



AN ESRC & HEFCE
INVESTMENT

Three things you need to know about access to higher education...

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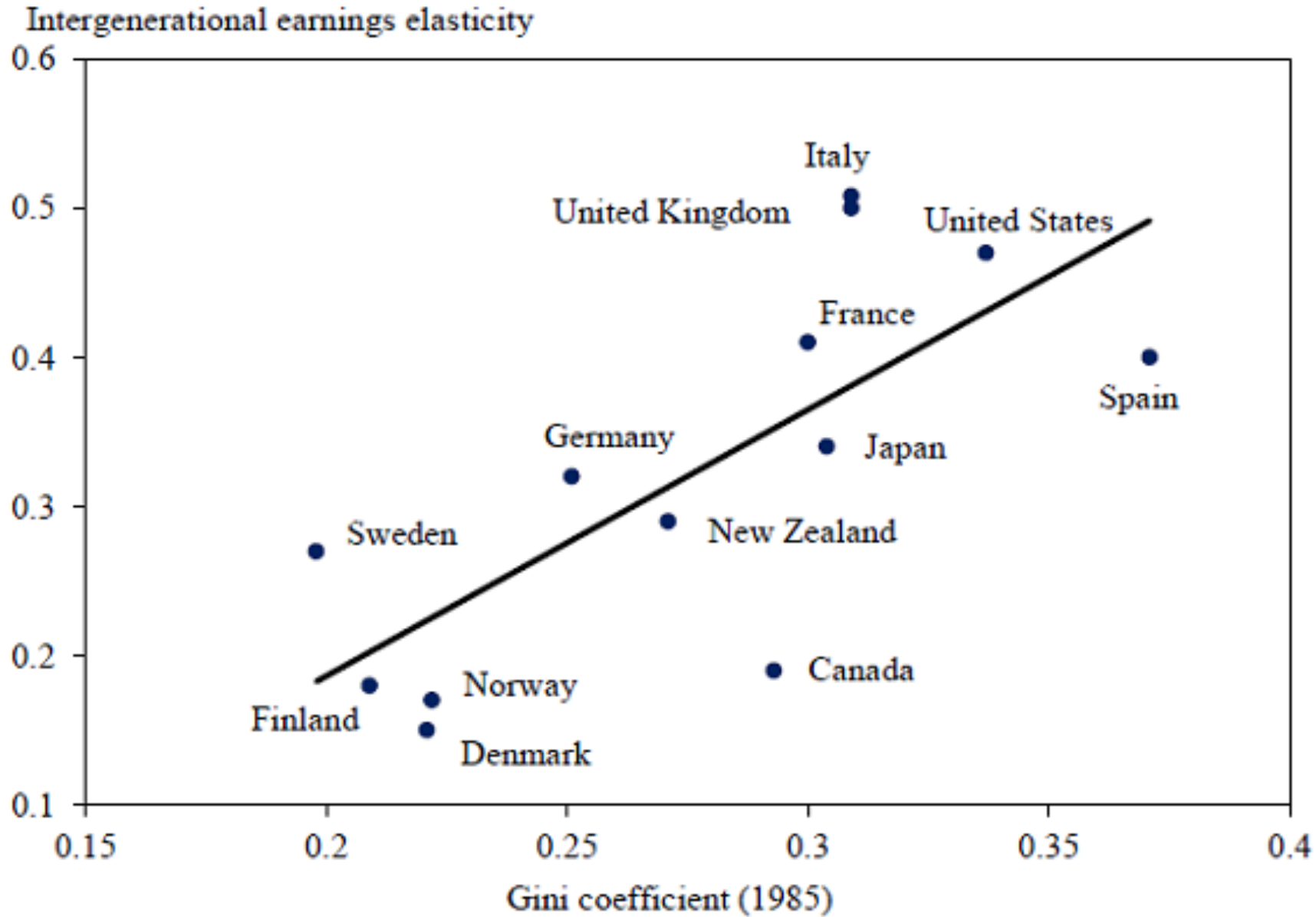
#CGHElaunch



The big picture.

Why do we care about access to HE?

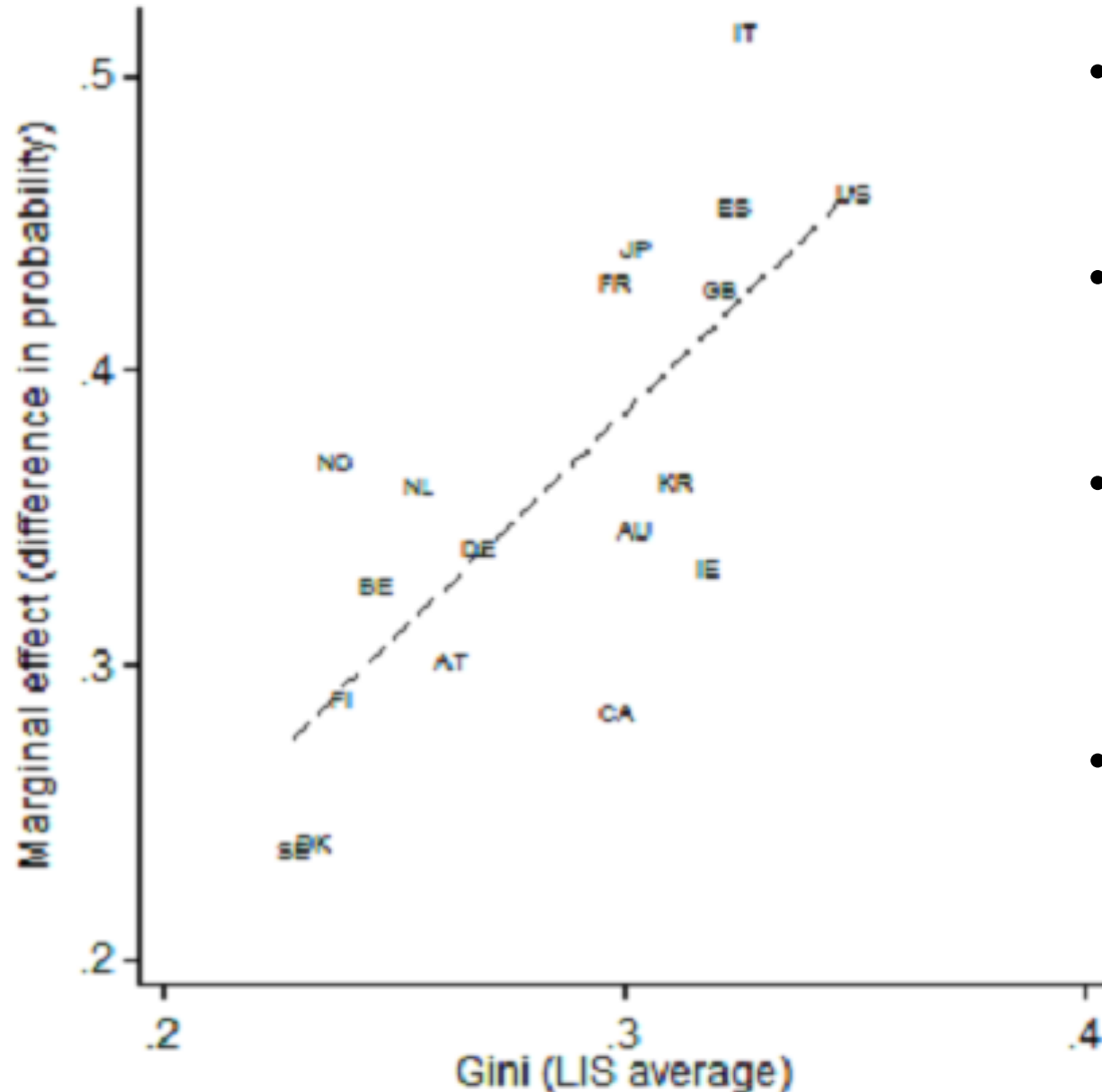
Income inequality and social mobility.



Rising income inequality.....

Concerns over social mobility...

Education (particularly HE) as a mechanism....



- Income inequality linked to HE access.....
- Education key driver linking income inequality and social mobility.....
- Improve educational attainment of disadvantaged children to boost social mobility.....
- Boost social mobility by improving access to HE....

This talk will cover three key topics.....

1. **Tuition fees**. And why Jeremy Corbyn's plans are right wing.....
2. **Information**. And why we need to do more to make sure young people understand the implications of their choices.....
3. **The critical role of secondary school achievement**. And why interventions at age 18 are always likely to be limited.

1. Tuition fees

Widespread belief that tuition fees are 'unfair'.....

- Gets a lot of attention.....

NUS: Entire university fees system is unfair, says NUS report

The Guardian: “Social Mobility 'Restricted' By University Tuition Fees”

ESU: “Higher tuition fees will lead to more inequality in Europe”

The Guardian: “Only the super-rich benefit from the fees and loans system”

Big topic of politicians / policymakers....



Nick Clegg

“We will scrap unfair university tuition fees”



Jeremy Corbyn

“I want to apologise on behalf of the Labour Party to the last generation of students for the imposition of fees”

Why this is all rubbish.....

- Higher education is never “free”. Somebody always has to pay!
- ‘Free’ = Taxpayer funded.

My argument

- The rich are more likely to go to university than the poor.....
.....taxpayers heavily subsidise their time in HE
- The rich may pay more tax in general.....
-but rich also get more tax-payer funded HE subsidies

THE POOR COULD END UP SUBSIDISING THE EDUCATION OF THE RICH!

- **Empirical question.** Can only be answered by looking at data.....

Answer: 'Tax-payer funded' HE (pre 1997) was regressive.....

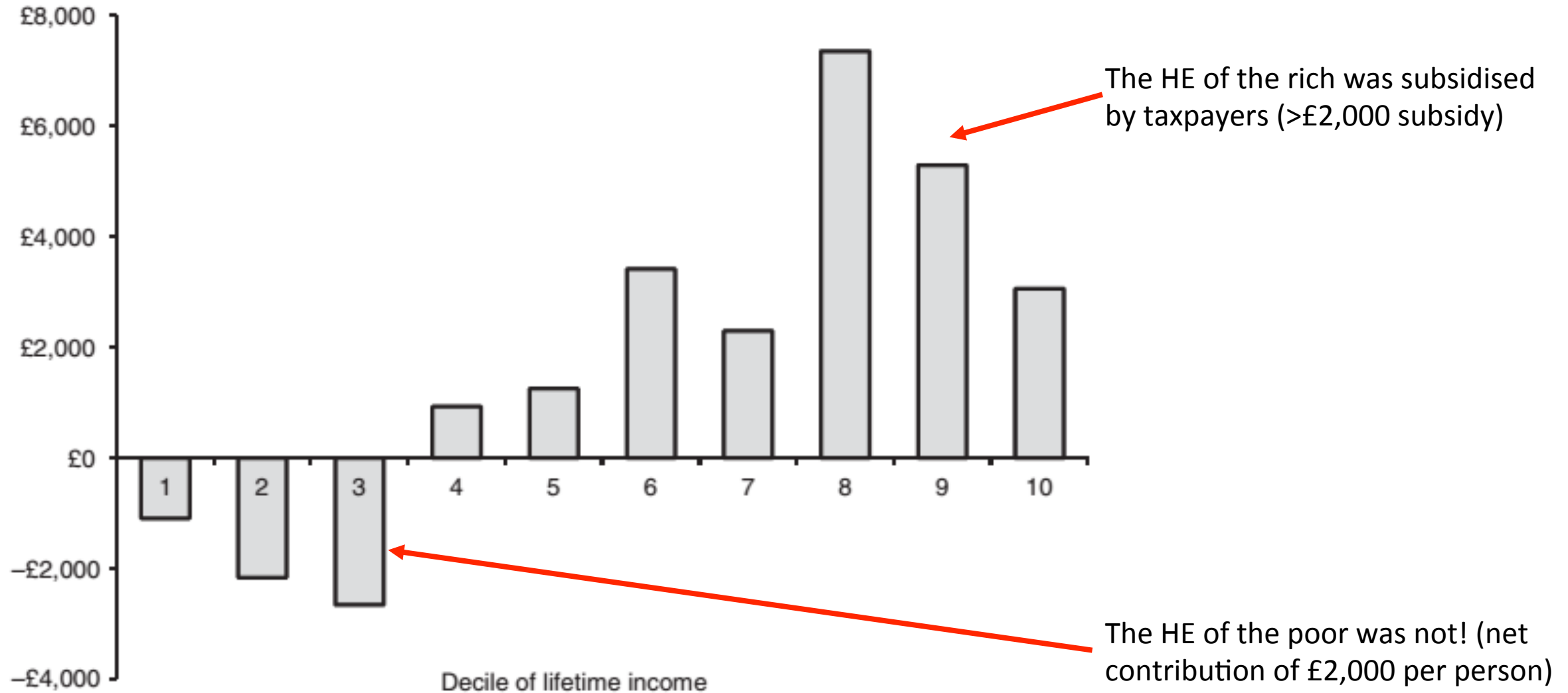


Figure 5. Average net subsidies, in 2007 £
Source: Authors' calculations.

What are the policy implications?

- Need to stop equating tuition fees to unfairness / inequality.....
- Tuition fees are not a bad thing per se.....
.....they mean the rich actually pay for their own education
.....rather than being subsidised by the poor
- Debate needs to move on!
 - What does not work well in the current system?
 - How do we get the system to work better?
 - How do make the finance system as fair as possible?

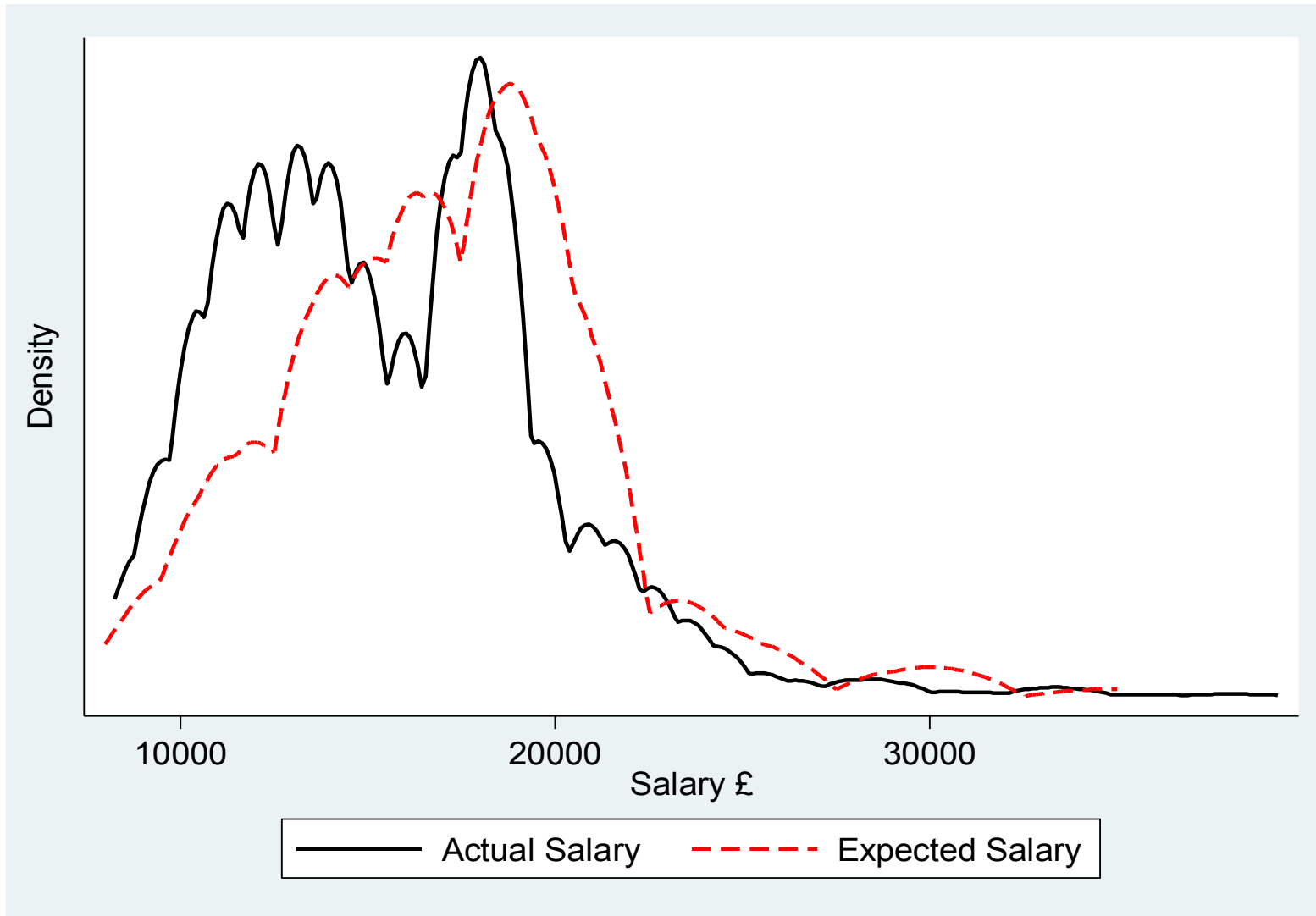
2. Information

Do young people understand the cost and benefits of higher education?

The issue

- System of tuition fees along with student support (i.e. a 'a market') can work.....
- But for the system to work well, perspective **students need to understand it!**
- Need young people to make **well-informed, rational choices**.....
- They need to hold **good information**!
 - E.g. The point at which they are expected to pay back tuition fees....
 - E.g. The benefit of income contingent loans.....
 - E.g. Their likely future earnings (under different scenarios).....
- **What do we know about how informed young people are?**

A. Young people in England over-estimate their starting salary....

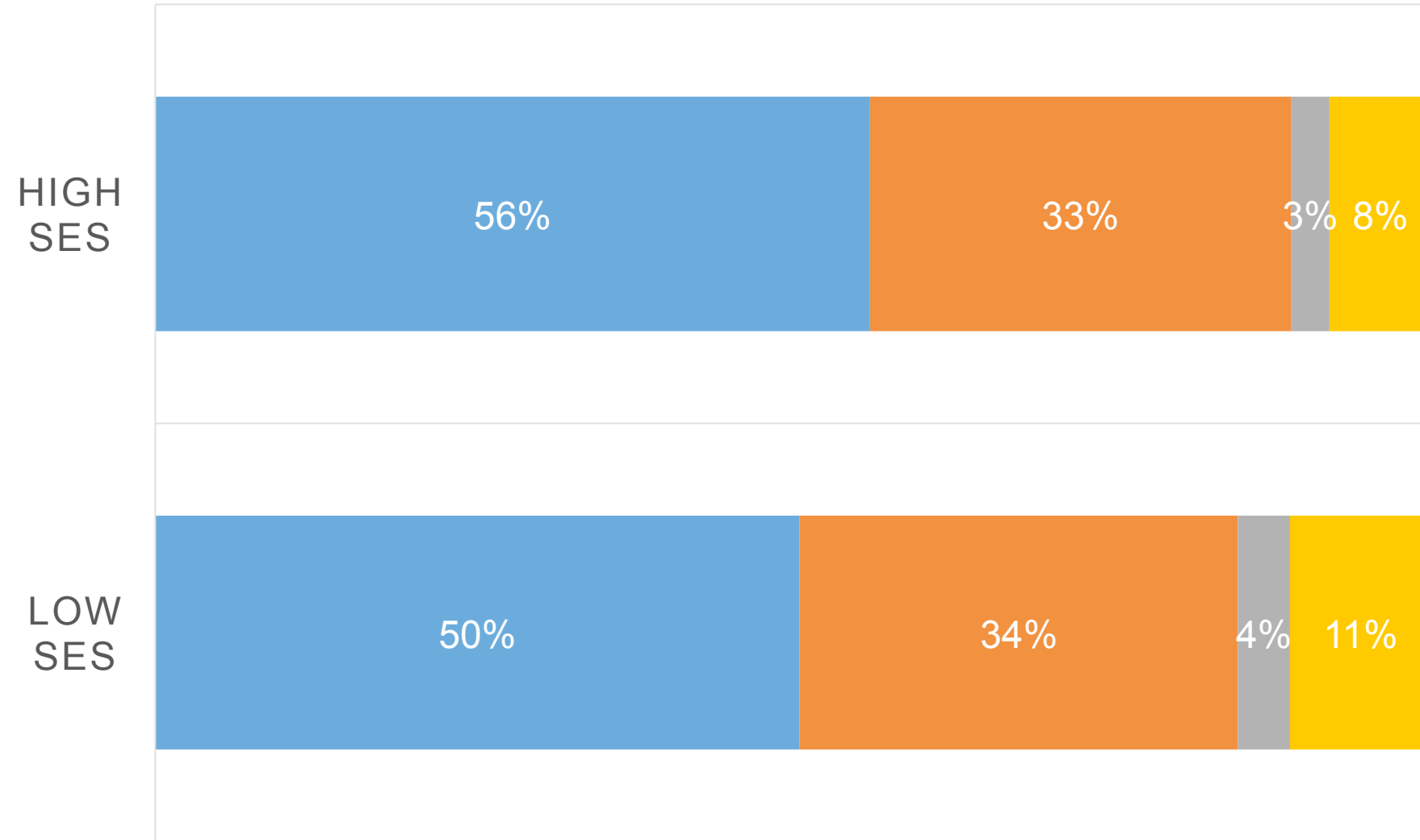


England (on average)
Overestimate starting salary by around 10%.

History / English students
Overestimate starting salary by around 20%.

Figures for History and English undergraduates.....

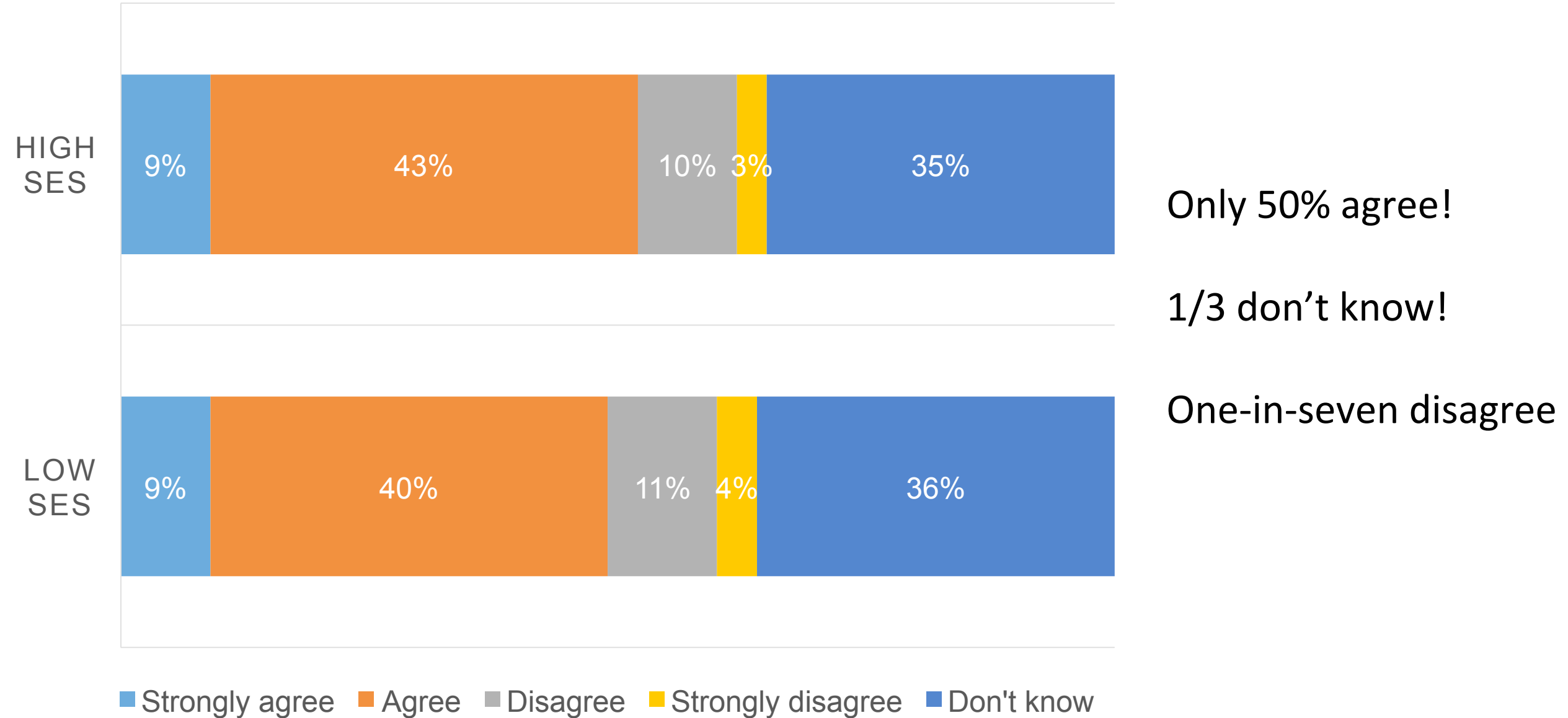
B. 50% of Year 11s don't understand when they will have to pay tuition fees....



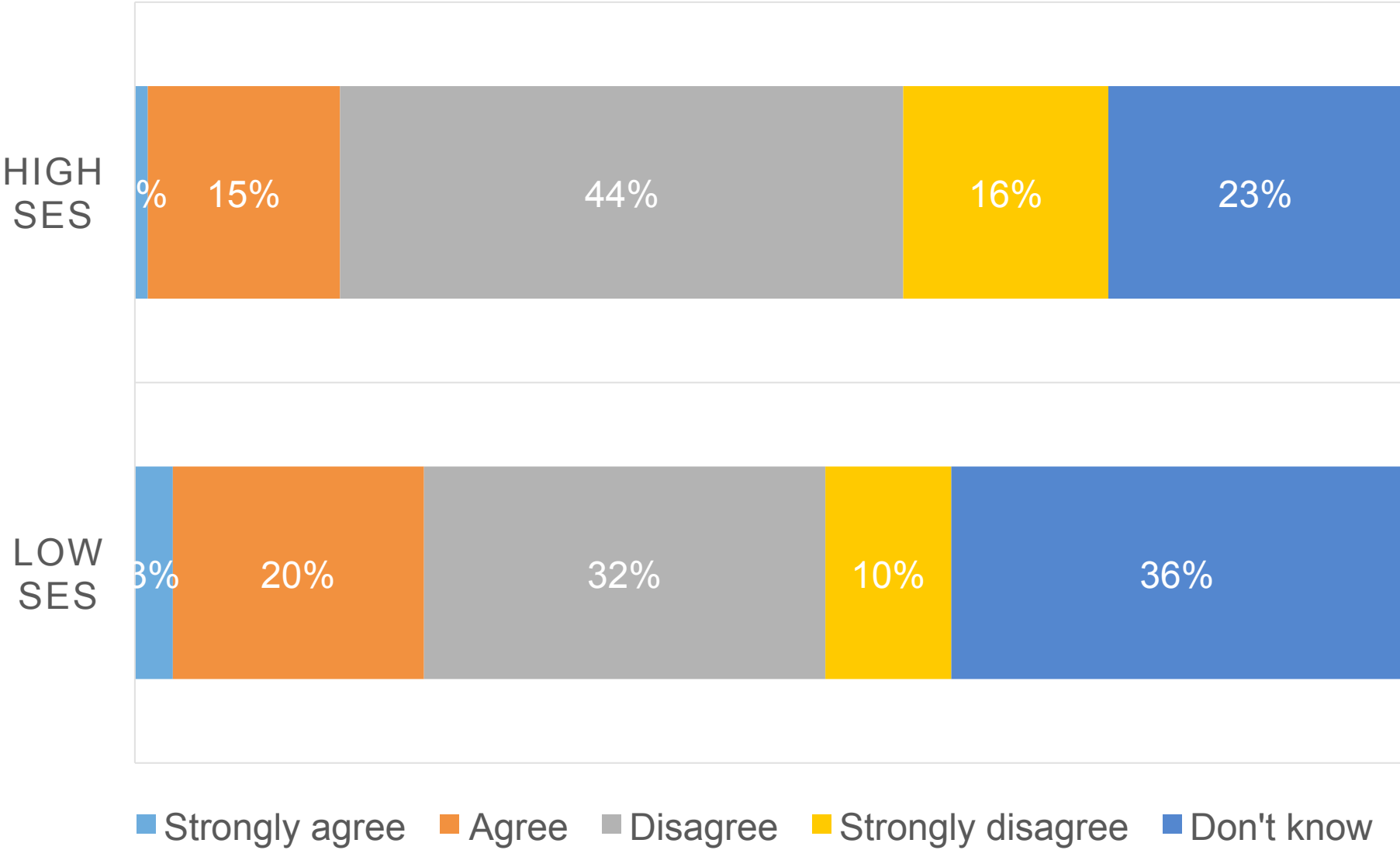
Only \approx 50% of year 11 pupils understand fees are paid after graduation and when in work.....

■ When finished & have job ■ Start of each year ■ Straight after uni ■ Don't know

C. Only 50% of year 11s understand that student loans are a better way of borrowing than credit cards.....



D. One-in-three low SES children do not know whether they will earn more if they go to a 'better' university.....



Poor kids less likely to think that university quality matters.....

.....one in three do not know!!

Policy response 1: Learn form other countries. (E.g. IPEDS)

The screenshot shows the IPEDS Data Center website. At the top, there is a navigation bar with the IES logo and the text 'INSTITUTE OF EDUCATION SCIENCES' and 'NATIONAL CENTER FOR EDUCATION STATISTICS'. Below this is a search bar and a menu with items like 'Publications & Products', 'Surveys & Programs', 'Data & Tools', 'Fast Facts', 'School Search', 'News & Events', and 'About Us'. The main content area features the IPEDS logo and a list of functions on the left: 'LOOK UP AN INSTITUTION', 'COMPARE INSTITUTIONS', 'SORT INSTITUTIONS ON ONE VARIABLE', 'VIEW TREND FOR ONE VARIABLE', 'STATISTICAL TABLES', 'SUMMARY TABLES', 'COMPLETE DATA FILES', 'CUSTOM DATA FILES', and 'DATA FEEDBACK REPORT'. A central text box explains that the Data Center allows users to retrieve IPEDS data using the functions listed on the main menu. Below this, there are two sections: 'Shortcuts...' with links to 'Upload a previously saved session', 'Create/Download a list of variables', and 'Create/Download an institution group'; and 'Use Other IPEDS Tools...' with links to 'IPEDS Trend Generator' (marked as 'New') and 'Tables Library'. The footer contains contact information for the U.S. Department of Education, Institute of Education Sciences, and National Center for Education Statistics, along with a logo for worldofstatistics.org.

- Amazing detail.....
- Easy to compare institutions.....
- Includes things like average net price (we need to know here!)

Policy response 2: How can we expect students to know when we don't!

- Many things we don't know about HE finance and returns.....
- **E.g. Average Net Price.** How much does it cost per year at different universities once all different bursaries etc been taken into account!?
- E.g. How do the **returns to university vary by subject and institution** combinations?
- There are *free* data that (in theory) exist to answer these questions.....
 - E.g. National Pupil Database linked to tax records
 - Excuses need to stop. Data needs to be made accessible!!

3. The critical role of secondary school achievement.

And why interventions at age 18 are always likely to be limited.....

What is the average PISA maths score of children at university?

	University	Elite university
Australia	588	616
England	563	601
United States	541	586

PISA: Mean = 500 and standard deviation = 100.

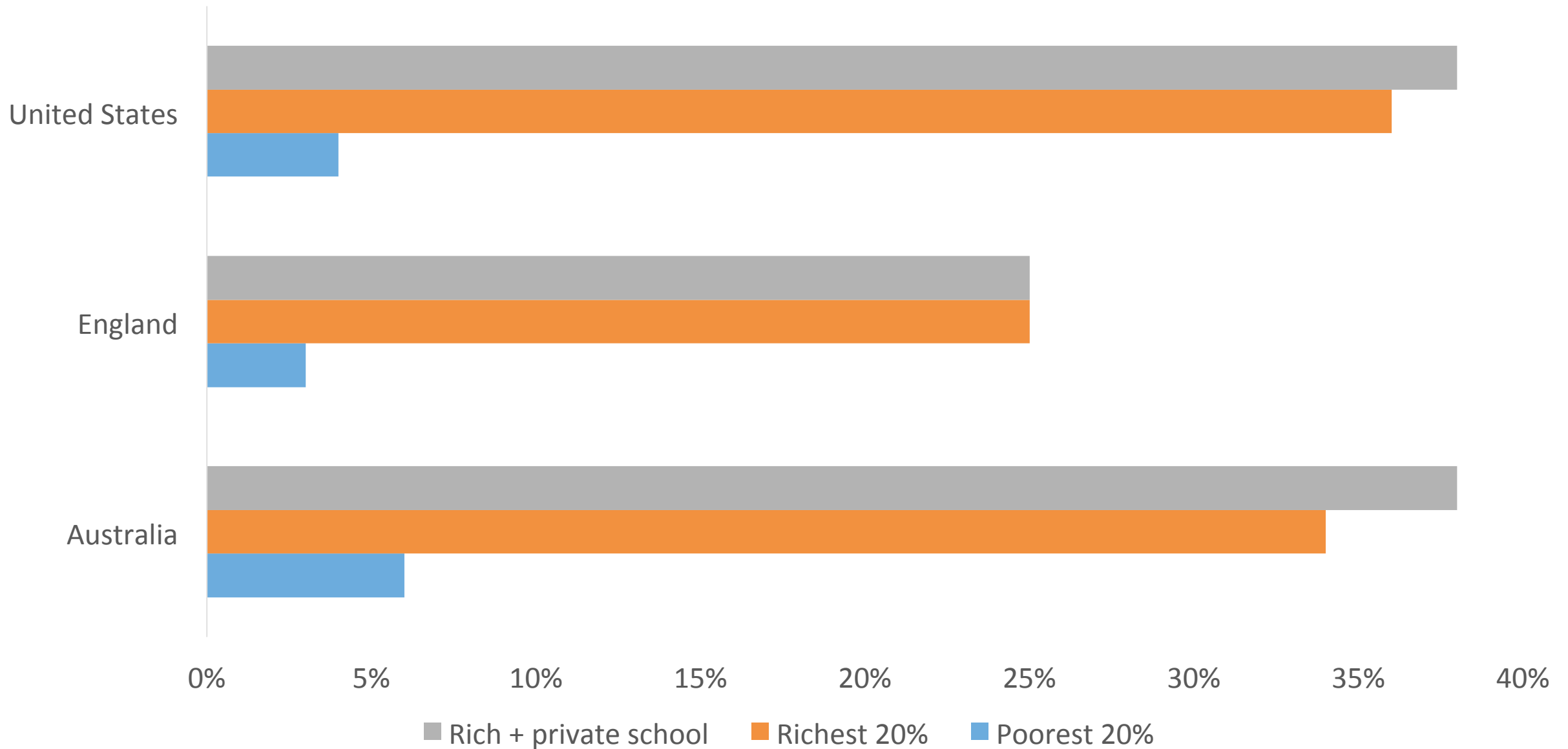
University: Enter university by age 20.

Elite university: Australia = Group of 8.

England = Russell Group.

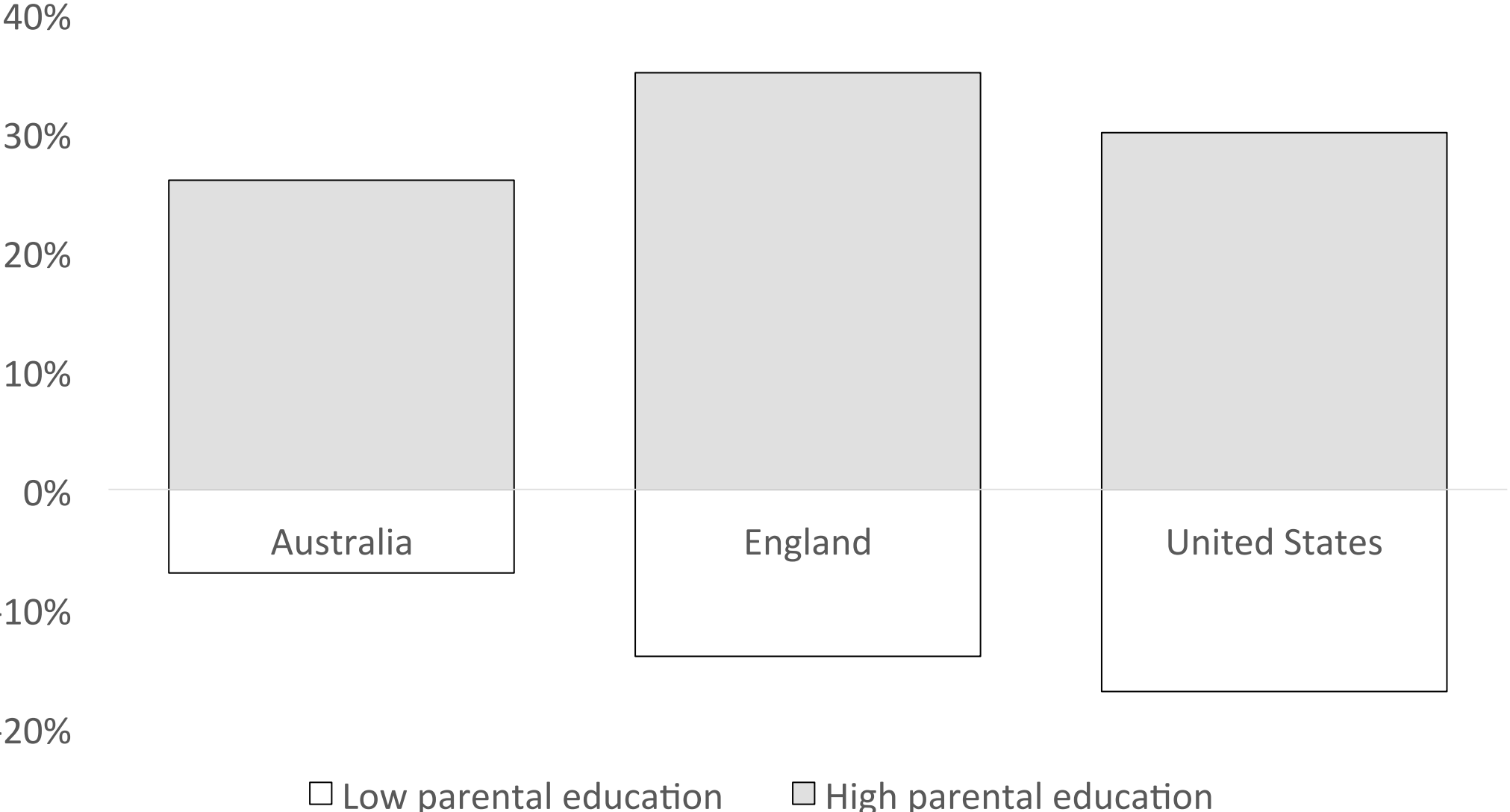
United States = Carnegie classification

What % of children achieve a PISA score above this score? (Elite university).

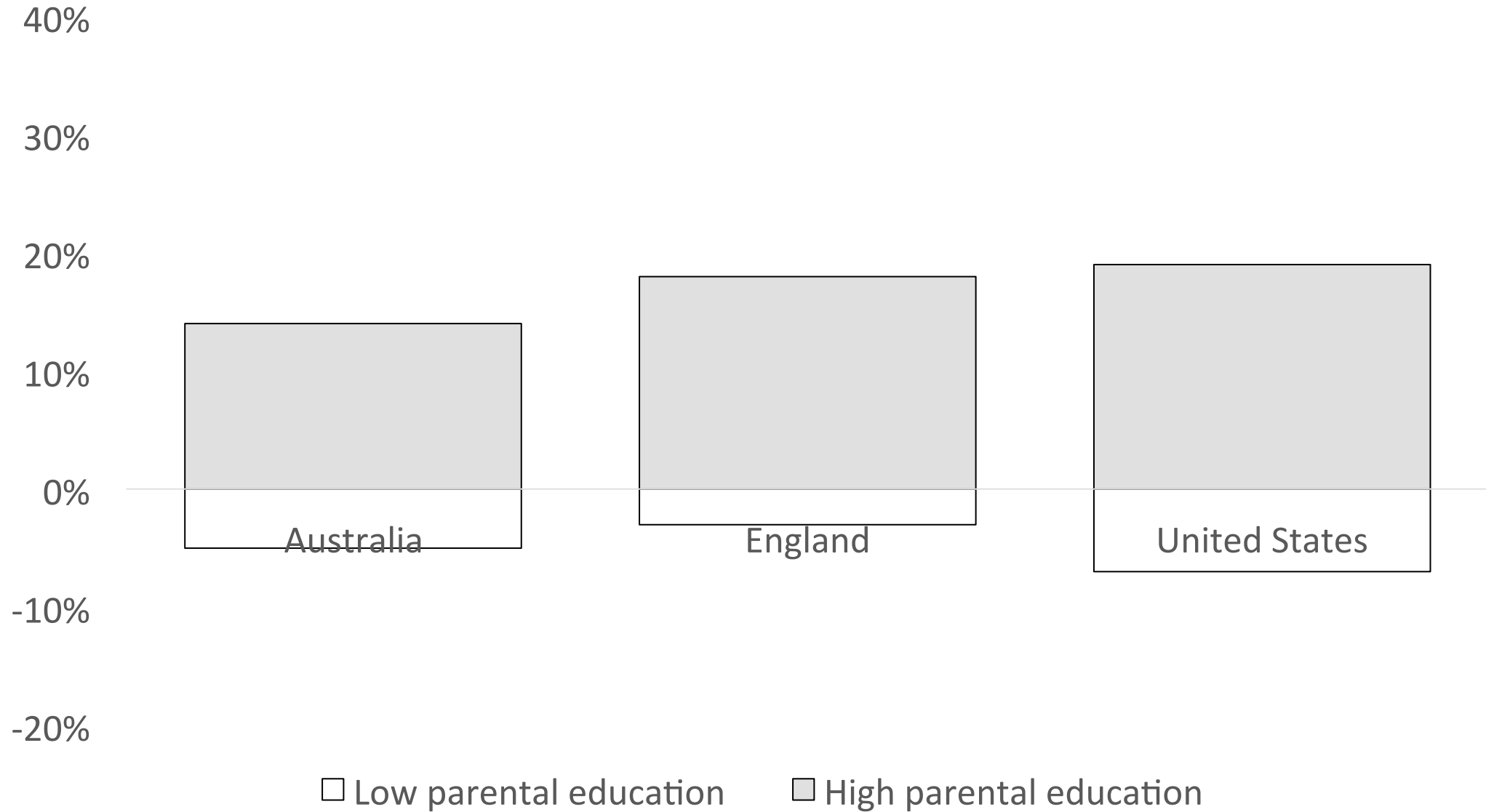


The main reason why more poor kids do not go to university is that, by the time they are teenagers, they are not smart enough....

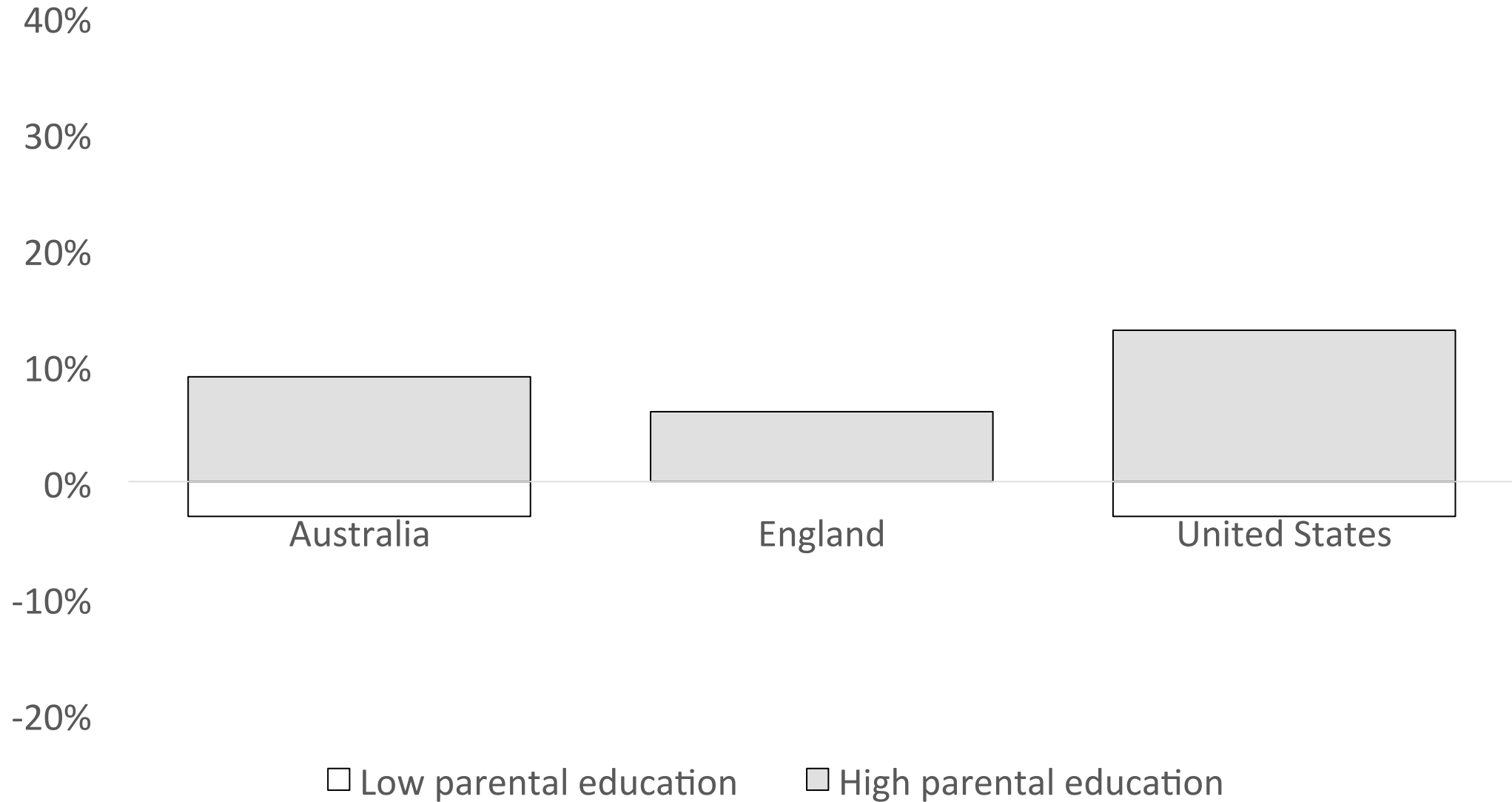
Overall gap in access between parental education groups



Conditional upon PISA scores.....



Conditional upon grades at age 18.....



What are the policy implications?

- Changing HE system (fees, bursaries etc) tinkering at the edges.....
- Big changes in access unlikely without ↑ achievement of poor kids.....

Raising school achievement is where the bulk of our effort and resources should go

- *But, this does not also mean scope for smart, cost-effective interventions later in young people's lives (e.g. age 16 to 18).*