly impacted students' ability to manage financially, making it more difficult to meet repayments and causing additional financial hardship when faced with fees. Some students mentioned the very high interest rates they were charged – both on official and unofficial commercial loans. One student said they were making interest-only repayments on credit cards with 30% interest. Others were paying much higher rates of interest, for example through payday loans or those provided by door-to-door lenders. The challenge of making these payments was raised, as were the

high fees for late payments on pay-in-3 schemes such as Klarna and PayPal. Some students noted that they had stopped taking on this type of credit as a result. A student who had, out of desperation, taken out a loan from a door-to-door lender and was paying interest of almost 100%. They described the harassment they received from the lender and how they had to use their benefits to make the repayments, which left them in financial difficulty.

“It was a door-to-door loan; I don’t know what you call them. Somebody coming every week and collecting payment off you. [...] I’ve paid that off now, and now they’re trying to get me to take more and I’m like no. [...] I borrowed £200 and it was almost £400 I had to pay back. I’m not doing that again, I only did it because I was in dire straits but I’d never do that again. I did a pay day loan once and never again in my life will I do that again either. (Full-time FE student parent)”

There were also students who did not have any outstanding credit or debt, either due to them not needing additional funding, or because they expressed a clear aversion to debt. Debt averse students cited reasons for this including childhood experiences of poor financial management from their parents, worries over their ability to manage their own finances, and for estranged and care experienced students in particular, the lack of a financial safety net provided by parents if their debt became unmanageable.

“The idea of credit scares me so much. Growing up, I watched my parents constantly struggling to pay off different cards. So I swore to myself that even in dire, dire, dire times, I would rather sell everything I own than touch credit. That is even more so now that I don’t have the support of my parents because if I end up in that hole, I will have no way to get back out of it. None at all. (Estranged student focus group)”

## **8.6. Approaches to financial management**

The qualitative research sought to understand students’ attitudes and behaviours towards financial management and the support available to them to manage their finances. Students had varying experiences of financial management, from using tools to help them budget and save, to having no financial management strategies and struggling to meet essential living costs. These experiences are explored in more detail below.

### **8.6.1. Financial management tools**

Students expanded on how they managed their finances to ensure that they could pay their expenses, and in some circumstances, save money. A range of management tools and approaches were outlined.

## Online resources

Students reported that they used support offered from their bank(s) to help them managing their finances. Banking apps and internet banking enabled students to regularly check their bank balance and track their spending. Saving accounts helped students put money aside for unexpected payments or save towards future expenses such as rent.

“I have quite a few bank accounts, so I have a bank account for my wages so it's just dedicated for that. Then I can manage and see my money and then I will try and move my money every month into different savings accounts. So, I can work out how much I have for that month and how much I really should be saving. (Full-time undergraduate student)”

Students shared that their banks, and other providers, also offered a range of financial support and information that helped them to develop their financial management knowledge and skills, such as online tutorials. Care experienced students also received training on financial management skills via the Share Foundation, and received incentives for completing the course. Students who participated in online tutorials and training thought that these resources were not commonly known about and would benefit from greater promotion.

“I think it's The Share Foundation. There is a financial course for helping you be responsible with your finances available to under-19 care experienced people. They pay you. For each part that you complete the course, you might get £500 and I think it adds up to a couple of thousand pounds in the process. It incentivises getting you to learn about being responsible with money, which I didn't know about for a long time. I don't know how many people know that's available or whether it's just me. Certainly, advertising that kind of thing - even if it's just for the financial incentive - people, I'm sure, would appreciate being more aware. (Care experienced student focus group)”

## Budgeting

There were students who used budgeting to manage their finances. These students were aware of their overall income, when they would receive it and they planned out their spending accordingly. Some students would regularly track their spending and make adjustments to their budget or spending as required. While some students had experience of budgeting before starting their course, others were budgeting for the first time and were learning by trial and error.

“It's something that I definitely taught myself over the last year-and-a-bit, especially when I was living away from home. The first three months were definitely the hardest in adjusting to not living off of my mum's money and living off of my own money, financing transport and everything, the daily costs - which were quite difficult to manage at the beginning. Just getting used to paying for laundry each time

that you did it as well, which can be such a burden! [...] I have a little book that I write everything in [...] At the end of each month, I check to see how much I've got in each account and how much I have at the beginning of the month, just to compare, just to see what I have in my savings and in terms of how much credit I've spent as well. (Full-time undergraduate student)”

“I used to keep a budget spreadsheet, but this was when I was working full-time, and you had the money left over at the end of the month. You could spend it on other things, but at the moment, I just put in my diary what days things are due and I make sure I have what I need to make those payments, and that's pretty much it. It's just like more of a diary tracking method. (Full-time postgraduate (Masters) student)”

To help them keep to their budgets, students took a number of steps including changing dates or mode of payment to better managing their income and expenditure. For example, students swapped to direct debits to pay as you go, or vice versa, or installed smart meters to track their spending on gas and electricity.

“I recently changed the date that I pay the rent [...] I used to pay rent on the 20th of each month, which was always the week before I got paid, which was just a nightmare. Changing that to the 1st of each month - so I'm paying the week that I get paid - has been so helpful. I didn't realise how much of a difference that would make, just all of that money being gone at the start of the month, and then knowing exactly what I have to spend. I think because it's the first time I've had this much of an income I've just got used to spending it willy-nilly and being like, 'Yes, I can do whatever I want.' Then actually when it came to paying rent I was like, 'Oh, I've just blown all my money, that was stupid.' So, yes, doing that has really helped and it means that when I'm getting to the end of the month then I can still see that I've got £200 left in my account. (Full-time postgraduate (PhD) student)”

“I think debt is a big thing that I just don't want to have to deal with [...] I've set up my bills to come off when my wage comes in, so I don't even see the money that comes off. It's those little things that kind of help for your financial management. If you don't have the money, you can't miss it. I think maybe if I was in a position with high debt and no way of paying it off, I'd look to get some financial advice, and I do know where to go. There's Citizens Advice and stuff as well that can always help with the little things if it's not specifically debt. (Part-time HNC/HND student)”

Students also found ways to cut back on spending and make their money go further. These included shopping around for deals or cheaper options, and using shopping apps to get discounts and ‘freebies’ on things like food.

## **Institutional support to manage finances**

Students' awareness of support to help them manage their finances varied. While some students were aware that their college or university offered support, such as budgeting classes, others did not know if this was available at their institution. None of the students who participated in an interview or focus group had accessed support to manage their finances via their institution, primarily because they did not know if it was on offer. One student did explore what support was available but was disappointed to learn that the support did not include advice on how to manage finances if they were already in debt. In the process of learning how to manage their finances, there were students who had accumulated debt, owed either informally to family or friends, or formally through credit cards or missed/late payments to their council or energy suppliers.

“I know they have budgeting classes and things like that, but from what I've seen, it doesn't take into account students who might already be in my position where they have a lot of debt. It's great to talk about budgeting when you're not going straight back into the overdraft the second you get paid, but I think it's great resources for people who are starting out. Maybe they're in their first or second year, they're balancing their job and things like that, I think those resources are fantastic when you're not already in a lot of financial trouble but, yes, for someone in my position, I don't think they're targeted to people like me, if that make sense. (Full-time postgraduate (Masters) student)”

There was a desire among students for more financial management support to be offered by institutions to raise awareness and understanding of both financial management tools and the risks associated with debt. Care experienced and estranged students without parental/guardian support felt that they would particularly benefit from financial management support as they did not have anyone to teach them these skills.

“I feel like it [financial literacy] should definitely be talked about at colleges and universities if necessary, about the risks of getting yourself into debt and maybe a bit more support in the financial sector. I feel like a lot of people aren't aware of the actual risks of taking loans out and stuff because it's just easy-access money. Nobody is thinking, oh, I'm gonnae need to pay that back. Then if you don't pay it back, your credit has bombed. So I feel like there should be a bit more awareness in learning places. (Care experienced student focus group)”

When students discussed how they had learned to manage their finances, students primarily said they had learned from trial and error, from a family member, or other financial management tools.



## **No financial management tools**

There were students who had no particular approaches to managing their finances, they described living within their means or being frugal. The outcome of this approach varied; some saved funds, some broke even and others got into debt each month. As outlined in Chapter 7, there were students who had to rely on borrowing money from friends and family or using commercial credit to meet their monthly expenses.

### **8.6.2. Factors that helped financial management**

Students reported a number of factors that helped them with financial management.

As outlined above, being aware of and having access to a range of financial management tools helped students manage their money. In addition, non-repayable financial support from the government and institutions via bursaries, scholarships, free bus travel and student discounts also helped students manage their finances as it increased their overall income without the need for repayment. This was facilitated in some instances by institutions that offered help to students by identifying what financial support they were entitled to and/or helping them to complete application forms. Another way in which government helped students manage their finances was by giving postgraduate students the option to receive their stipend over 12 months instead of just during the academic year.

“Being able to use your student card for bus and stuff like that, that's quite helpful. (Full-time postgraduate (Masters) estranged student)”

Being able to build up savings, both during and out with term time by working, also helped students manage their finances as it provided some students with a financial buffer for unexpected expenses.

“I worked from March up until the middle of - probably until the end of August, and I knew that from the end of August until the end of February, I would have enough money to be able to do my placement, do my essays, finish my whatever I needed to. (FE student focus group)”

Finally, being able to share the payment of expense with others such as a partner, flatmate(s) or family made it easier for students to meet their expenses.

### **8.6.3. Factors that made managing finances more difficult**

There were a number of factors that students reported made managing their finances more difficult. The most commonly mentioned challenge was the cost of living crisis. While the price of food, utilities and petrol had increased, student funding and other sources of income had not risen at the same rate. Even students who could cover their expenses expressed concern due to rising costs.

Unexpected costs also made financial management more difficult for students. As previously described, students often had to manage their finances carefully to ensure they could meet their expenses as their income was limited. Therefore any

unexpected cost, including course costs, could quickly put students into debt or unable to meet all their bills because they did not have savings or a financial buffer to deal with these expenses.

Students also found managing their finances more difficult at certain times. For example, students who relied on paid work as an income found it harder to manage their finances when they had course deadlines or placements because they had less capacity to work to bring in income. Some students also reported not having sufficient time to cook and shop around for food, and so paying more on food as a consequence. There were also students who struggled to manage their finances during the summer when student income often stopped or at times when they faced greater expenses, such as school holidays for student parents.

“Utility bills are rising, the energy bills, more especially if you’ve got kids at home. You cannot let them - you need to heat the house for them - you can’t expose kids to cold just because you want to save money. So those are the, we have no choice on that one. (Full-time postgraduate (PhD) student parent)”

Finally, students found it more challenging to manage their finances when they had no experience of doing so. For some students, this was because they had previously had all their expenses paid for by their family, while others were never taught financial management skills.

## 9. Experiences of financial difficulty

Students in the survey were asked, 'Would you say that you have faced financial difficulties during your current course?', with answer options 'yes' or 'no'. Students were then asked, 'Which of these, if any, are you doing because of financial difficulties you are experiencing?'. A list of 16 possible actions was provided and students were asked to select all that applied. In the focus groups and interviews, students were also asked about their financial experiences and any action they take to get by.

The data for each study level and students from under-represented groups are discussed below.

### 9.1. Key findings

- Whilst some students reported that they were not experiencing financial difficulty, financial difficulty was greatest amongst students from under-represented groups where two-thirds (66%) of students reported that they had experienced financial difficulty. Around half of HN/undergraduate (56%) and postgraduate (50%) students, and three-fifths of FE students (61%) reported experiencing financial difficulty during their current course.
- Across all study levels and students from under-represented groups, some subgroups were more likely to experience financial difficulty: females; students aged over 25; students whose parents had no experience of HE; and students in the 20% most deprived areas.
- Spending less on non-essentials, spending less on food shopping and essentials, cutting back on non-essential journeys, using less fuel such as gas or electricity in their home, and using savings were common actions all student groups took as a result of facing financial difficulties. This was reiterated in the qualitative research which found that to ensure they could afford essential payments, students reduced their spending on energy, travel, food and social activities with family and friends. Some had used foodbanks or did not turn on their heating, including during winter.
- Around 1 in 10 of both FE students and students from under-represented backgrounds (15% and 11% respectively), and 1 in 20 HN/undergraduate (6%) and postgraduate (5%) students said they used support from food banks because of financial difficulties.
- Around 1 in 20 FE (4%), HN/undergraduate (6%), postgraduate (4%) students and students from under-represented groups (6%) gambled or invested to make money as a result of financial difficulties.

### 9.2. FE students and financial difficulty

Around three-fifths (61%) of FE students reported facing financial difficulties during their current course, with a higher proportion of female (65%) than male (54%) students facing difficulties.<sup>79</sup> FE students aged 20 and over (aged 20 to 24 (67%)

and 25 and over (68%)) were more likely than students aged 16 to 19 (53%) to report facing financial difficulties while studying.

Around 7 in 10 FE students whose parents had no experience of HE (69%) had faced financial difficulties compared with 56% of those with parents with HE experience.<sup>80</sup> Similarly, around 7 in 10 (69%) FE students from the 20% most deprived areas faced financial difficulty, as did 69% of those living independently (renting or with a mortgage) compared with 57% of students from the 80% least deprived areas and 51% of those living with their parents.<sup>81</sup>

### **9.2.1. Impact of financial difficulties for FE students**

The proportion of FE students who reported taking each of the 16 potential actions because of financial difficulties are presented in Table 9.1. The most common actions FE students took due to financial difficulties were:

- spending less on food shopping and essentials (52%),
- spending less on non-essentials (49%),
- skipping meals (47%).

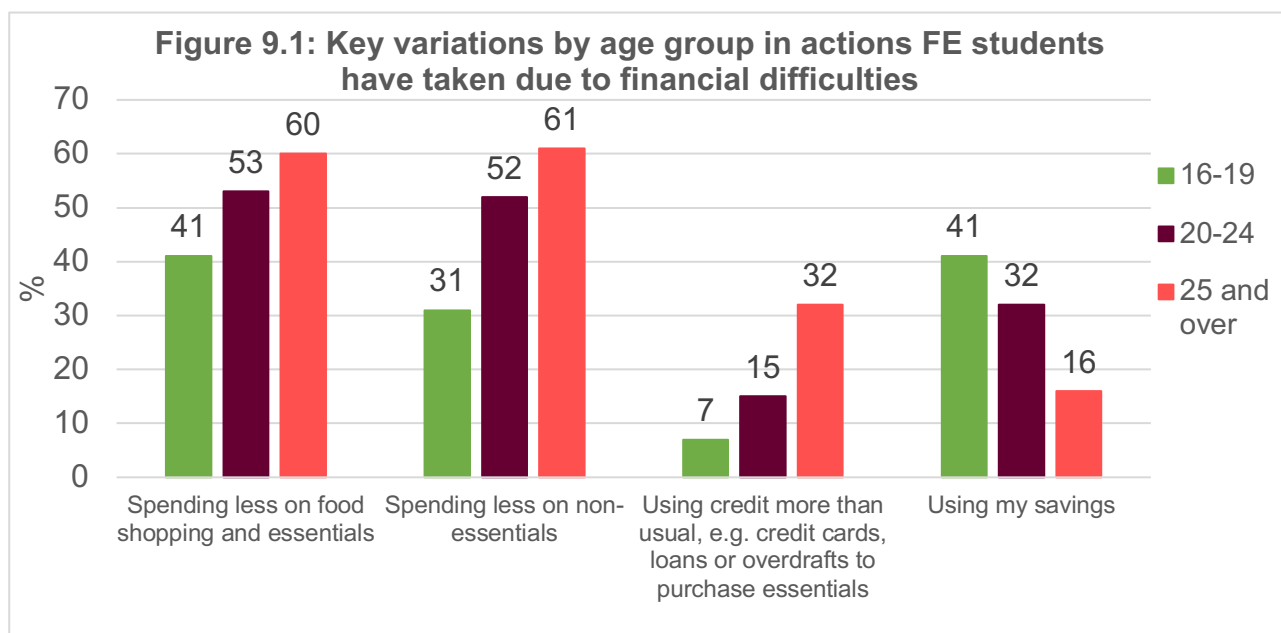
Only a small proportion of FE students said they used support from food banks (15%) and/or charities (8%) and/or gambled or invested to make money (4%) because of financial difficulties.

**Table 9.1: Changes FE students have made due to financial hardship**

| <b>Response</b>  | <b>Total (%)</b> |
|--|------------------|
| Spending less on food shopping and essentials  | 52               |
| Spending less on non-essentials  | 49               |
| Skipping meals   | 47               |
| Cutting back on non-essential journeys   | 40               |
| Using less fuel such as gas or electricity in my home  | 36               |
| Buying more second-hand clothing, electronic and household goods (including computers, other electronic equipment)     | 36               |
| Using my savings   | 28               |
| Shopping around more   | 21               |
| Making energy efficiency improvements to my home   | 20               |
| Using credit more than usual, for example, credit cards, buy now pay later, loans or overdrafts to purchase essentials | 20               |
| Not getting or renewing a TV license   | 18               |
| Sold personal possessions  | 18               |
| Increased paid working hours   | 17               |
| Using support from food banks  | 15               |
| Using support from charities   | 8                |
| Gambled or invested to make money (e.g.in a betting shop/online or investing in the stock market or cryptocurrency)    | 4                |
| Doing other things   | 3                |
| <i>Unweighted base</i>   | 282              |

This table presents the changes students have made due to financial hardship from the most commonly selected to the least commonly selected.

Overall, FE students aged 25 and over were more likely than those aged 24 and under to report that they engaged in behavioural changes due to financial difficulties. Some key examples of this are shown in Figure 9.1. For example, those aged 25 and over were more likely to say they were spending less on food shopping and essentials (60%) and spending less on non-essentials (61%) than those aged 16 to 19 (41% and 31% respectively). An exception was for use of savings where those aged 16 to 19 were more likely to use their savings due to financial difficulties (41%) than those aged 25 and over (16%).



Behavioural changes due to financial difficulties did not differ by sex, with a few exceptions. Female FE students were more likely to buy more second-hand items (40%), use support from food banks (19%) and from charities (11%), than male FE students (24%, 6% and 4% respectively).

Those living independently (renting or with a mortgage) were more likely than those living with their parents to have taken the actions listed due to financial difficulties, with the following exceptions.

Those living with their parents were more likely to have used their savings than those living independently (renting or with a mortgage) (40% and 18%, respectively), but there were no significant differences in the proportions who skipped meals, increased paid working hours, sold their possessions, or gambled or invested to make money.

Finally behavioural changes due to financial difficulties varied significantly by area deprivation for FE students in two instances. Those from the 20% most deprived areas were more likely to skip meals (55%) and use support from charities (14%) than those from the 80% least deprived areas (44% and 6% respectively).

### 9.3. HN/undergraduate students and financial difficulty

Over half (56%) of HN/undergraduate students reported facing financial difficulties during their current course, which was slightly less than the 61% for FE students.

Certain groups were more likely to face financial difficulty than others, with patterns similar to those seen among FE students. HN/undergraduate students most likely to report experiencing financial difficulties during their current course were:

- Female students (59%, compared with males, 49%)
- Students aged 25 and over (67%, compared with 42% of those aged 16 to 19)
- Students whose parents had no HE experience (65%, compared with 49% of those with parents with HE experience)
- Students living independently (renting or with a mortgage) (61%, compared with 44% of those living with their parents)
- Students from the 20% most deprived areas (65%, compared with those from the 80% least deprived areas, 52%).

#### 9.3.1. Impact of financial difficulties

The most common actions HN/undergraduate students reported taking as a result of financial difficulties were spending less on non-essentials (68%), spending less on food shopping and essentials (60%), cutting back on non-essential journeys (49%), and using their savings (48%) – the first two were also actions most often reported by FE students albeit in the reverse order.

Furthermore, around 3 to 4 in 10 students reported that because of financial difficulties they were:

- Using less fuel such as gas or electricity in their home (42%)
- Buying more second-hand clothing, electronic and household goods (41%)
- Increasing their paid working hours (36%)
- Shopping around more (34%)
- Skipping meals (32%).

As with FE students, only a small proportion of HN/undergraduate students said they used support from food banks (6%), support from charities (4%) or gambled or invested to make money (6%) because of financial difficulties.

Overall, students aged 25 and over were more likely than those aged under 25 to have taken any of the 11 actions in the question. For example:

- around two-thirds (67%) of those aged 25 and over had spent less on food, compared with around half (52%) of those aged 16 to 19, and around 4 in 10 (42%) had used credit compared with around 1 in 10 (11%) of those aged 16 to 19.

- those aged under 25 were more likely to have used their savings (50%, compared with 38% of those aged 16 to 19) and to have increased their paid working hours (43% of those aged 20 to 24, compared with 30% of those aged 25 and over).

HN/undergraduate students living independently (renting or with a mortgage) were more likely than those living with their parents to have taken actions due to financial difficulties, with the following exceptions:

- there were no significant differences between those living independently (renting or with a mortgage) and those living with their parents in the proportions who had used their savings, or gambled or invested to make money.

Where there were differences by area deprivation, those from the 20% most deprived areas were more likely than those from the 80% least deprived areas to report behavioural changes due to financial difficulties. For example:

- around 4 in 10 of those from the 20% most deprived areas had skipped meals (42%) or had used credit more than usual (38%), compared with those from the 80% most deprived areas (30% and 25% respectively).
- overall, 6% of HN/undergraduate students had used support from food banks, however 13% of those from the 20% most deprived areas had done so, compared with 4% of those from the 80% least deprived areas.

There were no clear pattern of statistically significant differences by sex, part-time and full-time status and parental experience of HE. For example:

- Female students were more likely than male students to: cut back on spending on food shopping; buy more second-hand goods; increase their paid working hours; and use their savings. For example, around 4 in 10 (39%) female students said they had increased their paid working hours due to financial difficulties compared with around 3 in 10 (31%) of male students. While male students (15%) were more likely to have gambled or invested to make money than female students (3%) due to financial difficulties.
- Part-time HN/undergraduate students were more likely to report shopping around more (48%) and using credit more than usual (39%) compared with full-time students (31% and 24% respectively). Full-time students were more likely than part-time students to report skipping meals (34% compared with 24%), and increasing paid working hours (39% compared with 25%).

The actions taken due to financial difficulties did not vary by parental experience of HE, with a few exceptions. Students whose parents had no HE experience were more likely to have cut back on non-essential journeys (56%) and used credit more than usual (34%) than those whose parents had HE experience (44% and 22% respectively).



## **9.4. Postgraduate students and experiences of financial difficulty**

Half (50%) of postgraduate students had faced financial difficulties during their current course.

As with FE and HN/undergraduate students, postgraduate students whose parents had no HE experience were also more likely (58%) than those with parents with HE experience (46%) to have faced financial difficulties. Two-thirds (67%) of postgraduate students from the 20% most deprived areas reported financial difficulties during their course compared with less than half (47%) of those from the 80% least deprived areas. There were no significant differences by age and sex.

### **9.4.1. Impact of financial difficulties**

The most common actions postgraduate students had taken due to financial difficulties were spending less on non-essentials (79%), spending less on food shopping and essentials (63%), using less fuel such as gas or electricity in the home (59%), cutting back on non-essential journeys (57%), and using their savings (55%).

Furthermore, between a third and a half of postgraduate students reported that due to financial difficulties they were:

- Buying more second-hand clothing, electronic and household goods (52%)
- Shopping around more (49%)
- Using credit more than usual (38%)
- Increasing paid working hours (34%).

A smaller proportion of postgraduate students said they were skipping meals (25%) as a result of financial difficulties than FE (47%) and HN/undergraduate students (32%).

As with FE and HN/undergraduate students only a small proportion of postgraduate students said they used support from food banks (5%), support from charities (4%) or gambled or invested to make money (4%) as a result of financial difficulties.

Postgraduate students aged 20 to 24 were more likely to have used their savings due to financial difficulties (66%) compared with those aged 25 and over (51%). Female postgraduate students were more likely than male students to have sold possessions (32% and 16%, respectively). Those who lived independently were more likely than those living with their parents to be using less fuel in their home (64% and 29%, respectively) and conversely, those living with their parents were more likely to be cutting back on non-essential travel than those living independently (70% and 55%, respectively). There was variation by parental HE experience on one count; postgraduate students whose parents had no HE experience were more likely to use credit more often than usual (46%) than those with parental HE experience (33%).

Overall, behavioural changes due to financial difficulties did not vary by area deprivation.

## **9.5. Students from under-represented groups**

The highest proportion of students in this study reporting they had experienced financial difficulties were students from under-represented groups, with two-thirds (66%) facing difficulties during their current course.

Students from under-represented groups who were more likely to report that they faced financial difficulties during their current course were:

- Female students (68%, compared with male students, 62%)<sup>82</sup>
- Students aged 25 and over (71%, compared with those aged 20 to 24 (63%), and those aged 16 to 19 (59%))
- Students whose parents had no HE experience (75%, compared with those with parents with HE experience, 59%)
- Students living independently (renting or with a mortgage) (70%, compared with 55% of those living with their parents)
- Students from the 20% most deprived areas (77%, compared with those from the 80% least deprived areas, 63%).

### **9.5.1. Impact of financial difficulties**

The most common actions students from under-represented groups took due to facing financial difficulties were spending less on non-essentials (66%), spending less on food shopping and essentials (65%), and cutting back on non-essential journeys (52%).

Furthermore, between 30% and 48% of students reported that due to financial difficulties they were:

- Buying more second-hand clothing, electronic and household goods (48%)
- Using less fuel such as gas or electricity in their home (46%)
- Skipping meals (41%)
- Using savings (41%)
- Shopping around more (37%)
- Using credit more than usual, for example, credit cards, buy now pay later, loans or overdrafts to purchase essentials (32%)
- Increasing paid working hours (30%).

As with all other student groups, only a small proportion of students from under-represented groups said they were using support from food banks (11%), support from charities (8%), or gambled or invested to make money (6%) as a result of financial difficulties.

Overall, behavioural changes due to financial difficulties varied significantly by age, with students aged 25 and over more likely to adopt these approaches. Exceptions to this were that students aged 16 to 19 were more likely to skip meals (49%) and use their savings (52%) than those aged 25 and over (37% and 33% respectively). There were no significant differences by age for use of food banks, selling personal possessions, or gambling or investing to make money.

Generally, behavioural changes due to financial difficulties did not vary significantly by sex, with a few exceptions. For example, female students were more likely to buy more second-hand items (50%) than male peers (40%). Conversely, male students were more likely to gamble or invest to make money (13%) than female peers (4%).

As for FE and HN/undergraduates, students from under-represented groups who lived independently (renting or with a mortgage) were more likely than those living with their parents to have taken the actions listed due to financial difficulties. The exceptions to this were that there were no significant differences in the proportions using their savings, selling their possession, or gambling or investing to make money.

There were some notable variations by area deprivation. Students from the 20% most deprived areas were more likely to spend less on food shopping (68%), skip meals (52%), use support from food banks (18%) and use support from charities (13%), than those from the 80% least deprived areas (64%, 38%, 9%, 5% respectively).

There was no clear pattern of variations by parental HE experiences.

## **9.6. How students navigated financial difficulties**

From the survey data, it is clear that students took a number of actions as a result of the financial difficulties they were experiencing, some of which were explored further in the qualitative research.

As outlined in section 15 below, for a proportion of students the income they received from various sources of income was insufficient to cover their expenses while studying. This was being exacerbated by the cost of living crisis and increased cost of food, utilities and petrol, with no or limited increases to funding.

“It's just not great, it's not healthy to be living month by month. At the moment I think I've literally got £10 in my account and that is until the end of the month.” (Student parent focus group)”

Students took a number of steps to navigate their way through challenging financial times, which are discussed below.

### **9.6.1. Choosing to make changes to spending**

To ensure they had enough money to pay for essentials such as accommodation costs, utility bills and food, there were students who reduced, or cut out completely,

spending on social activities with family and friends. Examples included not spending money on holidays, reducing spending on presents at Christmas and birthdays, and reducing social activities such as eating out or going for coffee. The extent to which spending on social activities were reduced varied.

There were also students who made changes to their behaviour to reduce expenses so they could live within their means. To reduce travel costs, particularly in light of petrol price increases, students took a number of actions including opting for public transport or walking where possible instead of taking their car, or cutting back on non-essential journeys. One student gave up their car because they could not afford to run it while they were studying. There were students who had access to a free bus pass through the Scottish Government's free bus pass scheme for under 22s and those with a disability, which helped them to save on costs. However, there were students who could not make travel cost savings because they lived too far away from the university or college to walk, and they did not have access to reliable public transport. As outlined in Chapter 15 there were students who were forced to miss class if they could not afford to travel.

To reduce food costs students stated that they shopped around or chose cheaper brands to make their money go further. Students also cut back on ready meals, takeaway food and drink and instead took packed lunches or batch cooked to save money.

“This is a small thing, but when I'm buying like juice or water or stuff, just looking about how much pence per litre it costs [...] that applies to all food and all drink. I think also maybe not just going to Tesco, Asda, Morrisons. Shop around. Do you know what I mean? Go to Lidl and Aldi. Go to the corner shop. [...] It's about being a bit more savvy and finding those things that are a bit cheaper for - or going in when there's deals on. It's just as simple as that. (Part-time HNC/HND student)”

Students also tried to cut back on other costs such as gas and electricity by using smart meters to track spending, and stopping or reducing the purchase of clothes. Some students, being mindful of energy usage, also sold some possessions, sought to increase their incomes or shopped around for cheaper food.

Overall, it was difficult for students to save money on course costs as, for example, it was essential to purchase some equipment for the course work.

### **9.6.2. Enforced changes to spending**

There were students across study levels and under-represented groups whose financial situation was more difficult to navigate as there was a bigger gap between their income and expenses. These students were taking more severe actions to try and make their income cover their expenses. This included cutting back on essentials such as food, heating (including during winter) and clothing. Students described eating less, missing meals and avoiding heating their accommodation to

try and save money. There were also students who accessed support from charities and food banks to enable them to eat and pay for utilities.

“We contacted Scarf<sup>f83</sup>. Scarf it’s a charity that helps with gas and electric, they’ll find you a cheaper company, it was them that told us really to go for like pay monthly not pay as you go it’s a rip off. They provided a voucher for...because we were out of electric, like 2p left on our electric meter and that was on emergency and none of us got paid until the following week. They gave us a voucher to put into the electric to keep us going until then and we didn’t have to pay it back. [...] My sister she used them once and she told me about them. I thought it was a scam at first, I thought nah naebody is going to give you...naebody is away to give you money for your gas and electric [...] but you think just try it. [...] They do everything, they give you advice on gas and electric, they’ll help you, come out and see you, help you figure out whether your rates are right. They’ll help you switch if you’re on too high a thing and they’ve found a cheaper one they’ll help you switch. So it’s brilliant. (Full-time FE student parent)”

As mentioned in Chapter 8, there were students that had to borrow money or use credit in order to pay for their expenses. Students used credit cards, took out a range of different types of loans, accessed their overdraft facility and borrowed from friends and family to help them pay their bills. While some students were able to pay back the money they borrowed, others said they went into debt each month due to rising costs of food, utilities and petrol.

# 10. Impact of finances on study decisions

In the survey, students were asked about the impact of finances on their study decision making. First, they were asked, 'Did the student funding and financial support available to you affect your decisions about your studies in any way?' with answer options 'Yes' or 'No'. This was then followed up by a question asking about the ways in which the available funding and financial support affected the respondent's decisions about studying? Respondents could select any or as many of the following 8 answer options which applied to them:

- 'It affected my decision to study full-time or part-time;
- 'It affected my decision of whether to study at a nearby university or college';
- 'It affected my decision to study in Scotland';
- 'It affected my decision about what course to take;
- 'It affected my decision about what college or university to attend;
- 'It affected my decision about when to start my course;
- 'It affected my decision to study in another way;
- 'I would not have studied without funding'.

The data for each study level and students from under-represented groups follow.

## 10.1. Key findings

- Although some students reported that the availability of student funding had not had an impact on their decisions on what, where and how to study, between a third and a half of FE (32%), HN/undergraduate (46%) and students from under-represented groups (49%), and almost two-thirds of postgraduates (62%) reported that their study decisions had been affected by the availability of student funding.
- Students aged 25 and over in all student groups were the most likely to report their study decisions were affected by funding availability.
- The availability of financial support was a factor in student's decisions on whether to study. Of those who said their decision making had been affected, 51% to 62% stated that they would not have studied if funding had been unavailable, with postgraduate and students from under-represented groups more likely to say this.
- Whilst financial issues did not play a key role in decision making for some students in terms of where and how they studied, for others who took part in the qualitative research it was a critical factor in their decision to enter or return to study; whether to study full- or part-time; or in selecting which university or college to attend, and whether to study locally.

## **10.2. FE students**

### **10.2.1. Availability of student funding and financial support**

Around a third (32%) of FE students reported that their study decisions had been affected by the availability of student funding.

Certain groups of FE students were more likely to report that their study decisions had been affected by the availability of student funding, with those aged 25 and over more likely (42%) than younger students (21% of those aged 20 to 24 and 25% of those aged 16 to 19) to report that the financial support available had affected their study decisions. Those living independently (renting or with a mortgage) were more likely than those living with their parents to report that the availability of student funding had affected their study decisions (40% and 25%, respectively).

### **10.2.2. Impact of funding and financial support on study decision making**

Among FE students who reported that their study decisions had been affected by the financial support available, around half (51%) stated that they would not have studied without funding. Around a third (36%) of FE students said that funding availability had affected their decision to study full-time or part-time and 13% said that the availability of student funding had influenced their decision to study at a university or college close to them. All other options were chosen by 14% or fewer FE students.

- Younger students (19% of those aged 16 to 19) were more likely to say that the availability of student funding had influenced their decision to study at a university or college close to them, compared with 11% of those aged 25 and over.
- Female FE students were more likely than male students to say that the availability of student funding had affected their decision about what course to take (13% and 2%, respectively) and had affected their decision about when to start their course (9% and 5%, respectively).
- Those living independently (renting or with a mortgage) were more likely than those living with their parents to say that the availability of funding had affected their decision to study full-time or part-time (38% and 26%, respectively); and affected the decision about what course to take (13% and 5%, respectively).
- Conversely, those living with their parents were more likely than those living independently (renting or with a mortgage) to say that funding had affected their decision of whether to study at a nearby university (17% and 11%, respectively).

The ways in which funding and financial support available affected students decisions about studying did not vary significantly by parental experience of HE or area deprivation.

**Table 10.1: Ways in which the availability of student support has affected FE students' study decisions**

| <b>Response</b>                                     | <b>Total (%)</b> |
|---|------------------|
| Would not have studied without funding              | 51               |
| Decision to study full-time or part-time            | 36               |
| Decision to study at a nearby university or college | 13               |
| Decision about what course to take                  | 10               |
| Affected decision to study in another way           | 9                |
| Decision about what college or university to attend | 8                |
| Decision about when to start the course             | 8                |
| Decision to study in Scotland                       | 6                |
| <i>Unweighted base</i>                              | <i>120</i>       |

### **10.3. HN/undergraduate students**

#### **10.3.1. Availability of student funding and financial support**

A higher proportion (46%) of HN/undergraduate students, than FE students, reported that their study decisions had been affected by the availability of student funding and financial support.

As with FE students, the proportion of HN/undergraduate students reporting that the available financial support had affected their study decisions increased with age, with 37% of HN/undergraduate students aged 16 to 19, compared with 47% of those aged 20 to 24, and 53% of those aged 25 and over saying that their study decisions were affected by the availability of student funding.

Those living independently (renting or with a mortgage) were also more likely (51%) than those living with their parents (35%) to report that the availability of financial support had affected their study decisions.

#### **10.3.2. Impact of funding and financial support on studying decision making**

As with FE students, around half (54%) of HN/undergraduates stated that they would not have studied if funding had been unavailable. Approximately 40% of HN/undergraduate students said funding had affected their decision to study in Scotland with 3 in 10 (30%) stating that the finance available had affected their decision to study full-time or part-time, which college or university to attend (29%), or whether to study at a nearby college or university (29%). All other options were chosen by 15% or fewer of HN/undergraduate students.

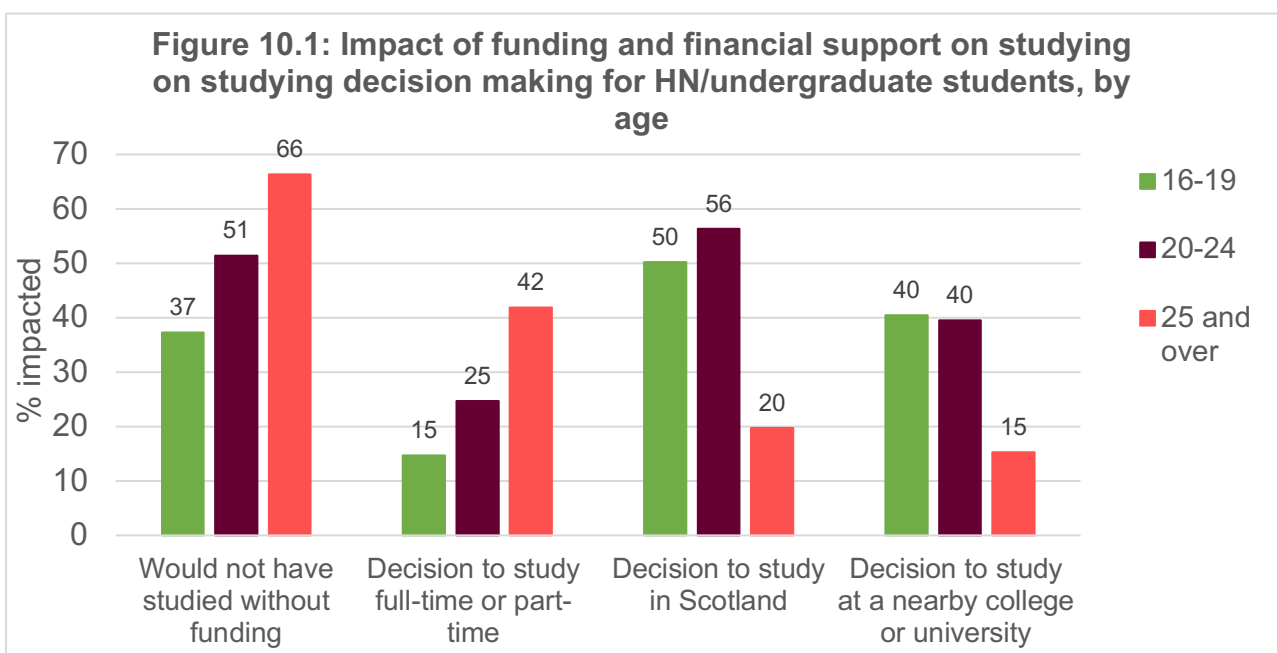


Overall, the ways in which the funding and financial support available affected students' decisions about studying varied significantly by age (Figure 10.1), except the decision about what course to take. However, there was no clear pattern by age. For example:

- Students aged 25 and over were more likely than those aged 16 to 19 to report that they would not have studied without funding (66% and 37% respectively); and that financial support had affected their decision to study full-time or part-time (42% and 15%, respectively).
- Conversely, students aged 16 to 19 were more likely than those aged 25 and over to report that financial support available had affected their decision to study in Scotland (50% and 20%, respectively) and that funding had affected their decision to study at a nearby university or college (40% and 15%, respectively).

A number of the ways in which decisions about studying were affected by the funding and financial support available varied significantly by full-time or part-time status. For example:

- Part-time students were more likely than full-time students to report that they would not have studied without funding (62% and 53% respectively) and that financial support had affected their decision to study full-time or part-time (47% and 25%, respectively).
- Conversely, full-time students were more likely than part-time students to report that financial support had affected their decision to study in Scotland (45% and 13%, respectively) and affected their decision on whether to study at a nearby university or college (34% and 10%, respectively).



Overall, the ways in which decisions about studying were affected by the funding and financial support available did not vary significantly by area deprivation, with a couple of exceptions.

- Those from the 20% most deprived areas (41%) were more likely than those in the 80% least deprived areas (27%) to say that financial support available had affected their decision to study full-time or part-time.
- Conversely, it was those in the 80% least deprived areas (43%) who were more likely than those in the 20% most deprived areas (29%) to say that their decision to study in Scotland had been affected by the financial support available.

Those living with their parents were more likely than those living independently (renting or with a mortgage) to say that funding had affected their decision about whether to study at a nearby university (42% and 26%, respectively). In contrast, those living independently (renting or with a mortgage) were more likely than those living with their parents to say that funding had affected their decision on what course to take (12% and 6%, respectively).

The only significant difference by sex was that male students (45%) were more likely than female students (36%), to say that financial support had affected their decision to study in Scotland.

## **10.4. Postgraduate students**

### **10.4.1. Availability of student funding and financial support**

Postgraduates were the most likely student group (62%) to report that the student funding and financial support available had affected their study decisions. Around two-thirds (67%) of female postgraduates stated that their study decisions had been affected by the available finance, compared with just over half (52%) of male students.

Postgraduate students whose parents had not experienced HE (68%) were more likely than those whose parents had experienced HE (59%) to say that the student funding available had impacted on their study decisions. There were no differences by area deprivation.

### **10.4.2. Impact of funding and financial support on studying decision making**

Among postgraduate students who reported that their study decisions were affected by the student funding and financial support available, around 6 in 10 (62%) reported that they would not have studied without funding. Around 4 in 10 (42%) postgraduates reported that the available financial support had affected their decision to study full-time or part-time, around 3 in 10 (29%) reported that it had affected their decision about whether to study in Scotland, around a quarter (26%) that it had affected their decision about which university to attend, and around 1 in 5 (22%) reported it affecting when to start their course and what course to take (20%).

A number of the ways in which decisions about studying were affected by the funding and financial support available varied by subgroups. For example:

- Postgraduate students aged 20 to 24 were more likely than students aged 25 and over to say that finance affected their decision about whether to study in Scotland (49% and 22% respectively).
- Female students (66%) were more likely than male students (50%) to report they would not have studied without funding.
- Around half (49%) of those whose parents had HE experience were more likely than those whose parents did not (37%) to report that available finance had affected their decision about whether to study full-time or part-time.

The ways in which decisions about studying were affected by the funding and financial support available did not vary significantly by accommodation type or area deprivation.

## **10.5. Students from under-represented groups**

### **10.5.1. Availability of student funding and financial support**

Approximately half (49%) of students from under-represented groups in this study stated that the availability of student funding and support had affected their study decisions.

As with FE, HN/undergraduate and postgraduate students, students from under-represented groups who were aged 25 and over were more likely than those aged 16 to 19 to report their study decisions had been affected by funding availability (54% and 40% respectively). Students from under-represented groups who were living independently were also more likely to report their study decisions had been affected by funding availability (54%) than those living with parents (38%). There were no differences by parental HE experience or area deprivation.

### **10.5.2. Impact of funding and financial support on studying decision making**

Among students from under-represented groups who reported that their study decisions had been affected by the financial support available, 60% stated that they would not have studied without funding, similar to postgraduate students and slightly higher than the proportion of FE and HN/undergraduate students.

Around a third to a fifth of students from under-represented groups reported that the student finance available had affected their decision to: study full-time or part-time (35%); study in Scotland (25%); study at a nearby university or college (22%); and about what college or university to attend (22%).

A number of the ways in which decisions about studying were affected by the funding and financial support available varied significantly by age, though there was no clear pattern. For example:

- As was seen for HN/undergraduate students, those aged 25 and over from under-represented groups were more likely than those aged 16 to 19 to report that they would not have studied without funding (64% and 48%, respectively) and that the student finance available had affected their decision to study full-time or part-time (40% and 23%, respectively).
- Conversely, students aged 16 to 19 (37%) were more likely than those aged 25 and over to report that funding availability affected their decision of whether to study at a nearby university or college (14%). Those aged 20 to 24 were more likely than those aged 25 and over to say that student funding available affected their decision to stay in Scotland (51% and 17% respectively) and their decision about which college or university to attend (34% and 16% respectively).

Female students were more likely than male students (15% and 8%) to say that the availability of funding affected their decision about what course to take. Those living with their parents were more likely to say that funding affected their decision of whether to study at a nearby university or college (30%) and their decision about what course to take (15%) compared with those living independently (renting or with a mortgage) (20% and 8%, respectively).

Overall, the ways in which decisions about studying were affected by the funding and financial support available did not vary significantly by area deprivation.

## **10.6. Cost of tuition fees**

Students in the survey who reported paying tuition fees, were also asked, 'Did the cost of the tuition fees at your university affect your decisions about studying in any way?' with answer options 'Yes' or 'No'.

### **10.6.1. HN/undergraduate students**

Among HN/undergraduate students who were paying tuition fees, 44% reported that the cost of tuition fees at their institution had affected their study decisions. Around half (48%) of those living independently (renting or with a mortgage) reported that the cost of tuition fees had affected their study decisions, compared with 23% of those living with their parents. There were no statistically significant differences by sex, age, whether students were full-time or part-time, parental experiences of HE, or area deprivation.

Among those who said that the cost of tuition fees had affected their study decisions, nearly one-third of HN/undergraduate students (31%) reported that they would not have studied without funding, compared with around half of postgraduate students and those from under-represented groups. In addition, 44% reported that the cost of tuition fees had influenced their decision to study full-time or part-time. The cost of tuition fees also influenced around a quarter of HN/undergraduate students' decisions to study in Scotland (26%) and their decisions about which institution to attend (23%). A fifth (20%) of HN/undergraduate students reported that their decision about when to start their course had been influenced by the cost of tuition fees at their chosen institution.

### **10.6.2. Postgraduate students**

Around a half (50%) of postgraduate students and HN/undergraduate students (44%) who were paying tuition fees reported that the costs of tuition fees at their institution had affected their study decisions. There were no significant differences by any of the key sub-groups.

Just under half (46%) of those postgraduate students who said that the cost of tuition fees had affected their study decisions said that they would not have studied without funding, higher than the 31% of HN/undergraduate students who reported this. Around a third reported that the cost of tuition fees had affected their decision to study full-time or part-time (36%) and their decision about what university to attend (32%). Around one-fifth reported that the cost of tuition fees had affected their decision to study in Scotland (22%); affected their decision about what course to take (20%); affected their decision about when to start their course (18%); and affected their decision of whether to study at a nearby university (17%).

### **10.6.3. Students from under-represented groups**

Similar to both HN/undergraduate and postgraduate students, 45% of students from under-represented groups who were paying tuition fees reported that the cost of tuition fees at their institution had affected their study decisions; with those aged 20 to 24 (62%) more likely to say this than those aged 25 and above (44%).

Among those who reported that their study decisions had been affected by the cost of tuition fees, almost half (48%) stated that they would not have studied without funding. Over a third (35%) of students also reported that the cost of tuition fees affected their decision whether to study full-time or part-time, and 29% reported that it affected their decision about which college or university to attend. Around one-fifth reported that it has affected their decision to study in Scotland (21%); what course to take (21%); and when to start their course (19%).

## **10.7. Student experiences of finances impacting on study decision making**

There were several ways in which finance was said to have influenced the study decisions of students who took part in the qualitative research. Finance is just one of a multitude of different factors which can influence students' decisions as to whether to study; at what level; mode of delivery and location of institution. Whilst financial issues did not play a key role for some students in where and how they studied, for others it was critical either in encouraging them to study, or in selecting which university or college to attend.

### **10.7.1. Finance had little impact on study decisions**

In the qualitative interviews and focus groups, there were students who said that financial issues had little or no impact on their study decisions. These students instead prioritised their desire to retrain, return to studying or achieve a qualification over any financial challenges that they might have encountered. For example, some student nurses said the bursary had not influenced their decisions to study

nursing or midwifery; rather, it was viewed as an additional bonus rather than the reason to study that subject. Among student parents, the desire to better themselves and their families by finding a fulfilling career was key to their decisions. However, they discussed how they were nonetheless restricted in where they could study by their parenting and childcare responsibilities.

“Previously I'd been a care worker and wanted to be a midwife when I was a lot younger. [...] I need a career. I'm sick to the back teeth of living off a basic wage. It's not feasible and I just wanted something that was mine, something that I've created myself to get myself somewhere. That was more of my focus, so it wasn't actually anything to do with obviously not paying the loan back. (Student parent focus group)”

“That was more about the course than the cost you know. It was the only university that offered this course. So looking at other universities and the cost of the other universities was never a thing. (Part-time postgraduate (Masters) student carer)”

Students also highlighted ways in which elements of their decisions as to where and what to study were not within their control, which had varying impacts on their finances. Several part-time HE students were funded by their employer, with their course a requirement of their employment. Some FE students had their decisions affected by their colleges. For example, one student was only notified a week before their course was due to start that the course numbers had been cut and they had to find an alternative college and course. The student noted that their first choice of college had been more supportive of the financial challenges they experienced than the college they then had to enrol at. Another FE student was told they had to undertake an English for Speakers of Other Languages (ESOL) qualification before they would be considered for their chosen course, despite them speaking fluent English. This extended the length, and subsequently the living costs which had to be covered, of the student's learning.

### **10.7.2. Decisions to enter/return to study**

Among students aged 25 and over who participated in the qualitative research, there was a mix of those who had never studied before and those who returned to study either to facilitate a career change or progress their career. Some students spoke of feeling dissatisfied with their careers and looking for a change. Others mentioned that being made redundant had prompted their return to study. Parents and carers also expressed a desire to take time for themselves and to undertake something which they found intellectually stimulating. A key theme among all these students was a desire to better themselves and gain financial stability through studying. Despite this, students who had been in full-time employment prior to study raised concerns about their reduced incomes as students. For some, this created financial anxiety about how they would manage on student loans and/or bursaries and paid work.

“My husband had a period of quite severe ill health that has made him unable to work, so it's partly looking to give us some financial security for the next few years, but also because I thought with him being unwell and me being his carer for quite a lot of the time, I needed to do something that was for me and would stimulate me and that I'd really enjoy. (Full-time undergraduate student parent and carer)”

“I did always want to go back and study something different, but it was the finances that were - caused me a bit of apprehension. Leaving full-time employment, maybe going into part-time employment to study, it can create a lot of financial anxiety. (Part-time HNC/HND student)”

### **10.7.3. Decisions to study full-time or part-time**

Finance influenced some students' decisions to study full-time or part-time courses. This was particularly the case for those who were enrolled on part-time HN/undergraduate or postgraduate degrees. Part-time students explained that their decisions to study in this way were partly influenced by their need to continue earning while they studied, noting that they would not have been able to afford to stop working full-time. Some part-time students also needed to balance paid work and studying with caring responsibilities.

“I could only do the Masters because it was part time. I would've loved to sortae done my bachelor's and went full time, but I couldn't afford to just jack working and go full time. (Postgraduate student focus group)”

“I think [the part-time HE course] gave me the chance to learn at the same time I can work, so I can accommodate my children's needs in between studying and working. So, it's hard at times but I think it's just my nature; I like pressure and it's hard, but I enjoy what I do so I think that helps. (Part-time undergraduate student parent)”

Eligibility for financial benefits and support also impacted on students' decisions to study full- or part-time. One student explained they had opted to study part-time so that they could continue accessing their benefits. The majority of income-assessed benefits (aside from those available for parents and those with disabilities) are not available to full-time students. By contrast, a full-time FE student explained that they had chosen a full-time course on the basis that they would be entitled to additional financial support, such as reduced council tax and the FE bursary, neither of which are available to part-time students.

“No, I can honestly say that my study options were decided by the benefits system in so far as I can only study part-time. So that was an impact. (Part-time undergraduate student carer)”

“I did think about doing part-time, but realised that financially, it would actually be easier to do full-time. The thing is, with my council tax going down as well, that helped, and also the fact that I have the

ability to get a bursary. You can't get part-time bursaries, which kind of sucks. (Full-time FE student)”

#### **10.7.4. Decisions to study locally**

Finance also influenced students in terms of the geographic location of their college or university. Some students studied locally on the basis that it was cheaper for them to remain living at home and commute to college or university than to pay for university owned or privately rented accommodation. Others selected universities based on the perceived cost of living in different cities. Accommodation in Glasgow, Edinburgh and St Andrews was viewed as being particularly expensive compared to other Scottish university towns and cities.

“Money does influence it to an extent. [...] I chose [city] to an extent because it's a cheaper city to live in than say Glasgow or Edinburgh. (Full-time undergraduate student)”

“For me, the closer to home, the better, because of expenses. I didn't have much of a support network at home. [...] [Name of university] is a half-hour walk from home, but to put myself in the undergraduate position, the closer to home, the better. Literally, the cost of the train ticket was an influence. Literally, the cost of coming and going to university was a major factor. (Part-time postgraduate (Masters) estranged student)”

However, students did not always choose to study locally for financial reasons. Other factors included the desire to remain close to family and friends, parenting and caring responsibilities, or because their local institution offered their preferred course. Students spoke of wanting to study close to where they lived, while others needed to study locally as they had young children in nursery and needed to be nearby. Among FE students in particular, it was not always clear why students made their decision to study at the local college, with the decision to study locally often presented by students, not as a choice, but as the only available option.

#### **10.7.5. Institution chosen on the basis of financial support available**

The financial support offered by institutions influenced study decisions of some students. For example, university-funded scholarships for students from low income households played a role in students' university decisions. A student in receipt of a scholarship explained that they chose their institution on the basis that it offered funding which enabled them to move away from home. Without this, they would have chosen a different university, and consequently a different course, so as to stay with family, and reduce costs, while studying.

“If I hadn't received it [scholarship], I would've ended up studying in [another city] - staying with some family. I would've studied a different course altogether, so it really has totally changed the trajectory of my life [...] Having that [scholarship] has really changed my career path, I would say, which is quite incredible, I think. (Part-time HNC/HND student)”



Furthermore, there were care experienced students who said they had selected their university on the basis of the targeted financial support offered by the university to care experienced students. However, this support was balanced against the financial support they could receive from their local authority. There were care experienced students who felt they had to remain in their local authority area in order to be able to continue accessing financial support for housing through their council rather than moving to a neighbouring area which would have been nearer their university campus.

#### **10.7.6. The influence of tuition fees on study decisions**

Among undergraduate students, the cost of fees in different parts of the UK, and conditions attached to residency around the entitlement of free tuition in Scotland, also influenced study decisions. A small number of students had not lived in Scotland for the duration required to be eligible for home fee status from their institution and be able to apply for a tuition fee grant to cover tuition costs. This meant they worked for a time before enrolling on a university degree programme to ensure they met the residency criteria in order to be eligible for free tuition. Some undergraduate students also spoke of how they had ruled out studying at universities in the rest of the UK to avoid the payment of fees.

Fees were one of a range of factors which influenced decisions to study at postgraduate level. Some postgraduate students who graduated from their degrees in 2020 during the COVID-19 pandemic spoke of the lack of employment opportunities at that time, opting to enrol on postgraduate courses as a means to expand their skillset, experience and maximise their employment chances. Others returned to study at postgraduate level in response to redundancy. Those who wished to study at postgraduate level said the availability of funding (such as UKRI studentships) and the cost of tuition influenced whether they felt able to study at postgraduate level and which institution they decided to study at. Students' choices of university were influenced by the availability of fee waivers or alumni discounts which helped the decision on which institution to attend.

“I was part of the graduate year of 2020 so there weren't many jobs going around then, so I saw [University] were offering a two-year conversion to degree in [subject] with an alumni discount as well, which really helped with finances. So, that kind of persuaded me to go back, and then when I finished that, there were a couple of job offers out there. But there was nothing really attractive, let's say, that really caught my eye. So, then through connections I got offered a PhD position. (Postgraduate student focus group)”

The cost of tuition for specific courses at various universities also played a role in students' decisions. Some postgraduates chose their institution on the basis that it cost less than studying elsewhere. Masters students in receipt of tuition fee loans administered by SAAS on behalf of the Scottish Government noted this did not always cover the full fee charged, with some opting for a less costly course and/or university in order that they had to fund a smaller proportion of fees themselves.

“I was looking for a Masters course, and I did consider ones in London, but they were way too expensive. So I picked the one at [Scottish University]. I did apply for [another Scottish University] as well, but [their] courses, there's a bigger jump between what you can get in funding and what you have to pay yourself. (Full-time postgraduate (Masters) student)”

“When I was applying for a postgrad, I applied to maybe about ten institutions across the country. I got into every single place I applied for, but it came down to money, at the end of the day. You would owe up to £20,000 out of your own pocket for some of the top places, for humanities-based subjects. A first-class undergrad doesn't automatically mean you'll get funding for your postgrad study, even if you are top of your field. So, my choice of programme came down to what I could actually afford and what could be funded. (Postgraduate student focus group)”

### **10.7.7. Future educational and employment decisions**

Finance also influenced students' decisions about whether to progress their studies at a higher qualification level or to enter employment. Students who decided to leave FE/HE and go into employment after they finished their course were doing so because they wanted more financial stability and to be able to live off a higher level of income than was possible while studying. While some students looked forward to moving into employment at the end of their course, there were others who would have liked to continue their studies but could not afford to do so. For example, some FE students opted to move into employment rather than progress their studies due to the expense associated with further study.

Without securing funding some students felt unable to progress to a higher qualification level and instead opted to work to build savings before returning to their studies. For example, a student expressed uncertainty about progressing from their HND to a degree because they were unsure how much funding they would receive from SAAS because of previous qualifications held.

“I am worried about what SAAS will and won't cover because I've done the City & Guilds qualification but I'm not sure what level that sits at, it's hard to find out. [...] I will have to think about whether or not I'll have to pay for the last year of university and that sort of thing but...yeah it will be a bit of saving up I think when it comes to it. (FE student focus group)”

Students who wished to progress to a Masters degree discussed the limited funding options available for those hoping to study at this level which they said may put them and other students off from continuing with their studies. Masters students who were considering progression to PhD study also worried about the lack of funding options for PhD programmes, noting that they could only undertake a PhD if they had funding from a UKRI studentship or scholarship. The value of PhD funding was also a consideration, with students negatively comparing stipends with the cost of accommodation and wider living costs.

“I would only also do it if it was going to pay me an actual reasonable wage, and a reasonable wage based on the city. (Full-time postgraduate (Masters) student)”

“I think the course that I want to do, if it wasn't fully funded and if there wasn't a bursary, it wouldn't be possible, I don't think, unless I took a larger gap in between to save up to fund it. (Full-time undergraduate estranged student)”

# 11. Impact of finances on academic achievement

In the survey, students were asked 'To what extent, if at all, do you think that financial difficulties have affected how well you do at college or university', with answer categories 'a great deal', 'a fair amount', 'a little', and 'not at all'. Students who gave one of the first three answer options were also asked 'in what ways this had affected how well they did at college or university' with a list of 10 impacts to choose from which they could select all that applied.

More details on the extent to which financial difficulties affected each student group are reported below.

## 11.1. Key findings

- There were a small proportion of students who said that financial difficulties had not affected their studies (9% of FE, 6% of HN/undergraduates and postgraduates and 7% of students from under-represented groups). However, between half and two-thirds of all student groups reported that financial difficulties had affected their studies 'a great deal' or 'a fair amount'.
- Financial difficulties caused worry and stress for 9 out of 10 students (FE, HN/undergraduate, postgraduate and students from under-represented groups) – this was the most commonly reported impact of experiencing financial difficulties.
- Finding it necessary to work in a paid job was also a commonly reported impact across all student groups as a result of experiencing financial difficulties.
- Being unable to participate in course-related activities such as field trips affected the lowest proportion of students across all groups, except FE students where the lowest recorded impact was attending lectures remotely.
- There was no consistent pattern across student groups on how the impact of financial difficulties on studies varied by subgroups such as age, area deprivation and sex.
- In the qualitative research, students' concerns about money, and how they might pay for essentials, impacted on their ability to concentrate on their studies. This was particularly the case for students who had to take on paid work or increase their hours in response to the financial pressures they faced.
- Impacts of finance on academic studies included failing course modules, extension requests and missing classes as a result of not being able to afford travel to college or university.

## **11.2. FE students**

Over half (55%) of FE students thought that their performance at college was being affected 'a great deal' or 'a fair amount' by financial difficulties. The only differences by subgroup were by whether their parents had HE experience.

FE students whose parents had no HE experience were more likely to report 'a great deal' or 'a fair amount' of impact on how well they were doing at college due to financial difficulties (60%) compared with students whose parents had HE experience (46%)<sup>84</sup>.

### **11.2.1. Impact of financial difficulties on academic achievement**

The most common way in which experiencing financial difficulties affected FE students was that it caused worry and stress (93%). In addition, around 1 in 3 said that financial difficulties caused them health problems (30%) and 1 in 4 said that financial difficulties made it necessary for them to work in a paid job (25%), or made it difficult to buy books, materials and other equipment for their course (24%).

Approximately 1 in 5 said experiencing financial difficulties affected them by:

- Experiencing difficulties paying for social activities or clubs (22%)
- Having to work extra hours in a paid job (21%)
- Having to miss classes/lectures/tutorials or lessons (20%)
- Unable to cover travel costs to and from their college or university (19%).

Only a small proportion of FE students said that experiencing financial difficulties resulted in them being unable to participate in course-related activities, such as field trips (6%) or attending lectures remotely, where possible (3%) (Table 11.1).

**Table 11.1: Specific impacts of financial difficulties on academic achievement for FE students**

| Response   | Total (%) |
|--|-----------|
| Caused worry and stress  | 93        |
| Health problems  | 30        |
| Necessary to work in a paid job  | 25        |
| Difficulties buying books, materials, and other equipment for their course | 24        |
| Difficulties paying for social activities or clubs                         | 22        |
| Having to work extra hours in a paid job                                   | 21        |
| Having to miss classes/lectures/tutorials or lessons                       | 20        |
| Unable to cover travel costs to and from their college or university       | 19        |
| Unable to participate in course-related activities such as field trips     | 6         |
| Other impact   | 5         |
| Attending lectures remotely where possible                                 | 3         |
| <i>Unweighted base</i>   | 195       |

The extent to which FE students experience of financial difficulties differed by sex or age varied by type of impact. For example, there were no statistically significant differences by subgroups for the most frequently reported impact, that financial difficulties had caused worry and stress. However, male students (31%) were more likely than female students (15%) to report not being able to cover travel costs to college, whilst those aged 25 and over (39%) were more likely to experience health problems as a result of financial difficulties than those aged 16 to 19 (15%). There were additional differences by age with older students more likely to report that they found it necessary to work in a paid job, to work extra hours, or that they had difficulties paying for social activities<sup>85</sup> compared with younger students. For example, those aged 25 or over (29%) were more likely than those aged 16 to 19 (16%) to report having to work in a paid job due to financial difficulties<sup>86</sup>.

There were also significant differences by accommodation type, with FE students living independently more likely to report having to work extra hours (29%) and report health problems as a result of financial difficulties (39%) than those living with parents (10% and 17% respectively). Overall, the impact of financial difficulties did not vary considerably by parental HE experience or area deprivation, with a few exceptions.

### **11.3. HN/undergraduate students**

Among HN/undergraduate students, 61% reported that financial difficulties had affected their studies 'a great deal' or 'a fair amount'. HN/undergraduate students who were more likely to report that financial difficulties had affected their studies 'a great deal' or 'a fair amount' were:

- Students whose parents had no experience of HE (65%, compared with 57% of those whose parents had experience of HE).
- Students from the 20% most deprived areas (68%, compared with 58% from the 80% least deprived areas).

#### **11.3.1. Impact of financial difficulties on academic achievement**

As with FE students, the most common way in which experiencing financial difficulties affected how well HN/undergraduate students did at college or university was that it caused worry and stress (94%). In addition, around half (49%) reported that they found it necessary to work in a paid job as a result of financial difficulties. Experiencing difficulties paying for social activities or clubs (38%) and having to work extra hours in a paid job (37%) were also common impacts of experiencing financial difficulties.

Furthermore, between a quarter and a third students reported that experiencing financial difficulties resulted in:

- Difficulties buying books, materials and other equipment for their course (29%)
- Having to miss classes/lectures/tutorials or lessons (28%)
- Health problems (25%)
- Being unable to cover travel costs to and from college or university (20%).

Smaller proportions of HN/undergraduate students said that experiencing financial difficulties resulted in them attending lectures remotely, where possible (16%) and being unable to participate in course-related activities, such as field trips (10%).

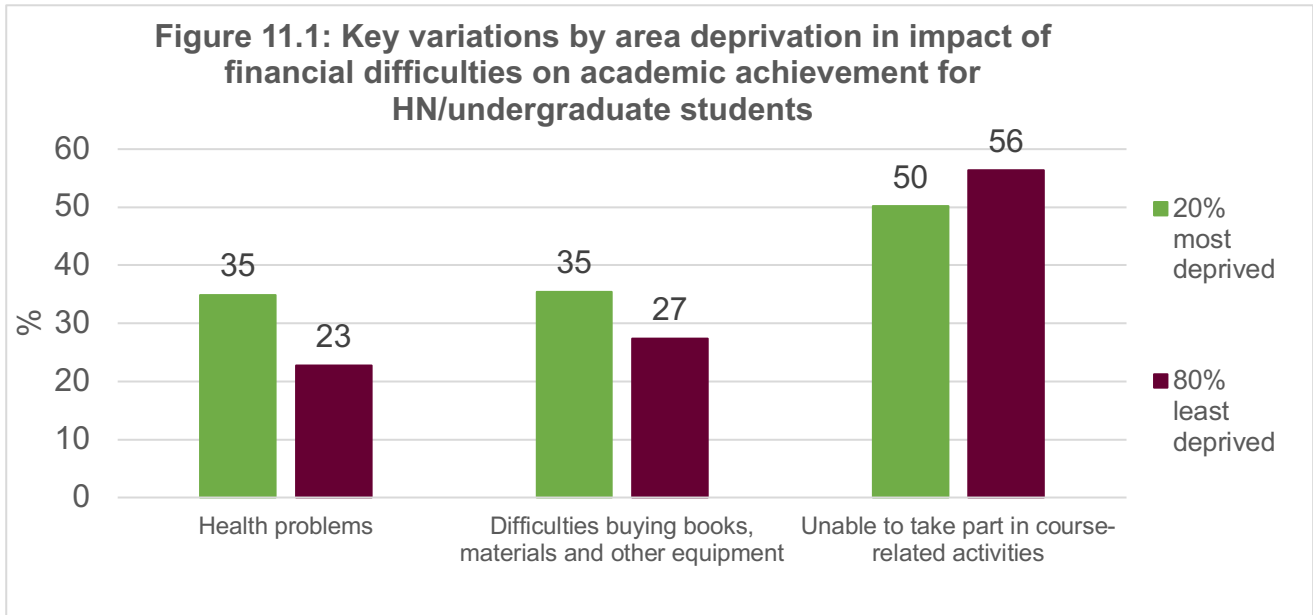
The ways in which experiencing financial difficulties affected how well HN/undergraduate students did at college or university varied significantly by age and sex, but this was not consistent across types of impact and there was no clear pattern. For example, female students (40%) were more likely to have to work extra hours in a paid job as a result of financial difficulties than male students (27%). Conversely, male students were more likely to report having difficulties paying for social activities (46%) and that they were attending lectures remotely, where possible (22%) than female students (36% and 15%, respectively).

In relation to age, younger HN/undergraduates students, aged 24 and below, were more likely to report that they had to work in a paid job (51% of those aged 16 to 19) than those aged 25 and over (44%). However, those aged 25 and over, were more likely to report health issues as a result of financial difficulties (30%) and

having difficulty buying books (37%) compared with those aged 16 to 19 (14% and 21%, respectively).

There were also significant differences by area deprivation with those from the 20% most deprived areas generally facing more financial difficulties (Figure 11.2). For example, students from the 20% most deprived areas were more likely (35%) than those from the 80% least deprived areas (23%) to have health problems as a result of experiencing financial difficulties. Those from the 20% most deprived areas were also more likely to report that they had difficulties buying books, materials and other equipment for their course (35%) or they were unable to take part in course-related activities, such as field trips (14%) compared with those in the 80% least deprived areas (27% and 9%, respectively). There was no clear pattern to the differences by whether the student had a parent with HE experience, or not.





## 11.4. Postgraduate students

Similar to findings for HN/undergraduate students, 65% of postgraduate students reported that financial difficulties had affected their studies 'a great deal' or 'a fair amount'.

Postgraduate students aged 25 and over (69%) were more likely than those aged 20 to 24 (46%) to report that financial difficulties had 'a great deal' or 'a fair amount' of impact on their studies compared with fewer than half (46%) of those aged 20 to 24. There were no other significant differences by subgroups.

### 11.4.1. Impact of financial difficulties on academic achievement

As with FE and HN/undergraduate students, the most common way in which financial difficulties affected postgraduate students was that it caused worry and stress for the majority (95%), and more than half of students (55%) found it necessary to work in a paid job, which was a higher proportion than for FE and HN/undergraduate students. As with HN/undergraduate students, difficulties paying for social activities or clubs (40%) and having to work extra hours in a paid job (36%) were also common impacts of experiencing financial difficulties.

Furthermore, between 1 in 4 and 1 in 3 students reported that experiencing financial difficulties resulted in:

- Difficulties buying books, materials and other equipment for their course (32%)
- Attending lectures remotely where possible (29%)
- Health problems (27%)
- Being unable to cover travel costs to and from college or university (26%).

Smaller percentages of postgraduate students said that experiencing financial difficulties resulted in them having to miss classes/lectures/tutorials or lessons (18%) or being unable to participate in course-related activities, such as field trips (14%).

There were only significant differences between subgroups by age for postgraduate students. Those aged 25 and over (36%) were more likely than those aged 20 to 24 (16%) to say they had difficulties buying books, materials and other equipment for their course and also to say that financial difficulties had led to health problems (31% compared with 11%, respectively).

## **11.5. Students from under-represented groups**

As for postgraduate students, 65% of students from under-represented groups reported that financial difficulties had affected their studies 'a great deal' or 'a fair amount', which was higher than the proportion reported by FE students (55%).

Students whose parents did not have experience of HE (68%) were more likely to report that financial difficulties had 'a great deal' or 'a fair amount' of impact on their studies compared with those whose parents had experience of HE (61%)<sup>87</sup>. There were no other significant differences by subgroups.

### **11.5.1. Impact of financial difficulties on academic achievement**

As with FE, HN/undergraduate and postgraduate students, the most common way in which experiencing financial difficulties affected students from under-represented groups was that it caused worry and stress (95%), and around 4 in 10 found it necessary to work in a paid job (43%).

Other reported responses to financial difficulties were:

- Difficulties paying for social activities or clubs (35%)
- Health problems (34%)
- Difficulties buying books, materials and other equipment for your course (32%)
- Having to work extra hours in a paid job (30%)
- Having to miss classes/lectures/tutorials or lessons (29%)
- Being unable to cover travel costs to and from college or university (23%).

Smaller proportions of students from under-represented groups said that experiencing financial difficulties resulted in them attending lectures remotely where possible (16%) and being unable to participate in course-related activities, such as field trips (11%).

The extent to which experience of financial difficulties differed by sex and age varied by type of impact but with no clear pattern. Male students were more likely to experience difficulties paying for social activities and clubs (45%) and more likely to say that they had missed classes (38%) as a result of financial difficulties than

female students (33% and 26%, respectively). Conversely, female students from under-represented groups (96%) were more likely to say financial difficulties had caused worry and stress compared with male students (91%).

However, there were differences by age for those who needed to work in a paid job or who had to work extra hours. For example, over half (55%) of those aged 20 to 24 found it necessary to work in a paid job, compared with around 4 in 10 (41%) of those aged 25 and over and those aged 16 to 19 (37%). Those aged 25 and over were more likely than younger students to say that financial difficulties had impacted on their health (39% compared with 21% for those aged 16 to 19).

The impact of financial difficulties did differ by accommodation type, with those living independently more likely to report finding it necessary to work in a paid job (46%) and having to work extra hours (33%) than those living with parents (36% and 24% respectively). Those living independently were also more likely to say they were unable to participate in course-related activities (13%) and to report health problems (39%) than those living with parents (6% and 22% respectively).

Overall, the impact of financial difficulties did not vary considerably by area deprivation, with two exceptions. Those from the 20% most deprived areas were more likely to have health problems (42%) because of financial difficulties (compared with 32% of those from the 80% least deprived areas) and more likely to have reported being unable to participate in course-related activities (14% compared with 9% of those from the 80% most deprived areas).

## **11.6. How finances impacted on academic achievement**

The qualitative data sheds light on the extent to which students' academic studies were impacted by financial issues both positively and negatively.

### **11.6.1. Impact of paid work on ability to study**

Students' concerns about money, and how they might pay for essentials, impacted on their ability to concentrate on their studies. Students who had to take on paid work or increase their hours in response to the financial pressures they faced described how this made studying more challenging. Students spoke of the pressure of balancing their studies, paid work, and in some cases parenting or caring responsibilities, with the result that they were not able to focus on their studies as much as they would have liked.

“It was a difficult period last year. I would say it held me back a bit. I wasn't actually able to learn as much as I could have with being worried about going to work, then thinking about working and money situations. It wasn't giving me my hundred per cent focus which I could have had in college doing the work that I should have been doing. (Estranged student focus group)”

“It has the almost correlational impact of, I'm thinking about money; I'm not thinking about studies, and if I'm not thinking about money

then I'm trying to study or I'm able to study. I need to focus on the higher-order mental task rather than being stressed to about it. (Full-time postgraduate (Masters) student)”

In some cases, this need to take on paid employment was said to have led to student burn out. Students spoke of having very little downtime once they had been to college/university and then had to work in the evenings or the weekend. Among part-time students, who often worked in full-time employment, this was particularly pronounced. Both part-time and full-time students reported feeling exhausted as a result of combining paid work with their courses.

“I feel like it's a massive pressure. The last job I worked; it was bank but I had to work as many shifts as possible. So I was doing college from 9:30 till 4:00 in the afternoon and then I was working 5:00 till 10:00. On top of that as well, as I said earlier, I've got a child so it took time away from him. A lot of times I was reaching burnout and then college work didn't actually seem like that much of an issue. I was like, oh, if I take a couple of days off, I'll catch up myself. I'll read through the slides. It's actually a lot harder than that. That is due to the fact that it's just not enough to live off. So I feel like a lot of the time, a lot of us have to push ourselves to burnout to be able to survive. I wouldn't even say live. I would say survive because it's minimum wage and then the money from college - I just feel it isn't enough. (Care experienced student focus group)”

Some students explained that they had failed modules in previous years of their course and had reduced their hours of paid work in response to help them focus more on their studies. Other students spoke of having to request extensions to their assessments as a result of having to balance their studies with paid employment. Postgraduates in particular (but also noted by undergraduate students) reported that it was challenging to manage the amount of reading required to prepare for seminars.

“Semester 1 of third year, I failed three modules, which was partly to do with the amount that I was working and just not spending enough time doing uni stuff, so it had a bigger impact. I think that's what's really, this year, made me think, I can't do that again. (Full-time undergraduate estranged student)”

“There's a lot of prep work you need to do. [...] but there'd be times where I just wouldn't have time to do that. If you're working straight from a lecture, and then you're getting home late, and then you have to be up early again the next day for the next lecture, I just wouldn't have time to actually sit down and look through the resources and do the readings that I needed to do, or even sometimes work on the assignments. So that's why I was like, right, I need to cut back a day so that I have an extra day a week to make sure I'm on top of everything. (Part-time undergraduate student parent)”

By contrast, there were some more affluent students who did not have to work as a result of having all their living costs covered by their parents' regular financial contributions. These students recognised the benefits they gained from not having to work in terms of being able to devote more time to studying (see section 6.4. on paid work). A student who only worked during university vacations reflected on how things may differ if they had to work during term time.

“It would be horrible, I think, because it's not just the time it consumes, just the fact that the time you're spending not working, you're absolutely dead tired, you don't really want to do anything. I can't imagine having to work a shift and then have to study or write an essay after that. (Full-time undergraduate student)”

### **11.6.2. Missing classes**

Not being able to afford the travel costs to get to college or university also had an impact on students' ability to engage with their studies. Students spoke of missing classes because they could not afford petrol for their car or they could not afford to pay for buses or train tickets. One student had missed large amounts of their course due to the cost of running their car, and the difficulty of reaching college by public transport. This in turn impacted on their ability to access their college bursary, and meant that the college had suggested they should leave their course. Other students sought to be strategic in how they missed classes, for example, spreading their absences across different classes in order that they did not fall too far behind.

“With obviously me living on my own, I'm often left with not much money to last me the whole month. So, it means sometimes I can't put petrol in my car, which means I can't get to College - which I've had happen two or three times where I've not been able to get to College for maybe two weeks because I've not got any money to put [petrol] in the car. (Full-time FE estranged student)”

“There's definitely been times I've had to skip classes because I just can't make it work. I can't stretch the finances, but sometimes we have access to online lectures, so when we have the opportunity, that's when I usually stay at home. (Full-time postgraduate (Masters) student)”

# 12. Impact of finances on wider student experience

## 12.1. Key findings

Students' ability to make the most of their wider student experience – that is, being able to meet with other students, socialise with friends, take part in sports or clubs and societies – varied, and was impacted by their income.

- Finances impacted on some students' abilities to make the most of their wider student experience.
- In the survey, between a fifth (22%) of FE students and two-fifths (40%) of postgraduates, experienced difficulties paying for social activities or clubs.
- In the qualitative research, students' abilities to socialise varied. Those with higher incomes were better able to socialise and to do so without worrying about money.
- Those on lower incomes reported limited their socialising, while others reported not being able to take part in the wider social experience due to the costs associated with this. This impacted on their mental health in terms of financial worry and also feelings of social isolation.

## 12.2. How student finances impacted on their wider student experience

As outlined in Chapter 11, a proportion of FE (22%), HN/undergraduate (38%), postgraduate students (40%) and students from under-represented groups (35%) experienced difficulties paying for social activities or clubs.

Male HN/undergraduate (46%) and male students from under-represented groups (45%) were more likely to experience difficulties paying for social activities or clubs than female students (36% and 33% respectively). This difference was not present for FE and postgraduate students.

Difficulties paying for social activities varied by age for all student groups, except postgraduate students. For FE students, those aged 25 and over (29%) were more likely to experience difficulties paying for social activities than those aged 16 to 19 (17%)<sup>88</sup>. However, the reverse was true for HN/undergraduate students; those aged 16 to 19 (43%) were more likely to experience difficulty than those aged 25 and over (30%). For students from under-represented groups, those aged 20 to 24 (44%) were the most likely to experience difficulty paying for social activities compared with 37% of those aged 16 to 19 and 32% of those aged 25 and over.

Difficulties paying for social activities did not vary by accommodation type or area deprivation.

In the qualitative research, there were students who were able to socialise as much as they wanted, those who had to limit their socialising, and those who were unable to socialise as a result of their finances. Each of these groups, and the ways that finances impacted their behaviour, is explored in the following sections.

### **12.2.1. Students who could afford to socialise**

The students who were able to make the most of the wider student experience and spent time socialising with their peers were generally those in receipt of higher incomes, for example, whether through their parents' financial contributions, paid work, and/or student loans and bursaries. These students were able to participate in social activities because they had sufficient income to comfortably cover their costs. This included some part-time students who had a full-time wage and students who received all their income from their parents, which meant they did not have to undertake paid work during term-time.

“If people want to go out for drinks or something like that, I never have to say no, just because I don't have enough money, and yeah again, because I don't have work commitments that won't get in the way of meeting up with friends. Yeah...like I can...go for a lunch or something with my friends after we finish classes, whereas some might have to go to a shift after lunch. (Full-time undergraduate student)”

A second group of students that were able to participate in social activities were those who received discounted or free gym membership through their institution, or had been awarded the maximum FE bursary rate, including support for housing. As discussed in more detail in Chapter 13, being able to afford to socialise and meet new people had a positive impact on students' wellbeing.

“It's meant that I can socialise with people as well outside of class time without feeling pressured to study and to earn instead. It actually just means that I feel like I'm more at peace... It's a good stress relief, and I wouldn't have done it without having that financial incentive to do it, the fact that I did have a discount because of my scholarship. (Part-time HNC/HND student)”

“Now, with that [FE] bursary, I have time to study. I feel more freedom. I can pay for internet in my home. I can afford more things. For example, to go some trip with my daughter or buy tickets for something. More social life. More meetings. More friends. More enjoyment. Not only study and nothing, just stay at home. It's a huge difference. (Full-time FE student parent)”

### **12.2.2. Students who had to limit their socialising**

There were also students across study levels who were able to afford some level of socialising with their peers; however, this was limited. Students said they had to monitor their spending, or were able to participate in social activities only if their friends helped them out.

Students were largely aware of the costs of various social activities and for the most part those that were able to afford to participate in a social life or hobbies had to limit their expenditure and seek activities that were free or low cost to take part in. Some students pointed to how they would have to make concessions elsewhere; for example, if they went for coffee with classmates one day, they would have to cut back on bus travel the following day. Students also shared ways they had found to continue being able to participate in activities they enjoy on a smaller budget, for example, shopping around for cheaper membership for particular activities (e.g. gyms) or opting to take up different activities because they are less expensive.

Other students said they were able to take part in social activities only if a friend loaned them the money or paid for them. Being looked after by friends when they were low on money brought comfort to some students, who said they had been able to do the same for their friends. However, if students regularly needed this kind of help and were unable to return the favour, this hampered their enjoyment, and made some feel ashamed that they relied on the support from others.

“I would say that my social life at the moment...it’s not like it used to be with working full-time, I had the money to go out and go and do things. So it has dropped off a little bit but luckily, I’ve got friends, they know I’ve gone back to being a full-time student and they’re working full-time so they’ll cover me if we’re going out for a meal or something, they’re quite good at being like yeah, I’ll get you this time you know. (FE student focus group)”

“I was very lucky that my partner helped me fund a holiday [with friends]. [...] I needed financial assistance to go on holiday. I don't think I've ever felt quite so small. It was a shame. It felt shameful, watching everyone just, 'I'll buy the next round of drinks,' and I just couldn't. They all knew and they were fine with it, but it was hard. (Postgraduate student focus group)”

### **12.2.3. Students who could not afford to socialise**

Despite their best efforts to carefully monitor their spending, there was a group of students at all study levels who report that they could not afford to take part in the wider student experience. They spoke of not being able to meet classmates for coffees or for lunch when they were at college or university, not being able to meet friends of an evening, and being unable to join clubs and societies due to the fees attached. Instead, students spoke of having to make up excuses not to go, for example, working in the library over lunch to avoid being asked if they want to go to the canteen.

“Yeah, I mean I don’t really socialise because I can’t afford to. I can’t afford to go out to pubs. When everyone is like we’ll go for breakfast, or we’ll go for a meal, I can’t afford to do that. So I’ll make up excuses not to go. I think between that and even stuff as simple as like when I’m in the office, people will say we’re going to have



breakfast, I can't do that either. (Full-time undergraduate estranged student carer)"

Students who could not afford to participate in social activities noted the detrimental impact on their mental health. They spoke of the isolation they experienced as a result of not being able to see friends outside of studying or paid work and of having to closely monitor and limit their spending.

"I'm not able to go out and socialise. I think that also has an impact on mental health and things. It can be quite isolating especially when you see everybody else at uni going out every week and doing stuff and then you have to stay at home because you really can't afford to go out...Yeah, it's definitely had an impact on getting that full university student experience. (Full-time undergraduate student)"

Some students faced more challenges in terms of being able to access the wider student experience than others. For care experienced and estranged students, they faced additional barriers in terms of being able to meet and socialise with their peers, on top of the financial barrier of not receiving parental financial support. In some circumstances, these students also experienced an emotional barrier to socialising, as they did not feel their peers understood what it was like not to have a supportive family or to have grown up experiencing financial hardship. Others noted how some aspects of socialising could bring back memories of trauma, or expressed the shame they felt at having to rely on financial support from others.

"I think because the background that I came from is - when you grow up and you're very conscious of money, you feel very lonely. You don't want to go out. Sometimes the impact - I know, for myself, the impact of going out at night clubbing with the music - and it's very crowded - it brings back trauma and memories from when I was in care. I think it's really affected my loneliness and my ability to just go out and meet people because I don't really know how to do that. It just happens. Yes, I think it does take quite a negative impact on your mental health. (Care experienced student focus group)"

"It's Christmas coming up so my class is like, 'Let's go for a college night out,' and I'm just sitting thinking, do I have enough for that? My friends were like, 'It's okay. I'll pay for you,' but I don't want to be seen as charity. Sometimes I feel like that's all I'm seen for because I don't have what they have. I don't have the support they have. I don't have the financials that they can support themselves with and the people that they surround themselves with that support them as well. It's really hard to think, 'do they only see me as charity? Do I have enough to support myself to do that? Why can't I be in the same situation as them?' It's constantly playing on my mind. (Estranged student focus group)"

Student parents and carers who took part in the qualitative research had little or no spare time to socialise or participate in activities or hobbies as part of wider student

life. This was usually because any time that they were not studying or working they had parenting or caring responsibilities.

More generally, having to undertake a large amount of hours in paid work to be able to cover their living costs also impacted on students' ability to socialise. For the most part those who were in paid work felt that they had the financial means to socialise but, depending on their working hours and other commitments, sometimes did not have time or energy left to do so.

“Socialising? I didn't really have much of a social life, being at college and then straight to work. The only people I speak to is the work colleagues. Aye, that's really about it. (Estranged student focus group)”

Among the students, in the qualitative research, who referred to clubs and societies as part of their universities or college, the fees for these were seen as too expensive and acted as a barrier to student engagement. A student noted how the costs of joining clubs and societies could mean only the most affluent were able to participate.

“I'd wanted to join societies but even that costs [...] if you want to join any of the sports clubs you have to pay first off, a monthly fee [...] So yeah £21 a month to them and then on top of that you also have to pay to the society each semester [...] Some of them are like £200 a semester they have to pay to be in the society. Yeah, it is a lot of money. I choose not to do these things because I know I can't afford it and that is a bit unfair, it's almost like a class divide in a way. You see these other students that can afford it and they don't have to work and can afford everything and some of them don't even have to take a student loan or anything, you know, if their parents are able to provide for them. And then there are other students who are worse off than me that are getting the maximum loan and still having to work on top of that. (Full-time undergraduate student)”

# 13. Impact of finances on physical and mental health and wellbeing

In addition to asking students to identify the impact that financial difficulties had on them (including on worry and stress), the survey also explored the extent to which financial difficulties had affected students mental health and wellbeing. Students were asked in the survey the extent to which financial difficulties had affected their mental health and wellbeing, with answer categories 'a great deal', 'a fair amount', 'a little', 'not at all' and 'not applicable – I have not experienced financial difficulties while studying'.

## 13.2. Key findings

- Although between 10% and 16% of the four student groups said they had not experienced financial difficulties whilst studying, around a half to three-fifths reported that financial difficulties during their studies had affected their mental health and wellbeing either 'a great deal' or 'a fair amount' (46% of HN/undergraduate and postgraduate students, 54% of FE students, and 60% of students from under-represented groups).
- FE, HN/undergraduate and students from under-represented groups who were female were more likely than their male peers to report that financial difficulties had affected their mental health and wellbeing either 'a great deal' or 'a fair amount'. FE, HN/undergraduate and students from under-represented groups who lived in the 20% most deprived areas were also more likely than those who lived in other areas to report that financial difficulties had affected their mental health and wellbeing either 'a great deal' or 'a fair amount'.
- The qualitative findings show how being financially stable or comfortable (often as a result of financial support from family) had a positive impact on student's mental health.
- However, for students who could not afford basic essentials, financial stress was considerable and impacted on academic achievement, ability to socialise and their overall mental health.

## 13.3. FE students

Around half (54%) of FE students reported that financial difficulties during their studies had affected their mental health and wellbeing either 'a great deal' or 'a fair amount'.

Certain groups were more likely to report that financial difficulties affected their mental health and wellbeing. Female FE students (60%), those aged 25 and over (61%) and those with no parental experience of HE (62%) were more likely than male FE students (38%), those aged 16 to 19 (47%) and those with parental experience of HE (45%) to report that their mental health and wellbeing had been affected 'a great deal' or 'a fair amount'.

Two-thirds (66%) of those living independently (renting or with a mortgage) said that financial difficulties had affected their mental health, compared with 41% of those living with their parents. Similarly, there was a statistically significant difference between FE students from the most and least deprived areas, with 64% of those from the 20% most deprived areas reporting that financial difficulties had affected their mental health 'a great deal' or 'a fair amount' compared with 49% of those from the 80% least deprived areas.

### **13.4. HN/undergraduate students**

Overall, nearly half (46%) of HN/undergraduate students reported that financial difficulties had affected their mental health and wellbeing 'a great deal' or 'a fair amount'. This did not differ by full-time or part-time status.

The characteristics of HN/undergraduate students who reported that financial difficulties had affected their mental health and wellbeing were generally similar to those of FE students.

The findings showed that those students who were more likely to report that financial difficulties had affected their mental health and wellbeing 'a great deal' or 'a fair amount' were:

- female students (48%, compared with 41% of male students)
- those aged 20 and over (49% of those aged 20 to 24 and 54% of those aged over 25 compared with 34% of those aged 16 to 19).
- those with parents who had no higher education experience (53% compared with 40% of those whose parents had higher education experience).

Additionally, HN/undergraduate students from the 20% most deprived areas (62%) were more likely to report that facing financial difficulties had affected their mental health and wellbeing 'a great deal' or 'a fair amount' than those living in the 80% least deprived areas (42%). There were also differences by accommodation type, with students who were living independently (renting or with a mortgage) more likely than those living with their parents (50% and 36%, respectively) to report that facing financial difficulties had affected their mental health and wellbeing 'a great deal' or 'a fair amount'.

### **13.5. Postgraduate students**

Around half (45%) of postgraduate students reported that financial difficulties during their studies had affected their mental health and wellbeing 'a great deal' or 'a fair amount'.

Unlike FE and HN/undergraduate students, the proportion of postgraduate students who reported that financial difficulties affected their mental health and wellbeing 'a great deal' or 'a fair amount' was not significantly different by sex, age, whether the students' parents had experience of higher education, accommodation type, or area deprivation.

## **13.6. Students from under-represented groups**

A higher proportion of students from under-represented groups compared with either FE, HN/undergraduate or postgraduate students reported that their financial experiences had impacted on their mental health. Around 3 in 5 (60%) students from under-represented groups reported that financial difficulties had affected their mental health and wellbeing either 'a great deal' or 'a fair amount', with females (62%) more likely to report this than males (53%).

Around two-thirds (67%) of students whose parents had no HE experience reported that financial difficulties had affected their mental health and wellbeing 'a great deal' or 'a fair amount', compared with around half (53%) of students whose parents did have HE experience. Those living independently (renting or with a mortgage) were more likely than those living with their parents to report financial difficulties had affected their mental health and wellbeing 'a great deal' or 'a fair amount' (64% and 49%, respectively). A higher proportion of students from the 20% most deprived areas (71%) reported that financial difficulties had affected their mental health and wellbeing 'a great deal' or 'a fair amount' than those from the 80% least deprived areas (56%). There were no statistically significant differences reported between different age groups.

## **13.7. How financial circumstances impacted on physical and mental health and wellbeing**

It is clear from both the survey and qualitative findings that students' financial circumstances affected their physical and mental health and wellbeing, both positively and negatively. The qualitative findings provide some insight into how student's physical and mental wellbeing was impacted by financial circumstances.

### **13.7.1. Positive impact of finances on students**

There were students who participated in an interview or focus group whose mental health was positively impacted by their financial circumstances. This was because they felt financially stable or comfortable. For some, this meant that they had enough money to cover their basic expenses such as accommodation, food and utilities, which relieved financial worry and stress. For others, financial stability meant having not only enough money to cover basic expenses, but also enough money to save and/or take part in activities that promoted their physical and mental health such as exercise, social activities and, on occasion, holidays. For some students this was facilitated by regular financial contributions or support from family such as a parent or partner, often in addition to other sources of income. For others, this was by support from their college or university, for example, the provision of free gym membership, which had a positive impact on both physical and mental health.

"It's definitely very valuable to not have to stress about finances whilst studying because, yeah, studying is a fairly stressful thing on its own anyway. So to have to worry about where you're going to get the money for rent that would be quite a lot so, yeah, thankfully, I

haven't had to worry about that. So I haven't had any problems with stress or mental health due to finances. (Full-time undergraduate student)"

"I actually didn't apply for that one [gym membership]; the university just gave it to me, which was pretty incredible. I'd say that as well was a huge relief because I didn't think that it would be such a big thing until I came to the university and I realised health and well-being is such a huge part of being a student. You need to keep track of these things; otherwise your entire, like, existence falls apart, falls to pieces. Yes, that was incredibly helpful. (Part-time HNC/HND student)"

Receiving regular financial support had a perceived positive impact on some students' mental health. For example, there were students who received enough money through scholarships, UKRI PhD stipends, bursaries or family contributions which meant that they did not need to work while studying to financially support themselves. This had a positive impact on students' mental health because they could focus on studying and had more time for socialising or with their family.

"[Financial support from parents] I'd say it makes it a lot easier. It's never a concern I have. It helps all aspects of it. I can buy paper copies of things and that's fine. I can go out with friends and have a good time, and I don't have to sort of be like, oh, maybe I should drop out of this one, I've got to save for dinner. Just the fact that I don't have to worry about rent or utilities or anything, it's like a massive worry that I don't have. (Full-time undergraduate student)"

Having sufficient income to cover expenses and not work was also beneficial for disabled students and students with long-term conditions as it lessened physical and mental strain. Disabled HE students, who were eligible, reported that their mental and physical health were also supported by receiving Disabled Students' Allowance funding for equipment, software and other forms of support in their studies.

"Do you know what that [DSA] was really good because some of the specialist stuff is much more expensive [...] being able to have the equipment to be able to sit in my bed and do some work...again without it impacting on how I'm holding the computer or whatever has been great. [...] the stuff that I got from the [DSA]; I wouldn't have been able to pay for some of that. I wouldn't have been able to justify it. [...] I'd have probably been in absolute agony still going through the course. (Part-time postgraduate (Masters) student carer)"

For some students, the government or institutional support they received was sufficient so that they did not need to rely on receiving or borrowing money from family. This had a positive impact on students' mental wellbeing because they felt more independent and it relieved any guilt from asking for money from family. This

was most pronounced for students from low income families (as illustrated in the following section).

### **13.7.2. Negative impact of finances**

In the same way that having enough money to pay for expenses had a positive impact on students' physical and mental health and wellbeing, not having enough money was reported to impact negatively on health.

Students from all levels of education stated that they worried about having enough money to pay for essentials such as food, utility bills and accommodation costs. While some students only worried about money occasionally, for example when there were unexpected expenses, for others financial stress was constant. There were FE and postgraduate students who worried about being able to pay their tuition fees and were anxious about being forced off their course if they could not afford them. Feeling stressed about money was reported to impact on academic achievement and overall mental health, especially during more intense periods of study.

“Oh it [unexpected payments] sends me into a great stress and my mental health goes crazy and I start panicking. [...] If I'm worrying about money, I'm just super, super stressed and I can't really think about anything apart from (A) trying to sort it out the money or (B) trying to get around not having any money and it kind of takes my attention away from everything else. (Full-time FE care experienced student parent)”

“So it had a really bad impact on my mental health. I have bad spouts of anxiety sometimes, so I was having quite intense panic attacks about money, and then also subsequently quite intense panic attacks about my workload. I'm obviously fortunate that my mum offered to help with that, but if she hadn't, then I would have been in a bit more of a bad mental state. (Full-time postgraduate (Masters) student)”

To ensure they had enough money to pay for essentials, some students worked while they studied (see Chapter 6). While this relieved financial worry and stress, balancing work and study could have other mental and physical health impacts. Students stated that working while studying could make them feel mentally and physically drained. This was further exacerbated for students with caring responsibilities. For some, being mentally and physical exhausted also impacted on their academic achievement, which in turn had a detrimental impact on their mental health.

“To be honest, I'm exhausted. I prefer to focus on my study and have more time for me, but if I don't work, that money won't be enough for us to live. [...] it's not easy to combine study and work because sometimes I am so tired and I couldn't focus. Still, I can manage because I passed most of the things in first block, which is good and I am satisfied. (Full-time FE student parent)”

“It’s impacting on my grades a bit, not substantially because I’m really trying my hardest but then at the same time because I’m trying my hardest, I’m trying to balance everything, it does also affect the mental health aspect. You’re just drained because you finish work and then you’re having to come in and study at the end of the day when you’re already exhausted. [...] I think it’s just the aspect of mental health and then how it affects your grades and you’ve got less time to study and things like that. (Full-time undergraduate student)”

As outlined in Chapter 8, there were students who had to borrow money from family or friends to pay their bills. This was thought to have a negative impact on their mental health as they felt guilty having to borrow money and could feel anxious about their ability to pay it back. Not all students were able to borrow money from friends and so they built up debt through different types of commercial credit which had further negative impacts on their mental health.

“I’d say it’s [debt] probably my biggest worry at the moment. It’s one of those things that keeps you up at night. I definitely didn’t think I’d be in this position. They always tell you, they’ll say, ‘Oh, it sneaks up on you,’ with debt and things like that, but you never think you’re going to be the person to fall into all this credit card debt and things like that. They warn you for a reason. (Full-time postgraduate (Masters) student)”

Furthermore, it was common for students in the qualitative research to say that they did not have money for social activities and socialising, which led to some students feeling isolated and lonely. Some students were unable to afford to travel to visit their family or partners as often as they would like, all of which had a negative impact on their mental wellbeing.

“It’s not just the social life, but I’ve not seen my family since August, and my family are only like a half-an-hour drive away. I see my mum every so often but the rest of my family are out towards [city], so it’s that as well, you know? You don’t even get your family to see you or help or anything like that, so it’s very hard, especially when you were very, very close to your family as well. (Student parent focus group)”

Students with pre-existing physical and mental health conditions said that being stressed about money could trigger these pre-existing conditions, causing their physical and mental health to deteriorate. This, in turn, led some students to miss classes, resulting in further anxiety about studying. For some students in receipt of FE bursaries or EMA, missing classes resulted in reduced payments or the removal of their bursary completely as a penalty, pushing them further into financial difficulties.

“Say if you’re off for a singular day, it’ll basically dock a week off your bursary. I think it isn’t all that fair because obviously I had a doctor’s appointment and I wasn’t feeling well that day, and then I woke up that day with a migraine. But I still tried to work remotely, obviously. I



was just trying to get the college work done so I think, say if they could put down as absent but engaging or working remotely, it would be great because it would make a lot more sense than just docking an entire week off if it's a valid reason. (Full-time FE student)”

Students without familial financial support thought that their financial anxiety was heightened because they did not have a safety net to fall back on. This included estranged students, students from low-income households and some care experienced students. These students relied on income from the government, their institution and paid work to support themselves. Students who relied on the income from bursaries and loans talked about the stress and anxiety they experienced applying, and waiting to hear if they were successful. Estranged students shared that they found it emotionally draining being required to reapply for discretionary funding every year, despite their circumstances remaining unchanged. Restating and providing evidence of their estrangement negatively impacted on their mental health.

“I think part of where it [finances] would stress me out the most and have me the most worked up, is just applying for the [discretionary] funding every summer because it's... Even though I know I've been lucky enough to have it every year, it's just the worry of, 'What am I gonnae do if I don't get this?' So, it is a lot of worry and stress and does keep me up, because when I'm stressed I don't sleep properly. So, it's quite a few sleepless nights until it's - until I get the yes, which then impacts everything else. (Full-time undergraduate estranged student)”

“Money is on my mind. [...] Regardless of what I save or whether, logically speaking, I'm in a comfortable spot or not, it always feels tight. It always feels like the moment something goes wrong or an emergency happens, I'm going to be completely f\*\*\*\*\*. [...] being an estranged student, I think financial worries impact me more than they impact, in general, people who are not estranged students. Simply because [...] there is no safety net of people who are supposed to unconditionally be there. They aren't there. So we have not got that net. (Estranged student focus group)”

It is important to note that even students who were coping financially were not immune from feeling stressed and anxious about money. Rising costs of food, utilities, accommodation and petrol resulted in students feeling anxious about their ongoing financial stability. Students who relied on working while studying to meet their expenses were concerned about how they would balance working and studying as they progress into their final years of an undergraduate or postgraduate course in which academic burdens are greater. Students coming to the end of their studies were also anxious about finding a job in what they perceived to be a difficult job market.

# 14. Changes to study arrangements and leaving course

## 14.1. Key findings

- Approximately a third or more of FE, HN/undergraduate, postgraduate and students from under-represented groups had considered leaving their course. This was highest for students from under-represented groups at 44%.
- Younger HN/undergraduate students were more likely than older HN/undergraduate students to have considered 'leaving their college/university to study a similar course at a different college or university' (22% of those aged 16 to 19 compared with 15% of those aged 25 or over).
- The most frequently reported reasons by all four student groups for considering dropping out of a course was difficulty balancing paid work and study and not having enough money to survive on through student loan and/or bursary. Deferring because of physical or mental illness was another common reason for all groups except postgraduates. In the qualitative research, some students had already experienced interruptions to their study, with others reporting that their finances had played a role in causing them to consider dropping out of or pausing their studies.
- A key finding was that 'Pausing a course and resuming it the next year' was the most frequently considered change to study arrangements for FE, HN/undergraduate and postgraduate students and students from under-represented groups.

## 14.2. Changes to study arrangements

All students were asked "Have you considered making any of the following changes to your study arrangements?" Students were given the following list of seven responses to choose from and were asked to select all that applied to them: 'pausing your course and resuming it next year'; 'leaving your college/university to study a similar course at a different college/university'; 'moving back to your non-term time address and commuting to college/university from there'; 'switching from full-time to part-time or vice-versa'; 'changing course type from classroom based to remote learning'; 'other'; and 'none of the above'.

The findings for FE, HN/undergraduate, postgraduate and students from under-represented groups are outlined in more detail below.

### 14.2.1. FE students

Among FE students, the most frequently considered change to their study arrangements was 'pausing your course and resuming it next year', chosen by around 4 in 10 students (42%). The second most frequently reported change considered by FE students was 'changing course type from classroom based to remote learning', chosen by around 3 in 10 students (29%). Similar proportions of FE students had thought about 'leaving their college/university to study a similar

course at a different college/university' (24%) and 'switching from full-time to part-time study or vice versa' (22%) (Table 14.1).

Due to small base sizes in the study sample we cannot report robustly on significant variations by different student subgroups.

**Table 14.1** – Specific changes FE students have considered making to their study arrangements

| <b>Response</b>  | <b>Total (%)</b> |
|--|------------------|
| Pausing course and resuming next year  | 42               |
| Changing course type from classroom based to remote learning                                 | 29               |
| Leaving their college/university to study a similar course at a different college/university | 24               |
| Switching from full-time to part-time or vice-versa  | 22               |
| Other change   | 12               |
| Moving back to non-term time address and commuting to college/university from there          | 8                |
| <i>Unweighted base</i>   | 65               |

### 14.2.2. HN/undergraduate students

As with FE students, 'pausing your course and resuming it next year' was the most frequently considered change to study arrangements among HN/undergraduate students with over 3 in 5 choosing this option (65%).

The next most frequently considered changes to study arrangements were only chosen by around 1 in 5 HN/undergraduate students and were:

- 'Leaving your college/university to study a similar course at a different college/university' (19%)
- 'Moving back to your non-term time address and commuting to college/university from there' (15%)
- 'Switching from full-time to part-time study or vice versa' (22%).

Around one in 12 (8%) had thought about 'changing course type from classroom-based to remote learning'.

Considering changes to study arrangements varied significantly by age with younger students more likely than older students to have considered 'leaving their college/university to study a similar course at a different college or university' and 'moving back to a non-term time address and commuting to study'. For example, 22% of HN/undergraduate students aged 16 to 19 had considered 'leaving their

college/university to study a similar course at a different college or university' compared with 15% of those aged 25 or over.

There were only two changes to study arrangements that varied by part-time or full-time status. Part-time students (29%) were more likely than full-time students (19%) to have considered 'switching from full-time to part-time study or vice versa'<sup>89</sup>, whereas full-time students (20%) were more likely to have considered 'moving back to a non-term time address and commuting to study' compared with part-time students (1%).

Those HN/undergraduate students who were living independently (renting or with a mortgage) were more likely than those living with their parents to report that they had considered pausing their course and resuming it next year (62% and 51%, respectively). There was no significant difference by area deprivation or sex.

### **14.2.3. Postgraduate students**

As with FE and HN/undergraduate students, 'pausing a course and resuming it next year' was the most frequently considered change to study arrangements among postgraduate students (59%). Around a third (31%) had thought about switching from full-time to part-time study or vice versa. A relatively low proportion of postgraduate students (17%) had considered returning to a non-term time address. Only 11% of postgraduate students had thought about leaving their institution to study a similar course elsewhere, and fewer than 1 in 10 (8%) had considered changing from classroom based to remote learning.

For postgraduates, male students (21%) were significantly more likely than female students (7%) to have considered leaving their institution to study a similar course elsewhere.

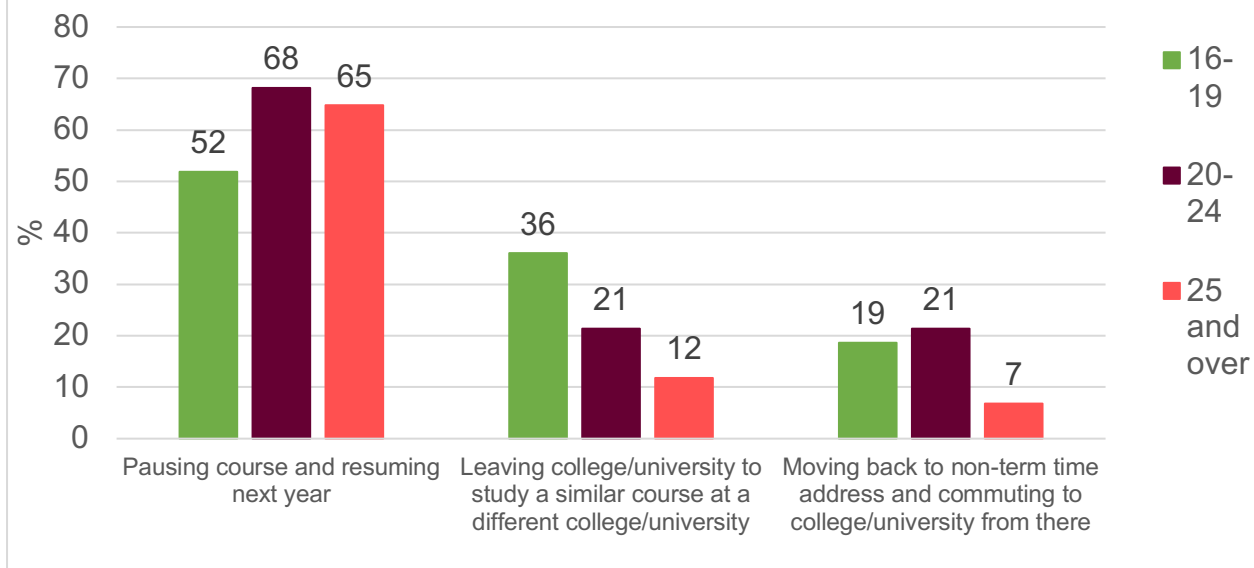
There was no significant difference by age, accommodation type, or area deprivation.

### **14.2.4. Students from under-represented groups**

As with students across the three study levels, pausing a course and resuming it the next year was the most frequently considered change to study arrangements among students from under-represented groups (63%). A quarter of students had considered switching from full-time to part-time study (or vice versa), with a quarter (25%) having considered leaving their institution to study a similar course elsewhere. Only around 13% of students from under-represented groups had considered moving back to a non-term time address and commuting, or switching from classroom based to remote learning.

Overall, considering changes to study arrangements did not vary significantly by sex, with one exception. Female students from under-represented groups (15%) were more likely than male students (5%) to have considered changing from classroom based to remote learning.

**Figure 14.1: Key variations by age group in specific changes students from under-represented age groups have considered making to their study arrangements**



Considering changes to study arrangements did vary significantly by age for some of the option choices in this question, but there was no consistent pattern. For example, students aged 25 or over (65%) were more likely than those aged 16 to 19 (52%) to have considered pausing their course and resuming it next year. Conversely, those aged 16 to 19 (36%) were more likely than those aged 25 or over (12%) to have considered leaving their institution to study a similar course at a different institution and to have considered moving back to their non-term time address and commuting (19% and 7%, respectively) (Figure 14.1). There was no clear pattern observed by differences in accommodation type and no significant differences by parental experience of HE or area deprivation.

## 14.2. Leaving university or college course

All students were asked, 'Have you ever considered leaving your course, with answer options 'yes' and 'no' and, if they responded 'yes', they were then asked their reasons for this. Students were given a list of 14 reasons to choose from and could select multiple responses. These options were:

- difficulty balancing paid work and studies
- not having enough money to survive on through student loan or bursary
- worry over student loan debt
- worry over commercial debt like credit cards, overdrafts, etc.
- being made homeless
- not able to do my course through online learning
- limited social activities
- defer because of physical or mental illness
- university/college life is not what I expected

- course was not what I expected
- responsibilities outside of studies, e.g. caring for someone
- lack of support available from university/college
- other
- none of the above.

The findings for FE, HN/undergraduate, postgraduate and students from under-represented groups are outlined below.

### **14.2.1. FE students**

Around one-third (30%) of FE students stated that they had considered leaving their course, with female students more likely (33%) than males (22%) to have thought about this.<sup>90</sup> Younger FE students (aged 16 to 19, 30%) and older FE students (aged 25 or over, 34%) were more likely to have considered leaving their course than those aged 20 to 24 (13%).

Among FE students who had reported facing financial difficulties, 45% had considered leaving their course compared with 6% of students who had not reported facing financial difficulties.

### **Reasons students considered dropping out**

Of those who had considered leaving their course, the most frequently reported reason for considering dropping out of an FE course was 'not having enough money to survive on through student loan or bursary' which was reported by almost half of all FE students (47%).

The next most frequently reported reasons were to 'defer studies due to a physical or mental illness' reported by a third of FE students (33%), 'difficulty balancing paid work and studies' and having 'responsibilities outside of studies (e.g. caring for someone)' reported by around 3 in 10 students (29% and 28% respectively) (Table 14.2).

**Table 14.2 – Reasons FE students have considered dropping out of their current course**

| <b>Response</b>   | <b>Total (%)</b> |
|---|------------------|
| Not having enough money to survive on through student loan or bursary | 47               |
| Defer because of physical or mental illness                           | 33               |
| Difficulty balancing paid work and studies                            | 29               |
| Responsibilities outside of studies, e.g. caring for someone          | 28               |
| Worry over commercial debt like credit cards, overdraft etc.          | 16               |
| Lack of support available from college/university                     | 16               |
| Being made homeless   | 14               |
| Course was not what they expected                                     | 14               |
| Other reason  | 14               |
| Not able to do their course through online learning                   | 10               |
| Limited social activities   | 10               |
| University/college life is not what they expected                     | 10               |
| <i>Unweighted base</i>  | 106              |

Overall, reasons for considering dropping out of a course did not vary by age or accommodation type, with a few exceptions. For example, FE students aged 25 or over (37%) and those living independently (39%) were more likely to consider dropping out of their course because of ‘difficulty balancing paid work and studies’ compared with those aged 16 to 19 (16%) and those living with their parents (15%). Over half (56%) of those living independently (renting or with a mortgage) reported ‘not having enough money to survive on through student loan or bursary’ compared with a third (33%) of those living with their parents. Conversely, those living with their parents (20%) were more likely than those living independently (renting or with a mortgage) (3%) to report that ‘college life is not what I expected’.

Generally, the reasons for considering dropping out of a course did not vary by area deprivation and due to a small base size for males, differences by sex cannot be reported robustly.

#### **14.2.2. HN/undergraduate students**

Compared with FE students, a higher proportion of HN/undergraduate students (40%) stated that they had considered leaving their course. Around half (51%) of HN/undergraduate students who reported facing financial difficulties had also considered leaving their course, compared with a quarter (25%) of those who had not faced financial difficulties.

Female HN/undergraduate students (41%) and students aged 20 to 24 (44%) and 25 or over (42%) were more likely than males (33%) and those aged 16 to 19 (32%) to have thought about dropping out. HN/undergraduate students from the 20% most deprived areas (45%) were also more likely to have considered leaving their course than those from the 80% least deprived areas (38%), as were those living independently (41%) compared with those living with their parents (35%).

There was no difference reported between the proportion of part-time and full-time HN/undergraduate students considering leaving their course.

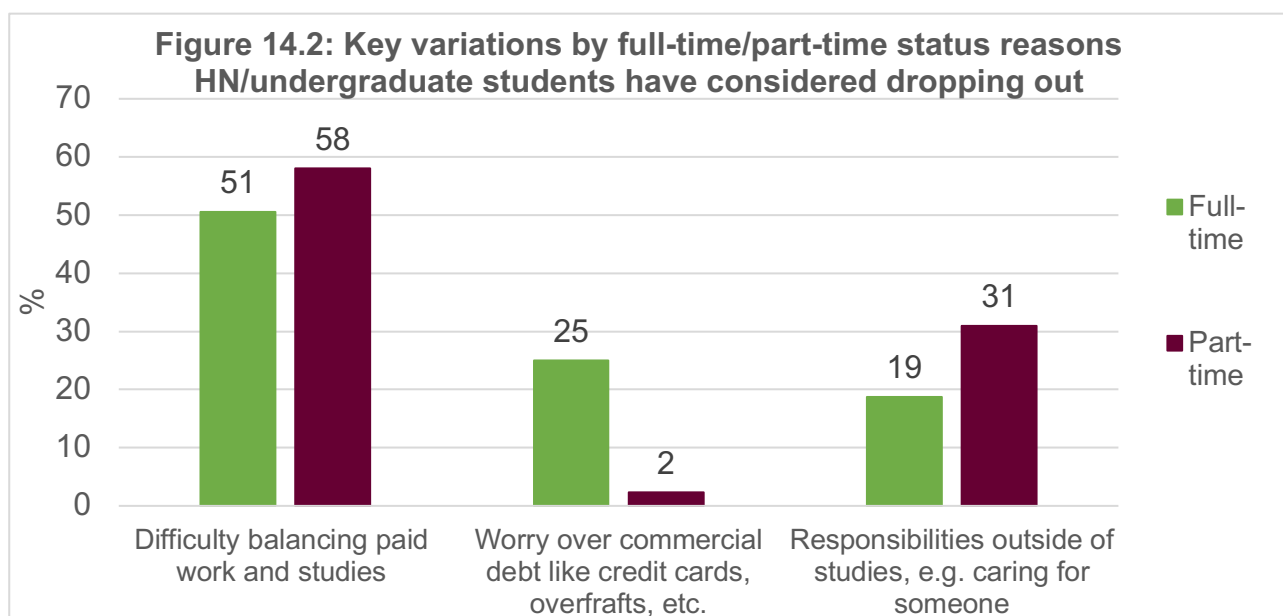
### Reasons students considered dropping out

Over half (52%) of HN/undergraduate students who had considered leaving their course reported difficulty balancing paid work and study as a reason. Not having enough money to survive on through a student loan or bursary (41%), and deferring because of physical and mental health difficulties (38%) were also among the most frequently reported reasons for considering leaving their course.

Around 1 in 5 HN/undergraduate students had considered leaving their course due to:

- University/college life or their course not being what they had expected (both 23%), limited social activities (20%), or a lack of support from their university/college (18%)
- Worry over student loan debt and worry over commercial debt (both 21%)
- Responsibilities outside of their studies, e.g. caring for someone (21%).

Overall, female HN/undergraduates were more likely than males to consider leaving their course for a variety of reasons, with one exception. A higher proportion of female students (54%) than male students (44%) said that difficulty balancing paid work and study had led them to consider leaving their course. Furthermore, female students (24%) were more likely than male students (12%) to have considered leaving their course because of worry over commercial debt such as credit cards or





overdrafts. Female students were also significantly more likely to have considered leaving their course due to responsibilities outside of their studies, e.g. caring for someone (23% of female compared with 15% of male students) (Figure 14.2). Conversely, male HN/undergraduates were more likely to consider leaving their course due to being made homeless (11%) than female HN/undergraduates (5%).

Considering leaving a course varied significantly by age for the majority of reasons listed, however there was no clear pattern. For example, HN/undergraduate students aged 16 to 19 (24%) were more likely than students aged 25 and over (13%) to have considered leaving their course due to a lack of support available from the university or college, and were more likely to say that 'university/college life is not what I expected' (37% compared with 11% of students aged 25 and over) and that the 'course was not what I expected' (35% and 11%, respectively).

Conversely, HN/undergraduate students aged 25 and over were more likely than those aged 16 to 19 to have considered leaving their course due to 'not having enough money to survive on through student loan or bursary' (49%), having responsibilities outside of their studies, e.g. caring for someone (36%), or worry over commercial debt (34%) than students aged 16 to 19 (32%, 9% and 7% respectively).

Reasons for considering leaving a course also varied significantly by part-time or full-time status for a number of the reasons listed. However, again there was no clear pattern to these differences. For example, part-time HN/undergraduates were more likely to have considered leaving their course due to worry over commercial debt (36%) and responsibilities outside of their studies, e.g. caring for someone (31%) than full-time HN/undergraduates (18% and 19% respectively). Conversely, full-time HN/undergraduates were more likely than part-time students to have considered leaving their course for the following reasons:

- Not having enough money to survive on through student loan or bursary (full-time 46%; part-time 20%)
- Worry over student loan debt (full-time 25%; part-time 2%)
- Limited social activities (full-time 22%; part-time 10%)
- University/college life is not what I expected (full-time 27%; part-time 4%)
- Course was not what I expected (full-time 26%; part-time 10%)
- Lack of support available from university/college (full-time 19%; part-time 12%).

A number of reasons for considering leaving a course varied significantly by parental experience of HE. Those whose parents had no HE experience were more likely than those whose parents had HE experience to report difficulty balancing paid work and studies, not having enough money to survive, worry over commercial debt and responsibilities outside of studies as reasons for considering leaving their course. For example, around half (51%) of students whose parents had no HE experience said not having enough money to survive as a reason compared with around a third (32%) of those whose parent had HE experience.

There were differences between those living independently (renting or with a mortgage) and those living with their parents in the reasons given for considering leaving a course, but the pattern was not consistent. Those living independently (renting or with a mortgage) were more likely to say that they had considered leaving their course due to not having enough money to survive on through student loan or bursary (45%), worry over student loan debt (24%), worry over commercial debt (24%), and that they had responsibilities outside of studies (25%) compared with those living with their parents (30%, 16%, 11% and 12%, respectively). Conversely, those living with their parents were more likely to say that university/college life was not what they expected (34%) compared with those living independently (20%).

Overall, reasons for considering leaving a course did not vary significantly by area deprivation, with a few exceptions. HN/undergraduate students from the 20% most deprived areas were more likely to consider leaving a course because of responsibilities outside of their studies such as caring for someone (33%), worry over commercial debt (29%) and being made homeless (12%) than HN/undergraduates from the 80% least deprived areas (19%, 20% and 5% respectively).

### **14.2.3. Postgraduate students**

More than one-third (37%) of postgraduate students reported having considered leaving their course. Postgraduate students aged 25 and over and those living independently (renting or with a mortgage) (both, 39%) were more likely than those aged 20 to 24 and those living with their parents to have considered leaving their course (26% and 21%, respectively).

As with HN/undergraduate students around half (49%) of postgraduate students who reported facing financial difficulties while studying had considered leaving their course, compared with a quarter (25%) of those who had not.

### **Reasons students considered leaving a course**

Like HN/undergraduates, among postgraduate students the most frequently reported reasons for considering leaving a course were financial reasons: difficulty balancing paid work and study (61%), and not having enough money to survive on through student loan or bursary (45%). Worry over commercial debt (28%) or student loan debt (22%) were less frequently reported.

Nearly 2 in 5 postgraduate students (39%) reported that deferring due to health reasons had made them consider leaving their course, and a quarter of postgraduate students (25%) reported responsibilities outside their studies as a reason e.g. 'caring for someone'.

Among postgraduate students, the most frequently reported course or institution-related reasons which led them to considering leaving a course were:

- Limited social activities (24%)
- Lack of support from university/college (22%)
- Course not as expected (18%)
- Not able to study through online learning (16%).

Compared with HN/undergraduate students, a very low proportion (4%) of postgraduates gave university or college life not being as expected as a reason for considering leaving their course. The same proportion (4%) of postgraduate students gave being made homeless as a reason for considering leaving their course.

Base sizes for sex, age, area deprivation and accommodation type are too low to report on robustly. There were only two reasons for considering leaving their course that varied significantly by parental HE experience. Postgraduates with no parental HE experience were more likely to have considered leaving their course due to not having enough money to survive on through student loan or bursary (57%) than those with parental HE experience (37%). Conversely, postgraduate with parental HE experience were more likely to leave their course because the course was not what they expected (28%) than those with no parental HE experience (10%).

#### **14.2.4. Students from under-represented groups**

Among all the student groups, students from under-represented groups had the highest proportion (44%) reporting that they had considered leaving their course. Students whose parents had no HE experience (50%) and those living independently (46%) were more likely to have considered leaving their course than those whose parents had experienced HE (40%) and those living with their parents (38%).

As for HN/undergraduate and postgraduate students, around half (54%) of students from under-represented groups who reported facing financial difficulties while studying had considered leaving their course, compared with around a quarter (24%) of those who had not faced financial difficulties.

#### **Reasons students considered dropping out**

Similar to HN/undergraduates and postgraduate students, students from under-represented groups most frequently reported difficulties in balancing paid work and study (50%) and not having enough money to survive on through student loan or bursary (50%) as reasons for considering leaving their course (Table 14.3). A similarly high proportion of students from under-represented groups cited deferring because of a physical or mental illness (47%) as a reason. Around one-third (30%) of students from under-represented groups had thought about leaving their course because of responsibilities outside of their studies, e.g. caring for someone, and a quarter (25%) had thought about leaving a course because of worry over

commercial debt. Fewer than 1 in 5 (17%) reported considering dropping out because of worry over student loan debt.

Proportions of students from under-represented groups reporting course or institution-related reasons for thinking of leaving a course were broadly similar, ranging from around one-fifth (19%) who considered leaving their course because of limited social activities or a lack of support from their university or college, to 16% that their course was not meeting their expectations, because they could not study online, with 15% reporting that university or college life had not met their expectations.

**Table 14.3** – Reasons students from under-represented groups have considered dropping out

| <b>Response</b>   | <b>Total (%)</b> |
|---|------------------|
| Not having enough money to survive on through student loan or bursary | 50               |
| Difficulty balancing paid work and studies                            | 50               |
| Defer because of physical or mental illness                           | 47               |
| Responsibilities outside of studies, e.g. caring for someone          | 30               |
| Lack of support available from college/university                     | 19               |
| Limited social activities   | 19               |
| Worry over commercial debt like credit cards, overdraft etc.          | 17               |
| Course was not what they expected                                     | 16               |
| Not able to do their course through online learning                   | 15               |
| University/college life is not what they expected                     | 15               |
| Being made homeless   | 10               |
| Other reason  | 9                |
| <i>Unweighted base</i>  | <i>603</i>       |

Reasons for considering leaving their course varied significantly by age for the majority of the reasons listed, however, there was no clear pattern by age. For example, students aged 25 and over were more likely to consider leaving their course due to not having enough money to survive on through student loan or bursary (54%), responsibilities outside of studies, such as caring for someone (38%) and worry over commercial credit (33%) than those aged 16 to 19 (39%, 24% and 7% respectively). Conversely, students from under-represented groups aged 16 to 19 were more likely to consider leaving their course due to a lack of support available from college or university (29%) or because university life (32%)

or their course (29%) was not what they expected, than those aged 25 and over (14%, 6% and 10% respectively).

There were differences by accommodation type although the pattern was not consistent. For example, around half (55%) of students from under-represented groups living independently (renting or with a mortgage) reported that they had considered leaving their course due to difficulty balancing paid work and studies and not having enough money to survive on through student loan or bursary (55%) compared with those living with their parents (both, 33%). Around 3 in 10 (29%) of those living independently (renting or with a mortgage) said worry over commercial debt had led them to consider leaving their course, compared with 12% who lived with their parents. In contrast, those living with their parents were more likely to say that they had considered deferring due to physical or mental illness (59%), had considered leaving due to university/college life was not what they had expected (29%), or the course was not what they expected (26%) compared with those living independently (45%, 11%, and 14%, respectively).

Overall, reasons for considering leaving their course did not vary significantly by parental HE experience, with a couple of exceptions. Students from under-represented groups whose parents had no HE experience (55%) were more likely to have reported not having enough money to survive on as a reason for considering leaving their course than those with parents with HE experience (42%). Conversely, 55% of those whose parents had HE experience said they had considered deferring due to physical or mental illness, compared with 43% of those whose parents had no HE experience.

Reasons for considering leaving their course did not vary significantly by sex or area deprivation.

### **14.3. Student experiences of considering leaving their course**

In the qualitative research, students discussed the extent to which they had considered dropping out of their current course. Some students had already experienced interruptions to their study, with others reporting that their finances had played a role in causing them to consider dropping out or pausing their studies. Those who had previously been in full-time work before undertaking their current course spoke of the shock of moving from a full-time wage to a student income. This led some to consider suspending their studies to improve their financial situation by returning to full-time employment.

“I have considered suspending study so that I could actually go and work full time to kind of get myself back in a more stable financial situation. [...] Several of my friends have done it. One of them has taken a consecutive - a year-and-a-half out to earn enough because they didn't earn enough to cover the fees, never mind funding everyday expenses. (Postgraduate student focus group)”

“I did think about it close to the start of the course having gone down from full-time...working full-time to you know...at the time I'd then

gone from being unemployed to being a student full-time and it was a fair drop in what I was used to and I wasn't expecting it to be quite so, 'oh no, I have to budget a lot more'. Also, I think because I gave up my full-time job to come back to college, I was sort of determined to stick it out. So I was like well I've left a good experience for this so ...I've got to make it work. (FE student focus group)"

Students also spoke of their reasons for not dropping out. Partly, this was down to determination to finish the course. It was also said that the influence of friends and family had convinced them not to drop out by helping them see ways they could manage to complete the course. For example, an estranged student had considered dropping out after not being able to earn from paid work due to course requirements to undertake a work placement. They instead transferred to another course without a work placement attached.

"It's an unfunded placement, but you were expected to work full time and just like, 'How am I meant to do a full-time degree and do this placement that is full time and work as well on the side?' So, that's when I changed to [a different course] because there wasn't any placement requirement, but during that time I considered dropping out and then trying to work out what I would do instead. Then I spoke to my friend's parents and they gave me some parental advice of, 'Absolutely do not drop out of uni.' (Full-time undergraduate estranged student)"

Students also discussed the possibility of potentially having to consider dropping out in the future, as a result of a lack of suitable paid work opportunities. A postgraduate student in this situation reflected that while they sometimes considered dropping out, the fact that they had taken on a student loan deterred them from doing so.

"I think it has had a really severe impact on me as a student. There's been a lot of times where I've just considered dropping out, but then I know I've already accrued the loan and the costs associated, so it doesn't make sense to drop out, but there's definitely been times where I wish I could just stop it all and go back to full-time, get back on my feet and then go back to study. I feel like I've come so far now, so I just want to get it done, but it's affected my mental health, and I think that's also played a part in maybe going into uni. Maybe there are different things I could have done. Maybe I could have worked more, I don't know, but I think when you're in that kind of stressed mindset, you're not necessarily thinking logically. (Full-time postgraduate (Masters) student)"

Aside from financial problems, a range of other issues also influenced students' thoughts of dropping out. These included a lack of institutional support, mental health issues, the impact of learning disabilities, low grades, online learning, and the impact of factors relating to being care experienced, estranged from their parents/ guardians, carers or parents.

### **14.3.1. Routes through previous FE and HE study**

The qualitative research also explored students' routes through education prior to enrolling on their current course. Students' responses illustrated the complex routes some had taken. While many younger students had taken 'traditional' routes entering college or university from sixth year of high school, others, particularly those who were estranged, care experienced, student parents, carers, and students aged 25 and over, had taken longer routes, moving in and out of education, sometimes over many years. Some had articulated from HNC and HND courses at college into second and third year university degree programmes. Others had undertaken several college or university courses, sometimes over a considerable period of time, before settling on their current course. Whilst finances were said to impact on current considerations of drop out, when students reflected on having dropped out of previous courses, other factors played a bigger role. These included mental health issues, neurodivergent diagnoses, the difficulty of processing trauma caused by experiences of care or family estrangement, not being in the right frame of mind at the time, and feeling unsupported by their institution. The impact of COVID-19 restrictions which took college and university learning online was also cited.

"I [...] left high school in third year, went on to being a stupid child doing stupid stuff. Anyway, started working cash in hand [...]. Then I wanted to get something under my belt, an apprenticeship or something. Tried to go to college. Was too young and dumb to stick at it. Then I finally went back and stuck at this, hopefully. (Estranged student focus group)"

# 15. Adequacy of student support

The survey asked all students 'Do you think that the financial support that is available to you as a student is sufficient?' with the answer options 'yes' or 'no'. Students were also asked 'If additional support was available to you in the form of a loan, how concerned would you be about taking out a loan?', with answer options 'very concerned', 'fairly concerned', 'not very concerned', 'not at all concerned'. This second question asked students to consider loan support over and above what they were already entitled to. The interviews and focus groups explored student views on adequacy of student financial support.

## 15.1. Key findings

- FE students were the most likely to report that the financial support available to them was sufficient (52%), compared with fewer than half of HN/undergraduate students (45%), postgraduate students (40%) and students from under-represented groups (41%) who said the financial support was sufficient.
- HN/undergraduate, postgraduate and under-represented students who were male, were more likely to consider funding to be sufficient than their female peers. There was no difference by sex for FE students.
- HN/undergraduate and postgraduate students from the 80% most deprived areas were more likely to consider funding to be sufficient than those from the 20% most deprived areas. There was no difference by area deprivation for FE and under-represented students.
- HN/undergraduate and students from under-represented groups aged 16 to 19 were more likely to consider funding to be sufficient than those aged 20 and over. There was no difference by age for FE and postgraduate students.
- Sixty-five percent of both FE and HN/undergraduate students, and 70% of postgraduate students and students from under-represented groups reported that they would be 'very' or 'fairly concerned' about taking out a loan as an additional form of student support, over and above any student loans they were already eligible for.
- Students in the qualitative research expressed varying opinions as to whether their government funded education-related income was adequate to cover their student living costs.
- Some students in receipt of the maximum level of bursaries (including FEB, CESB and PNMSB) were struggling to make ends meet and were having to supplement their income with paid work.
- The combined funding offered by the Independent Student Bursary, Young Student Bursary or Estranged Student Bursary in combination with a student loan, was often viewed as lacking, especially by those who received little or no financial contributions from their parents.
- Estranged students expressed concern at the levels of student loan debt they faced in order to study.



- Among Masters students, the fact that the tuition fee loan does not always cover the full fee charged by the university was said to impact on students' abilities to undertake postgraduate study and have implications for students from under-represented groups.
- Managing finances during holidays was a particular challenge for students from the most financially vulnerable backgrounds who did not receive financial support from their parents and relied on funding from their college, university or SAAS.

A more detailed account of perceptions of student support is outlined below.

## **15.2. FE students**

Around half (52%) of FE students thought that the financial support available was sufficient. Around three-fifths (62%) of those living with their parents felt the financial support available was sufficient, compared with just over two-fifths (44%) of those living independently (renting or with a mortgage).

There were no statistically significant differences by sex, age, area deprivation or accommodation type.

### **15.2.1. Concern about taking out a student loan as an additional form of support**

Around two-thirds (65%) of FE students reported that they would feel 'very' or 'fairly concerned' about taking out a loan as an additional form of student support over and above any loan they were already entitled to. There were no significant differences by sex, age, accommodation type, or area deprivation in levels of concern about taking out a loan as additional support to study.

## **15.3. HN/undergraduate students**

Just under half (46%) of HN/undergraduate students thought that the student financial support available was sufficient. HN/undergraduate students who were more likely to report that the available financial support was sufficient were (Figure 15.1):

- Male students (51% compared with female students, 43%)
- Part-time students (52% compared with full-time students, 44%)
- Students aged 16 to 19 (55% compared with those aged 25 or over, 40%)
- Students from the 80% least deprived areas (48% compared with student from the 20% most deprived areas, 36%)

### **15.3.1. Concern about taking out a student loan as an additional form of support**

As with FE students, around two-thirds (65%) of HN/undergraduate students stated that they would feel 'very' or 'fairly concerned' about taking out a loan as an additional form of student support over and above any loan they were already

eligible for. Levels of concern were higher among female students (67%) than among their male peers (60%), and higher among students from the 20% most deprived areas (74%) compared with those from the 80% least deprived areas (63%).

There were no significant differences by age, or accommodation type.

## **15.4. Postgraduate students**

Postgraduate students (40%) were the least likely to report that the available student finance was sufficient, with students from the 80% least deprived areas more likely than those from the 20% most deprived areas to consider student finance to be sufficient (43% compared with 21%). There were no significant differences by sex, age, or accommodation type.

### **15.4.1. Concern about taking out a student loan as an additional form of support**

Among postgraduate students, 70% felt 'very' or 'fairly concerned' about taking out a loan as an additional form of student support over and above any loan they were already entitled to. There were no significant differences by sex, age, accommodation type or area deprivation.

## **15.5. Students from under-represented groups**

As with postgraduate students, a relatively low proportion students from under-represented groups (41%) reported that the student finance available to them was sufficient. Male students (47%) were more likely than female students (39%) to think funding was sufficient. As with HN/undergraduate students, younger students from under-represented groups were more likely to consider funding to be sufficient: around half (51%) of those aged 16 to 19 compared with 42% of students aged 20 to 24 and 37% of those aged 25 or over.

Around half (53%) of those living with their parents considered student finance to be sufficient compared with 38% of those living independently (renting or with a mortgage). There were no significant differences by area deprivation in the proportion of students from under-represented groups who thought that the student finance available was sufficient.

### **15.5.1. Concern about taking out a student loan as an additional form of support**

As with postgraduate students, 70% of students from under-represented groups felt 'very' or 'fairly concerned' about taking out a loan as additional financial support over and above any loan they were already eligible for. There were no statistically significant differences by any of the subgroups explored for this report.

## **15.6. Student experiences of the adequacy of student funding**

Students who participated in an interview or focus group had varying opinions on whether their government funded education-related income was adequate to cover their student living costs. Students' views as to their preferred ratio of loans to bursary were also mixed.

### **15.6.1. Adequacy of student support for students in receipt of full bursaries**

Some students were receiving higher amounts of non-repayable education-related income than others based on their eligibility for the financial support available. This was the case for those on maximum levels of the Further Education Bursary (FEB) (some of whom were also having their accommodation costs paid by their college), and for those in receipt of FE/HE Care Experienced Student Bursary (CESB) and Paramedic, Nursing and Midwifery Student Bursary (PNMSB) with bursaries of £9,000 and £10,000 per annum respectively. However, students in receipt of these higher bursaries nonetheless said they were struggling to make ends meet and were having to supplement their income with other sources such as paid work and scholarships. Few of those on bursaries were receiving regular financial support from their families.

“I’m on the maximum you can get at least for our college because I’m classed as a mature student and I’m not with my parents and earn my own money and that sort of thing and it has been tough at times which is why I had to go and get a job and have some extra income but it does take away time from studying which is a bit of a nightmare. (FE student focus group)”

“The way I budget the money is it's £200 a week, which is actually not a lot to live off. Food prices have went up. Gas and electricity has went up. I don't know if anyone else has kids but me personally, I have a child so there's a lot more expense there. I don't really treat myself to luxury stuff or anything because I'm very focused on what needs to be paid for and I'm still left short by [chuckles] the end of the month, really. (Care experienced student focus group)”

Student nurses, paramedics and midwives receive some of the highest levels of non-repayable education-related income via the PNMSB. However, student nurses who took part in both the focus groups and the interviews argued that the bursary was insufficient to cover their needs. This was partly related to the fact that some were also parents, and they highlighted the additional costs associated with this and the need to also work part-time.

“It's not a substantial amount to live properly. It's very much on the breadline of being poor, especially considering that we've got three children here. [...] Yes, it's really, really hard and me and my husband are certainly seeing a massive difference now. (Student parent focus group)”

### **15.6.2. FE students**

A key theme discussed by FE students was the interaction between Universal Credit and FEB top-ups, that is the provision of £28 per week rate for FE students who are in receipt of Universal Credit. FE students outlined their understanding that the amount of FEB top-up received from their college stayed the same regardless of the amount of Universal Credit they received. As some said they were receiving small amounts of Universal Credit, the bursary top up was not considered enough to live off. In response, a couple of students said they chose to decline Universal Credit so as to maximise their income from FEB.

“Actually, from Universal Credit - my partner works normal [hours]. He got normal salary but because of his salary, we didn't get nothing. For example, £30 or £50 per month Universal Credit, which is not help [to] us at all. So I then, after one year, just decided I wanted to speak to college about this. [...] They just say, 'This is the rules. That's all.' So I said, 'Okay, I will stop my Universal Credit and just apply only for bursary accommodation.' [It] is different amount, which I needed, actually. I just stopped my Universal Credit and just applied for funding from college. (Full-time FE student parent)”

### **15.6.3. Student parents**

Student parents said it was difficult to cover all the costs associated with raising a family with the education-related income they received. Parents participating in the study argued that the funding available to parents is not enough, given the higher costs they face. Both single parents and those from dual-parent households highlighted the impact of factors, such as: increased mortgage costs, childcare fees, school uniforms, school dinner payments, and recreation. Some FE and HE student parents spoke critically of what they viewed as a perceived unfairness in education-related income, whereby student parents are entitled to similar funding as those without the same responsibilities or costs.

“Adults with responsibilities and kids and rent and mortgages and cars and everything under the sun to pay. We're treated exactly the same as the 18-year-old that still lives at home with mum and dad and doesn't actually have any bills, you know? Sometimes they won't even have to pay digs, what we always had to pay, and I don't see how they can say that we can live on the same as what they can live on. (Student parent focus group)”

### **15.6.4. Combined funding from loans and bursaries for HN/undergraduate students**

Among students who received the Independent Student Bursary, Young Student Bursary or Estranged Student Bursary in combination with a loan (often referred to by students as their “SAAS”), the combined funding was also often viewed as lacking. This was particularly the case for those who received little or no financial contributions from their parents, and had to rely on alternative sources of income

such as paid work and scholarships. Students who were able to draw upon large, regular, financial contributions from their parents found it easier to cover their costs with the income they received from their student loan. Students from middle to lower income households whose parents could not afford to provide regular financial support also found it more challenging.

“If I didn't have my [...] scholarship, this year would be hell, you can imagine, without - with just SAAS. I know people who didn't get scholarships who have been really struggling with their SAAS payments just because they only have SAAS. So, they have been working every other moment that they can, so personally I think I'm doing fine but if I wasn't in the situation that I am, I would struggle. (Full-time undergraduate student)”

“I think for lower income families, it's not quite enough. [...] I think £8,000 or even £9,000 is cutting it quite close if there's no support from a family, if they can't afford that. I think for me, £5,000 is absolutely fine. Most of my friends that I know who are from good income families, they don't worry about it too much. (Full-time undergraduate student)”

### **15.6.5. Mature students aged 25 and over**

Mature students studying at all qualification levels highlighted the stark difference between their levels of income before they returned to study, and their income as a student. The difficulty of making the transition from having a full-time wage to relying on bursaries and student loans was raised by several mature students and student parents who had returned to study later in life.

“I was a stay-at-home mum and then I managed to get into a [job] in the next county. Then I had to leave the job because obviously it was during COVID, so there was less opportunity available for me, so that's why I decided to give a complete 160 in my career choice. That was pretty much it, very daunting and it's taken quite a substantial hit financially from, obviously, a full-time job to now losing over £900 in a month - just for myself- so yes, it's been quite hard. (Student parent focus group)”

### **15.6.6. Part-time students**

Part-time HE students who participated in the qualitative research were in highly varied financial situations. Most were mature students who funded their studies through paid work, either full-time or part-hours hours. While some earned sufficient funds from their work to feel comfortable financially in their studies, others noted the lack of government-funded education-related income for part-time students, and argued more support via student loans and/or bursaries should be made available to students enrolled on part-time courses.

### 15.6.7. Postgraduate students

Among postgraduate students who took part in the qualitative interviews and focus groups, similar concerns were raised in relation to the perceived inadequacy of government-funded financial support. Students (postgraduate diploma and Masters) noted that the postgraduate tuition fee loan (£7,000 per academic year in 2023 to 2024 and £5,500 in 2022 to 2023) does not always cover the full fee charged by the university, leaving students with the responsibility to cover the remainder. This was said to impact on students' abilities to undertake postgraduate study and have major implications for under-represented groups.

“I know a lot of friends from undergrad that really wanted to do a Masters programme, and couldn't afford the excess that SAAS doesn't cover. [...] For example, one of the Masters programmes at our university is £19,000 and the SAAS loan only covers £5,000 of that, so you would owe the rest out of your own pocket. That deters a full social class of people from accessing postgraduate study. (Postgraduate student focus group)”

There was a view among postgraduate students that the financial challenges they faced were greater than those they had experienced when studying at undergraduate level. Postgraduates noted that the living cost loan they received as Masters students was lower than that received as undergraduates, leaving a gap between their funding and their costs, which had to be filled with paid work or applications for discretionary funding to the university where they were studying. At the same time, students felt that their costs as postgraduate students are higher. This was partly as a result of rising housing costs and the cost of parenting, but also due to a view that postgraduate study is more demanding, requiring greater hours of study, which impacts on the ability to take on additional paid work.

“The postgraduate, the only money you can get through SAAS [Masters living cost loan] is about £4,500 for the entire year, which is barely enough to make ends meet. So, I also had to have a job on top of that. I had to apply for the discretionary fund I think about four times during my Masters, which ended up with... I think they basically ended up paying back the money that I had given them from my savings, for my tuition fees. (Full-time postgraduate (PhD) student)”

“When I was doing my undergraduate, I had a lot more availability and a lot more time to work, because the course was just less demanding, and I was also of an age where I was still living at my parents' house. I still had the ability to move back in with them without it being too much of a jolt to my system. [...] I've never actually had to do - well, I don't have to, it's a choice - but I've never done this level of academic work before. I haven't left the house for about two weeks [chuckles], because I've just been doing essay after essay after essay, trying to make sure it was really good. Given that you're paying a bit more, and a lot more weighted on your future, a Masters degree, I would think that there would be slightly

more funding, just to make it a bit easier for you, because it is harder, at least compared to undergrad. (Full-time postgraduate (Masters) student)”

#### **15.6.8. Distribution of student loan debt**

Some students in the qualitative research also discussed the distribution of student loan debt, whereby those with higher levels of financial need – for example, from lower income households or estranged from their parents – were said to accrue the highest levels of debt. A student described this as ‘unfair’, arguing that bursaries should be used more than loans to ensure a more even distribution of debt among all students.

“I think the bursary...I think what’s a bit unfair with SAAS is the less income your family has the bigger the loan it is. I think that’s...because then it gets more poorer working class students in bigger debt. I think it should be the same amount of loan as anybody else but a larger bursary to balance it out. The bursary you don’t have to pay back and I think it’s kind of unfair for poorer students that they have to pay back so much more because I know people that earn even less than me and their loan is substantially bigger and that’s just getting them into even more debt you know. [...] that’s the last thing you want, is somebody who’s come from a working class family to end up in a huge amount of student debt. I know you don’t have to pay it back straightaway but you’ve still got that student debt you know. (Full-time undergraduate student)”

#### **15.6.9. Estranged students**

This view was echoed by estranged students, who highlighted the impact on their finances from not being able to rely on the financial support of their parents, legal guardians or carers. Estranged students suggested that they would graduate with considerable student loan debt. While appreciating the combined bursary and loan support, it was recognised by students that the loan made up a bigger proportion of their funding, and that there may be benefits to increasing the bursary and reducing the loan for estranged students.

“I am on the loan and bursary. I’m lucky to be but I think, as I said earlier, there is more to pay back at the end of it. [...] As great as it is that we have the support during this, I think what would be good for folks in the position of estrangement or anything else would be to know or to have support for maybe even just the summer after graduation - or however many months after - so that we can support ourselves and get into a position where we can pay those loans back. Otherwise we’re just sat with a tonne of debt and possibly not even a roof over our heads. (Estranged student focus group)”

“So, I think when it comes to estranged students and applying for the funding, I think it’s almost like - they’re not asking you to prove it, but I think all of the funding is geared around, the applications are

mostly geared around people who would have parents that would support them. [...] It maybe doesn't consider people who aren't from the more typical backgrounds as much. [...] It would maybe mean that I think rather than the loan being such a big chunk, if it was maybe reduced and the bursary was larger, I feel like that would consider somebody with a different experience more. Then we're not all gonna have this huge financial bit of debt at the end. (Full-time undergraduate estranged student)”

#### **15.6.10. The use of non-repayable bursaries as an incentive to recruitment**

Student nurses who participated in the qualitative research were appreciative of the full bursary, noting the benefits of graduating debt-free. However, it was also felt that the PNMSB was insufficient to cover the current costs of student nurses and to incentivise people to study as paramedics, nurses and midwives. Other students who were working in allied health professions not covered by the PNMSB, or those enrolled in teaching courses, questioned why similar debt-free bursaries were not extended as an incentive to train in professions where positions can be hard to fill.

“I would like it [the PNMSB] to be more. I think it's a difficult one to balance, because I think they want nurses, they need nurses to come up. It's not enough to live on, on its own. I think people struggle with it. (Full-time undergraduate student parent and carer)”

“There are a lot of 'sectors' of the economy, whatever that is, where people say, 'Oh, we really need X, Y and Z then, we really need nurses, we really need doctors, we really need teachers, we really need,' whatever it is. Yet it's not necessarily being addressed, it's not necessarily easy for people to get into these things or for them to - the realities to be helped or taken care of. It's the thing that I'm doing teaching because I really care about it and I think that it's an important thing to do and it's something that I think that I'm good at. But to then have this much debt and it not be incentivised to be taken care of in some way, then it's a bit demoralising, to say the least. (Full-time postgraduate (Masters) student)”

#### **15.6.11. Managing finances during holidays**

As part of the qualitative research, students were asked to reflect on their financial experiences during the holidays, and consider whether and how their finances changed outwith the academic year. Discussion of holidays also often came up spontaneously when students were responding to questions about managing their finances. The findings suggest that managing finances during holidays was a particular challenge for students from the most financially vulnerable backgrounds.

Students funded predominantly through their parents' financial contributions or through full-time employment (e.g. those who were enrolled on part-time courses), tended to report little difference in their financial experiences during the holidays. Students receiving regular financial payments from their parents tended to be able



to save enough to allow them to consider travel or internship opportunities in the summer months. Those who received funding via benefits noted that their finances changed little over the summer as benefit payments continued during this time.

However, students whose income was reliant on funding from their college or SAAS said they often encountered difficulties during the holidays. This was particularly the case during the summer vacation as a result of not being able to access bursaries and student loans at this time. Students reported a range of different approaches to compensate for the loss of their loan/bursary instalments in the summer, including selling possessions or returning home to live with their families, where that was possible for them. The most common approach was to seek paid work – either by extending the hours of an existing part-time job or by seeking a new position. However, students noted some of the challenges associated with this, explaining that it could be difficult to move from a part-time to a full-time contract, and that they were limited by the number of extra hours their employers were able to offer. This meant some students were unable to earn enough to cover all their costs and struggled to get by during the summer. Students who were carers faced additional challenges in finding paid work during the holidays as they had to be on hand to support family members as and when needed.

“The summer is the hardest definitely because there’s no SAAS or anything coming in over the summer. I know uni’s not on over the summer but even if I am picking up overtime at work and things, overtime is still limited you know. I can’t go to my manager and say I want you to give me X amount of hours so I can make X amount of money. It doesn’t work like that. I can only pick up what’s available in the shop. (Full-time undergraduate student)”

“When I was on SAAS it was really difficult because you had no other income coming in, well you had no income during the holidays, and if you went to like say the Citizens Advice Bureau they would turnaround and say, ‘yeah, you have to go and get a job because we can’t offer any support’. [...] I couldn’t go and get a job as they suggested, because 90% of my time...well during the holidays 99% of my time was spent with mum. (Full-time undergraduate estranged student carer)”

For student nurses and those studying allied health professions, mandatory university work placements were said to act as a barrier to finding paid work, given the difficulty of finding flexible employment alongside their work placement. Student parents who had work placements noted that the cost of covering childcare during the summer holidays was an additional burden.

“So, between July and September I’ll have absolutely no funding. Again, can’t really go out and work because I’ll be in placement. I’ll also still have classes that I need to attend during the summer holidays. I’ll also have kids off in the summer holidays. So, it’s not convenient for me to really kindae go into work because then I need

to go and look for a childminder to look after my kids. (Student parent focus group)”

More broadly, student parents on a wide range of courses, and at FE, HN/undergraduate and postgraduate level, reported how much harder it was to manage their finances during the holidays when their children were not in school. The cost of childcare, food bills, energy bills, paying for days out, and providing entertainment all meant student parents’ finances had to stretch further; as one student parent put it, it was ‘more of a pinch over the summer holidays’.

Among the students who took part in the qualitative research, estranged students were particularly badly affected by the lack of bursary and student loan summer instalments, with some anxious as to how they would cope financially during this time. This was confounded by worries about where they would live, with some estranged students experiencing difficulties finding accommodation due to not having a rent guarantor. More broadly, the lack of summer funding instalments placed significant pressure on estranged students to bring in income to ensure they could afford to pay for their accommodation. Students who succeeded in increasing their hours of paid work during the holidays reported that this could be physically and mentally exhausting. Estranged students suggested they had missed out on other opportunities their peers were able to access as a result of having to work long hours. They called for those in receipt of the estranged student bursary to be given summer instalments in order to provide estranged students with a safety net of funding to help them access the same opportunities as others during the summer holidays.

“I do think it'd be beneficial for - even if the estranged students bursary - we need that through the year, sure, but even if we got something through the summer because that's the period where we struggle the most. That's the period where - SAAS is such a big, fixed source of income through the academic year for those of us who use it. It takes away a hell of a lifeline when we don't have it in the summer. In my case - and presumably others' - it means we are working extra hours. We're not getting to take opportunities like internships or anything like that, that could actually get us these jobs after we've done our education because we have to work to live. So it puts us at a disadvantage on the playing field, the fact that we don't get financial support through the summer. (Estranged student focus group)”

Since the qualitative research was undertaken, the Scottish Government have announced that all students will have the option of receiving their bursaries and loans in 12 instalments rather than 10 so they can receive payments over the summer months. Some of the care experienced students participating in the qualitative research already received their CESB over the course of the whole year and talked of the benefits of receiving the bursary in this way. Care experienced students also highlighted the benefit of receiving the summer accommodation bursary from SAAS as it was one less expense they needed to worry about covering.

“Obviously, like other students, we don't get a loan during that month. I know now though, with the Care Experienced Bursary, I think you can split it into nine or 12 payments, which they didn't have when I received it. So that would have probably been a help. I also know that when I did receive the Care Experienced Bursary, SAAS covered my whole rent for the summer. That was a big help because obviously I've always had to work during the summers but not having to worry about the rent at that time was a huge help.  
(Care experienced student focus group)”

Finally, it should also be noted that students' challenges relating to the vacation time were not limited only to the summer holidays. The interviews and focus groups were undertaken close to Christmas, and the difficulty of additional spending pressures during this time was mentioned frequently by students who were struggling, for example, to pay for presents.

# **16. Students' views on suggested improvements to funding and support**

In the follow-up qualitative research with students, interview and focus group participants were asked how they felt students' financial experiences could be improved in the future. This section outlines the suggestions put forward by students by the key themes raised<sup>91</sup>.

## **16.1. Increase overall income for students**

The most commonly espoused improvement was to increase students' overall income. Students from all qualification levels and diverse backgrounds highlighted what they perceived as the inadequacy of government-funded education-related income (bursaries and/or student loans) in meeting the basic costs of currently being a student. Students suggested a range of ways that they felt could potentially improve the overall income of students in the future.

### **16.1.1. Increased government funding for students**

- There was a view among some HN/undergraduate and postgraduate students that bursaries should be increased, while the proportion of financial support provided by SAAS on behalf of the Scottish Government in the form of student loans should be reduced. This would help to alleviate financial anxiety associated with student loans for some students, especially estranged students who, in this study, were particularly concerned about student loan debt.
- In contrast, among some eligible students (full-time HN/undergraduate and Masters students), there was also a desire for student loans to be increased to allow students to cover essential living costs.
- Some students enrolled on qualifications currently ineligible for student loans such as FE students and those enrolled on part-time HN/undergraduate courses said they would like to be able to access student loans. It was felt that expanding student loan eligibility could have benefits for some groups of students in terms of reducing financial anxiety and/or reducing the need for paid work whilst studying. However, other FE and part-time students expressed worry at the thought of taking on student loans.
- Students suggested increasing non-repayable bursaries to make them equivalent to the Living Wage to increase students' income.
- Young students (aged under 25) whose parents could not afford to provide any financial support suggested that eligibility for income-based bursaries and student loans should be based on their own income, not that of their parents'.
- Students (including nurses and those enrolled on other allied health courses) whose courses involved mandatory work placements, which could limit the amount of paid work they could do, suggested that increased financial

support for students on work placements should be provided. This was particularly noted by the nursing students who took part in this study, but may also be relevant to other courses which required work placements.

Since undertaking the qualitative research with students, the Scottish Government has introduced a Special Support Loan for academic year 2024-2025. This will increase the overall package of support for some students through the provision of additional student loan funding. This will make the package of support available to care experienced and estranged students equivalent to the Living Wage of £11,400. However, it should be noted that this package of support is based on the provision of a student loan of £2,400, rather than non-repayable bursaries which was what many participants in this research called for, especially those who were estranged or care experienced. As this package was announced in the middle of the research, we were unable to explore students' views on this.

### **16.1.2. Introduce summer funding instalments**

Students across qualification levels and from a wide range of backgrounds called for the introduction of a summer bursary and the spread of student loan instalments for all students across the summer break. It was felt that this would reduce the financial hardships experienced by students, especially those who are estranged, during the summer months. From the 2024-2025 academic year, all eligible full-time HN/undergraduate students will have the option to choose whether to receive their funding payments from SAAS over term time or to spread these payments over the year (12 months). However, this offer was not in place at the time of the research, and students were not asked directly how they might feel about receiving the same income spread over a longer time period.

### **16.1.3. Increase access to social security benefits for students**

- Students at all levels suggested that eligibility to claim a wider range of social security benefits could be extended to include full-time HN/undergraduate students to increase their income. Less information was provided on whether this would be for all HE students or those students who may be eligible for benefits.
- FE students suggested improved communication on the relationship between Universal Credit and the FEB 'top up' provided by colleges. They felt that this could help to ensure students can access the maximum amount of funding they are eligible for.

### **16.1.4. Increased funding for scholarships**

- Students highlighted the positive role of scholarships and called for universities to make more scholarships available especially those which provided support with living costs.

## **16.2. Suggested improvements for specific groups of students**

Students from specific groups which receive targeted funding, and some who do not, also suggested a range of ways that their financial support and experiences could be improved in the future.

### **16.2.1. Postgraduate students**

Several suggestions for financial improvements for postgraduate students related to increased funding:

- Masters students from a range of backgrounds suggested that the tuition fee loans from SAAS should be increased to cover the majority of tuition fees, whilst at the same time increasing the living cost loan element to provide students with additional income to live.
- At PhD level, students suggested it would be useful if the availability of UKRI studentships was increased, particularly in the Arts and Humanities. Some PhD students also suggested that it would be helpful to introduce a PhD student loan.
- For both Masters and PhD study, students expressed the view that postgraduate funding, including UKRI stipends, should be increased, to reflect the increased academic demands of postgraduate study which can make it more challenging to undertake paid work whilst studying.
- Students also called for the introduction of some form of means-tested non-repayable bursary support to enhance equality and ensure those from the lower incomes are not deterred from postgraduate study.

### **16.2.2. Improved access to financial support for part-time students**

There was a view among some part-time students that information about, and communications on, the financial support available to part-time HN/undergraduate and postgraduate students is lacking. More information on fee waivers and the availability of any bursaries for part-time students was requested. Part-time students also highlighted the need for more financial support in the form of bursaries and loans.

### **16.2.3. Estranged students**

Estranged FE and HN/undergraduate students in this study faced considerable levels of financial hardship and stress. They identified several ways that their financial experiences could be further improved:

- They called for the estranged student bursary in HE to be increased. This would help to reduce estranged students' anxieties about student loans, reduce the amount of paid work needed to be undertaken and reduce their reliance on discretionary funding from their universities and colleges.
- They also called for the introduction of summer SAAS/FEB payments for estranged students to help tackle the challenge of funding summer accommodation. The ability for students to receive the support they are eligible for over 12 months, including over summer, has since been introduced but was not available when this research was conducted.
- Finally, estranged students called for improvements to discretionary funding in particular the evidence needed for applications. They noted that reducing the frequency with which they are asked to provide evidence and/or apply for

discretionary funds to their institutions would alleviate some of the stress they experience.

#### **16.2.4. Care experienced students**

Care experienced students highlighted the considerable positive impact of the CESB, while also pointing to elements of their support which could potentially be improved further:

- It was suggested the CESB should be increased, or additional support provided for care experienced students' accommodation costs (on top of the summer accommodation grant), to address the fact that the bursary was considered insufficient to meet all of their financial needs whilst studying. The Special Support Loan made available to care experienced students and others in 2024-2025 were announced after the research was undertaken and therefore, this study was unable to explore students' views of these. It should be noted, however, care experienced students were often highly debt averse and appreciated the support in the form of a full bursary with no student loan package.
- Care experienced students called for improvements to be made in terms of the information, advice and guidance on eligibility for funding and support provided to prospective students from care experienced backgrounds, particularly that provided by social workers to young people in their care. Some called for the introduction of advocacy workers to signpost care experienced students to potential funding. This would help to improve awareness of the full range of support available such as the care experienced summer accommodation grants.
- Care experienced students also suggested that the years of allocated funding provided by SAAS on behalf of the Scottish Government should be extended for care experienced students who may take longer to find the right course as a result of their circumstances.

#### **16.2.5. Student Carers**

It was also recognised that student carers face additional financial challenges compared to other students. To address this, some student carers suggested:

- Incomes, either via student loans or a dedicated bursary, should be increased for student carers, in light of the fact that they may be unable to undertake paid work as a result of caring responsibilities alongside their studies<sup>92</sup>.
- Distinct discretionary funding made available specifically for carers to ensure they do not have to compete with other students to access discretionary funding. Despite student carers being considered a priority group for accessing HE discretionary funds, student carers in this study highlighted the limited nature of discretionary funding.
- It was also proposed that attempts should be made to raise awareness of the lived experiences of student carers among college and university staff. More

information on the financial challenges facing carers was seen as valuable by students in improving understanding and awareness among lecturers and college and university staff.

#### **16.2.6. Student parents**

- Among student parents there was a desire for recognition of the higher costs associated with raising a family while studying. Student parents called for increased levels of funding to be allocated to help them to help them to support their families.
- There was also a desire for people's family responsibilities to be taken into account, where possible, when allocating financial support, in recognition of the higher costs they have to cover as parents with children.

### **16.3. Suggested improvements to raise awareness**

A key barrier to students being able to maximise the income they are eligible for from the government or from their college or university was a lack of awareness of what support is available and for whom. Students' suggestions on how the information available could be improved are outlined below.

#### **16.3.1. Improve information, advice and guidance for students on finance**

- A common suggestion was the need to improve financial information, advice and guidance for students provided by the Scottish Government, SAAS, secondary schools, colleges and universities. Their overall experience was that it was difficult to find clear information on these websites on what they were eligible for.
- Students also called for better and clearer communication, for example, from school teachers to prospective students as to how changes in interest rates may impact the total loan debt that has to be repaid.
- It was suggested that presentations at student inductions or regular email newsletters could help colleges and universities to raise students' awareness of the available bursaries, their value and eligibility criteria, for specific groups.

#### **16.3.2. Improve communication from SAAS, colleges and universities**

A lack of awareness amongst some students of the financial support available to them limited their access to funding that they may have been eligible for:

- Students said colleges, universities and SAAS could communicate better with students in receipt of a bursary/loan to ensure they understand the support they receive, their entitlements, payment schedule etc. to help them plan and manage their finances.
- When a student is refused a particular form of finance on the basis of eligibility, students wished to see more transparent appeal processes to help them better understand why their application was refused and on what grounds. This was particularly the case among estranged students (both FE



and HN/undergraduate), some of whom had been denied specific support after the evidence they had provided had been deemed insufficient.

### **16.3.3. Improve awareness of discretionary funding**

Both the survey and the qualitative research found that the support available from discretionary funds was not well known among students:

- Students called for institutions to better communicate discretionary funding. Some expressed concern that funds may be underpromoted due to limited funding and called for increased funding to be allocated to institutions, given the importance of the discretionary fund as an emergency means of financial support.

### **16.3.4. Budgeting and debt management support**

Students did not feel well equipped to manage their finances, especially those who were care experienced, estranged and/or carers.

- Students suggested additional support could be provided by colleges and universities to help students understand how, and potentially assist them, to manage their finances. They suggested induction classes on relevant financial topics to help them better understand the practicalities of budgeting and debt management (including on interest rates).

## **16.4. Suggested improvements on the administration of funding**

To counter some of the perceived barriers related to funding application processes and the administration of bursaries/loans, students made several suggestions that they felt would help:

### **16.4.1. Application processes**

- Offer support to assist students with finance applications (e.g. bursaries, student loans, discretionary funding) to help ensure these are correctly completed and reduce delays in receiving payments thereby minimising financial stress and hardship.
- Estranged students who complained about having to provide the same evidence of their estrangement each year they applied for discretionary funding, called for the frequency of having to provide the same proof to be reduced to alleviate financial anxiety and fears of instability in accommodation.

### **16.4.2. Administration of funding**

- Some HN/undergraduate students were supportive of increasing the frequency of student loan/bursary instalments to weekly or fortnightly instalments on the basis that they felt it could make it easier to manage finances. Others were supportive of providing current levels of support across 12 instalments rather than 10 to help students budget in the summer. As outlined above, this option has since been made available to all students in

2024-2025. However, we were unable to explore with students their views of receiving the support they were eligible for over a longer time period.

### **16.4.3. Attendance requirements for FE bursaries**

The reduction or removal of FEB or EMA payments experienced by some students in this study exacerbated the financial stress experienced by these vulnerable students (those who were estranged, had mental health issues or disabilities, parenting responsibilities, or those who could not afford to travel to college). SFC Student Support guidance for colleges states that any decisions relating to the reduction, or removal, of FEB should be based on student engagement, not student attendance<sup>93</sup>. In spite of this, students enrolled at a range of different colleges reported the experiences they shared with the study.

- Students called for colleges to be more understanding of students' individual circumstances and for these to be taken into account when assessing whether FEB or EMA should be reduced or removed.
- It was also suggested further training for college staff on how students' experiences may impact attendance could be helpful.

### **16.5. Suggested additional improvements on food, travel and accommodation**

Finally, students also suggested several other ways that their finances could be improved indirectly:

- Several colleges and universities attended by students in this study provide a small offer of free food (such as porridge or one type of soup) at specific times of the day or week to all. It was suggested that this was a key means of assisting students who may not be able to afford to buy lunch when they are on campus. Students called for more colleges and universities to provide a similar option where possible to help tackle student poverty.
- The benefits of the free bus travel policy for under-22s were also acknowledged by students participating in this study. It was felt that by expanding this to include students of all ages it would further impact on students' financial wellbeing, reducing the amounts that they have to use to fund their commutes to college and university.

Students also made suggestions that they felt could help to tackle the costs of student accommodation. These included improved access to student housing through the reduction of short-term let holiday properties in student towns, the building of more student housing to help relieve some of the cost pressures on students, and increased offers of free or reduced cost university-owned accommodation.

# 17. Conclusions and potential policy considerations

The Student Finance and Wellbeing Study consisted of a representative survey of 2429 students from 16 Scottish colleges and 16 Scottish universities, combined with follow-up qualitative interviews (n=27) and focus groups (n=23) with survey respondents.

The findings provide insight into the financial experiences of students across Scotland at FE, HN/undergraduate and postgraduate level, as well as exploring the experiences of both full-time and part-time students.

This section seeks to draw out some of the key findings from the survey and the qualitative research, as well as considering the possible implications for policy.

## Overarching findings

Overall, while the findings from the research show there were students who were reasonably comfortable financially, the data found the majority of students from all backgrounds were struggling financially. In the survey, half or more of students reported that they had experienced financial difficulty, ranging from 50% of postgraduates, 56% of HN/undergraduate to 61% of FE students. Two-thirds (66%) of students from under-represented groups reported that they were experiencing financial difficulties.

The financial difficulties experienced, and the resulting impacts, reported by students varied. In line with findings from other research, many were making behavioural changes to reduce their costs, such as shopping around or cutting back on social activities or holidays. Others were experiencing considerable levels of financial hardship. For example, 36% of FE students and 59% of postgraduate students said they used less fuel such as gas or electricity in their home, while 25% of postgraduates and 47% of FE students reported skipping meals. About one in six (15%) FE students and one in ten (11%) students from under-represented groups had accessed support from foodbanks as a result of their financial difficulties, which aligned with the findings of NUS Scotland's 2023 *Cost of Survival* report<sup>94</sup>. It should be noted that this is a higher percentage reporting access to foodbanks compared with the general population. The Trussell Trust found 3% of all individuals in the UK reported using a foodbank in the previous 12 months in 2022/23<sup>95</sup>. The qualitative research also showed that some students could not afford to heat their homes during winter or were skipping meals on the days when they were on campus as a result of not having enough income to cover all their costs. This echoes findings of other surveys with students<sup>96</sup> which outline a wide range of students' cost-cutting behaviours in response to the rapidly increasing cost of living.

While financial struggles affected students from a wide range of backgrounds, this was particularly stark among those who were not able to access financial support from others (e.g. parents, partners, family or employers). The qualitative interviews

and focus groups showed how estranged students, care experienced students and those from families whose parents could not afford to provide financial support tended to face additional financial challenges in meeting the cost of their basic needs whilst studying. The precarious financial positions of estranged and care experienced students has been highlighted in previous research with students from these backgrounds in Scotland<sup>97</sup>. Research undertaken for NUS Scotland<sup>98</sup> has similarly highlighted the challenges faced by students whose household incomes are such that they are not entitled to higher loans/bursary, but whose parents are either unable or unwilling to help support them financially. As the findings in this report illustrate, those who were able to draw upon regular financial support from parents, a partner or a full-time employer reported coping better financially. Students with additional costs, such as student parents experiencing childcare costs and those who had to fund the cost of their accommodation, experienced greater financial difficulties.

## **Student support**

Scotland's system of student support differs to the rest of the UK. Tuition is free for the majority of FE and HN/undergraduate students, with the Scottish Government funding tuition for eligible Scottish-domiciled students enrolled on courses in Scotland. FE and HN/undergraduate students who took part in the qualitative research spoke of their relief at having their fees paid. This research is unusual in that it has begun to explore through qualitative research the financial experiences of postgraduate students in Scotland – something which few studies have done to date. Among postgraduate students, paying fees could be a source of worry for some, in light of the fact that some Masters course fees were higher than the tuition fee loans available. Similarly, those paying HN/undergraduate and postgraduate fees shared that meeting the cost of their fees required careful budgeting and often paid employment.

Almost half (49%) of HN/undergraduates, 29% of those from under-represented groups, and 25% of postgraduates received income from student loans. In the qualitative research, eligible students tended to view student loans for living costs as a necessary part of being a student, with loans perceived as critical to cover living costs, particularly for those who had accommodation costs. However, student loans were also a source of worry, with students in both the survey and qualitative research expressing fear at the prospect of repaying their student loan debt. Similar findings can be found in other Scottish studies on attitudes to student loan debt, with students from both lower and higher income backgrounds displaying a reluctance to take out student loans<sup>99</sup>. This led some eligible students to decide not to take on living cost loans, instead relying on parental financial support (where available) and/or paid work. As found in other research<sup>100</sup>, estranged, care experienced and low income students were particularly worried about student loan debt. By contrast, as this report and the research outlined above show, some students who rely on regular financial contributions from their parents are able to reduce student loan debt or avoid it entirely.

In contrast to England, bursaries and grants continue to exist alongside student loans in Scotland, and a wide selection of bursaries are offered to students, based on their status (care experienced, estranged etc.), financial background or course of study. These were viewed positively by students in receipt of bursaries who highlighted the ways in which they had impacted on their experiences. The impacts were greatest for those funded entirely through bursaries (e.g. maximum FEB, CESB and PNMSB). Those receiving lower levels of non-repayable support (e.g. estranged students, and those receiving YSB and ISB) noted their greater reliance on student loans. At FE level, the reduction in, or in some cases removal of, FEB and EMA, due to attendance requirements, worsened the already precarious finances of vulnerable students. Some noted that they could not afford to travel to college. Others, including estranged students, highlighted mental health issues which prevented them from attending. This issue was raised in a previous Scottish Government study with estranged students<sup>101</sup>. However, more broadly, there remains a gap in the literature around the financial experiences of FE students.

In the survey, around half (52%) of FE students reported that the financial support available to them was sufficient, compared with less than half of HN/undergraduate (45%), postgraduate (40%) and under-represented group (41%) students. This meant that many students who participated in this study reported that the financial support available to them (via student loans for tuition fees and/or living costs, bursaries, grants, allowances etc.) was not sufficient. The qualitative research found that even amongst those students receiving the highest levels of non-repayable education-related income (including those receiving maximum bursaries via FEB, CESB and PNMSB) this was often deemed insufficient to cover their financial needs. Similar findings have been highlighted by recent NUS Scotland surveys of students<sup>102</sup>.

The Scottish Government has announced the provision of increased financial support for students from the start of the 2024-2025 academic year<sup>103</sup>. The new Special Support Loans will see total funding (including loans and bursaries combined) for HN/undergraduate rise by £2,400 to £11,400 for those students with a household income of less than £21,000. The Special Support Loan of £2,400 will also be provided in addition to the £9,000 Care Experienced Student Bursary, but will not apply to Paramedic, Nursing or Midwifery students (who access a separate student support package), part-time HN/undergraduates or FE students. For postgraduates, the uplift will raise the total package available for full-time students to £13,900 (comprising £7,000 tuition fee loan and £6,900 living cost loan).

The loan uplift means the funding for these students is in line with the Living Wage. However, the fact that so much of this funding is in the form of a student loan is likely to be a cause for concern among students. In the survey for this study, 65% of FE and HN/undergraduate students, and 70% of students from under-represented groups and postgraduate students were 'very' or 'fairly concerned' about taking out a loan as an additional form of student support, over and above any loan they were already entitled to. Estranged students who took part in the qualitative research noted the majority of their funding came from student loans and highlighted the additional stress associated with their repayment and the ways it

may impact on their future plans in terms of planning to enter employment rather than progress on to more advanced study.

## **Other approaches to boost income**

In an attempt to further boost their incomes, the majority of students undertook some form of paid work. Almost half (46%) of FE students were in some form of paid employment, compared with 76% of HN/undergraduates, 83% of postgraduates and 64% of students from under-represented groups. The most recent SIES research from England in 2021-2022 found that lower proportions of full-time HE students in England undertook paid work alongside their studies (58%)<sup>104</sup>. Data illustrating that Scottish students work more hours in paid work than their counterparts in the rest of the UK appear to be a long-standing feature, having been noted in the last SIES report for Scotland in 2007-2008<sup>105</sup>. In this research, paid work was viewed by students as being essential to fund living costs. However, some groups, such as student parents, disabled students and students who were carers, noted the challenges of combining paid work with their studies. The median number of hours worked in paid employment by FE students was 22 hours per week, and full-time HN/undergraduate students reported working for 16 hours per week. These are higher weekly totals than the recommended 10 to 15 hours of paid work per week recommended by Student Information Scotland<sup>106</sup>.

The findings also show that some students relied on discretionary funding to be able to get by. Around 1 in 10 (9%) of FE students had received discretionary funding during this academic year (5% for HN/undergraduates; 8% among students from under-represented groups and 4% among postgraduates). In the interviews and focus groups, students applied for discretionary funding to cover a range of costs including rent, tuition fees, travel to university or college, and other living costs whilst studying or during the summer break when loan and bursary instalments ceased. The survey and qualitative data also highlighted how awareness of the availability of discretionary funding varied, with some students stating that they had not heard of discretionary funding until they participated in the qualitative research, whilst others were accessing it. Elsewhere, students responding to the survey and the qualitative research pointed to the challenges associated with accessing discretionary funding including a lack of awareness, the complexity of the application process and the sometimes intrusive nature of evidence required. These findings add to those of previous Scottish Government research with estranged students<sup>107</sup> showing that students from a wide range of backgrounds experience challenges accessing discretionary funding.

The qualitative research found that in cases in which students were just about managing to fund their basic living essentials, an unexpected payment, such as that for a broken boiler or car maintenance, could lead some to have to turn to commercial credit. Others reported using commercial debt to fund essentials such as bills or furniture. Two fifths (41%) of postgraduates had taken out commercial credit, compared with 34% of students from under-represented groups, 28% of HN/undergraduate students and 21% of FE students. This compares with NUS Scotland's 2022 finding that 31% of students had accessed commercial credit<sup>108</sup>.

Some students who took part in the qualitative research reported using door-to-door lenders as well as more formal commercial credit and spoke of the challenges and stress associated with repaying high interest loans.

There were particular times of year when students were likely to face additional financial challenges and had to find other means to cover their costs. The summer months were viewed by many as a difficult period. This was particularly the case for estranged students, student parents, and those who were unable to rely on their family or partners for additional financial support when student funding payments ceased. As the research was conducted prior to the announcement that payment of student financial support for eligible HE students could be spread over the duration of the year rather than term time, it is not possible to know from this study how students felt about this option.

## **Student wellbeing and decision-making**

A key aim of this research was to explore the relationship between finances and students' overall wellbeing. The findings show student wellbeing is heavily linked to their financial circumstances. The most commonly reported impact of experiencing financial difficulties was the worry and stress it caused; this was the case for nine out of ten students. Fifty-nine per cent of students from under-represented groups, compared with between 45% and 52% of FE, HN/undergraduate and postgraduates, reported that financial difficulties had affected their mental health and wellbeing either 'a great deal' or 'a fair amount'. This compares with NUS Scotland student surveys which found that 69% of students indicated their mental health had suffered as a result of financial worries<sup>109</sup>, and the Student Money Survey<sup>110</sup> reported that 82% of students had concerns about making ends meet. Similarly, surveys of college and university students in Scotland by the Mental Health Foundation in partnership with Universities Scotland<sup>111</sup> and Colleges Scotland<sup>112</sup> found 74% of university students, and 64% of college students, reported low mental wellbeing. Three-quarters of college students who reported low mental wellbeing had experienced food insecurity or had a long-term health condition, and half had a disability.

Finance influenced students' decision-making about where and what to study, where to live while studying and whether to progress to a higher qualification level. Almost a third of HN/undergraduate students said the finance available had affected their decision as to which college or university to attend (29%) and whether to study at a nearby college or university (29%).

Worrying about money impacted on students' ability to engage in their studies, and to make the most of the opportunities associated with wider student life. Between half and two-thirds of all student groups reported that financial difficulties had affected their studies 'a great deal' or 'a fair amount'. Qualitative data illustrated the ways that financial concerns affected students' abilities to concentrate on their studies, their ability to travel to college or university, and the difficulty of balancing paid work, academic studies and socialising with others. Finances were also reported to play a role in students withdrawing from courses. More than two-fifths

(44%) of students from under-represented groups had considered leaving their course. This compares with lower proportions of FE (30%), HN/undergraduate (39%), postgraduate students (37%). The most frequently reported reasons by all student groups for considering dropping out were the difficulty of balancing paid work and study, not having enough money to survive on through student loans and/or bursaries and deferring because of physical or mental illness.

The study also explored the factors which can reduce students' financial struggles, or assist them should they occur. Not having student loan debt reduced the financial pressures experienced by students, as did increased financial support from non-repayable sources such as bursaries, scholarships, employers, parents, partners, etc. Living at home with parents (for those for whom that was possible) enabled students to reduce their costs, but this was balanced with increased commuting time to college or university for some.

## **Conclusions**

The findings from this study provide baseline data on college and university students' finances across all qualification levels in Scotland. This study adds to the limited published Scottish literature on students' finances; it is the first time such data has been collected since 2007-2008. The study also saw the expansion of data collected and included FE and postgraduate students. The qualitative interviews and focus groups with students provide insights into their financial experiences, including the factors which they reported make it easier or harder to meet their everyday financial needs.

The findings echo those of recent student surveys by NUS Scotland, which highlight the financial challenges experienced by Scottish FE, HE and postgraduate students; for example, in terms of food bank use, skipping meals and missing classes due to not being able to afford to travel.

The study found that while some students were managing financially and felt student support was sufficient, many perceived current student funding and support to be insufficient to meet their needs, particularly for those faced with accommodation costs. In a context in which most students in Scotland have their tuition fees paid by the Scottish Government, this study has found a significant proportion of students are still facing major financial difficulties that are affecting their study choices and behaviours. The findings point to the disproportionate effect of financial difficulties on students from particular groups, including FE students, estranged students, care experienced students, student carers, student parents, and disabled students. They also point to socioeconomic differences at all qualification levels, with students from the 20% most deprived areas often experiencing greater levels of need or financial difficulty, and consequently experiencing additional financial stress which impacted detrimentally on their mental wellbeing. Without additional, targeted funding there may be a risk that student inequalities could increase.



## Policy considerations

It is clear from the research that many students at all study levels are struggling to meet the cost of studying, and that many students consider government student funding on its own as not sufficient to cover these costs. These findings come at a time when public funding is under increasing pressure and scrutiny, and additional financial resource may not be available for student funding. Therefore, further consideration is needed to ensure the student support offering is fair and sustainable. For example, the Scottish Government could consider the balance between the provision of universal and targeted support.

There are suggestions in these findings that while the majority of students face financial challenges, there are those whose financial circumstances are particularly precarious, including those who are unable to rely on the support of others, those with caring responsibilities and those from low income backgrounds. Therefore, ongoing consideration should be given to how these groups can be further supported when studying. In recent years, support for specific student groups has been provided, and there has been an increase in university attendance amongst care experienced students and students from the 20% most deprived areas<sup>113</sup>. To ensure this progress continues, better targeted support of those groups in the most need, financially or otherwise, needs to be considered.

Another important consideration is the balance between repayable and non-repayable education related income. Loans for FE students could help improve the income of FE students, yet 65% of FE students are concerned about taking on student loan debt. Findings from this research, and other studies, show that those from the most vulnerable backgrounds are particularly debt averse. This includes estranged students who relied on student loans but were concerned about repaying them in the future. If funding continues to be offered predominantly in the form of student loans, there is a potential risk that this may hamper on-going efforts to widen access, at all study levels, for particular student groups. This research highlights a desire from a range of students for more non-repayable bursaries though balancing this within available budgets would require careful consideration from the Scottish Government.

In addition to reflecting on how student funding is distributed, how it is promoted and communicated to potential or current students could be more effective. While there is information available on student funding from a range of sources, students are facing challenges finding and using this. Students in this research were often unaware and unable to access financial sources of support they may have been eligible for. Although progress has already been made, additional work is required from schools and the further and higher education sector to improve the promotion of and accessibility to information, advice and guidance on all elements of student support. This could help to further ensure that the burden on students in finding information is reduced, that students fully understand their financial options and are able to access appropriate support.

## **Areas for future research**

While this study has produced detailed and rich data which can be used to inform future policy, further insight could be gathered from additional analysis of the survey dataset beyond the scope of this study. There is also a need for further research on specific student groups. For example, more targeted and in-depth research on the experiences of FE and HNC/HND students studying at colleges, who tend to come from more deprived areas, would be beneficial. Further research on the experiences of postgraduate students, student parents, and student carers, as well as with students with protective characteristic, would also help provide greater insight into their experiences when at university or college. Finally, repeating this research more frequently to understand the financial experiences of students over time would be invaluable. The last iteration of this study took place over 15 years ago, and if student financial experiences in Scotland are to be examined, understood and monitored more closely there is merit in conducting this study on a regular basis.

# Appendix A

Table 1.1: Summary of support available in academic year 2023 to 2024 at the time the study was undertaken

| Scotland                | FE  | Part-time FE                           | HE (Young student – under 25 years)  | HE (Independent Student – 25+)   | Part-time HE (HN/UG)  | Open University  | Postgraduate Diploma (PgDip), Masters and PhD  |
|-------------------------|---|--|--|--|---|--|--|
| <b>Cost of tuition</b>  | Eligible students have tuition fees paid by college | Fee waiver available for some students | Fees paid by SAAS (£1,820 for degree/ PGDE per AY; £1,285 for HNC/HND per AY; £1,205 for courses at private colleges or institutions per AY) | Fees paid by SAAS (£1,820 for degree/ PGDE per AY; £1,285 for HNC/HND per AY; £1,205 for courses at private colleges or institutions per AY) | Part Time Fee Grant (PTFG) (up to £1,820: degree/ PGDE; up to £1,274 per AY: HNC/ HND per AY). Personal income must be under £25,000. | Part Time Fee Grant (PTFG) (up to £1,820 for degree/PGDE per AY; up to £1,274 for HNC/ HND per AY)<br>Personal income must be under £25,000. | Institution and research body funding (e.g. UKRI studentships, institutional scholarships) for PhD and PgDip/ Masters students |
| <b>Tuition fee loan</b> | No tuition fee loan available                       | No tuition fee loan available          | Up to £9,250 per AY if studying in rest of UK. Up to £6,165 for courses at private colleges or institutions in the rest of UK per AY.        | Up to £9,250 if studying in rest of UK per AY. Up to £6,165 for courses at private colleges or institutions in the rest of UK per AY.        | No tuition fee loan available   | Up to £7,000 tuition fee loan available for PGDip/ Masters   | Up to £7,000 tuition fee loan for PGDip/ Masters<br><br>No loans for PhD students.   |

|   |  |                               |  |  |  |  |  |
|---|--|-------------------------------|--|--|--|--|--|
| <b>Maintenance/<br/>living costs<br/>loan</b> | No maintenance loan available  | No maintenance loan available | £6,000 to £7,000 living cost loan per AY depending on household income   | £6,000 to £8,000 living cost loan per AY depending on household income   | No maintenance loan available                | No maintenance loan available            | No maintenance loans for PhD students.<br><br>Up to £4,500 living cost loan for full-time PGDip/ Masters   |
| <b>Bursaries/<br/>grants</b>                  | FE bursary of up to £5,398.65 per AY depending on household income/ living situation.<br><br>Education Maintenance Allowance (EMA) of £30 per week if under 18 and parental income is below the EMA income thresholds (£24,421 for households with one dependent child and £26,884 for households with two or more dependent children) |                               | Young Student Bursary (£500-£2,000 per AY depending on household income). No bursary if household income £34,000 plus. | Independent Student Bursary (£1,000 per AY) for those with household income lower than £20,999. No bursary if household income exceeds this. | No bursaries or living cost grants available | OU bursaries available for some students | For PhD students - institution and research body funding (e.g. UKRI studentships, university scholarships) |

**Table 1.2: Student support for specific student groups and courses 2023/2024**

| Student group             | FE study   | HE study   | Postgraduate (PG) study  |
|---------------------------|--|--|--|
| Estranged students        | FE Bursary (maximum available and non means-tested)  | Estranged Student Bursary of £1,000 plus £8,000 living cost loan per academic year (per AY)<br>Universities may provide additional tailored financial support  | Standard Postgraduate support package  |
| Care experienced students | Care Experienced Bursary (£9,000 per AY; no loan; non-means-tested)  | Care Experienced Bursary (£9,000 per AY; no loan; non-means-tested); Summer Accommodation Grant* (up to £1,330 over summer break p/AY for students in formal accommodation arrangements; £665 for students with informal arrangements); Universities may provide additional tailored financial support | Standard PG support package  |
| Carers                    | Dependants' Allowance of up to £67.55 per week from their college  | Income assessed Dependants' Grant (up to £2,640 per AY)  | Standard Postgraduate support package  |
| Student parents           | Eligible to receive the non-means tested Lone Parents Childcare Grant (LPCG) of up to £1,215 per year if they have formal registered childcare expenses while studying.<br>Discretionary Childcare Fund via college. | Income assessed Lone Parents' Grant (up to £1,305 p/AY); Discretionary Childcare Fund available through college/university to assist with the costs of childminders, after school clubs, day care, sitter services and pre-school education;   | Standard Postgraduate support package  |
| Disabled students         | Additional Support Needs (ASN) for Learners Allowance provides allowances for additional support materials, non-medical helpers, and extra travel costs.   | Disabled Student Allowance (DSA) provides allowances for additional support materials, non-medical personal help (NMPH) and for large support items.   | DSA available for Postgraduates, including PhD students in certain circumstances (generally those who have no other access to DSA funding from |

|   |   |  |   |
|---|---|--|---|
|   |   |  | their employer).  |
| Paramedic, Nursing and Midwifery students (PNMS)      |   | PNM Student Bursary (£10,000 per AY for 3 years; £7,500 in final year); income assessed Dependents' Allowance (up to £3,640 per AY); Single Parent's Allowance (up to £2,303 p/AY); Childcare Allowance for Parents (up to £2,466 per AY). | Standard Postgraduate support package   |
| Dentistry students                                    |   | Dental Student Support Grant (up to £4,000 per AY) administered by SG Dentistry and Dental schools, if household income lower than £34,000 and students sign contract relating to NHS Scotland work.                                       |   |
| Students experiencing financial hardship/difficulties | Discretionary funding available via college. Amount available varies on a case by case basis and by institution | Discretionary funding available via college or university. Amount available varies on a case by case basis and by institution  | Discretionary funding available via college or university. Amount available varies on a case by case basis and by institution |

\* This support may also be referred to as the Care Experienced Accommodation Grant.

Note: Student support in Scotland is administered by the Student Awards Agency Scotland (SAAS)

**Table 1.3: Support available to Scottish-domiciled HE students in academic year 2023 to 2024**

| Household income   | Young Student<br>(under 25 years ) |        |        | Independent Student<br>(25 plus years) |        |        |
|--------------------|------------------------------------|--------|--------|--|--------|--------|
|                    | Bursary                            | Loan   | Total  | Bursary                                | Loan   | Total  |
| £0 to £20,999      | £2,000                             | £7,000 | £9,000 | £1,000                                 | £8,000 | £9,000 |
| £21,000 to £23,999 | £1,125                             | £7,000 | £8,125 | £0                                     | £8,000 | £8,000 |
| £24,000 to £33,999 | £500                               | £7,000 | £7,500 | £0                                     | £7,500 | £7,500 |
| £34,000 and above  | £0                                 | £6,000 | £6,000 | £0                                     | £6,000 | £6,000 |

**Table 1.4: Support available to Scottish-domiciled HE students in academic year 2024-2025**

| Household income   | Young Student<br>(under 25 years ) |        |         | Independent Student<br>(25 plus years) |         |         |
|--------------------|------------------------------------|--------|---------|--|---------|---------|
|                    | Bursary                            | Loan   | Total   | Bursary                                | Loan    | Total   |
| £0 to £20,999      | £2000                              | £9,400 | £11,400 | Bursary                                | Loan    | Total   |
| £21,000 to £23,999 | £1,125                             | £9,400 | £10,525 | £1,000                                 | £10,400 | £11,400 |
| £24,000 to £33,999 | £500                               | £9,400 | £9,900  | £0                                     | £10,400 | £10,400 |
| £34,000 and above  | £0                                 | £8,400 | £8,400  | £0                                     | £9,900  | £9,900  |

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- <sup>52</sup> Scottish Government (2021) A Fairer, Greener Scotland: Programme for Government 2021-22, available at: <https://www.gov.scot/publications/fairer-greener-scotland-programme-government-2021-22/>
- <sup>53</sup> SAAS (n.d.) Special support loan, <https://www.saas.gov.uk/need-to-know/special-support-loan-element>
- <sup>54</sup> The last time this research was undertaken in Scotland was in 2007-2008, see Scottish Government (2009) Higher and Further Education Students' Income, Expenditure and Debt in Scotland 2007-08, available at: <https://pure.strath.ac.uk/ws/portalfiles/portal/35590907/0083207.pdf>
- <sup>55</sup> There is missing data for one respondent on whether they study full-time or part-time.
- <sup>56</sup> NUS Scotland (2022) Broke: How Scotland is failing its students, available at: [https://www.nus-scotland.org.uk/broke\\_report](https://www.nus-scotland.org.uk/broke_report)
- <sup>57</sup> Part-time is defined as: For HE students – those studying at least 25% FTE or 30 or more credit points in the academic year up to 119 credits. For FE students – those studying 160 hours plus (160 hours - 320 hours, and 320 hours up to full time) / 4 credits as a minimum threshold for part-time activity on a recognised FE qualification (or sometimes known as substantial part-time FE courses).

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<sup>58</sup> Joint financial responsibility was defined as either regularly sharing the costs of housing or other essential expenditure with a partner. The adjustment procedure was to divide joint income by two. This was used in calculations of benefit income and share of partners' income (which feeds into income from family). Full details are provided in the technical report.

<sup>59</sup> A Scottish-domiciled student studying at a Scottish university would be charged £1,820 and a college student would be charged £1,285.

<sup>60</sup> Median income from discretionary funding figures for FE students should be treated with caution due to the low base (N=37). Median income from discretionary funding for postgraduate students are not reported due to the low base (N=17).

<sup>61</sup> At the time of the research the interest rate for Scottish students was 6.25%.

<sup>62</sup> This will be replaced in Scotland nationally from November 2024 by the Carer Support Payment. <https://www.mygov.scot/carers-support-payment>

<sup>63</sup> This finding is marginally significant ( $p=0.051$ ).

<sup>64</sup> The base for this question was 45, so these findings should be treated with caution.

<sup>65</sup> The figures for students from the 20% most deprived areas and 80% least deprived areas should be treated with caution due to the small base sizes (N=31 and 63, respectively).

<sup>66</sup> These figures must be treated with caution due to the low base sizes (N=46 for postgraduate students from the 20% most deprived areas, N=46 for postgraduate students living with parents).

<sup>67</sup> These figures should be treated with caution due to the small base sizes (N=39 for those from the 20% most deprived areas, N=265 for those from the 80% least deprived areas).

<sup>68</sup> Due to the small base sizes, these figures should be treated with caution (n=50 for 20% most deprived, n=118 for 80% least deprived).

<sup>69</sup> These figures should be treated with caution due to low base sizes (N=30 for those living with parents, N=229 for those living independently (renting or with a mortgage)).

<sup>70</sup> Joint financial responsibility was defined as either regularly sharing the costs of housing or other essential expenditure with a partner. The adjustment procedure was to divide joint expenditure by two. Full details are provided in the technical report.

<sup>71</sup> The figures for students from the 20% most deprived areas and 80% least deprived areas should be treated with caution due to the small base sizes (N=42 and 283, respectively).

<sup>72</sup> Students were asked about 5 different types of borrowing: commercial credit, bank overdrafts, arrears on household bills, student loans from the Student Loans Company, and any repayable element of discretionary funding.

<sup>73</sup> It should be noted that the amount for full-time students includes any student loans, whereas part-time students are not entitled to student loans for living expenses.

<sup>74</sup> Student loans are available to Masters and PG Diploma students but not to PhD students.

<sup>75</sup> The figures for postgraduate students aged 20 to 24 with any borrowings should be treated with caution due to the small base size (n=36).

<sup>76</sup> The figures for postgraduate students from the 20% most deprived areas should be treated with caution due to the small base size (n=48).

<sup>77</sup> The figures for students from the 20% most deprived areas should be treated with caution due to the small base size (N=48).

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- <sup>78</sup> This difference between female and male students from under-represented groups was not statistically significant.
- <sup>79</sup> This difference is marginally significant (p=0.058).
- <sup>80</sup> This difference is marginally significant (p=0.052).
- <sup>81</sup> The difference by area deprivation is marginally significant (p=0.072).
- <sup>82</sup> This difference is marginally significant (p=0.065).
- <sup>83</sup> <https://www.scarf.org.uk/>
- <sup>84</sup> This difference is marginally significant (p=0.082).
- <sup>85</sup> This difference is marginally significant (p=0.070).
- <sup>86</sup> This difference is marginally significant (p=0.095).
- <sup>87</sup> This difference is marginally significant (p=0.052).
- <sup>88</sup> This difference is marginally significant, p=0.07.
- <sup>89</sup> This difference is marginally significant, p=0.065.
- <sup>90</sup> This difference is marginally significant (p=0.061).
- <sup>91</sup> Since this research was conducted, some changes have been made to student funding in Scotland. These include: the introduction of the option to have payments spread over 12 months to help with finances over the summer; and the introduction of special support loans for 2024-2025 which will provide a £2,400 increase to full-time undergraduate and postgraduate students' annual support package. Further information can be found here <https://www.saas.gov.uk/need-to-know/special-support-loan-element>
- <sup>92</sup> A new Carer Support Payment will be introduced in November 2024 and will be available to most full-time students.
- <sup>93</sup> See National Policy for FE Student Support Bursaries 2024-25 <https://www.sfc.ac.uk/publications/national-policy-for-fe-student-support-bursaries-2024-25/> for full details of the 'Student Engagement' in relation to Bursary payments covered in the Fund Management and Audit Information Guidance between paragraph 41 and 55.
- <sup>94</sup> NUS Scotland (2023) Cost of Survival, available at: [https://www.nus-scotland.org.uk/the\\_cost\\_of\\_survival](https://www.nus-scotland.org.uk/the_cost_of_survival)
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<sup>101</sup> ScotCen (2022) Research to understand the experiences of estranged students in further and higher education in Scotland, available at: <https://www.gov.scot/publications/research-understand-experiences-estranged-students-further-fe-higher-education-scotland/>

<sup>102</sup> NUS Scotland (2022) *Broke: How Scotland is failing its students*, available at [https://www.nus-scotland.org.uk/broke\\_report](https://www.nus-scotland.org.uk/broke_report); NUS Scotland (2023) *Mind the gap*, [https://www.nus-scotland.org.uk/public\\_transport\\_report](https://www.nus-scotland.org.uk/public_transport_report)

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