

The 2012/13 reforms of part-time higher education funding in England

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The 2012/13 reforms of part-time student funding

2012/13 student funding reforms



- **Universities have lost most of the money they get from the government for teaching full and part-time undergraduate courses.**
- **Lost income to be replaced by higher tuition fees**
- **Cap on tuition fees raised from £3,290 to £9,000 a year for full-time courses and to £6,750 for part-time courses**
- **Full-time students, and for the first time part-time students, qualify for income-contingent loans to pay for their higher tuition fees.**
- **Tuition fee and course grants for part-time students abolished**

Higher Education: Students at the Heart of the System, 28 June 2011

For the first time, students starting part-time undergraduate courses in 2012/13, many of whom are from non-traditional backgrounds, will be entitled to an up-front loan to meet their tuition costs.... *This is a major step in terms of opening up access to higher education, and remedies a long-standing injustice in support for adult learners.* Up to around 175,000 part-time students will benefit. (BIS, 2011, p61 emphasis added)

The initial impact of the 2012/13 reforms of part-time student funding

Initial impact of the reforms

- **Since 2010/11, the number of part-time undergraduate entrants has fallen by 40 per cent = 105,000 fewer students.**
- **By contrast, the number of full-time entrants has fallen by 9% since 2010/11.**
- **In 2012/13, part-time fees ranged from £3,000 to £9,000 for a full-time equivalent course at the 7 English universities with the largest number of part-time undergraduates. Average = £7,133 FTE**
- **By February 2013, only 31,700 or 21% of part-time entrants had taken out a loan while the government predicted that a third would qualify for loans.**

A critical assessment of the 2012/13 reforms of part-time student funding

Limitations of 2012/13 part-time student funding

- **Student loan eligibility criteria too restrictive:**
 - Students who already hold an equivalent level or higher qualification are ineligible – excluding 54% of all part-timers.
 - Students studying less than 25% of a full-time course are ineligible – excluding a further 15%.
 - The majority of all part-timers do NOT qualify for loans but are faced with higher fees they have to pay up-front and out of their own pocket.
 - High fees make part-time study unaffordable or too risky an investment

Limitations of 2012/13 part-time student funding

- **Are student loans attractive to part-time students?**
 - 80% part-time students employed mostly full-time
 - Financial returns to part-time study tend to be lower than those experienced by younger full-time students in terms of higher wages and employment opportunities.
 - Income-contingent loans repayments not perceived as an adequate safeguard to these lower returns – opportunity costs and risks too great.
 - Already have considerable financial commitments – mortgage and children – average age = 34.
 - Paying 9% of their income in student loan repayments more than they can manage or prepared to pay.

What needs to change?

- **Current policies are designed for the ‘typical student and graduate’ - a young school leaver who studies full-time and who on graduation enters the labour market for the first time.**
- **Need policies that acknowledge the distinctive characteristics of the part-time student population.**
- **Fact that part-time study has lower financial returns but a wide range of non-pecuniary benefits justify larger government subsidies to encourage demand.**
- **Need to revisit the very restrictive student loan eligibility criteria so more students qualify for loans**
 - ELQ – students who already hold an equivalent level or higher qualification
- **Need the political will both within the HE sector and government to tackle the challenges posed by part-time study**