Department for Education

Master's Loan Evaluation

Research report

May 2019

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Acknowledgements

We are very grateful for the support of Jane Carr and her colleagues at the Department for Education for her guidance throughout the conduct of this evaluation.

We are also very grateful to the HEI staff and Master's students who gave their time to participate in the primary research elements that form a key part of the evidence for this research.

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Glossary

Term	Definition
BAME	Black Asian and Minority Ethnicity
HEI	HEIs (Higher Education Institutions) are publicly-funded providers that award degrees at undergraduate and postgraduate level
HESA	HESA (Higher Education Statistics Agency) is the official agency for the collection, analysis and dissemination of quantitative information about higher education in the United Kingdom.
UCAS Tariff	‘High tariff institutions’ are defined as those with the highest (top third) average UCAS tariff entry requirement, ‘medium tariff institutions’ are those in the middle third, and ‘low tariff institutions are defined as those in the bottom third. In this report they apply only to HEIs.
PGT	Postgraduate Taught courses

1 Executive Summary

The Master's Degree Loan Scheme was launched by the Government in June 2016, and marks the first time that Government has provided student loan finance to contribute to costs for postgraduate master's study.

The loan aims to:

- Stimulate increased domestic take-up of postgraduate master's degree study by providing access to finance;
- Enable those who could not otherwise afford (or would have to delay) study at postgraduate master's level to progress to study at this level;
- In turn, improve the supply of highly skilled individuals to the UK economy.

This report presents the findings of a quantitative survey of 2,002 Master's students who started their course in 2016/17, the first cohort eligible to take out the Master's loan, and a qualitative follow-up study with 50 of these students; a survey of 79 HEIs delivering Master's courses eligible for Master's Loan funding; and analysis of HESA data spanning 5 years from 20f12/13 to 2016/17. Comparisons are also made with Master's students starting in 2013/14 from the *Understanding Mature Transitions to Postgraduate Study*[1] dataset.

The research aims to evaluate how the Master's Degree Loan scheme performed against its objectives in the first year of it being offered, including whether there were changes in the volume, profile and quality of Master's students; any changes to the timing of undertaking Master's-level study; the availability and use of funding sources; choices in subject and mode of study; changes in provision and fees at HEIs; and also the overall experience of using the Master's Loan.

Change in volume, profile and quality of Master's students

Data from the HESA Student Record shows that there was a substantial increase in the overall number of Master's students enrolling at English HEIs between the academic years 2015/16 and 2016/17 (the year in which the Master's Loan was introduced). This growth was driven by a 36% increase in enrolments from England-domiciled loan-eligible students, while enrolments from other students remained static. This increase is

[1] https://www.gov.uk/government/publications/mature-students-understanding-progression-to-postgraduate-study

against a backdrop of relatively static figures for the years immediately prior to the loan. For middle tariff institutions the change in loan-eligible student enrolments was much more substantial (57%) than for low tariff (34%) and high tariff institutions (27%), suggesting the impact of the loan has been greater in medium tariff institutions in particular.

Most HEIs interviewed (75%) said the number of enrolments from students onto courses eligible for postgraduate loans increased in 2016/17. Among those which reported an increase in numbers, the majority (84%) attributed this at least in part to the introduction of the Master's Loan.

Students themselves confirmed the importance of the Loan in enabling them to study. Nearly three-quarters (72%) of students starting their course in 2016/17 felt that they would have been unable to undertake their specific Master's course without the Master's Loan, while around a third (36%) agreed that they would "never even thought about studying a Master's" if the Master's loan had not been available.

While there were no substantial changes to the age or gender profile of students, the proportion of Black students increased substantially between 2015/16 and 2016/17. .

One possible indicator of the quality of Master's students is the grade obtained in their undergraduate degree. However, the survey found no change in this regard between the 2013/14 cohort (before the introduction of the Loan) and the 2016/17 cohort.

There is evidence of a slight shift in the main motivations for Master's level study between the 2013/14 and 2016/17 cohorts with the 2016/17 cohort more likely to state that their main motivation was interest in the subject and less likely to state more career-focussed motivations. However, students in receipt of the Loan were more likely to say that their main reason for studying was to improve their employment prospects (20% compared with 12% of those not in receipt of the Loan).

Change in timing of Master's students

One of the intentions of the Master's Loan was to enable individuals and the state to benefit from the return on investment in Master's level education earlier.

Comparing the survey cohorts starting their Master's courses in 2013/14 and in 2016/17, there was no change in the interval between completing undergraduate study and beginning postgraduate study. However, the majority (90%) of Master's Loan recipients starting in 2016/17 said that they "agreed that the Master's Loan had enabled them to begin postgraduate study sooner," a finding mirrored by the fact that, despite the lack of change in interval at an overall level, students in receipt of the Loan were more likely to have progressed from undergraduate to postgraduate study within a year (48%) than those not in receipt of the Loan (23%). The main reason for this given by students in the qualitative interviews was that without the Master's Loan, they would have had to spend several years building their savings in order to afford it.

Evidence is stronger in terms of the Master's Loan enabling students to complete more quickly. Analysis of the HESA student record indicates a trend towards a greater proportion of full-time study. While the proportion of loan-eligible England-domiciled students studying full-time remained relatively constant in the period prior to the introduction of the loan (at 54-56%), this proportion increased to 62% in 2016/17.

In the survey, the majority (89%) of full-time students in receipt of the Master's Loan agreed that the Loan had enabled them to study full-time rather than part-time.

There is some evidence to suggest that the increase in Master's students in 2016/17 might have been inflated by students deferring their study specifically to benefit from the introduction of the Loan. Half (50%) of those who received a Master's Loan in 2016/17 and who started their course more than one year after the end of their undergraduate study said that they had deferred starting their Master's course until the loan became available. This was particularly likely among students from a BAME background (61%).

Sources of finance

Estimates from the survey indicate that over half (56%) of students starting an eligible Master's course in 2016/17 took out the Master's Loan. Those studying full-time were more likely to have used the Master's Loan (67%) compared with part-time students (41%). Use of the Loan was also more common among students aged 25 and under, 73% of whom took out a loan, BAME students (66% of whom took out a loan), and those whose parents had not studied at university (60%).

The biggest change in funding sources for tuition fees between 2013/14 and 2016/17, alongside the introduction of the Master's Loan, was a drop in the proportion using self-funding to cover all or part of their tuition fees, from 77% of starts in 2013/14 to 57% in 2016/17.

However there was no change in the proportion receiving either funding from their HEI or funding from their employer to pay for tuition fees. Hence, so far, there is no indication of the Master's Loan 'crowding out' other sources of funding.

This is reinforced by evidence from the HEI survey. In the majority of cases, HEIs stated that had not made any changes to the funding that they offer Master's students since the introduction of the Master's Loan, and no HEIs said they expected to decrease funding in any of their support streams in future, although there were high levels of uncertainty, with between 16% and 21% saying they did not know if there would be any change to each type of funding.

A higher proportion of students starting a Master's course in 2016/17 either wholly or partially funded their tuition fees using wages from employment (31%) compared with those starting in 2013/14 (20%). Overall 70% of students starting in 2016/17 were in paid employment during their Master's course, split evenly between full-time and part-time work (each 35%). This compares to 58% of students starting in 2013/14 who were in paid employment during their course.

A quarter (25%) of students in receipt of the Master's Loan said they did not know how they would have funded their fees and living expenses without the Loan, while a further quarter (26%) said they would not have done the course had the Master's Loan not been available. In total, 52% of all students in receipt of the Loan gave one of these two responses, suggesting that half of all recipients felt they may not have been able to do their course had the Loan not been available.

Just under half (46%) said they would have used self-funding[2] to pay for their fees and living costs had the Loan not been available. This provides some evidence of the Loan providing funding for those who might otherwise have been able to afford the course on their own.

Changes in types of postgraduate study

Had the Master's Loan not been available, 41% of students who had taken out the Loan said they would have altered their study in some way. A quarter (25%) would have chosen a cheaper course, while conversely one in twenty (6%) would have chosen a more expensive course. Just under a fifth (19%) would have chosen a different course, and a slightly larger proportion (22%) would have chosen the same course at a different institution; this was particularly likely among BAME students (33%).

[2] Self-funding includes wages from employment, own savings, family contributions, and other sources of credit such as a bank loan, credit card or career development loan

Changes in provision

63% of HEIs had made no changes to their learning provision as a result of the introduction of the Master's Loan at the time of interviewing in early 2018. Where changes had been made, the most common were the introduction of new Master's courses or provision (13%), restructuring of Master's courses to be 2 years long (11%) and increasing the number of places of existing Master's courses (11%). Only a very small proportion (1%) said they had stopped completely or withdrawn Master's courses or provision.

30% of HEIs anticipated some change to their future Master's provision as a result of the loan. A number of HEIs anticipated further expansion of their Master's offer: a quarter (25%) expected to introduce new Master's courses or provision, while 16% expected to increase the number of places on existing Master's courses.

More than half (57%) of HEIs reported that they had increased fees for at least some of their Loan-eligible courses, while only 41% had increased fees for non-eligible courses.

Three-quarters (73%) of HEIs that had increased fees for loan-eligible courses said this was to align the fees more closely with their competitors, and 40% said they felt the market could stand it. Relatively few (7%) explicitly stated that the increase was to align with the maximum Postgraduate Loan amount. Other reasons given were often related to costs, with 11% of HEIs increasing fees to cover increasing costs, 9% to align with inflation, and 2% to pay for additional staff. A small proportion (4%) said they wanted to set their fees higher than their competitors.

Just under half (48%) of HEIs believed that over the longer term the introduction of the Master's Loan would lead to increased revenue for the institution. Of the remainder, the majority were undecided, with 37% saying they did not know if revenues would increase, while 15% said they did not think that revenues would increase.

Experiences of using the Master's Loan

Under the Master's Loan Scheme, students who started their course in 2016/17 could borrow up to £10,000[3]. The vast majority of students who received a Master's Loan took out £9,000 or more of the Master's loan (80%), with just 5% of students taking out under

[3] this increased to £10,280 for courses starting in 2017/18, and to £10,609 for courses starting on or after 1 August 2018

£5,000. Among all students who took out a Master's Loan, the mean value borrowed was £9,340.

The Master's Loan was used to cover tuition fees by almost all recipients (96%), with half (50%) using it for both tuition fees and living expenses, less than half (45%) using it only for tuition fees, and just 4% using it only for living expenses.

Over three-quarters (77%) of students in receipt of the Loan said that the amount of the Loan was enough to cover the full cost of tuition. However amongst loan recipients, those studying courses classified as business and law (69%) and medical and health sciences (68%) were less likely to agree that the value of the Master's Loan covered the cost of tuition, as were students living in London (57%).

In the qualitative interviews, most students suggested that £10,000 was not enough to adequately cover the cost of postgraduate study. Some full-time students expressed that they needed more money to cover both tuition fees and living expenses, yet the time demands of their course made working alongside their study difficult. A few students mentioned that they felt that the Master's Loan was sufficient only because their parents were able to financially support their study.

Almost all Loan applicants in the qualitative interviews stated that the application process for the Master's Loan was easy, well-explained and well-timed; a few commented that it was considerably easier than applying for undergraduate student finance.

Nearly two thirds of students who took out a loan were confident in their ability to repay the Master's Loan (63%). The qualitative interviews showed that students were generally aware of when they would begin to make repayments, and the threshold of income that triggers repayment, and less aware of the interest rates associated with the Master's Loan.

Reasons why take-up of the Master's Loan is not higher

Overall awareness of the Master's Loan at the time of starting Master's study was high but not universal; over three-quarters (77%) of students in the 2016/17 cohort were aware of the Loan when they started their course. Awareness was particularly high among students aged 25 and under, 89% of whom were aware of the loan compared with 66% of students aged 26-35, 59% of students aged 36-45 and 74% of students aged 46 or older.

Among students who did not apply for the Master’s Loan (who made up 41% of all students), the most common reason was being able to pay for the course without taking a loan (71%), with other factors being a lack of awareness of the loan (26%), and not wanting to take out another loan on top of the undergraduate loan (22%).

Return on investment of Master’s study

Seventy per cent of Loan recipients agreed that they had a clear idea about the financial impact of their study, with nearly half of all Loan takers strongly agreeing (45%). Eighty-one per cent of students felt that their earning potential would increase as a result of their Master’s course.

Loan-takers were more likely than non-loan takers to believe that their earning potential would increase (85% compared with 77% of non-Loan students), as were students studying full-time (86% compared with 75% of part-time students. Eighty-eight per cent of BAME students indicated that they felt their earnings would increase at least to some extent compared to 79% of white students.

Almost all students (94%) expected to receive at least one benefit five years after completing their study. Seventy-four per cent believed they would be earning more money, and a similar proportion (73%) expected to have more job choices. Being in a more senior role and being in a more specialist role were each mentioned by 70% of students, and 68% anticipated they would be in a higher pay band.

Conclusions

In relation to the key outcomes and impacts anticipated from the introduction of the Master’s Loan, the key conclusions that can be drawn from this research are that:

- The large increase in student volumes on loan-eligible courses indicates that the loan has been successful in leading to **increased access** to Master’s level education**;**
- Although there is no evidence of widening participation in terms of an increase in participation of students whose parents did not attend university, there is evidence that the loan has increased the proportion of students from a black minority ethnic background;
- There is evidence of the Loan leading to **earlier access** to the benefits accruing from Master’s education through facilitating full-time study rather than part-time.

There is not yet much evidence to suggest that it is leading to a reduced time gap between undergraduate and post-graduate study.

- There is evidence that the Loan will help the **sustainability of the HE sector**. Most HEIs benefited from increased student volumes in 2016/17 and half reported that they believe the Loan will lead to increased revenue for them. There is evidence to suggest that it has benefitted medium-tariff institutions in particular.
- There is no evidence to suggest that the Loan has ‘crowded out’ **other sources of funding**. The proportions of students in receipt of employer and HEI funding for tuition fees and living expenses have remained broadly the same as in 2013/14.
- There is some evidence that the Loan has had an effect of **increasing fees** for Master’s courses (with HEIs more likely to report increases on these courses (57%) than on courses not eligible for fees (41%). This might warrant further investigation.
- There is evidence of **displacement**. Take-up of the Loan was high in 2016/17 and the proportion of students taking out a Loan far outweighs the overall increase in student numbers on loan-eligible courses. When asked directly, a third of students taking out a Loan stated that they could have found alternative sources of funding.
- The aspirations/intended destinations of students in the 2016/17 cohort are very similar to those in the 2013/14 cohort which could lead to an increase in **highly-skilled jobs** and **increased financial return** to individuals as a result of the Loan (with similar outcomes achieved but for more students). It will be possible to collect stronger evidence for this over time.

In terms of the overall operation of the Loan, the application process was seen to be very straightforward and there were no strong suggestions for adjusting the format or delivery of the Loan.

2 Background and Methodology

Postgraduate education plays an important role in helping to maintain the UK's position in the global marketplace. Maintaining investment in research and development has frequently been cited as key to ensuring competitive advantage. Taught postgraduate (PGT) courses such as Master's degrees provide a basic training that can be used as a springboard into the kinds of postgraduate research careers that are essential for ensuring innovation and dynamism within the high growth sectors of the knowledge economy.

Taught postgraduate courses also offer benefits to the individual. It has been estimated that men and women who possess Master's qualifications earn on average an extra £59,000 and £42,000 respectively over their lifetimes compared to their peers whose highest qualifications are undergraduate degrees[4] Postgraduate study also plays a role in facilitating social mobility, with students pursuing postgraduate study in order to secure progression to more senior roles, which can be undertaken later in life and/or studied part-time alongside working.

The number of postgraduate taught (PGT) students at UK universities rose strongly between 2007–08 and 2010–11, reaching a peak of 300,945 enrolments in the 2010-11 academic year. However, the population has declined since that point, reaching a low of 271,475 starts in 2012/13, which remained fairly stable through to the end of the 2015/16 academic year (282,090 starts)[5.]

It was within the context of these declines in the population of PGT students that commentators identified a lack of affordable funding options as a particular barrier to study at this level for some students[6]. Financial concerns were shown to be among the most significant and commonly reported barriers to progression into postgraduate master's study reported by students[7] and a reason for postponing postgraduate study until much later[8].

To address this issue, the Government launched the Master's Degree Loan Scheme in June 2016. The postgraduate master's loan scheme is the first time that Government

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[4] London Economics (2011) BIS Research Paper No 45, The returns to higher education qualifications

[5] HESA Student statistics – 2016/17 summary

[6] Universities UK, Postgraduate Taught Education: The Funding Challenge, May 2014.

[7] Department for Business, Innovation and Skills, Higher Education: Consultation on Support for Postgraduate Study, March 2015, p10.

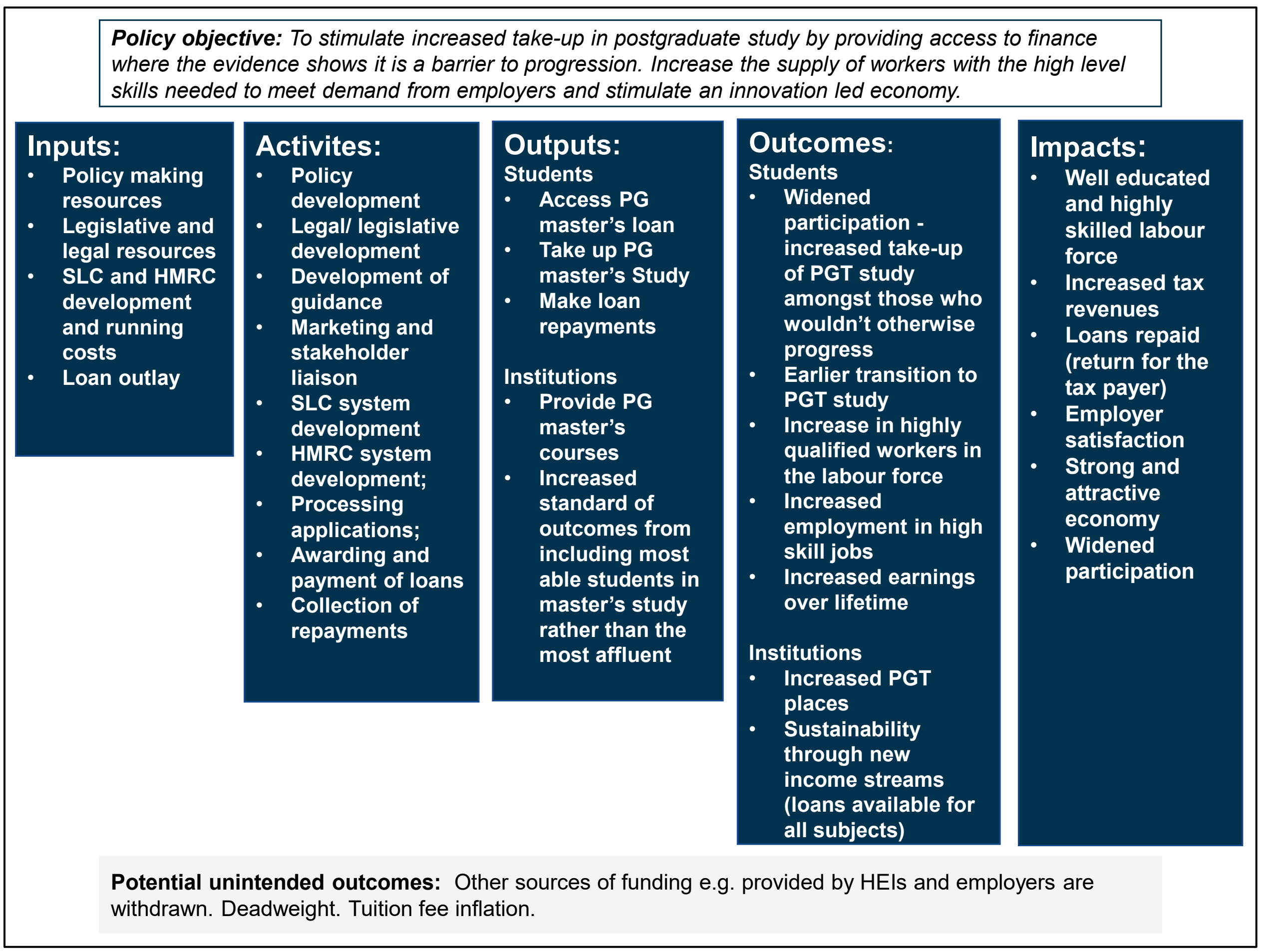
[8] Institute for Employment Studies and NatCen Social Research (2016) 'Understanding Mature Entrants' transitions to postgraduate study' BIS research paper: https://www.gov.uk/government/publications/mature-students-understanding-progression-to-postgraduate-study,

has provided student loan finance to support students to progress on to postgraduate master's study. The loan aimed to:

- Stimulate increased domestic take-up of postgraduate master's degree study by providing access to finance;
- Enable those who could not otherwise afford (or would have to delay) study at postgraduate master's level to progress to study at this level; and
- In turn, improve the supply of highly skilled individuals to the UK economy.

The evaluation was informed by the logic model shown in Figure 2.1.

Figure 2.1 The logic model that informed the Evaluation of the Master's Degree Loan Scheme



The scheme enables eligible postgraduate master's students to access a loan of up to £10,000[9] as a contribution towards the cost of their studies. The loan is available to full-time and part-time students, as well as those undertaking distance learning. As with the undergraduate loan system, repayment of the loan is income-contingent, and borrowers will only begin repaying when they are earning over £21,000 per year.

To be eligible for the Loan, individuals have to be:

- Studying a loan-eligible course (which means a standalone Master's course worth 180 credits);
- Aged under 60;
- Studying for their first qualification at Master's degree level (and not already have any higher-level qualifications);
- Have "settled" status or a recognised connection with the UK and a resident of the UK and Islands for three years prior to that date.

This research evaluated how the Master's Degree Loan Scheme performed against its objectives in the first year of it being offered. This evaluation, therefore, measured early indications of potential changes that have been associated with the introduction of the Master's Loan, building on the outcomes shown in the logic model shown in Figure 2.1 i.e. exploring changes to:

- PGT Student volumes;
- The profile of students (and hence the inclusiveness/accessibility) of PGT study;
- The quality of PGT students;
- The point in their careers at which students are able to access PGT;
- The range of funding sources available to PGT students (either positively or negatively);
- Choices of courses undertaken (e.g. subjects and length);
- Changes in provision offered by HEIs and the approaches taken by institutions to set fees for these courses; and

[9] For courses starting in the 2016/17 academic year, the maximum Master's Loan amount available was £10,000; this increased to £10,280 for courses starting in 2017/18, and to £10,609 for courses starting on or after 1 August 2018

- The experiences of using the Master's Loan among students that took one out and their sense of achieving return on their investment in Master's study.

The research covered two key groups: students on PGT courses that were eligible to apply for a Master's Loan and Higher Education Institutions (HEIs). There were four key strands to this evaluation:

- Analysis of secondary data, including five years of historic data from the HESA Student Record (stretching back to the 2012/13 academic year); analysis was conducted on both the full dataset (which included all starts on Master's courses at English HEIs) and on those deemed to be 'loan-eligible', that is, aged under 60, England-domiciled, without a prior postgraduate level qualification, and enrolled on a course eligible for Master's Loan funding.
- A quantitative survey of 2,002 loan-eligible English domiciled Master's students studying at UK publicly funded institutions starting a course in the academic year 2016/17, covering both those that took out a Master's Loan and those that did not. This survey was conducted using a combination of online and telephone interviewing throughout July and August 2018.
- 50 follow-up deep-dive qualitative interviews with Master's students, conducted between August and September 2018. These interviews were follow-up interviews with students that had already completed the quantitative survey, and were selected for participation based upon their answers in that survey.
- An online survey of the Head of Postgraduate admissions, or another senior member of staff with an overview of postgraduate admissions, at 79 UK HEIs, conducted throughout January and February 2018.

In addition, the study also involved analysis of the 2014 *Understanding Mature Transitions to Postgraduate Study*[10] dataset to provide a comparison from the pre-loans period with the student survey findings. The *Understanding Transitions* research involved a large-scale survey covering a wide range of different postgraduate students. For the purposes of this evaluation, we used a subset of survey respondents in the Transitions dataset who:

- Were studying for taught Master's, MPhil or Research Master's courses;
- Were domiciled in England;

[10] https://www.gov.uk/government/publications/mature-students-understanding-progression-to-postgraduate-study

- Started a course in the academic year 2013/14 (the year that the study was conducted)[11].

For further information about the evaluation methodology and a detailed breakdown of the sample profile of each strand of this research, please refer to Appendix A.

Report conventions

- Throughout the report, unweighted base figures are shown on tables and charts to give an indication of the statistical reliability of the figures.
- As a general convention throughout the report, figures with a base size of fewer than 50 are not reported, although on charts and tables these figures have been retained for indicative purposes.
- All differences noted are significant to a 95 per cent confidence level unless otherwise stated. Unless otherwise stated, z-tests were used to determine the level of significance between figures.
- All findings have been analysed by key subgroups and if in any instance no finding is reported by these key subgroups then it is because there is no statistically significant difference.
- In some cases, figures in tables and charts may not always add to 100 percent due to rounding (i.e. 99 percent or 101 percent) or where multiple responses were permitted (as stated in the footnote).

[11] This is not a perfect comparison with the 2016/17 loans eligible population (because we were not able to exclude those aged 60+ or those with existing postgraduate qualifications) but it is a reasonable proxy.

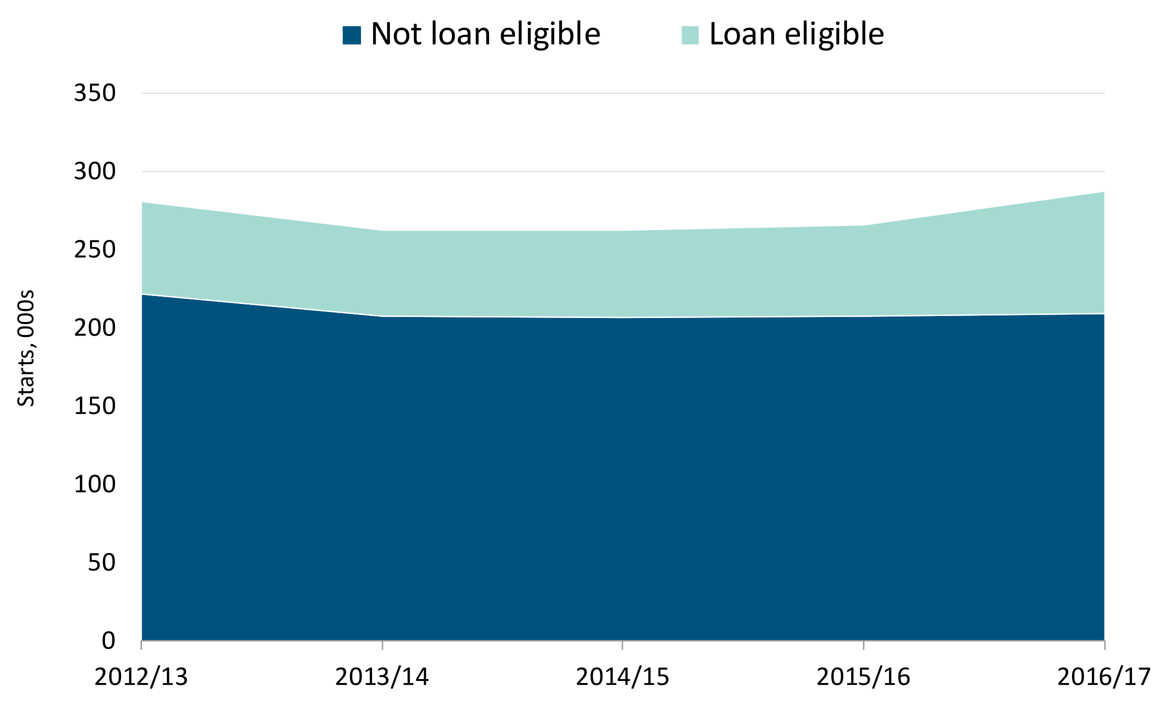
3 Change in volumes of Master's' students

This chapter looks at the evidence around the impact that the introduction of the Master's Loan has had on volumes of students undertaking Master's courses. It primarily uses data from the HESA student record. The analysis looks at the overall Master's population but also specifically at the England-domiciled loan-eligible students i.e. those who were on loan-eligible courses, aged under 60 and without a prior postgraduate qualification. The analysis is limited to those studying at English HEIs.

Overall change in volumes of students

Data from the HESA Student Record shows that there was a substantial increase in the number of Master's students enrolling between the academic year 2015/16 (the year immediately prior to the introduction of the Master's Loan) and 2016/17 (the year in which the Master's Loan was introduced). Overall, as shown in Figure 3.1, enrolments increased from 266,000 in 2015/16 to 288,000 in 2016/17 (growth of 8%).

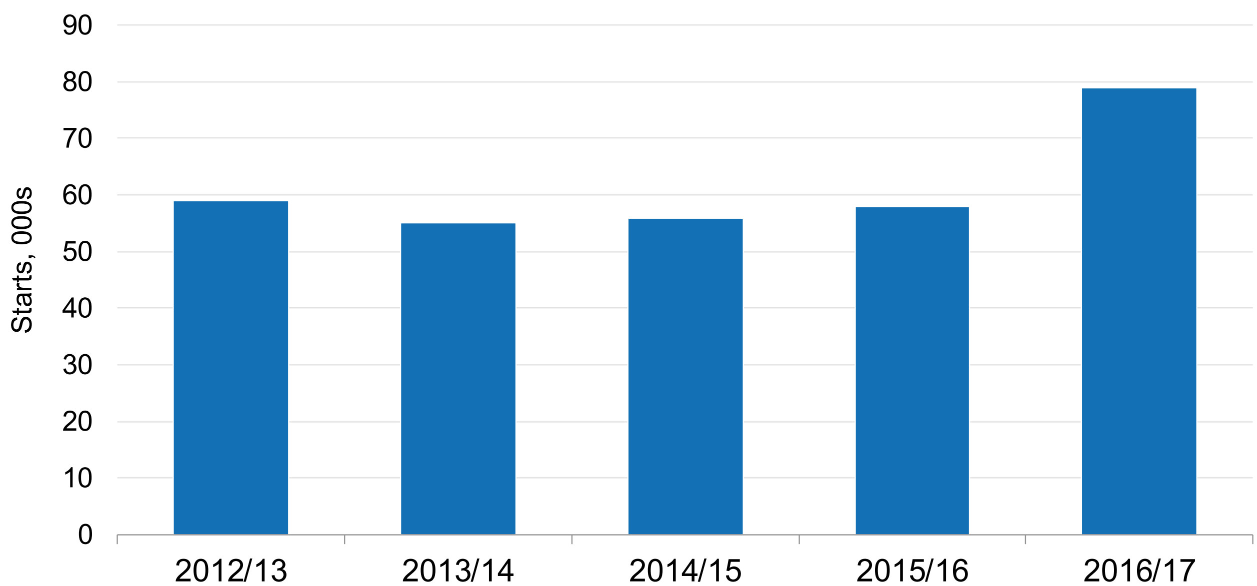
Figure 3.1 Number of students enrolling in each academic year – change over time



Source: HESA Student Record, 2012/13 to 2016/17: All Master's students at English HEIs; Loan eligible students at English HEIs (English-domiciled, aged under 60, without prior postgraduate qualification, and on loan-eligible courses); not loan eligible students at English HEIs (all Master's students not in previous group)

This growth at the overall level was driven by an increase in England-domiciled loan-eligible students (that is, those aged under 60 without prior postgraduate qualifications, on loan-eligible courses). Between the two academic years, enrolments from England-domiciled loan-eligible students increased from 58,000 to 79,000 (growth of 36%), while non-loan eligible enrolments remained static (208,000 in 2015/16, to 209,000 in 2016/17). As Figure 3.2 shows this increase is against a backdrop of relatively static figures for the years immediately prior to the introduction of the Loan. Just over a quarter (27%) of enrolments in 2016/17 were from loan-eligible England-domiciled students, up from a consistent 21%-22% for each year prior to that back to 2012/13.

Figure 3.2 Number of loan-eligible students enrolling in each academic year – change over time



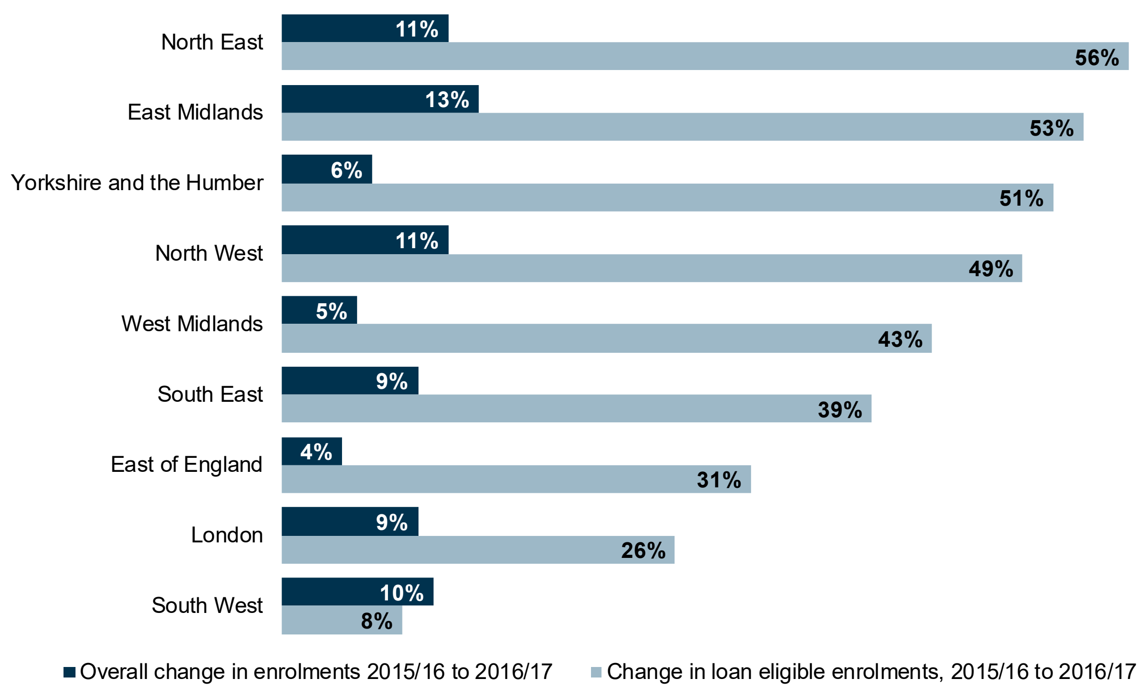
Source: HESA Student Record, 2012/13 to 2016/17: All Loan eligible students at English HEIs (English-domiciled, aged under 60, without prior postgraduate qualification, and on loan-eligible courses)

Change in student volumes by region

There were some quite marked variations in the level of change in the volume of England-domiciled loan-eligible students between 2015/16 and 2016/17 by region, subject and institution. However, it is worth bearing in mind that often these changes only make a relatively small difference to the profile of the overall Master's level population (because a large proportion of students are EU or international students or England-domiciled students who are not loan-eligible).

The increase in England-domiciled loan-eligible students has not been reflected evenly across the regions of the UK, with a notable north-south divide shown; all the regions with the largest percentage increases in loan-eligible master's students between 2015/16 and 2016/17 were in the north of England or the Midlands (Figure 3.3). Only in one region (South West) was the increase in loan-eligible enrolments (8%) lower than the general increase in enrolments (10%). It is not clear why this should be the case, but it is worth noting that even at a regional scale, these statistics may be significantly affected by the individual or collective decisions of the few largest HEIs in one area.

Figure 3.3 Change in enrolments (loan eligible and overall), 2015/16 to 2016/17, by region



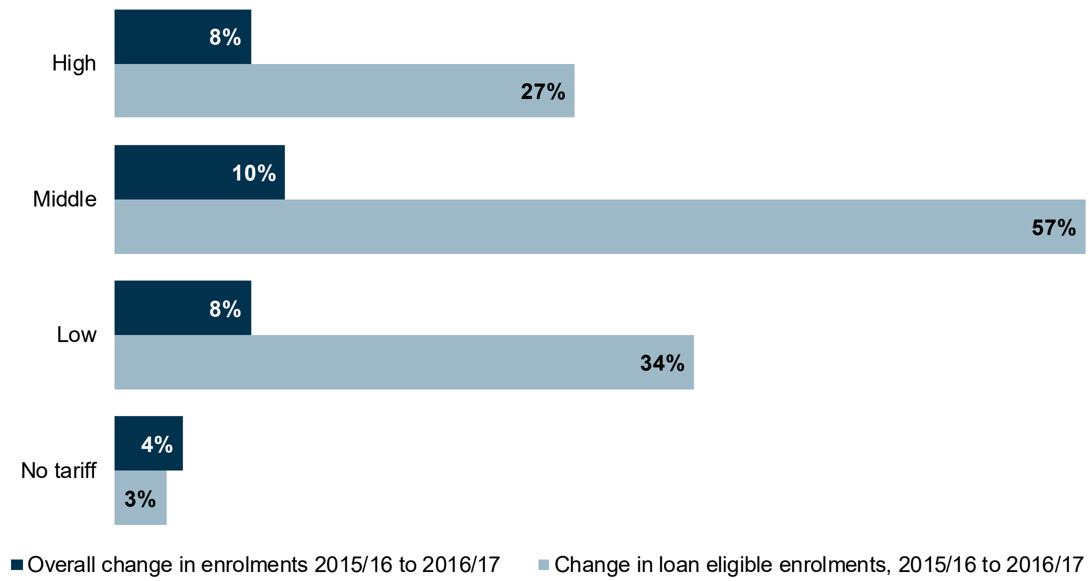
Source: HESA Student Record, 2015/16 to 2016/17: All Master's students at English HEIs; Loan eligible students at English HEIs (English-domiciled, aged under 60, without prior postgraduate qualification, and on loan-eligible courses)

The overall trend in student enrolments at Master's level from 2015/16 to 2016/17 was not markedly different by institution tariff (Figure 3.4); however, for middle tariff institutions the change in loan-eligible student enrolments was much more substantial (57%) than for low tariff (34%) and high tariff institutions (27%).

The reason for this is that the increase in loan-eligible enrolments at low and mid tariff institutions has been matched by a decline in non-loan eligible enrolments (−1% at mid tariff institutions and −4% at low tariff institutions), unlike at high tariff institutions (+3% increase in non-loan eligible enrolments).

This does suggest that the impact of the loan has been greater in medium tariff institutions in particular.

Figure 3.4 Change in enrolments (loan eligible and overall), 2015/16 to 2016/17, by tariff



Source: HESA Student Record, 2015/16 to 2016/17 (All Master's students at English HEIs)

Extending this analysis to consider size of institution, institutions classified as large and medium sized (in terms of postgraduate volumes)[12] saw enrolment trends very closely in line with the overall trends shown at the start of this chapter (with overall enrolments increasing 9% at large institutions and 8% at medium institutions, and loan-eligible enrolments increasing by 35% and 38% respectively). At small institutions, however, there was a 58% increase in enrolments from English-domiciled loan-eligible students, and a 7% reduction in enrolments from other students.

Overall, most HEIs (120) experienced an increase in English-domiciled loan-eligible students between 2015/16 and 2016/17, and only a small minority (11) saw a decrease.

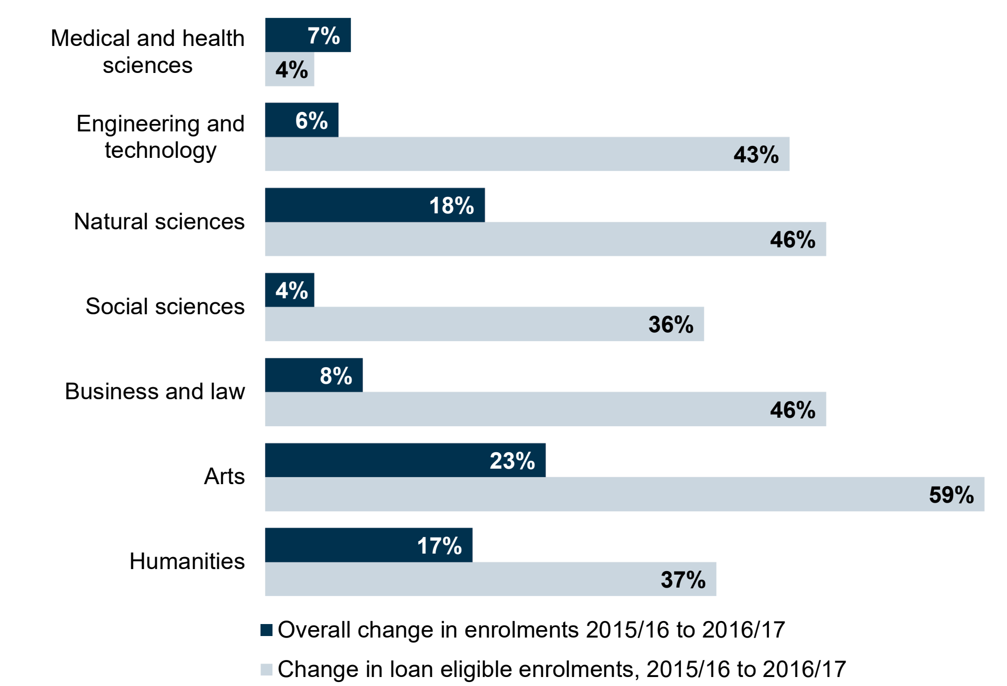
[12] HEIs with more than 750 postgraduate students were classed as large, HEIs with fewer than 750 but more than 185 were classed as medium, and those with 185 or fewer postgraduate students were classed as small.

By subject area, the largest overall increases in Master's enrolments between 2015/16 and 2016/17 were seen in Arts (23%), Natural Sciences (18%) and Humanities (17%). As Figure 3.5 shows, in each of these subject areas, large increases were also seen in the number of loan-eligible enrolments from England-domiciled students.

In most cases, the changes in enrolments by subject at an overall level were largely driven by increases in the volumes of loan-eligible England-domiciled students. Generally, the volumes of other students remained constant between 2015/16 and 2016/17 (except in Medical and Health Sciences where enrolments from other students increased by 8% while the volume of loan-eligible England-domiciled students increased only very slightly perhaps partly because activities already receiving NHS funding are specifically excluded from loan eligibility).

In some sectors (Social Sciences and Engineering and Technology) there was a small decrease in enrolments from other students, so the increase in volumes of England-domiciled loan-eligible enrolments in these sectors was not reflected in a large increase overall.

Figure 3.5 Change in enrolments (loan eligible and overall), 2015/16 to 2016/17, by subject area



Source: HESA Student Record, 2015/16 to 2016/17: All Master's students at English HEIs, Loan eligible students at English HEIs (English-domiciled, aged under 60, without prior postgraduate qualification, and on loan-eligible courses)

Looking more narrowly at JACS Principal Subject Codes, the largest increases in enrolments from England-domiciled loan-eligible students were seen in Law (77%) and Agriculture (73%), followed by Creative Arts and Design (59%), Computer Science (58%), Biological Sciences (50%) and Mass Communications and Documentation (50%). In Education there was a reduction of 3% in non-loan eligible enrolments in this subject (a loss of 1,320 students), and a 21% increase in England-domiciled loan-eligible enrolments (an addition of 1,011 students), possibly indicating some changes in the design of provision to take advantage of the loan conditions.

HEI views on changes in student volumes

The HESA data findings are supported by the results of the survey of HEIs. Three-quarters of HEIs interviewed (75%) said that applications for Master's courses increased in 2016/17; 38% stated that they increased a lot. The number of enrolments from students eligible for the Master's Loan was reported to have increased as well;

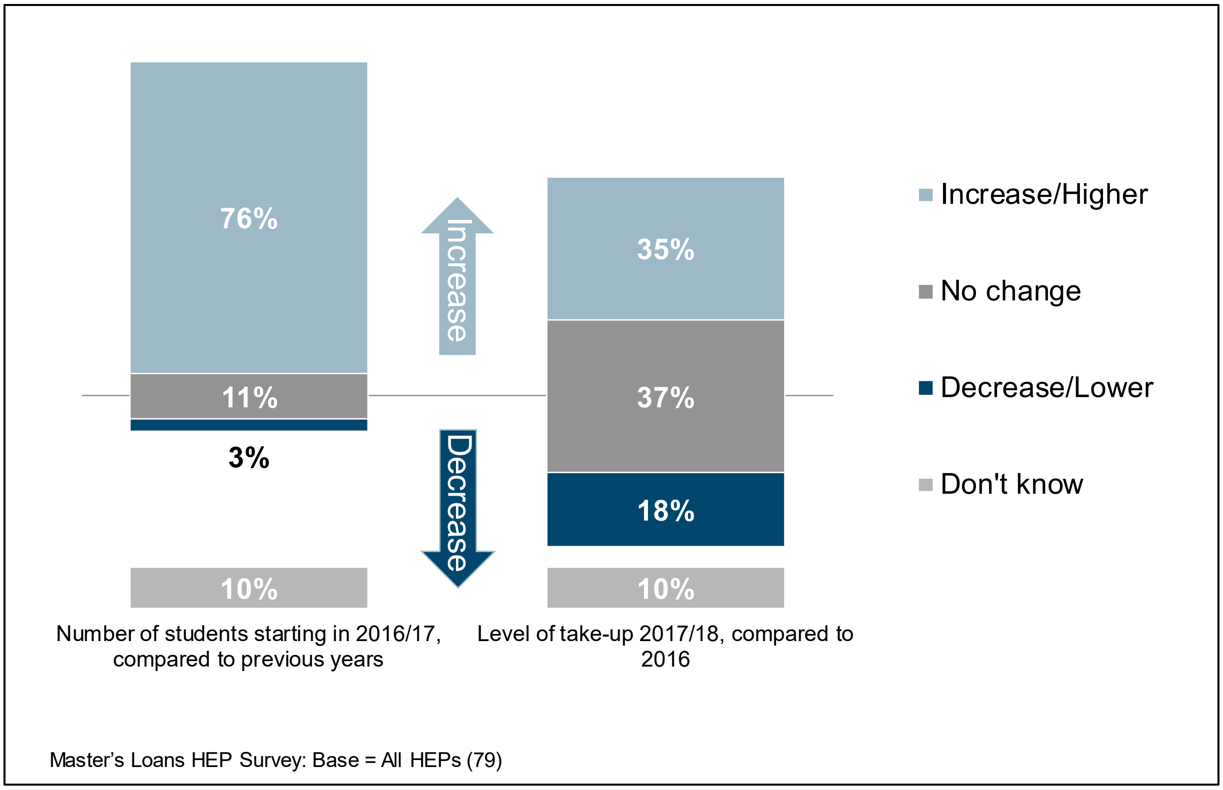
76% reported an increase in enrolments from this group, and 38% said that enrolments had increased a lot.

Providers were asked how the number of enrolments on courses eligible for the loan related to their expectations; a third (32%) said that the number starting had been higher than expected, and only 3% that numbers had been lower than expected (33% felt the number of starts was at the level they had expected, and 25% had no expectations).

The great majority of those seeing an increase in the number of postgraduate students eligible for the loan attributed this change at least in part to the introduction of the loan (84%, equivalent to 66% of all providers); 42% (equivalent to 33% of all providers) said that the increase was ‘to a large extent’ due to the loan. When asked why the loan might have this effect, 62% (equivalent to 43% of all providers) said it was because the loan had allowed more potential applicants to afford postgraduate study.

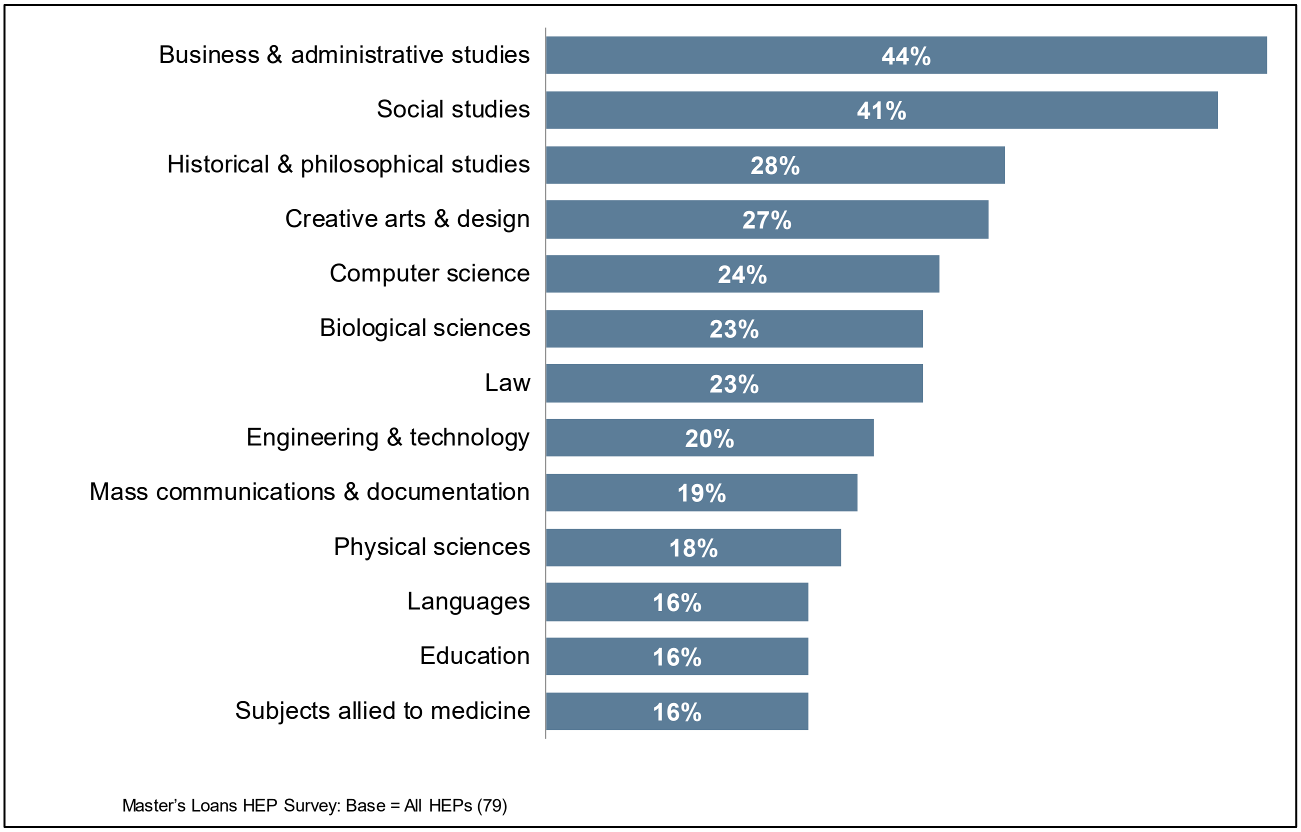
As Figure 3.6 shows, there was a strong consensus among providers that 2016/17 saw a substantial increase in loan-eligible Master’s enrolments relative to previous years. At the time when the survey was conducted, HEIs were also able to comment on enrolments for 2017/18 and a third of HEIs reported that they saw an increase in enrolments between 2016/17 and 2017/18 although it was more common to report that numbers stabilised.

Figure 3.6 HEI perceptions of change in loan eligible enrolments, 2016/17 student numbers relative to 2015/16, and 2017/18 take-up relative to 2016/17



By subject area, HEIs were most likely to report an increase in demand for Master's loan eligible courses in 2016/17 in business and administrative studies, as well as in social studies, as shown in Figure 3.7.

Figure 3.7 HEP perceptions of courses in which loan eligible enrolments increased, 2016/17

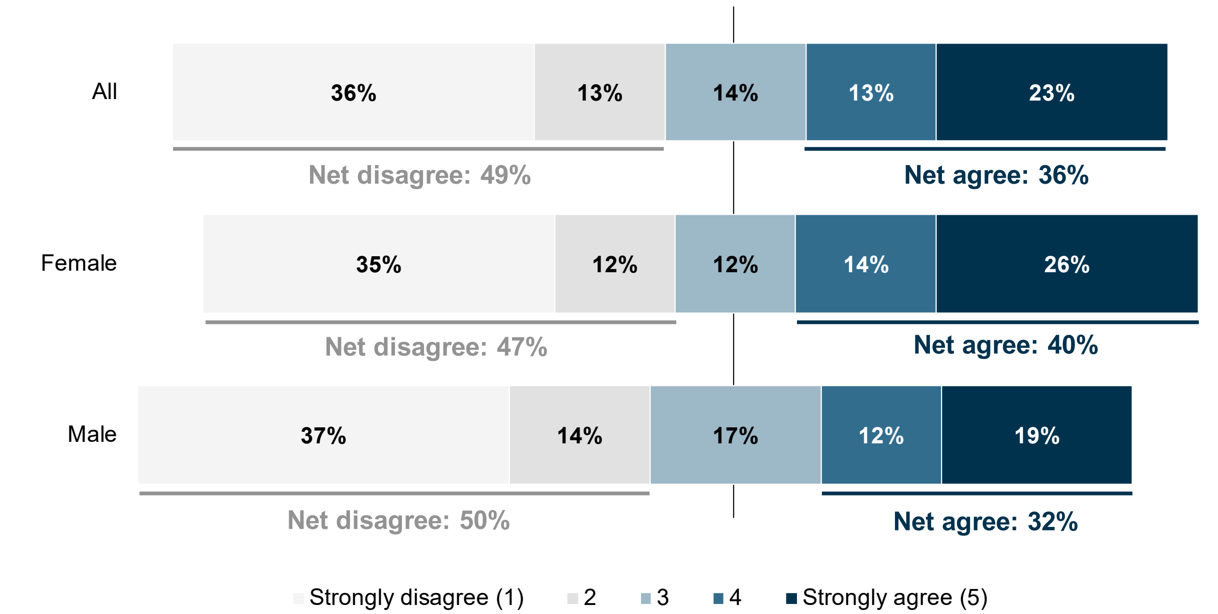


Evidence from student survey on changes in student volumes

The role of the loan in increasing enrolments on Master's courses is also supported by the student survey data; 72% of students in receipt of a loan felt that they would have been unable to undertake their specific Master's course without a loan. This was particularly likely to be the case for female students (75%), although still widespread among male students (69%).

As shown in Figure 3.8, 36% of students agreed that they would "never even thought about studying a Master's" if the Master's Loan had not been available. There were marked differences between the responses of male and female students; female students were substantially more likely than male students (40% vs. 32%) to say that their decision to study was entirely dependent on the availability of the loan.

Figure 3.8 Student agreement with the statement that without the availability of the loan they never would have even thought about studying a Master's; overall and by gender



Master's Loans Survey: Base = All students in receipt of the Master's Loan (2,002)

It was also more likely for students at HEIs with a Low Tariff rating to consider that they "never would have even thought about" a Master's without the loan; 42% of those at low tariff institutions agreed with this statement, compared to 32% at medium tariff and 37% at high tariff institutions.

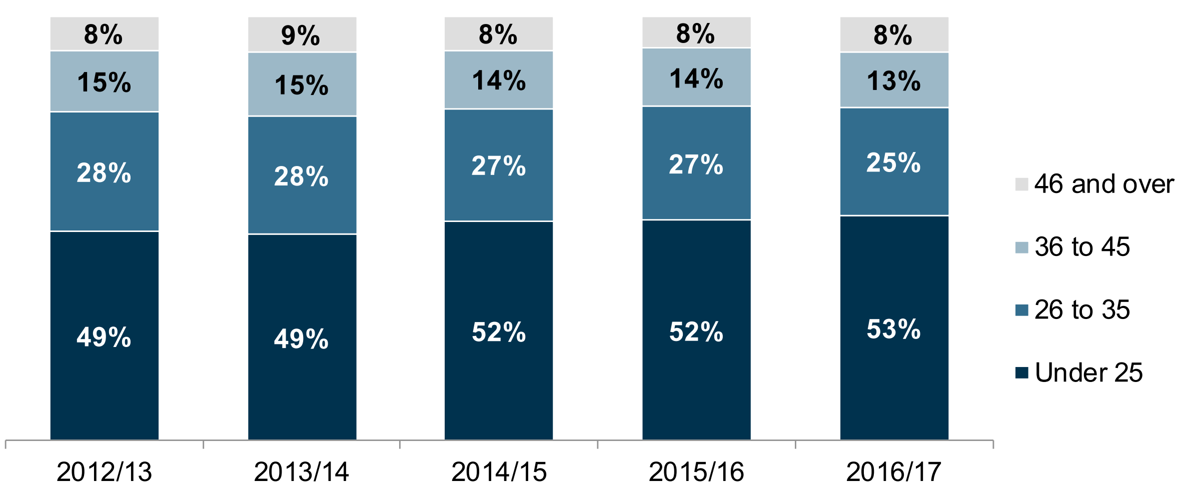
4 Change in profile of Master's students

This chapter looks at the impact that the introduction of the Master's Loan has had on the profile of students undertaking Master's courses, with a view to understanding if the intended aim of widening participation has been achieved. One of the other aims outlined in the logic model was for the introduction of the Loan to improve or maintain the overall quality of Master's students; quality is quite a difficult concept to measure but this chapter also includes consideration of some factors that could consider to be related to quality. The data used in this chapter comes from a combination of the HESA student record and from the quantitative survey.

Age and gender profile

The HESA Student Record indicates that the age profile of loan-eligible England-domiciled students enrolling for Master's courses did not change substantively between 2015/16 and 2016/17 (when the Master's Loan was introduced).

Figure 4.1 Age profile of loan-eligible England-domiciled Master's students – change over time



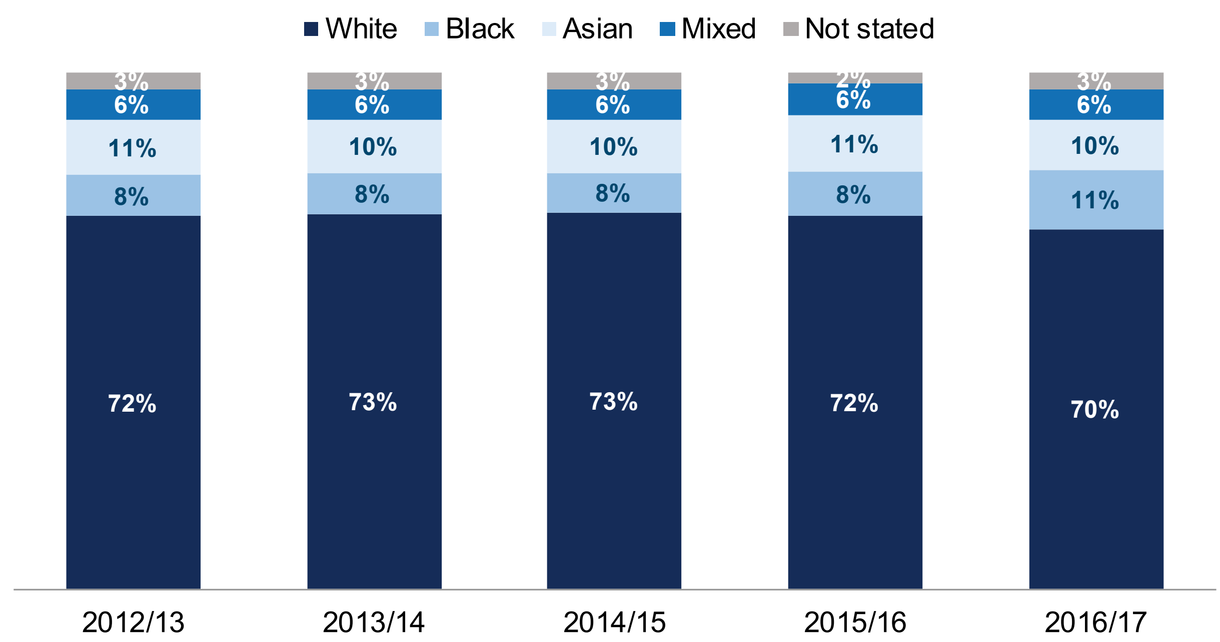
Source: HESA Student Record, 2012/13 to 2016/17 (All England-domiciled loan-eligible Master's students)

Similarly, the gender profile has remained unchanged, at around 44% male and 56% female for all years from 2012/13 to 2016/17.

Ethnicity profile

A change can be seen in the profile of loan-eligible England-domiciled students by ethnicity between 2015/16 and 2016/17; the proportion made up of White students reduced slightly, from 72% to 70%, while the proportion made up of Black students increased from 8% to 11% (figure 4.2). Although this change appears small in percentage point terms, the increase in composition of black students in a single year represents a large amount. When looking at the actual numbers of England domiciled Black students there was an 84% increase in 2016/17 compared with 2015/16 (the numbers increased from 4,867 to 8,945)

Figure 4.2 Ethnicity profile of loan-eligible England-domiciled Master's students – change over time



Source: HESA Student Record, 2012/13 to 2016/17 (All England-domiciled loan-eligible Master's students)

Indicators of disadvantage

It is possible to make other comparisons of student characteristics by comparing responses between the 2013/14 cohort interviewed as part of the *Understanding Transitions* study and the 2016/17 cohort interviewed for this evaluation. These comparisons show no change in the distribution of new enrolments by whether students' parents had studied at university or HE college, which can be used an indicator of advantage/disadvantage (49% in the 2013/14 cohort, 50% in the 2016/17), but an increase in the proportion of students with dependent children (from 16% in the 13/14 cohort to 24% in the 16/17 cohort).

In the case of both these characteristics there was a difference in profile among the 2016/17 cohort between those who took out the loan and those who did not:

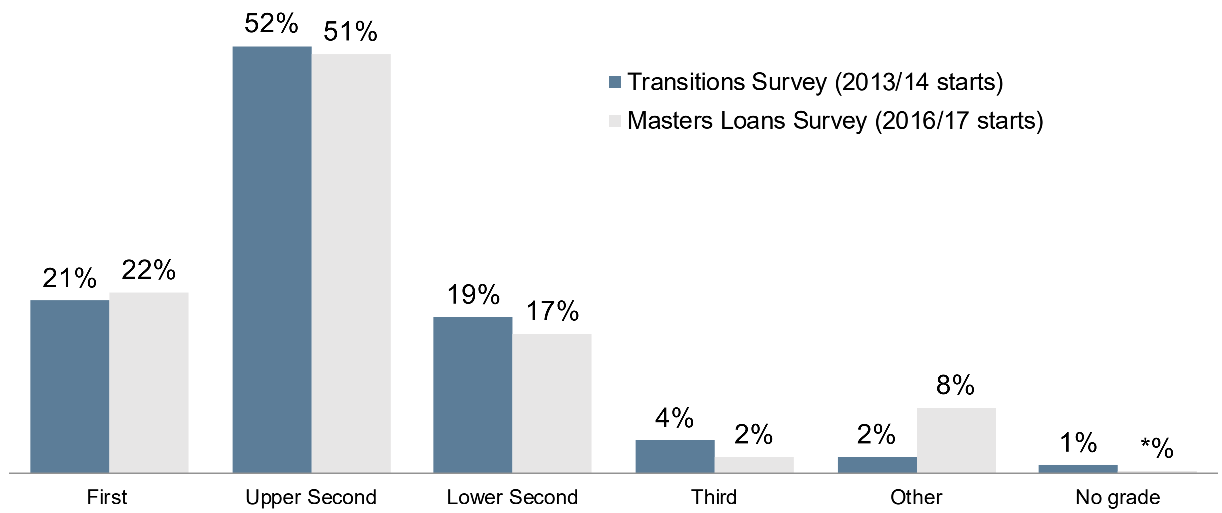
- In terms of parental background: students whose parents had not studied at university were more likely to have taken out the loan (60%) than those whose parents did study at university (31%).
- In terms of dependent children: Among loan-takers, the proportion with dependent children was much lower (18%) than among those who did not take out a loan (31%). Hence in this respect, the loan is less likely to be helping those facing this particular potential disadvantage.

Another characteristic associated with potential disadvantage is having a disability or health condition. The survey data indicated that around 8% of the 2016/17 cohort had a disability or health condition but we do not have comparable information from earlier cohorts with which to compare this. However, it is worth noting that within the 16/17 cohort, students with a disability were more likely to have taken out the loan (72%) than those with no disability (55%), perhaps indicating that it is helping those with a disability or health condition to a greater extent than those without.

Prior attainment profile

As mentioned in the introduction to this chapter, one of the anticipated outcomes from the introduction of the Master's Loan was an increase in student quality (on the basis that, as financial barriers are removed, postgraduate study is opened up to the most able and not just the most affluent). Quality of students is quite a difficult concept to measure and hence this evaluation only really touches on this issue. One possible indication is prior achievement at undergraduate level. As Figure 4.3 shows, the profiles of the 2013/14 and 2016/17 cohorts of students by undergraduate degree grade were very similar.

Figure 4.3 Undergraduate degree grade – change over time



** Represents a figure less than 0.5%*

Transitions Survey: Base = All 2013/14 PGT starts who completed an undergraduate degree in UK (2,061)
Master's Loans Survey: Base = All students who completed an undergraduate degree (1,945)

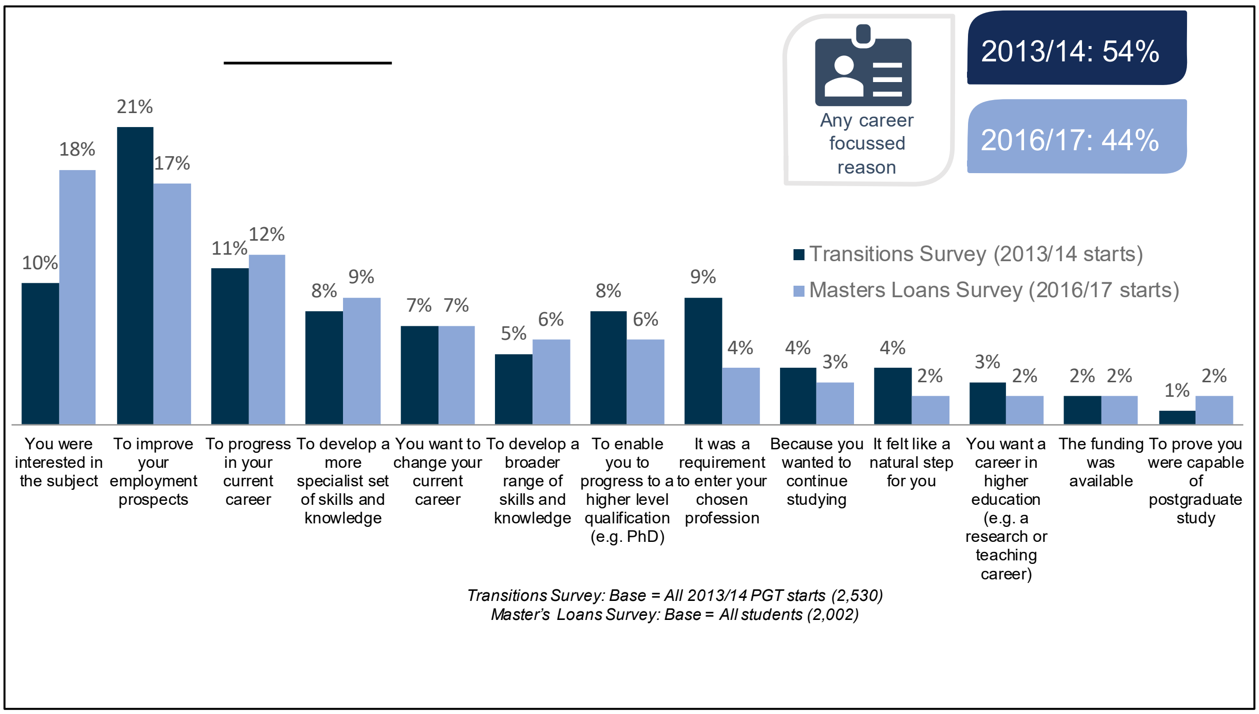
Among the 2016/17 cohort, those aged 25 and under were less likely than older students to have no undergraduate degree (1% compared with 4% of those aged 26 and over). Younger students were also more likely to have a First class degree (29%) or an Upper second class (58%).

White students were more likely than BAME students to have a First class degree (23% compared with 18%).

Motivations for study

Another measure that we can look at to compare students is their stated motivation for Master's study. Although this is not a measure of quality in the sense of academic capability, looking at motivations for study can help to explore whether introducing the Master's Loan has had or is likely to have the desired impact of leading to more students working in higher level jobs (than they would have been employed in without achieving a Master's). Comparing the responses of the 2013/14 cohort provided by the *Transitions* survey with those for the 2016/17 cohort from the survey conducted for this evaluation indicates that – across UK-domiciled loan-eligible students – the motivations for study have become slightly less career-focussed. As Figure 4.4. shows, the proportion of students who stated that their primary motivation was being interested in the subject has increased for the 2016/17 cohort (from 10% of the 2013/14 cohort to 18%) while the proportions stating that their primary motivation was strongly career-related (e.g. to improve their employment prospects or because it was a requirement of their chosen profession) have decreased. Overall, 54% of the 2013/14 cohort gave a primary motivation that was career-related compared to 44% in 2016/17.

Figure 4.4 Main motivation for Master's study – change over time



Students in receipt of the Loan were more likely to say their main reason for studying was to improve their employment prospects (20% compared with 12% of those not in receipt of the Loan), and to say it was because they wanted to continue studying (4% compared with 2% of non-Loan students). At the same time, they were less likely to cite wanting to progress in their current career (9% compared with 16% of non-Loan students), and less likely to say they wanted to develop a broader range of skills and knowledge (5% compared with 8% of non-Loan students).

There were a number of differences between those studying full-time and those studying part-time, as shown in Table 4.1 overleaf. Full-time students were more likely than part-time students to say their main reason for studying their Master's course was interest in the subject (20%), wanting to improve their employment prospects (19%), wanting to progress to a higher qualification (7%), or because it was a requirement to enter their chosen profession (5%). However, part-time students were more likely to say they wanted to progress in their current career (17% compared with 8%).

Table 4.1 Main reason for studying Master's course by mode of study and age

	Full-time	Part-time	25 and under	26-35	36-45	46 and over
Being interested in the subject	20%	15%	23%	13%	11%	21%
Wanting to improve employment prospects	19%	13%	21%	14%	12%	9%
Wanted to progress in current career	8%	17%	8%	16%	19%	8%
To develop a more specialist set of skills and knowledge	7%	12%	7%	10%	9%	11%
Wanted to change current career	7%	7%	3%	10%	10%	11%
To develop a broader range of skills and knowledge	5%	7%	5%	6%	8%	7%
Wanting to progress to a higher qualification	7%	4%	8%	4%	4%	6%
A requirement to enter chosen profession	5%	3%	4%	5%	5%	4%

Master's Loans Survey: Base: All students (2,002)

Studying for interest was most common among the youngest and oldest students: being interested in the subject was the main reason given by 23% of those aged 25 and under and 21% of those aged 46 and over, compared with 13% of those aged 26-35 and 11% of those aged 36-45. Those aged 25 and under were also more likely to say their main reason was to improve their employment prospects (21%) compared with 14% of those aged 26-35, 12% of those aged 36-45, and 9% of those aged 46 and over.

Those aged 26-35 and 36-45 were both more likely to say their main reason for studying was to progress in their current career (16% and 19% respectively) compared with those aged 25 and under and 46 and over (each 8%).

Students aged 26 and over were all more likely to say their main reason was to change their current career: this reason was given by 10% of both those aged 26-35 and 36-45, and by 11% of those aged 46 and over, compared with 3% of those aged 25 and under.

Students who had taken out an undergraduate loan were more likely to say their main reason for doing a Master's course was to improve their employment prospects (19%) compared to those who had not taken out an undergraduate loan (11%).

Those in full-time employment during their Master's course were more likely to say their main reason for study was to progress in their current career (20% compared with 7% of those employed part-time and 8% of those not employed during the course), and less likely to say their main reason was interest in the subject (12% compared with 22% of those employed part-time and 20% of those not employed) and less likely to say it was to improve their employment prospects (12% compared with 20% of those employed part-time and 18% of those not employed during the course).

5 Change in timing of Master's' students

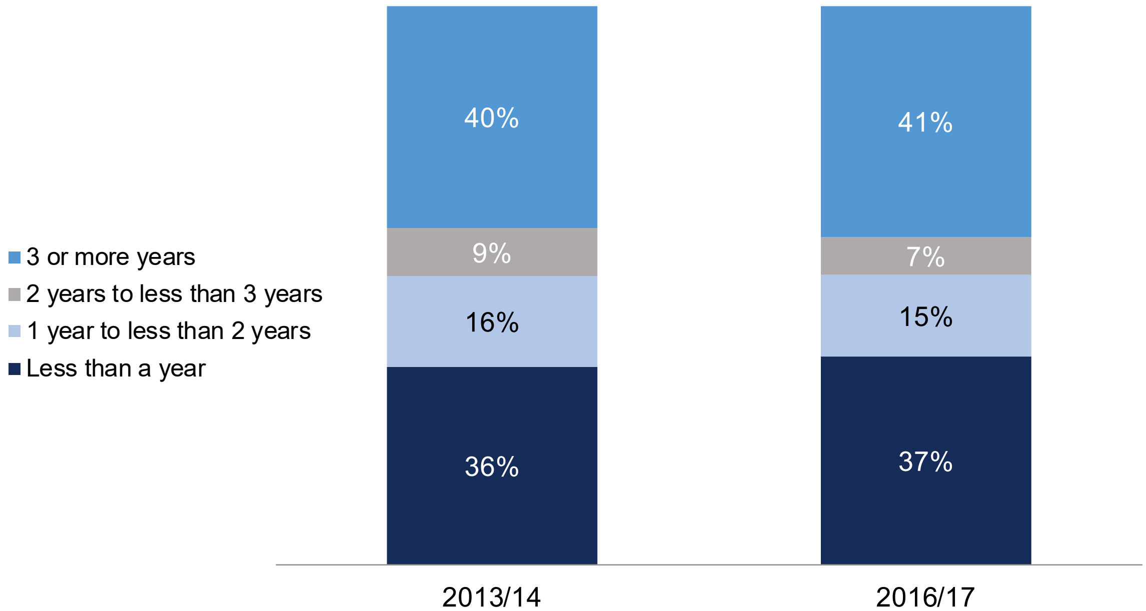
One of the other outcomes stated in the Master's Loan logic model was that students might be encouraged to start their Master's course earlier than they might otherwise have done (because they do not need to save as much to fund their study). This chapter explores whether the introduction of the Master's Loan affected the timing of Master's degrees, particularly whether students were able to start and/or complete their course earlier. Also whether there are any indications that students deferred their study in anticipation of the introduction of the Loan (as there was advance media coverage for some years prior, indicating that the introduction of the Loan was a possibility). This is important context to understand whether the effects observed in 2016/17 might be artificially inflated.

Interval between undergraduate and Master's study

Nearly all Master's students had completed an undergraduate degree first. Comparing the gap between completing their undergraduate course and starting their Master's course for students from the 2013/14 cohort (taken from the *Transitions* survey) and the 2016/17 cohort shows gaps to be very similar at an overall level (as shown in Figure 5.1 overleaf)[13].

[13] While it is possible that the gap between finishing their undergraduate course and starting their Master's course for the 2016/17 cohort has been affected by those choosing to defer in order to take advantage of the Master's Loan (15% of the 2016/17 cohort – see section "Evidence of deferral in order to benefit from Master's Loan" below), as we do not know the actual length of any deferments made it is not possible to extrapolate whether this is the case.

Figure 5.1 Transition times between completing undergraduate degree and starting Master's for 2013/14 and 2016/17 cohorts



Transitions Survey: Base = All students giving date of undergraduate completion (2,487)
Master's Loans Survey: Base = If completed an undergraduate first degree and gave date of undergraduate completion (1,929)

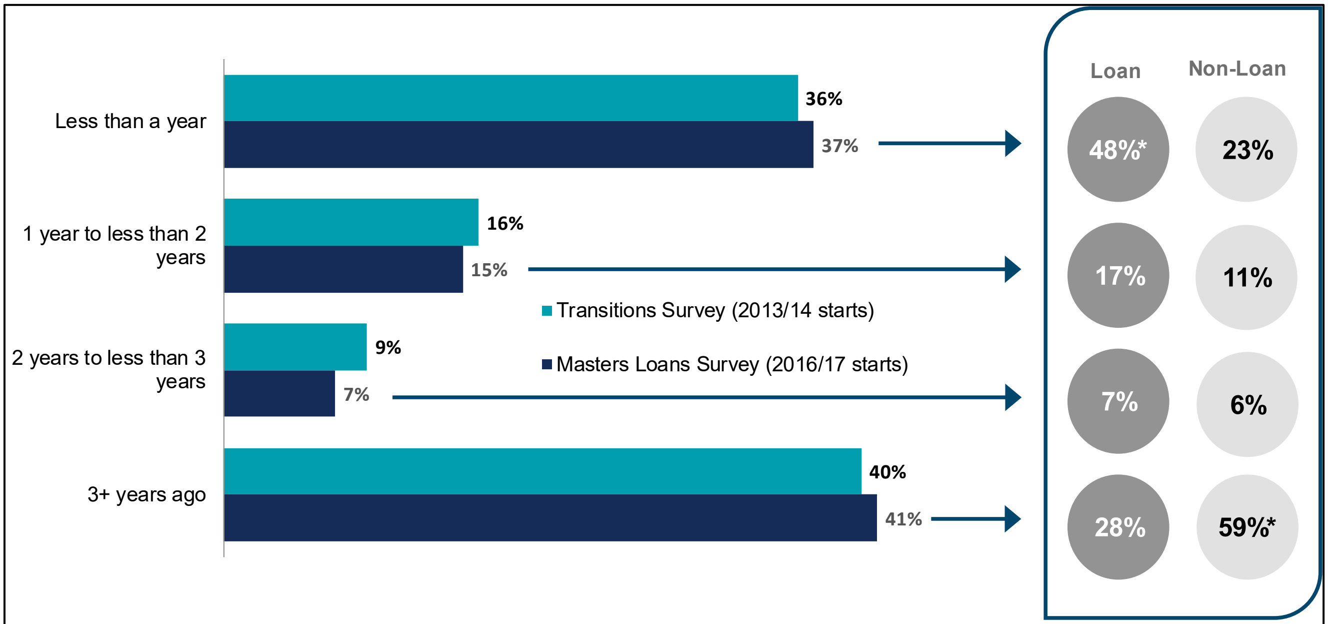
Among students starting in 2016/17, those who studied full-time were much more likely to have started their Master's course within a year of finishing their undergraduate degree (52% compared with 16% of those studying part-time). This is very similar to the situation among the 2013/14 survey respondents (51% of full-time students compared with 13% of those studying part-time).

Overall, younger students were much more likely to progress straight from their undergraduate degree to their Master's course; in 2016/17, 63% of those aged 25 and under transitioned in less than a year (higher than 58% in 2013/14), compared with 14% of those aged 26-35 (up from 9% in 2013/14), and 14% of those aged 36 and over (in line with 10% in 2013/14).

This pattern by age is evident among both those studying full-time and part-time: in 2016/17 among those studying full-time, 68% of those aged 25 and under started their Master's course within a year (in line with 64% in 2013/14), compared with 19% of those aged 26-35 and 17% of those aged 36 and over (also in line with the proportion of 14% for each older age group in 2013/14).

Similarly, in 2016/17, among those studying part-time, 37% of those aged 25 and under progressed within a year (in line with 33% in 2013/14), compared with 10% of those aged 26-35 (an increase on 6% in 2013/14), and 13% of those aged 36 and over (also an increase on 9% in 2013/14).

Figure 5.2 The gap between finishing undergraduate study and beginning postgraduate study



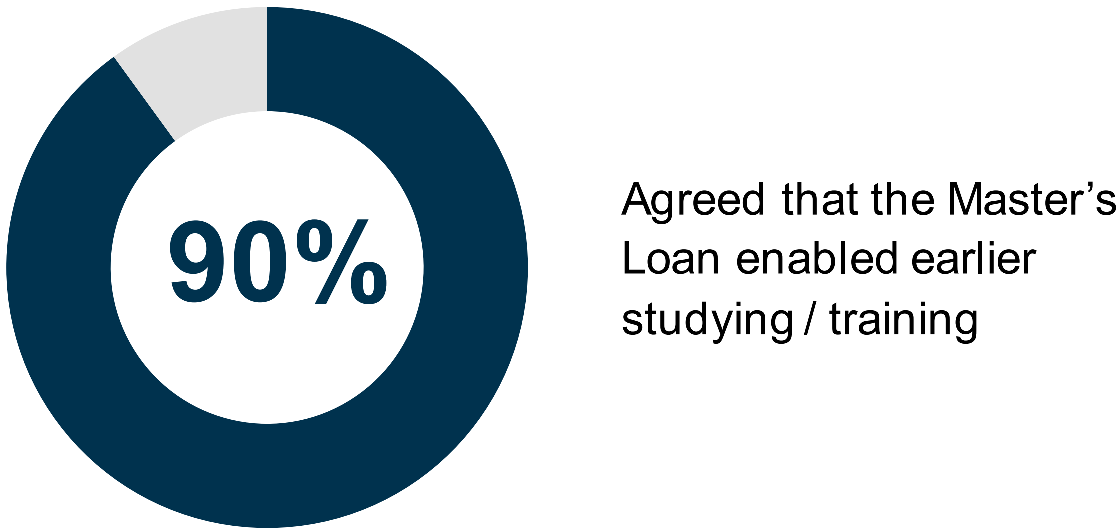
Transitions survey: Base = All students giving date of undergraduate completion (2,487)
Master's Loans Survey: Base = If completed an undergraduate first degree and gave date of undergraduate completion (1,929) – Loans (1,075), Non-Loans (854)

There were quite considerable differences in the 2016/17 cohort between those who had taken out a loan and those who had not. Almost half (48%) of loan-takers had less than a year between their undergraduate and Master's study (i.e. they had progressed straight through) compared with 23% of those who did not take out a Loan. Seventeen per cent of loan-takers had between one and two years between their undergraduate degree and Master's study compared with one in ten (11%) who did not take out a loan.

Learners who did not take out a Master's loan were more likely to have completed their undergraduate degree (59%) at least three years before commencing their Master's degree than loan-takers (27%).

When asked directly, students who had taken out the Master's loan felt strongly that the loan had enabled them to begin postgraduate study sooner. Nine in ten loan-takers (90%) agreed that the Master's Loan enabled earlier study or training (Figure 5.3).

Figure 5.3 Agreement with statement 'Your Postgraduate Loan made it possible to start studying or training sooner than would otherwise have been possible'



Master's Loans Survey: Base = All students in receipt of a loan (1,101).

There is an apparent inconsistency between the proportion of students saying that the Loan has enabled earlier training and the findings from the HESA Student Record (which as shown in the previous chapter showed no difference in the age profile of students in 2016/17 compared with previous years). It is possible that this is because students were only able to begin their postgraduate study *slightly* earlier due to the loan, meaning no difference is visible when looking at banded age groups. To some extent, looking at mean ages of students using the HESA student record supports this. There was a slight change in the mean age of UK-domiciled Master's students between the 2015/16 academic year and 2016/17: the mean age of students in the 2015/16 cohort was 31.58, compared to 31.39 for 2016/17. However, it is worth highlighting that this falls in the context of a broader trend in a reduction in the average age of UK-domiciled Master's students (for context, the 2014/15 cohort had a mean age of 31.85).

This discrepancy may also be a function of the fact that Master's students who have taken out a loan feel that they depend heavily on it and find it difficult to envisage how they would have funded their study otherwise (and assume that it would have required a long period of saving).

In the qualitative interviews, there were several students who felt that access to the loan had enabled them to study earlier. The main way that the loan was felt to allow for earlier access to postgraduate study was in allowing students to apply for a Master's course without having to first find employment in order to build savings to fund their course. A few students indicated that they felt this would have taken two or three years to achieve.

> *"I would have had to build up a financial cushion before taking the Master's… I know a couple of more mature people who had worked in industry for a while and then decided to take that next step."*
> ***Loan-taker, full-time student, one-year course***

One mature student who participated in a qualitative interview felt that, due to being older than the average student, if she had not proceeded straight from undergraduate education to postgraduate, it would have been difficult to re-enter academia. The Master's Loan not only accelerated her access to postgraduate level study, but also enabled it entirely, as she felt that a break from study would have resulted in her never returning to it.

> *"Because of my age, I thought if I take any time out, then there's definitely no chance of me going back again."*
> ***Loan-taker, full-time student, one-year course***

Amount of time spent considering Master's study before starting

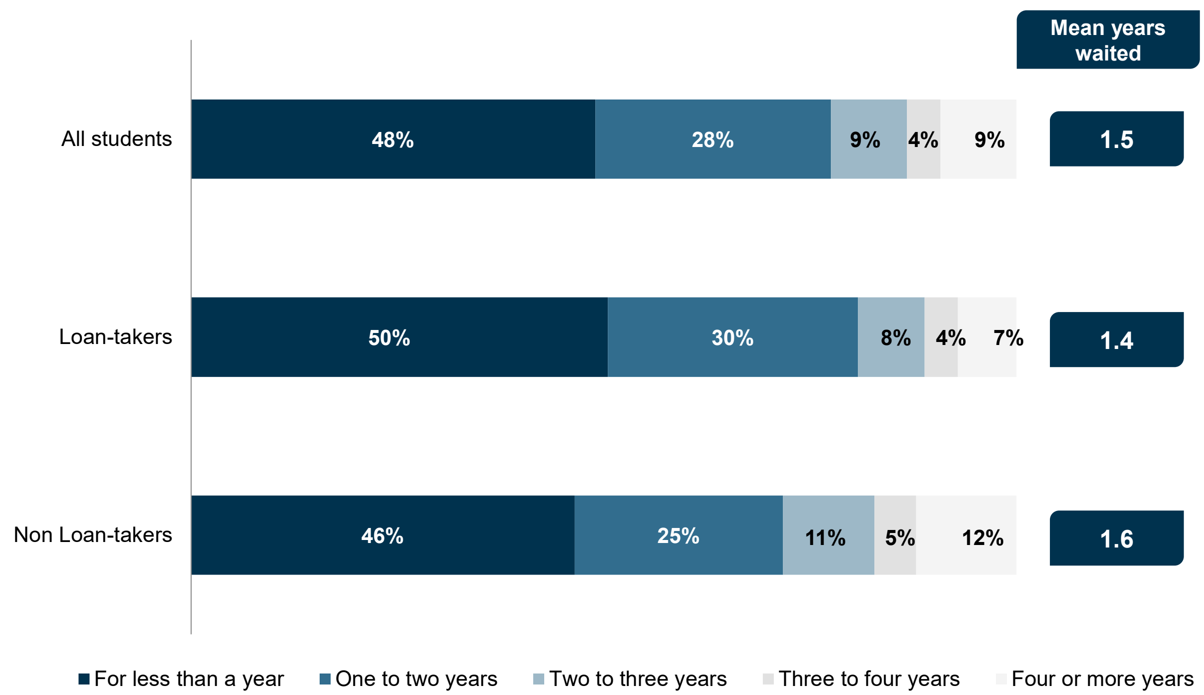
Further evidence that the Loan has facilitated earlier study can be taken from responses to a question that was asked in the survey, of all students, about the length of time they spent considering taking on a Master's degree before starting the course. Overall, around half of students (48%) considered doing a Master's degree for less than a year before starting, whereas around 3 in 10 students (28%) spent between one and two years considering, and over 1 in 5 students (23%) spent more than two years.

Loan-takers were more likely to have considered a Master's course for less than two years (80%) than non-Loan-takers (71%), while non-Loan-takers were more likely to have considered doing a Master's degree for over two years before starting (28% compared to 19%). This led to a slight difference in mean amount of time considering a Master's before starting it, 1.4 years for Loan-takers compared to 1.6 years for non-Loan-takers[14]. Again, over time, this might point towards the Loan leading to shorter

[14] The question was asked using time ranges and the mean has been derived by using the mid-points of these ranges.

periods of deliberation and hence less delay in receiving the benefits of postgraduate study.

Figure 5.4 Length of time spent considering doing a Master’s degree

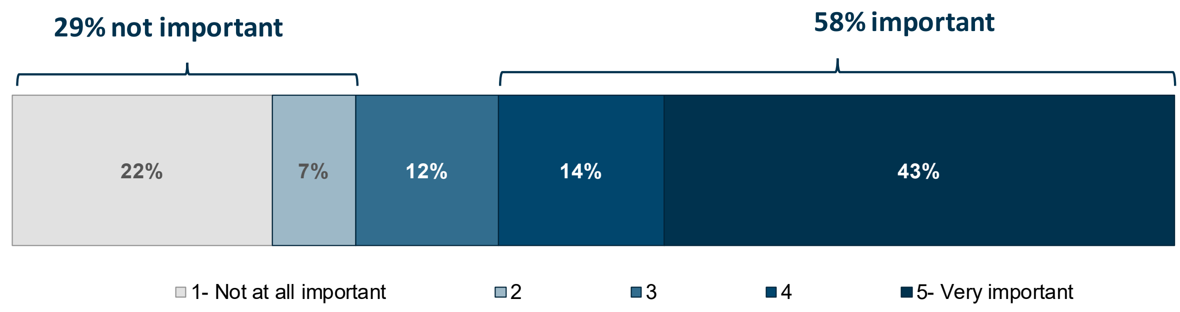


Master’s Loans Student Survey: Base = All students (2,002)

Importance of cost as a factor in not being able to start the Master’s course sooner

The potential of the Loan to enable students to start Master’s study earlier is also evident from looking at responses to a question about the importance of cost as a reason for not studying earlier. Students who completed an undergraduate degree more than one year before starting their Master’s course were asked how important a factor cost was in not being able to start their study. Nearly six in ten of these students (58%) viewed cost an important factor.

Figure 5.5 Importance of cost in not being able to start course sooner



Master's Loans Survey: Base: If completed an undergraduate degree more than one year before starting the Master's course (n=1266)

Students who took out a Master's loan were more likely to view cost as an important factor in not being able to start the Master's course sooner (72%) than those who did not take out a loan (45%).

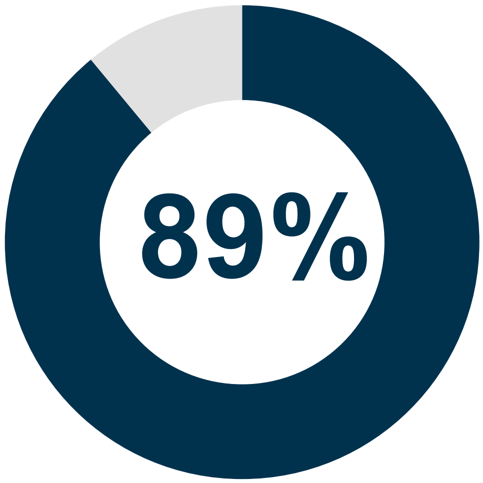
Other groups of students who were more likely to state that cost was an important factor in delaying their study (and hence who perhaps are more likely to benefit from the Loan) were:

- **BAME students**: 67% stated cost was an important factor in not being able to start their Master's course sooner compared with 55% of white students;
- **Female students:** 62% stated cost was an important factor compared with 52% of men.
- **Students who attended a HEI with a low average tariff**: 63% stated cost was an important factor in not being able to start the Master's course sooner compared with 53% of students who attended a HEI with a high average tariff.

Studying full-time rather than part-time

As well as facilitating earlier entry into Master's level study, another way in which the Master's Loan could potentially help individuals (and the economy) to benefit from the returns on investment in postgraduate study is through enabling students to complete earlier (for example by studying full-time rather than part-time). There is some evidence that the introduction of the Loan allowed some students to complete their course more quickly, as the majority of loan-takers who studied full-time (89%) agreed that the Master's loan had enabled earlier completion of the degree by allowing them to do full-time study rather than part-time (Figure 5.5).

Figure 5.6 Agreement with statement: ***'Your Postgraduate Loan made it possible to start a course or learning on a full-time basis rather than a part-time basis'***



Of full-time students agreed that the Master's Loan enabled full-time study rather than part-time

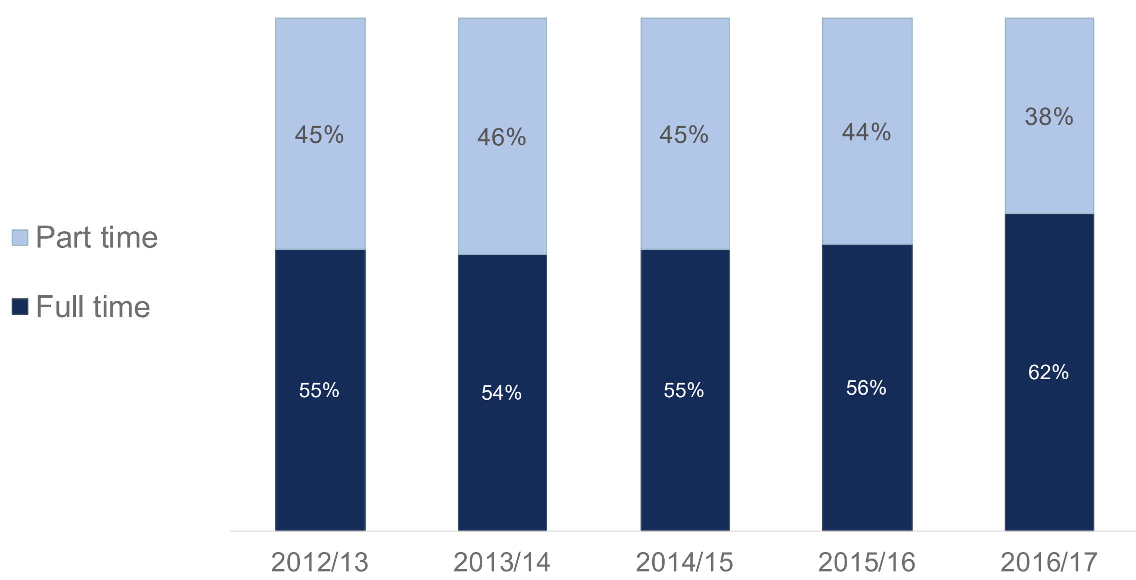
Master's Loans Survey: Base = All loan-takers who studied full-time (688).

In one of the qualitative interviews, a student explained that without the availability of the Master's Loan, they would have studied part-time for financial reasons.

> *"The initial thought I had was to go for a part-time Master's. The loan came into place so that was when I decided to do it full-time with the help of the loan and get it done sooner."*
> ***Loan-taker, full-time student, one-year course***

Analysis of the HESA Student Record also indicates a trend towards a greater proportion of full-time study (Figure 5.6). While the proportion of loan-eligible England-domiciled students studying full-time remained relatively constant in the period prior to the introduction of the loan (at 54-56%), this proportion increased to 62% in 2016/17. Among full-time students, there was a 50% increase in the number of loan-eligible enrolments from England-domiciled students, compared to just 18% among part-time students.

Figure 5.7 Split between full-time and part-time study – change over time



Source: HESA Student Record, 2012/13 to 2017/18 (England domiciled, loans-eligible students studying at English HEIs)

Responses from the student survey showed that those starting their Master's course within a year of completing their undergraduate qualification were more likely to study full-time than part time compared to those with a longer gap. This may mean that over-time there may be an increase in both the proportion starting study earlier and also finishing earlier (as the result of a shift from part-time to full-time study).

However, it was clear from the qualitative interviews that there are some students for whom the Loan amount is either not sufficient to enable full-time study or where a move to full-time would not have been desirable.

- One loan-taker changed his degree from one year to two, and full-time to part-time in order to spread the costs, while also working. He was the main earner in his household which included his wife and child.

"Though I had some money saved, it wasn't going to be enough. I would have had to have accumulated more savings than I had in order to pay the fees."
Loan-taker, part-time student, two-year course

- Another loan-taker chose to study part-time as she was worried about staying out of employment for too long. She also felt that while she could have afforded tuition fees, she was unsure about living costs.

"I was very concerned about having a long period of unemployment…"
Loan-taker, part-time student, two-year course

Evidence of deferral in order to benefit from Master's Loan

Students taking part in the quantitative survey who had taken out a Master's Loan were asked whether they had specifically deferred their study until 2016/17 in anticipation of (and in order to benefit from) the Master's Loan[15].

Half of loan-takers (50%) who started their Master's course more than one year after the end of their undergraduate study stated that they had deferred starting their Master's course until the Master's Loan became available. These students equate to 26% of all those who took out a Loan and 15% of the 2016/17 cohort as a whole. It is worth noting that the length of deferment between the two degrees would have been less than two years (possibly no more than 20 months[16]) as the Master's Loan was not announced until December 2014. However, these findings indicate a possibility that the impacts found in terms of the volumes of Master's students in 2016/17 might have a first-year inflationary effect (that would not be replicated in subsequent years).

BAME students in receipt of the Master's Loan were more likely to state that they deferred starting their postgraduate education to take advantage of the Master's Loan (61%) than White students (45%).

[15] The Master's Loan was announced in December 2014 in the Chancellor's Autumn Statement.
[16] One year is an estimate if the undergraduate degree was completed in Summer 2015. Twenty months is an approximation if the undergraduate degree was completed in Winter 2014/15.

6 Change in sources of finance

It was hoped that the introduction of the Master's Loan would not 'crowd-out' other sources of funding, such as funding provided by HEIs, research councils and employers; at the same time, it was hoped that there would not be too much 'deadweight' – that is, students using the Loan when in fact they could have funded the course through other means, such as self-funding.

This chapter first explores the sources of funding used for tuition fees and maintenance costs, including take-up of the Master's Loan, and looks at changes in funding sources utilised by students starting in 2013/14 and 2016/17. It also explores student views on whether they could have found alternative funding had the Master's Loan not been available, and what other funding they might have used. It also examines whether HEIs made, or predicted they would make, any changes to the funding they offer as a result of the introduction of the Master's Loan.

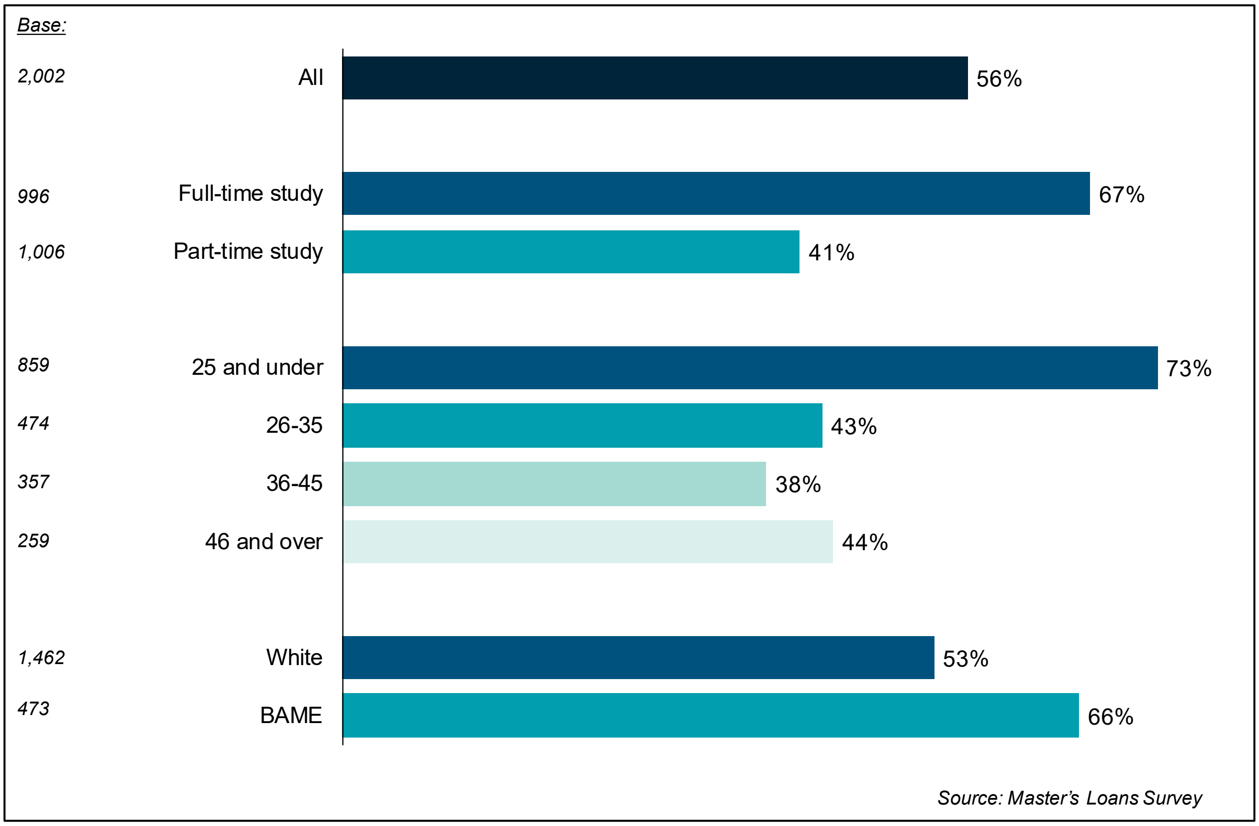
Take-up of the Master's Loan

Evidence from the survey of students conducted for this evaluation indicated that just over half (56%) of students starting an eligible Master's course in 2016/17 took out the Master's Loan, as shown in Figure 6.1. Those studying full-time were more likely to have used the Master's Loan (67%) compared with part-time students (41%). Take-up of the Master's Loan was also higher among students aged 25 and under (73%) than among those aged over 25 (42%).

Students from a BAME background were more likely to have taken out the Master's Loan (66%) than those from a white background (53%), which comes alongside the increase in the proportion of students from a black background among loan-eligible Master's students starting in 2016/17, potentially supporting the hypothesis that the Loan will help to widen access to Master's level education. Similarly, as mentioned in Chapter 4, students whose parents had not studied at university were also more likely to have used the Loan (60%) than those whose parents did study at university (53%).

Use of the Master's Loan was also more common among students who had taken out an undergraduate loan (68%) than those who had not (31%).

Figure 6.1 Proportion of 2016/17 starts taking up the Master's Loan



Take-up of the Master's Loan was particularly high among students starting courses in Arts (76%) and Humanities (70%), while take-up was lowest among those studying Medicine and Health (48%) and Social Sciences (49%).

Those employed full-time during their Master's course were far less likely to have used the Master's Loan (38%) than those employed part-time (70%) or not employed during the course (62%).

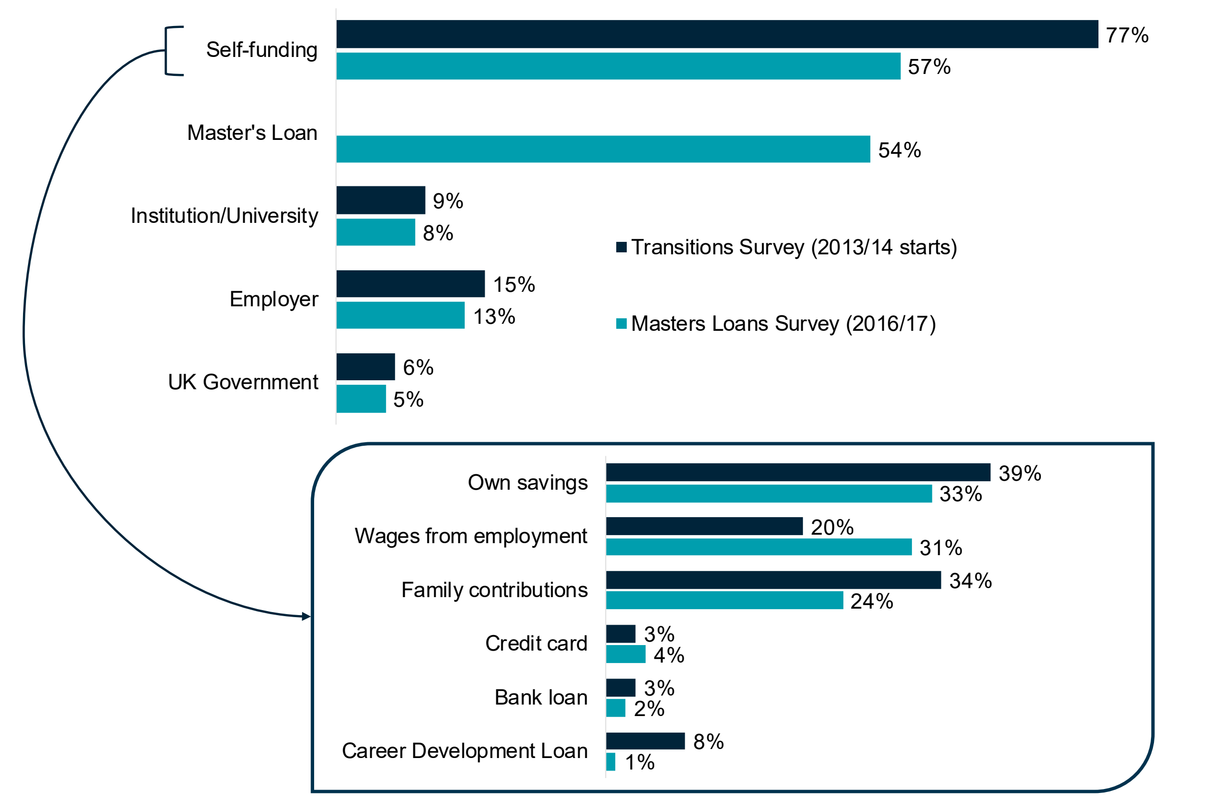
Funding sources for tuition fees

As shown in Figure 6.2, the biggest change in funding sources for tuition fees between 2013/14 and 2016/17, alongside the introduction of the Master's Loan, was a drop in the proportion using self-funding to cover all or part of their tuition fees, 77% to 57%.

The proportions receiving funding from their HEI or employer-funding have remained very similar and hence there is no evidence that the Master's Loan has 'crowded out' either of these two funding sources.

Looking at specific sources of self-funding, the proportion using their own savings to pay for tuition fees fell from 39% in 2013/14 to 33% in 2016/17, while family contributions dropped by ten percentage points from 34% to 24%. Use of Professional and Career Development Loans also fell sharply, taken out by just one per cent of students starting in 2016/17 compared with eight per cent of students in 2013/14.Conversely, a higher proportion of students starting a master's course in 2016/17 funded their tuition fees using wages from employment (31%) compared with those starting in 2013/14 (20%).

Figure 6.2 Sources of funding used for tuition fees



Transitions Survey: Base = All 2013/14 PGT starts (2,530); Master's Loans Survey: Base = All students (2,002)

Figure 6.3 overleaf shows the differences between the 2013/14 and 2016/17 cohorts split by full-time and part-time students. While use of self-funding has dropped within both the full-time and part-time groups, the decrease was largest among full-time students (28 percentage points, compared to a 9-percentage point drop among part-time students). In 2013/14, full-time students were much more likely to have used self-funding towards their tuition fees (84%, compared with 68% of part-time students), in 2016/17 use of self-funding was broadly in line between the two groups (56% of full-time and 59% of part-time students).

Use of family contributions to pay tuition fees also decreased more among full-time students (a 15-percentage point drop, compared with a 5-percentage point drop among part-time students), although full-time students remained more likely to make use of family contributions overall (32% of those starting in 2016/17 did so, compared with 11% of part-time students).

Use of wages from employment increased among both full-time and part-time students between 2013/14 and 2016/17, but the increase was greatest among full-time students (a 14-percentage point increase, compared with a 7-percentage point increase among part-time students).

Although the proportion of Master's students using employer funding to pay their tuition fees remained steady overall between 2013/14 and 2016/17, Figure 6.3 shows that there was a decrease in the proportion of part-time students receiving employer funding (from 33% to 26%), while the proportion of full-time students receiving employer funding, although much lower than the proportion of part-time students, doubled over the same period (from 2% to 4%).

Within full-time students, those aged 36 and over differed from younger students in their use of several funding sources:

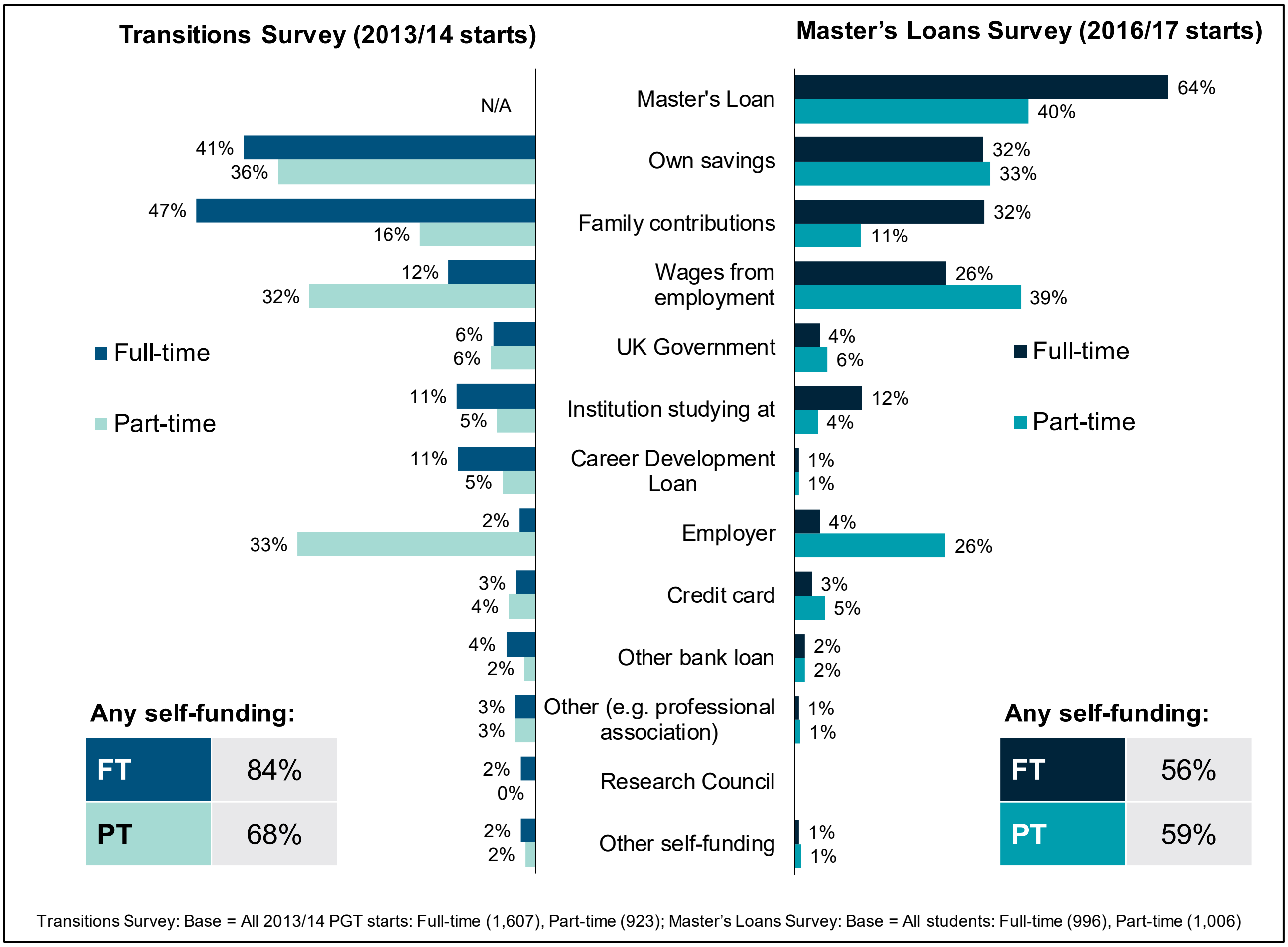
- They were less likely to use any self-funding (38% compared with 62% of those aged 26-35 and 58% of those aged 25 and under.
- Looking at specific types of self-funding, they were less likely to use wages from employment (12% compared with 31% of full-time students aged 26-35, and 27% of those aged 25 and under) and less likely to use contributions from family (15% compared with 33% of those aged 26-35 and 36% of those aged 25 and under).
- However, they were more likely to use employer funding (19% compared with 4% of those aged 26-35 and 2% of those aged 25 and under).

Full-time students aged 25 and under were less likely than older students to receive UK Government funding (1% compared with 11% of those aged 26-35 and 12% of those aged 36 and over).

Among part-time students, students aged 36 and over were more likely to use their own savings to pay for tuition fees (39% compared with 29% of those aged 26-35 and 23% of those aged 25 and under), and less likely to use contributions from family (7% compared with 14% of those aged 26-35 and 19% of those aged 25 and under).

Part-time students aged between 26 and 35 were the most likely to use employer funding towards their tuition fees (31%, compared with 24% of those aged 36 and over, and 21% of those aged 25 and under).

Figure 6.3 Sources of funding used for tuition fees, full-time and part-time students



As shown in Figure 6.4, among students starting in 2016/17 who took out the Master's Loan, almost all (96%) used the Loan towards their tuition fees; however, sizeable proportions also used other sources of funding, particularly wages from employment (30%) and family contributions (22%). These two funding sources were also used by similar proportions of students who did not take out a Master's Loan, with around a third (32%) using wages from employment and a quarter (26%) using family contributions.

The biggest difference in sources of funding for tuition fees between Loan and non-Loan students, aside from the Master's Loan itself, was the proportion receiving funding from their employer: a quarter (26%) of non-Loan students had their tuition fees fully or partly funded by an employer, compared to just three per cent of students who took out the

Master's Loan. Master's Loan students were also less likely to have received funding from the UK Government (one per cent, compared with 10% of non-Loan students).

Part-time students in receipt of the loan were more likely to use wages from employment towards their tuition fees (41% compared with 26% of full-time Loan students), and more likely to receive employer funding (8% compared with 1% of full-time Loan students).

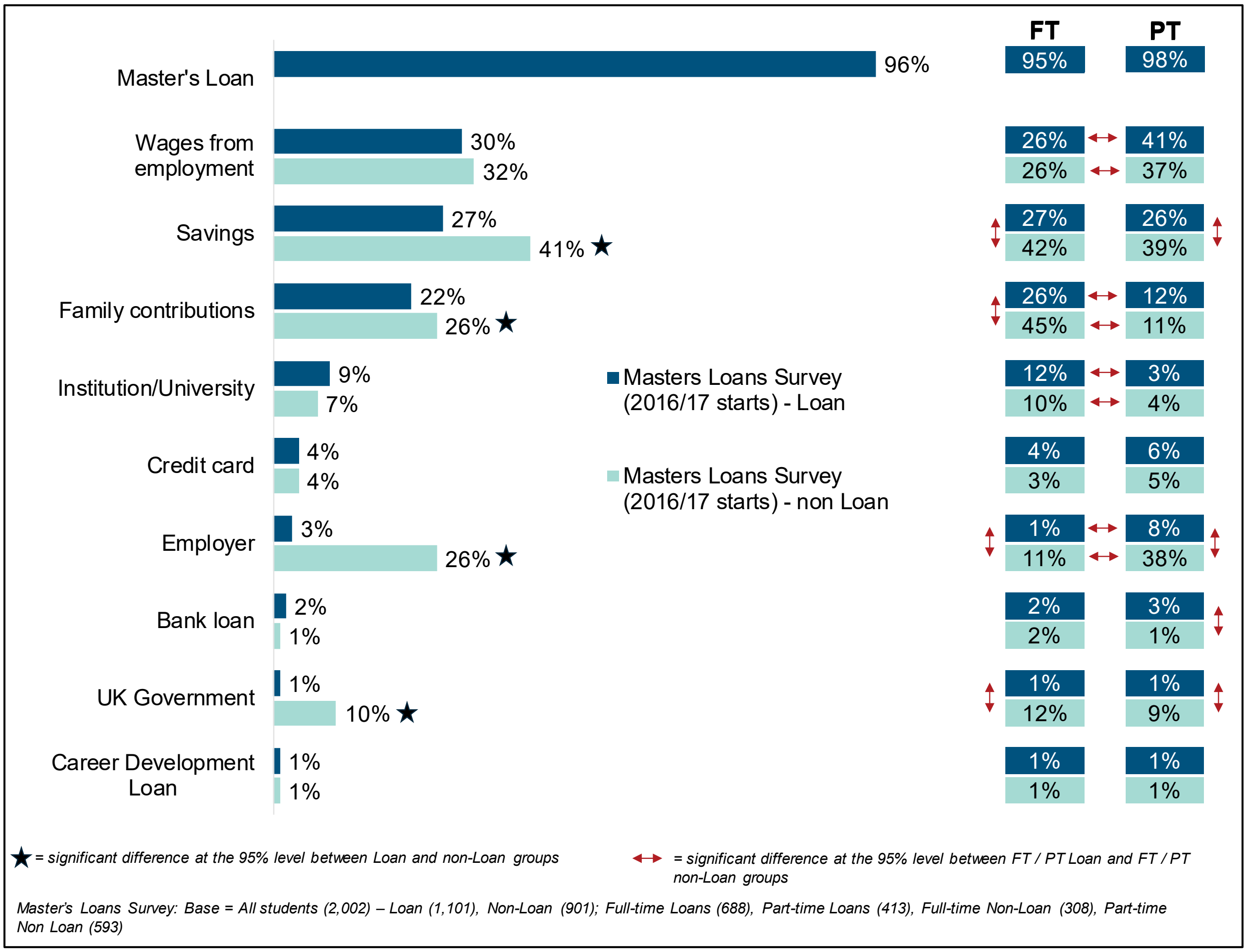
Employer funding towards tuition fees was more common among non-loan students studying both full-time and part-time; however, it was most likely among part-time non-loan students (38%, compared with 11% of full-time non-loan students, 8% of part-time students in receipt of the Loan, and 1% of full-time students in receipt of the Loan).

Use of wages from employment to fund tuition fees was most common among part-time students, and there was no significant difference between those in receipt of the Loan (41%) and those not in receipt of the Loan (37%). This compares to 26% among both full-time students in receipt of the Loan, and full-time students not in receipt of the Loan.

Full-time students were more likely than part-time students to receive funding from the institution where they studied regardless of whether they had a Master's Loan: 12% of full-time Loan students and 10% of full-time non-Loan students received institution funding, compared with 3% and 4% of part-time students respectively.

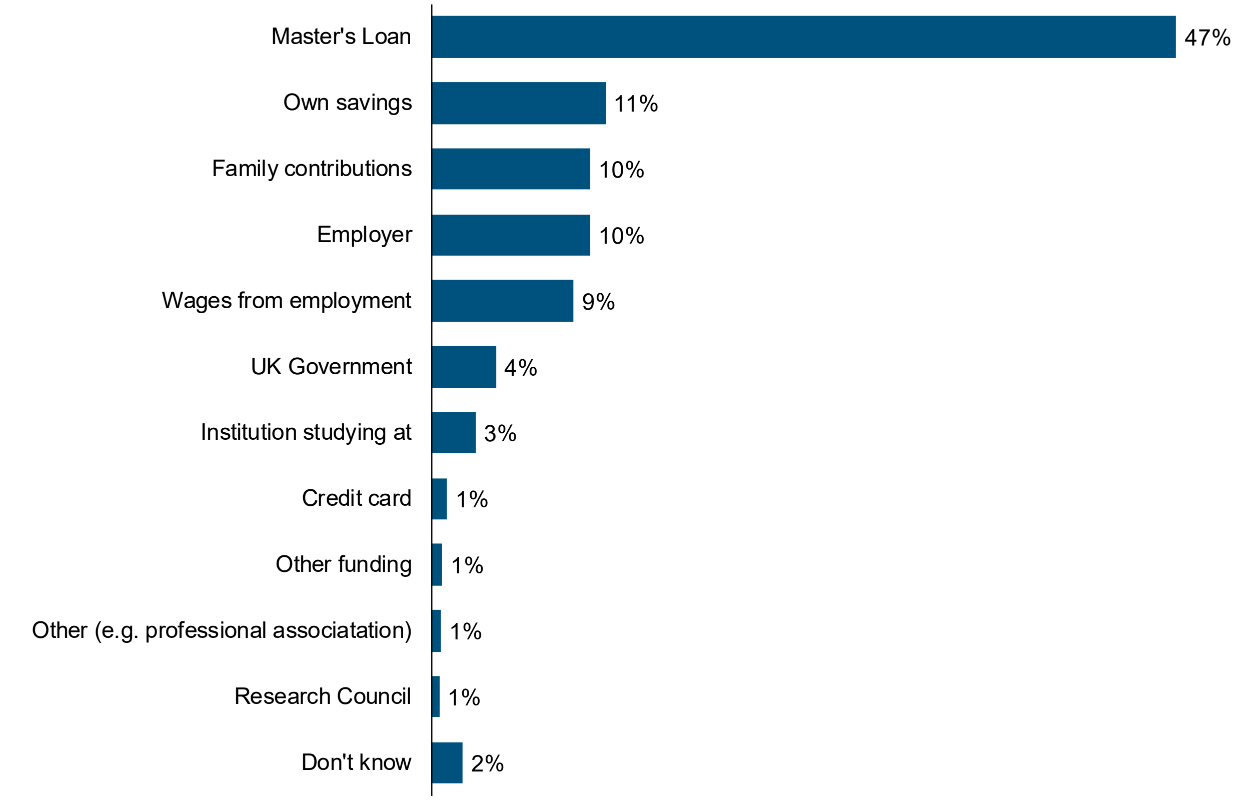
Family contributions were more likely to be used by non-loan students, and by students studying full-time; students falling into both of those categories were considerably more likely than those in all other groups to use family contributions to help pay their tuition fees (45%, compared with 26% of full-time students in receipt of the Loan, 12% of part-time students in receipt of the Loan, and 11% of part-time students not in receipt of the Loan).

Figure 6.4 Sources of funding for tuition fees 2016/17, loan vs. non-loan



Around half (47%) of all students starting in 2016/17 regarded the Master's Loan as their main source of funding for tuition fees (Figure 6.5). Following this were students' own savings (11%), family contributions (10%), employer funding (10%) and wages from employment (9%).

Figure 6.5 Main sources of funding for tuition fees

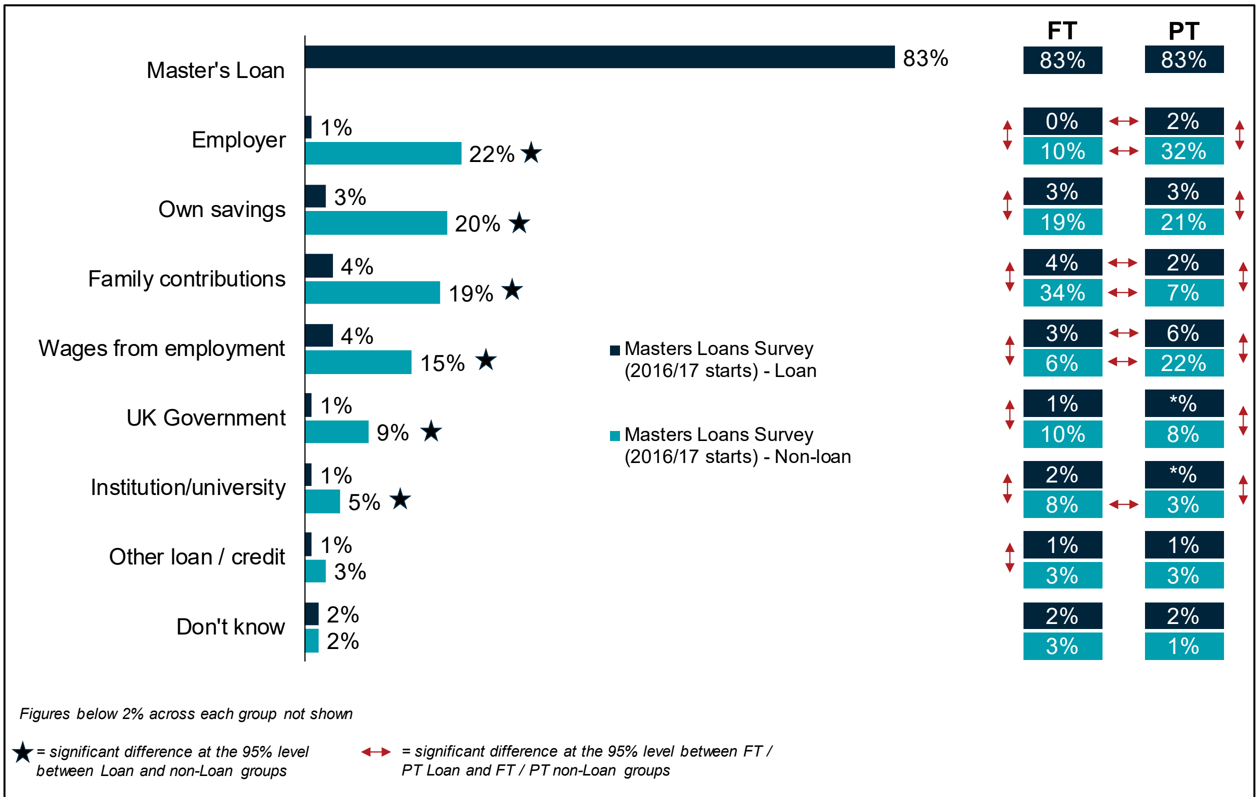


Master's Loans Survey: Base = All students (2,002)

Funding sources selected by less than 0.5% of students not shown

Non-Loan students used a variety of sources as the *main* source of funding for their tuition fees, with their employer (22%), own savings (20%) and family contributions (19%) cited by around a fifth each, closely followed by wages from employment (15%). However, within this group there were some considerable differences between those studying full-time and part-time, as shown in Figure 6.6: part-time students were much more likely to be reliant on their employment, with 32% using employer funding (compared with 10% of full-time students) and 22% using wages from employment (compared with 6% of full-time students). At the same time, those studying part-time were less likely to say family contributions were their main source of funding for tuition fees (7% compared with 34% of full-time students), and less likely to say funding from their institution (3% compared with 8% of full-time students).

Figure 6.6 Main source of funding for tuition fees, loan / non-loan and full-time / part-time



Master's Loans Survey: Base = All students (2,002) – Loan (1,101), Non-Loan (901); Full-time Loans (688), Part-time Loans (413), Full-time Non-Loan (308), Part-time Non Loan (593)

Among full-time students, those aged 25 and under were more likely to say the Master's Loan was their main source of funding for tuition fees (64%, compared with 38% of those aged 26-35 and 40% of those aged 36 and over). Although part-time students were less likely to mention their Loan as the main source overall, the same pattern could be seen by age: half (49%) of those aged 25 and under used the Loan as their main source for tuition fees, compared with 29% of those aged 26-35 and 32% of those aged 36 and over.

Older full-time students were more likely to use employer funding as the main source for their fees: 18% of those aged 36 and over did so, compared with 3% of those aged 26-35 and less than one per cent of those aged 25 and under. By contrast, there was no difference in the use of employer funding between the oldest and youngest part-time students: 18% of those aged 25 and under and those aged 36 and over said it was their main source of funding for tuition fees.

Full-time students aged 36 and over were less likely to say family contributions were their main source of funding for tuition fees (2%) compared with those aged 35 and under (16%). Part-time students aged 36 and over were also less likely to use family contributions as the main source of funding (3%) compared with those aged 26-35 (7%) and 25 and under (8%).

Full-time students aged between 26 and 35 were more likely to mainly use their own savings to pay tuition fees (16%) compared with both those aged 25 and under (7%) and those aged 36 and over (8%). Among part-time students, the oldest group were most likely to use their own savings as the main source for funding tuition fees (18%, compared with 10% of those aged 26-35 and 6% of those aged 25 and under).

The Master's Loan was more commonly used as the main source of funding for tuition fees among Loan recipients whose parents had not attended university[17] (86%, compared with 80% of those whose parents did study at university). Conversely, family contributions were more likely to be used as the main source of funding among Loan recipients whose parents had attended university (6%, compared with 2% of students in receipt of the Loan whose parents did not attend university).

Among students who did not take out a Loan, family contributions were again used as the main source of fees by a higher proportion of those whose parents had attended university (27%, compared with 10% of students whose parents did not study at university). Students whose parents did not study at HE level were more likely to cite their employer as the main source of funding for their tuition fees (25%, compared with 19% of those whose parents did not study at university).

Employer funding was also more likely to be mentioned as the main source of funding for tuition fees by non-Loan students who were aged between 26 and 45 (31%, compared with 10% of those aged 25 and under and 17% of those aged 46 and over); who were male (28%, compared with 17% of female non-Loan students); and who were from a white background (25%, compared with 14% of BAME non-Loan students).

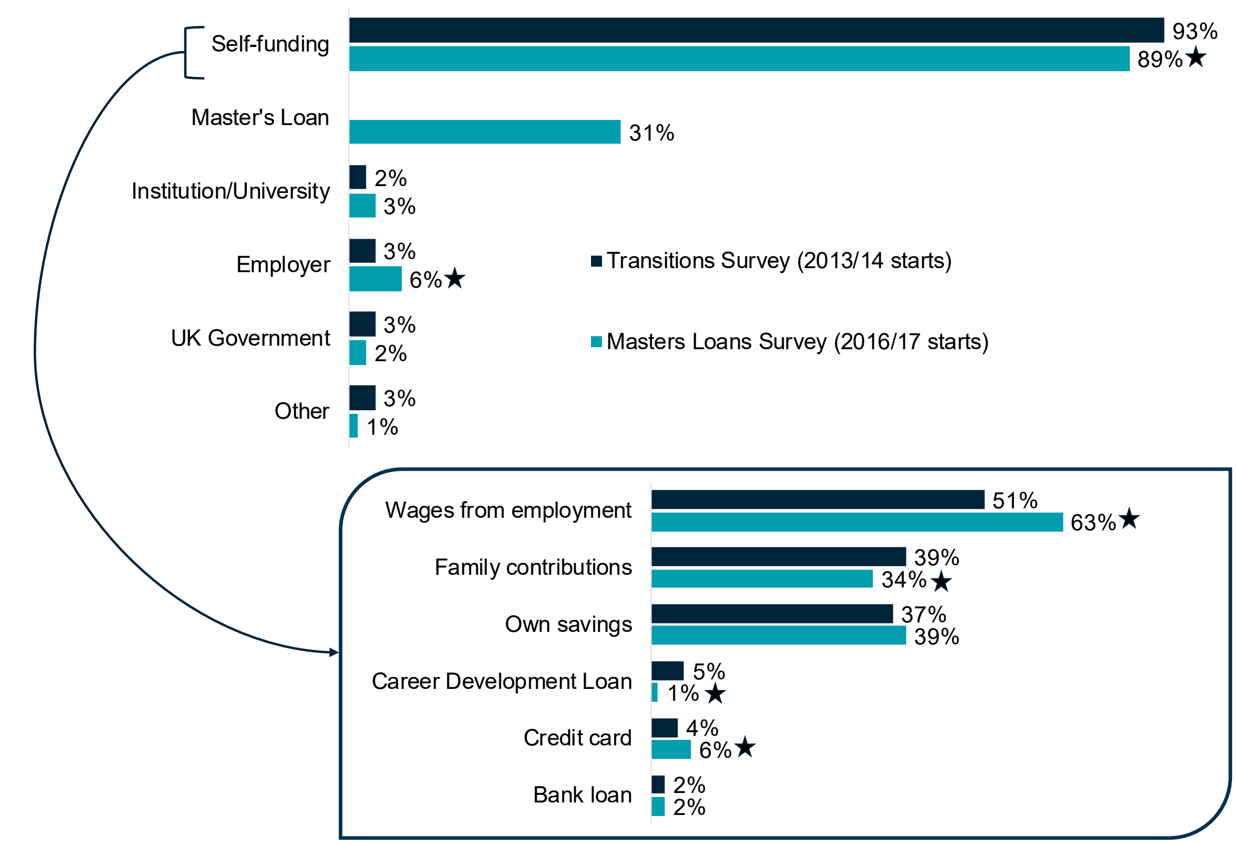
Funding sources for living expenses

There were some shifts in sources of funding for living expenses between students starting in 2013/14 and in 2016/17. Following the introduction of the Master's Loan, just under a third (31%) of those starting in 2016/17 used the Loan to fund living expenses at least in part, while the number using self-funding decreased (from 93% in 2013/14 to 89% in 2016/17) as shown in Figure 6.7.

[17] As mentioned previously, this can be an indicator of disadvantage

As with tuition fees, the proportion of students using funding from their HEI to contribute to living expenses has remained similar and the proportion receiving funding from their employer for this purpose has actually increased slightly so again there is no evidence that the availability of the Loan has crowded out other sources of funding for living expenses.

Figure 6.7 Sources of funding used for living expenses



Transitions Survey: Base = All 2013/14 PGT starts (2,530); Master's Loans Survey: Base = All students (2,002)
★= significant difference at the 95% level between 2013/14 and 2016/17 starts

Although a smaller proportion used self-funding overall in 2016/17, the proportion using wages from employment for living costs increased from half (51%) of starts in 2013/14 to over three-fifths (63%) in 2016/17. Though still used by a small proportion overall, using a credit card to fund living expenses was more common in 2016/17 (six per cent, up from four per cent in 2013/14). At the same time, there were decreases in the use of family contributions (34%, down from 39%) and Professional and Career Development Loans (one per cent, down from five per cent).

Students starting in 2016/17 were twice as likely to have received contributions from their employer towards living expenses (six per cent) than those in 2013/14 (three per cent).

For both Loan and non-Loan students, wages from employment were most commonly considered to be the main source of funding for living expenses, although this was true of a larger proportion of non-Loan students (55%) than Loan students (40%). A fifth of Loan students (20%) used the Master's Loan as the main source of funding for living expenses.

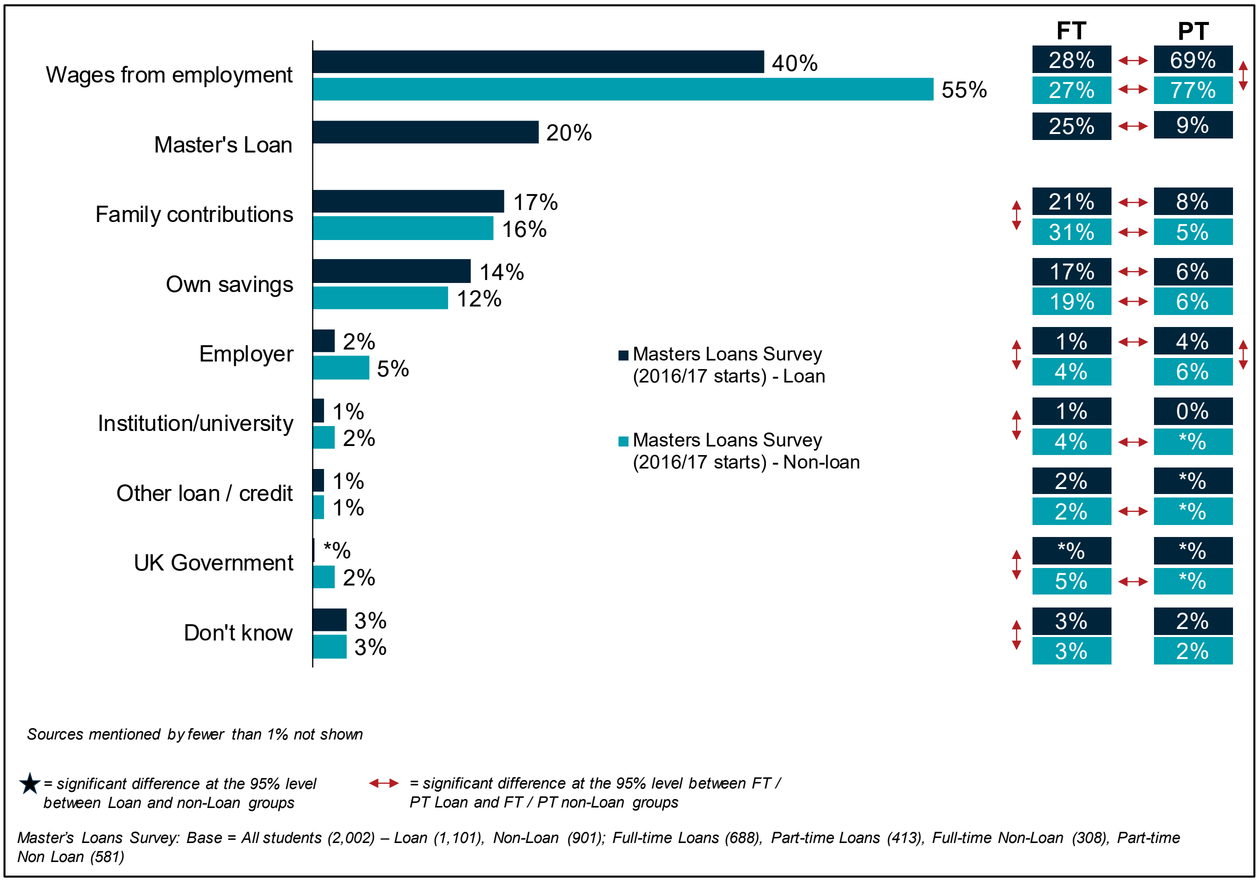
Part-time students were considerably more likely to use wages from employment as the main source to fund their living expenses than full-time students, however, wages from employment were still one of the most common main sources of funding for both groups: both part-time and full-time students in receipt of the Loan and part-time students not in receipt of the Loan were more likely to mention wages than any other source, while it was the second most common main source of funding for living expenses among full-time students without the Loan (Figure 6.8).

Full-time students without a Master's Loan were more likely to mainly use family contributions to pay for living expenses (31%) than full-time students in receipt of the Loan (21%), but both those groups were more likely to use family contributions than part-time students either with or without a Master's Loan (8% and 5% respectively).

Similarly, full-time students were more likely to use their own savings as the main source for living expenses than part-time students, but there were no differences within those groups between those in receipt of the Loan and those without: 6% of part-time students used their own savings, compared with 17% of full-time Loan students, and 19% of full-time non-Loan students.

A quarter of full-time students in receipt of the Loan said the Master's Loan was their main source for living expenses, compared with 9% of part-time students.

Figure 6.8 Main source of funding for living expenses

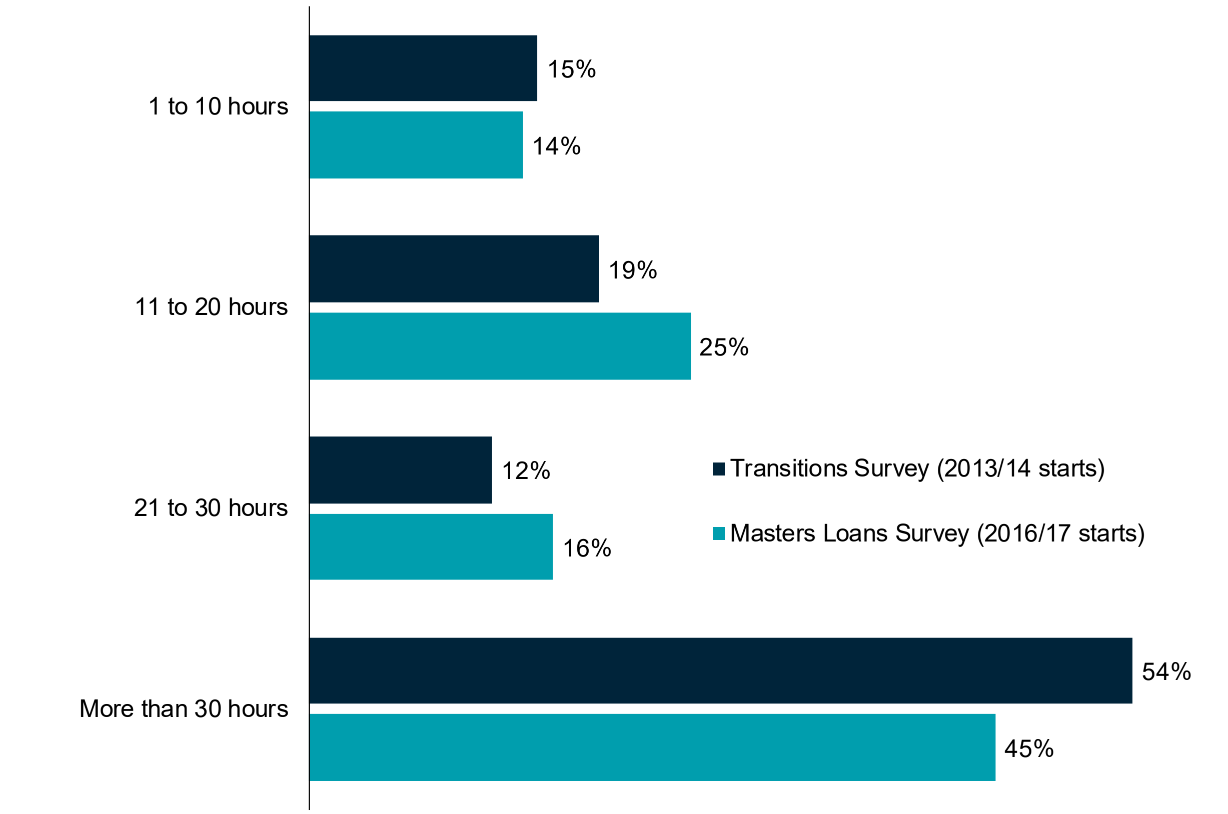


Working while studying

Overall 70% of students starting in 2016/17 were in paid employment during their Master's course, split evenly between full-time and part-time work (each 35%). This compares to 58% of students starting in 2013/14 who were in paid employment during their course.

As shown in Figure 6.9 overleaf, while the proportion of students working between one and ten hours per week has remained consistent between 2013/14 and 2016/17, students in 2016/17 were less likely to work more than 30 hours per week (45%, down from 54% in 2013/14) and more likely to work between 11 and 20 hours (25%, up from 19%), and between 21 and 30 hours (16%, up from 12% in 2013/14).

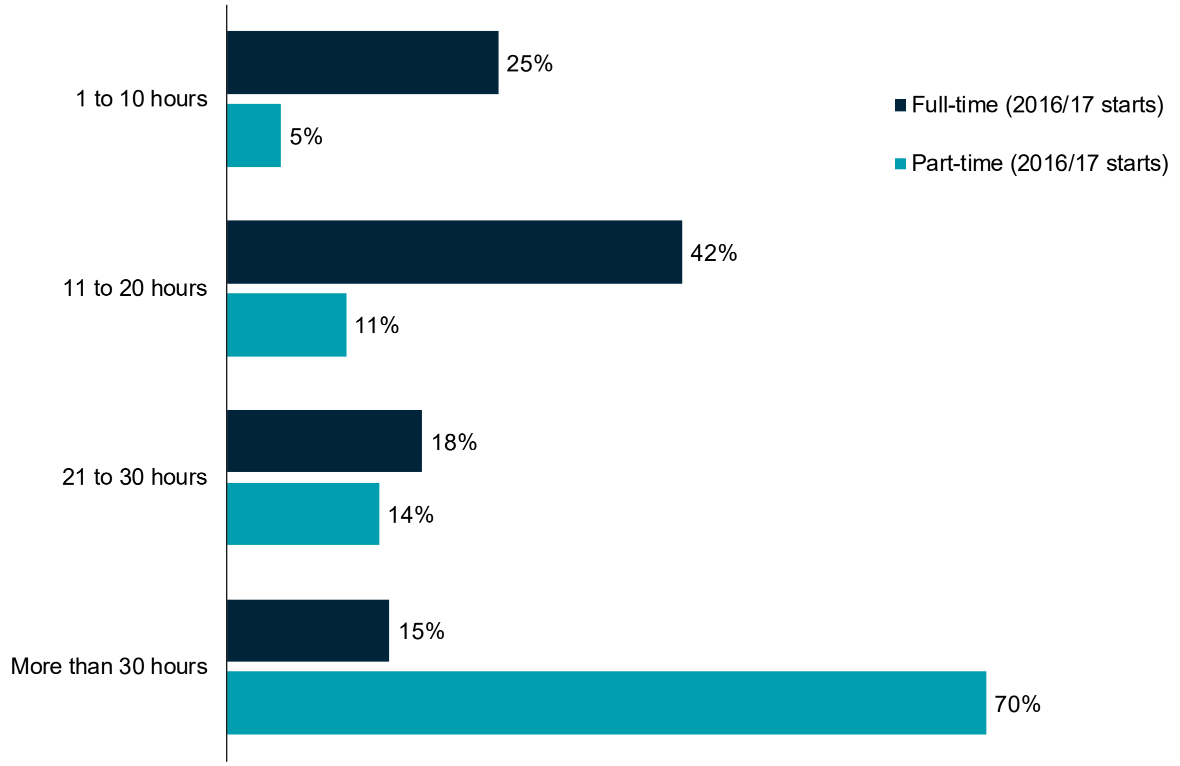
Figure 6.9 Working hours of students in paid employment during their Master's course, 2013/14 vs 2016/17



Transitions Survey: Base = All 2013/14 PGT starts in paid employment during course (1,388); Master's Loans Survey: Base = All students in paid employment during course (1,450)

There were considerable differences in working hours between those studying full-time and part-time; the majority of part-time students (70%) worked more than 30 hours per week, compared with 15% of full-time students, as shown in Figure 6.10.

Figure 6.10 Working hours of students in paid employment during their Master's course in 2016/17, full-time vs part-time



Master's Loans Survey: Base = All full-time students in paid employment during course and able to give exact number of hours (479); all part-time students in paid employment during course and able to give exact number of hours (857)

Among students starting in 2016/17, half (50%) of non-Loan students worked full-time, compared with less than a quarter (23%) of Loan recipients. Alongside this, non-Loan students tended to work longer hours each week: just under two-thirds (63%) of those without the Loan worked 30 or more hours per week, compared with a third (33%) of those who received the Loan.

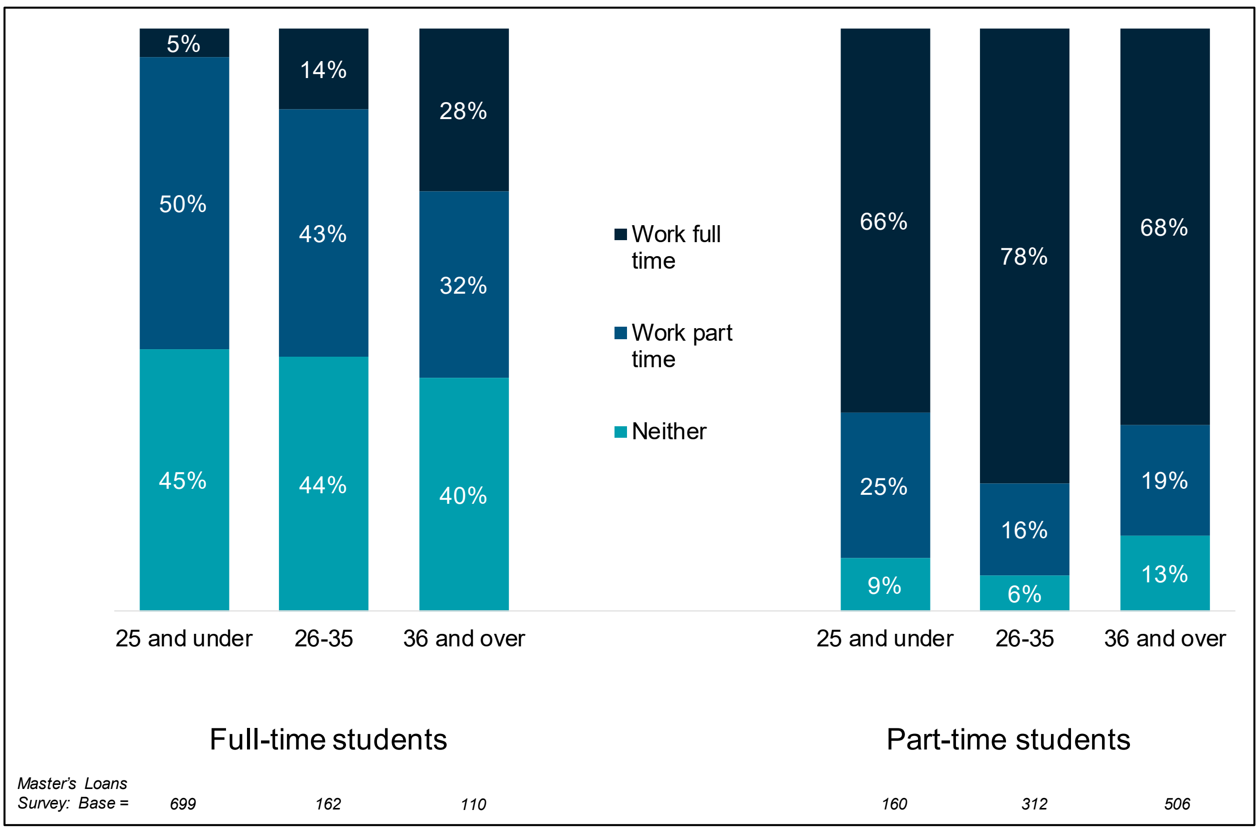
Full-time work was more common among those studying part-time (71%); among full-time students, full-time employment was twice as likely among those on 2-year courses (16%) than 1-year courses (8%).

Likelihood to work full-time during the Master's course increased with age, from 14% of those aged 25 and under to 49% of those aged 26 to 35 and 58% of those aged 36 and over. Full-time employment was also more common among men (38%) than women (32%), and more common among students from a white background (39%) than those from a BAME background (24%)

As shown in Figure 6.11 below, looking at age within mode of study shows that among full-time students, likelihood to work full-time increased with age (from 5% of those aged 25 and under to 28% of those aged 36 and over), while likelihood to work part-time decreased with age (from 50% of those aged 25 and under to 32% of those aged 36 and over). There were no differences between the age groups in terms of likelihood to work at all, with around two-fifths in each group saying they did neither full-time nor part-time work during their course.

Among part-time students, those aged between 26 and 35 were more likely to work full-time (78%) compared with both younger students (66%) and older students (68%). Those aged 25 and under were more likely to work part-time (25%) than those aged 26-35 (16%), while those aged 36 and over were more likely to not work (13%) than those aged 26-35 (6%).

Figure 6.11 Working status during Master's course – by age within mode of study



There is also some correlation between level of paid employment and the type of HEI attended: students at HEIs with a low average tariff were more likely to work full-time (60%) than those in medium-tariff HEIs (31%) or high tariff HEIs (23%). Similar proportions of students in high- and medium-tariff HEIs worked part-time during their course (39% and 40% respectively) compared with 23% of those at low-tariff HEIs.

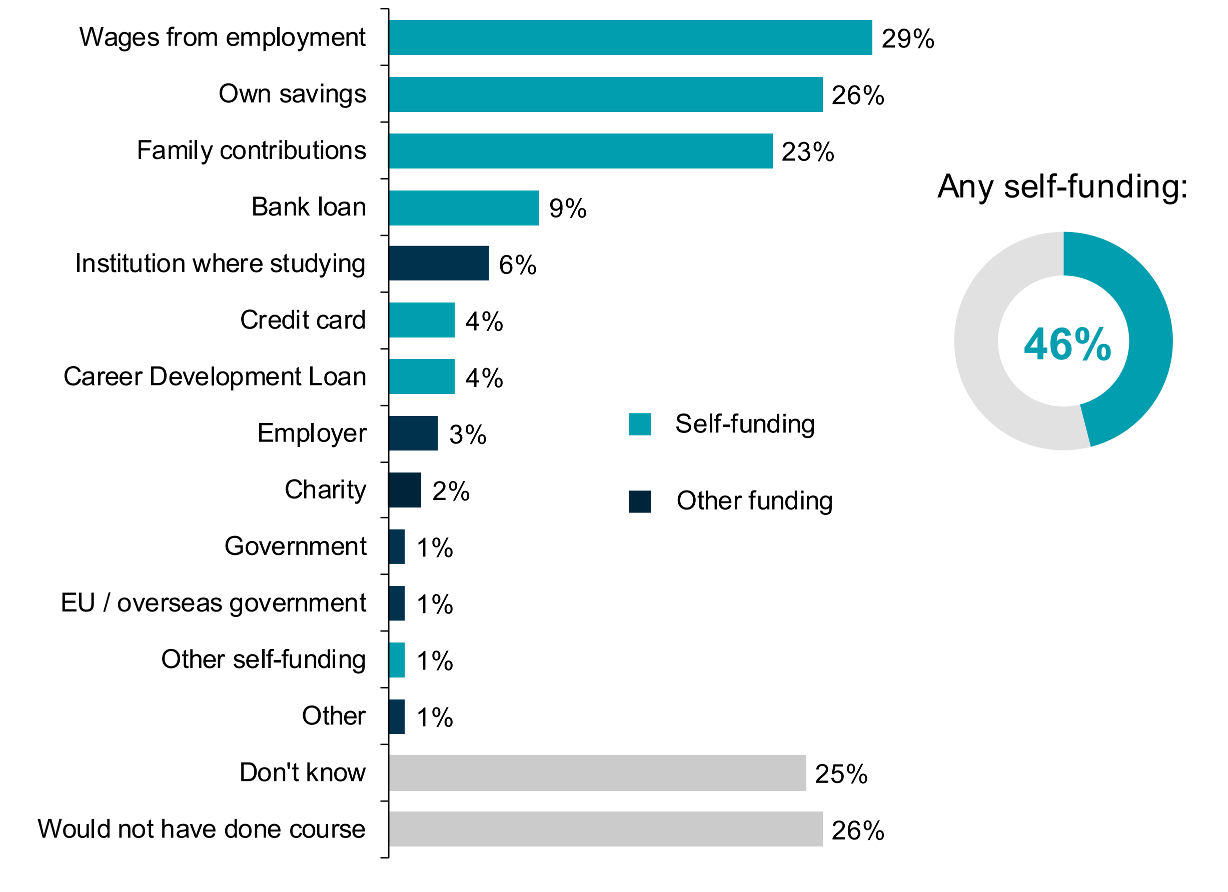
Students in high-tariff institutions were more likely not to work at all (38%) than those in medium-tariff (29%) or low-tariff institutions (17%).

Whether would have found alternative funding without Loan

Students in receipt of the Master's Loan were asked how they would have funded their tuition fees and living expenses if they had not taken out the postgraduate loan. Around half did not mention any other funding sources, a quarter (25%) said they did not know how they would have funded their fees and living expenses, while a further quarter (26%) said they would not have done the course had the Master's Loan not been available.

Just under half (46%) of students who received the Master's Loan said they would have used self-funding to pay for their fees and living costs had the Loan not been available; this was more likely among male students (50%) and students studying Engineering and Technology (57%). As shown in Figure 6.12, types of self-funding suggested included wages from employment (29%), own savings (26%), family contributions (23%) or a bank loan (9%). The most common form of external funding mentioned was funding from the institution where they were studying (6%).

Figure 6.12 How tuition fees and living expenses would have been funded if had not taken out Master's Loan



Master's Loans Survey: Base = All students in receipt of the Master's Loan (1,101)

Students studying full-time were more likely say they would have funded their tuition and living expenses with funding from the institution where they were studying (7%, compared with 3% of part-time students) and the UK Government (2%, compared with no part-time students). Within those studying full-time, BAME students were more likely to say they would have used self-funding had the Master's Loan not been available (53%, compared with 44% of white students).

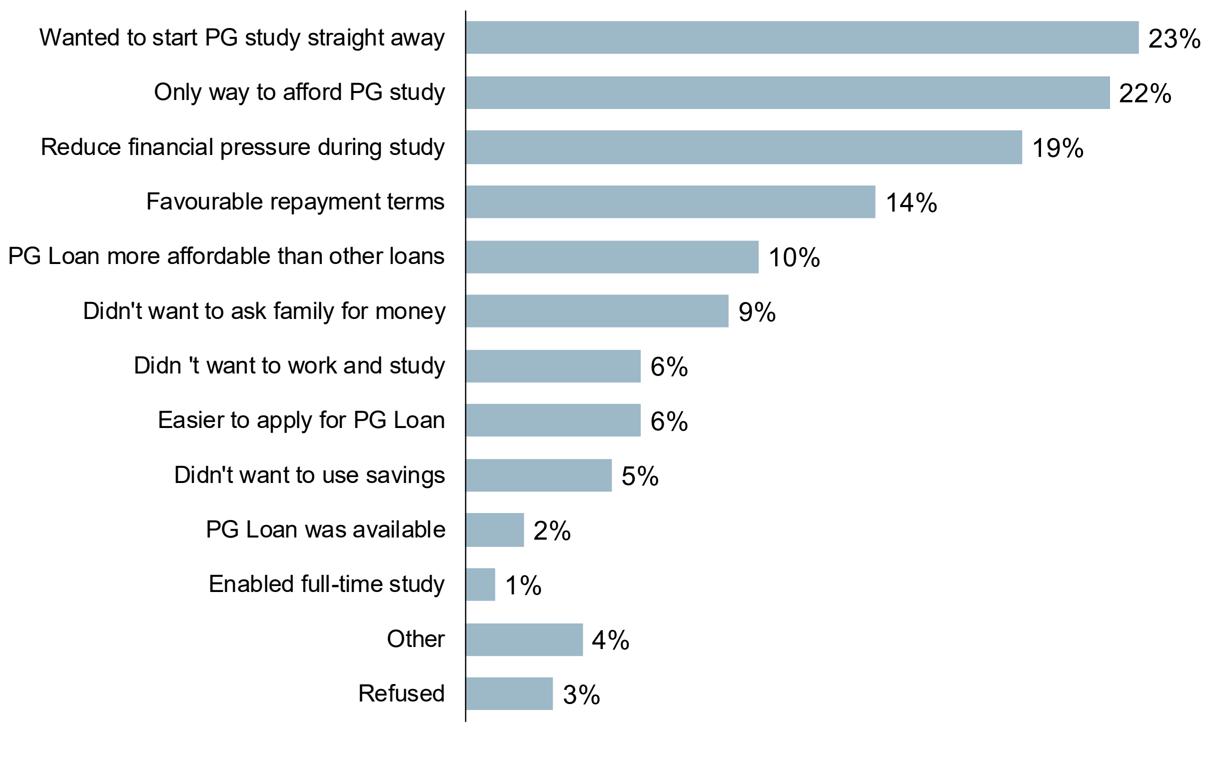
Among students studying part-time, those aged 25 and under were more likely to say they would have used self-funding (55%) compared with older part-time students (44%).

Students in receipt of the Master's Loan who said they would have self-funded had the Loan not been available explained they opted for the Loan rather than self-funding because they wanted to start postgraduate study right away (23%), because it was the only way to afford postgraduate study (22%) and to reduce financial pressure during study (19%) as shown in Figure 6.13. Some mentioned the terms of the Loan specifically: some opted for the Loan because it had favourable repayment terms (14%), some felt it was more affordable than other loans (10%), and some mentioned that it was easier to apply for the Master's Loan than other forms of credit or grants (6%).

Relatively few implied that they could definitely have funded the course themselves but preferred not to: six per cent said they didn't want to work and study, and five per cent said they didn't want to use their savings. Just under one in ten (9%) also said they didn't want to ask their family for money, suggesting that family money theoretically could have paid for the course, had such a request been made.

Certain groups were more likely to say they took out the Master's Loan because they didn't want to use their savings: those who were not in any paid employment during their course (9%), those aged 46 and over (12%), and those from a white background (7%). Those who undertook a full-time Master's were more likely to say they didn't want to work and study (8%, compared with 1% of part-time students).

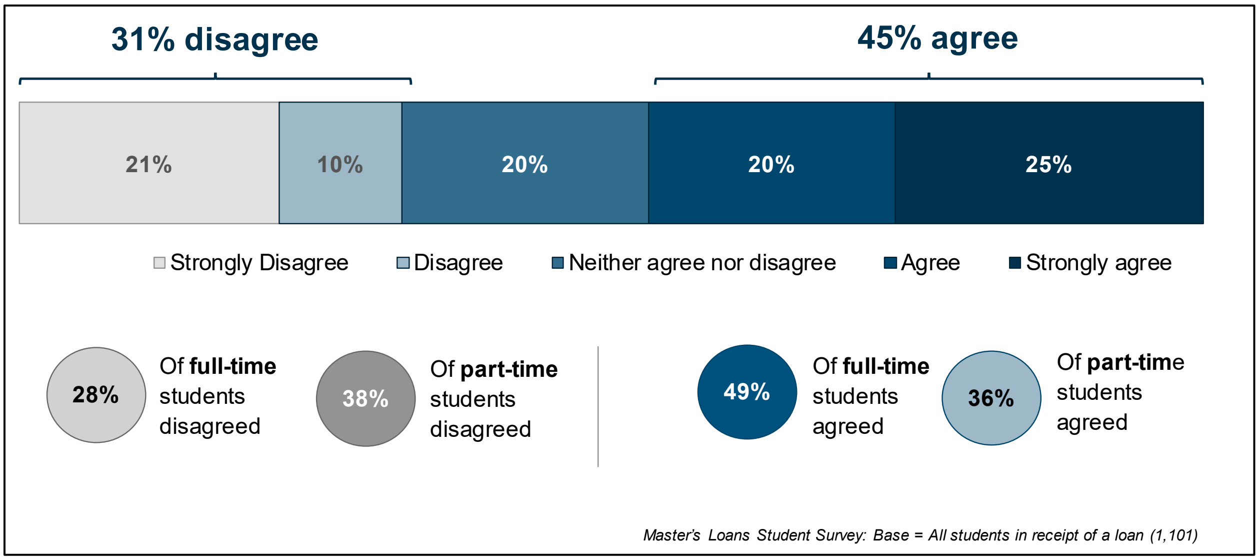
Figure 6.13 Reasons for taking out Master's Loan rather than self-funding



Master's Loans Survey: Base = All students in receipt of the Master's Loan who would have self-funded if not taking out the Loan (479)

Students who received the Master's Loan were also asked for their level of agreement with the statement, "Without the Master's Loan being available when applying for your course, you would have found alternative sources to fund your course." This revealed mixed views: as shown in Figure 6.14, 45% agreed it would have been possible, while 31% disagreed (a slightly higher proportion than the 26% who earlier stated they would not have done their course had the Master's Loan not been available).

Figure 6.14 Agreement that it would have been possible to find an alternative source of funding had Master's Loan not been available



Those who were less likely to feel that they could have found alternative funding were:

- **Part-time students:** thirty-six per cent of part-time students felt they could have found an alternative to the Master's Loan, compared with 49% of full-time students. Female part-time students felt particularly strongly that they could not have found alternative funding, with 43% disagreeing they would have been able to find an alternate source (compared with 31% of male part-time students, and 28% of all full-time students).
- **Older students:** Younger students were generally more likely to feel they could have found an alternative had the Master's Loan not been available, with half (50%) of those aged 25 and under agreeing this would have been the case, compared with 40% of those aged 26-35 and 41% of those aged 36-45, and just over a quarter of those aged 46 and over (27%).
- **White students:** Forty three percent of students from a white background agreed that they would have been able to find alternative sources to fund their course had the loan not been available compared with 52 per cent of BAME students. This was

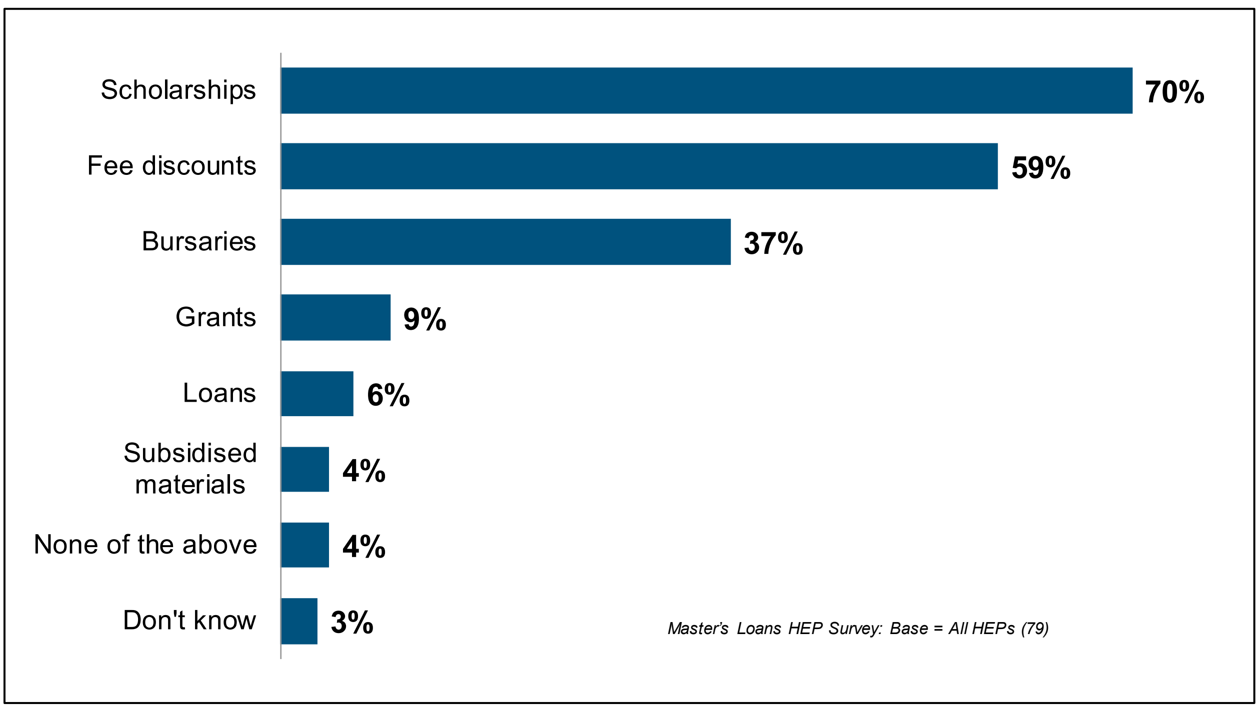
being driven by part-time students: 34% of part-time white students agreed they would have been able to find alternative sources compared with 48% of part-time BAME students, while there was no difference in agreement between full-time white and BAME students.

- **Those in full-time employment:** Thirty-six per cent felt they could have found alternative funding compared to 46% of those in part-time employment and 50% of those not in employment.
- **Students who attended HEIs with a low average tariff**: thirty-eight per cent of these students agreed, compared with 48% of those attending medium tariff HEIs and 47% of those in high tariff HEIs.

Changes in financial support reported by HEIs

As shown in Figure 6.15, scholarships were the most common form of financial support offered by HEIs (70%), followed by fee discounts for returning students (59%) and bursaries (37%). Only four per cent of HEIs said they did not offer any of the listed financial support options.

Figure 6.15 Financial support offered by HEIs



In the majority of cases, HEIs had not made any changes to their funding offers since the introduction of the Master's Loan. A small number had increased or introduced funding options: one per cent had introduced funding for bursaries, four per cent had increased funding for fee discounts for returning students, and five per cent had increased funding towards scholarships.

Conversely, a small number of HEIs had decreased their offer in some way: one per cent had reduced funding for grants, one per cent had reduced funding for bursaries, and one per cent had reduced funding for scholarships. A further one per cent had removed funding for scholarships.

None of the HEIs in the survey said they expected to decrease funding in future, although there were high levels of uncertainty, with between 16% and 21% saying they did not know if there would be any change to each type of funding offer.

Small numbers did anticipate increases in some areas: four per cent expected funding towards fee discounts for returning students to increase, three per cent expected funding for scholarships to increase, and one per cent expected funding for bursaries to increase.

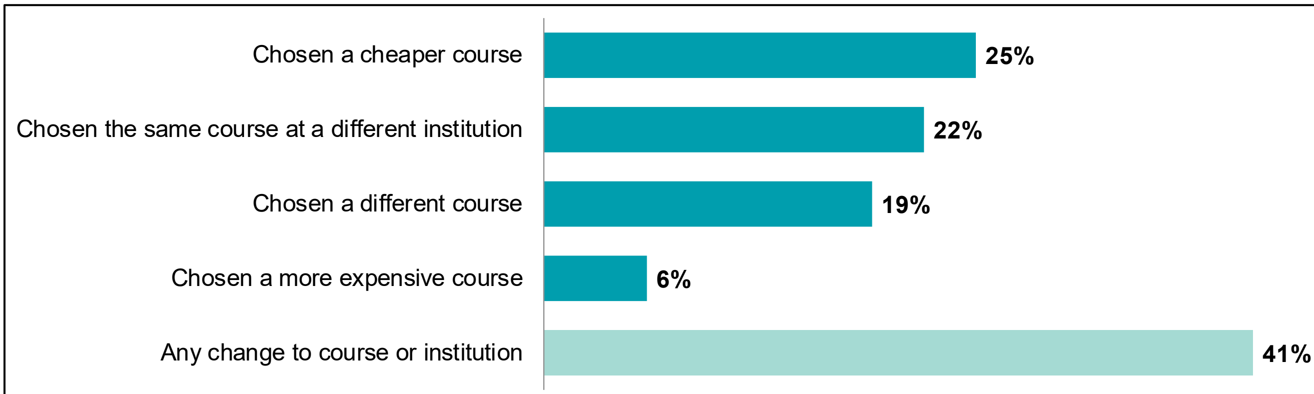
7 Changes in types of post-graduate study

Having looked previously at the impact of the Loan on the timing of Master's study, this chapter explores whether the introduction of the Master's Loan altered the type of postgraduate study undertaken in any other way, covering whether loan-takers would have chosen a cheaper or more expensive course, a different course, or the same course at a different institution. The evidence in this chapter is taken from the survey and depth interviews with Master's students.

Impact of the Loan on course choices

Without the Master's Loan being available when applying for their course, a substantial minority (41%) of students who took out a Master's Loan stated that they would have altered their postgraduate study in some way, whether by changing their course or the institution as shown in Figure 7.1.

Figure 7.1 Changes students would have made to course / institution without the Master's Loan



Master's Loans Student Survey: Base = All students in receipt of a loan (1,101)

A quarter (25%) of loan-takers would have *chosen a cheaper course*. However, loan takers who worked full-time during their Master's course were less likely to agree that they would have chosen a cheaper course (20%).

Just under a fifth (19%) of loan-takers would have chosen a different course without the Loan. One student who took part in the qualitative stage explained that, without the loan, they would have chosen a course based more just on what interested them, but they felt that the loan obligated them to consider career prospects to a greater extent.

> *"When choosing the loan, I wanted do something more serious with it, which is why I chose my course."*
> ***Loan-taker, full-time student, one-year course***

Over a fifth (22%) of loan-takers stated that they would have chosen the same course at a different institution.[18] BAME students were more likely to agree that they would have studied their chosen course at a different institution had the Master's Loan not been available when applying for the course (33%) than white students (18%). Students who studied at HEIs with a high or medium average tariff were more likely to agree that they would have studied their chosen course at a different institution had the Master's Loan not been available when applying for the course (27% and 24%, respectively) than students who studied at a HEI with a low average tariff (12%).

[18] Reasons for choosing a different institution were not necessarily tied to the institution, but also could have been due to factors surrounding maintenance costs or the location, etc.

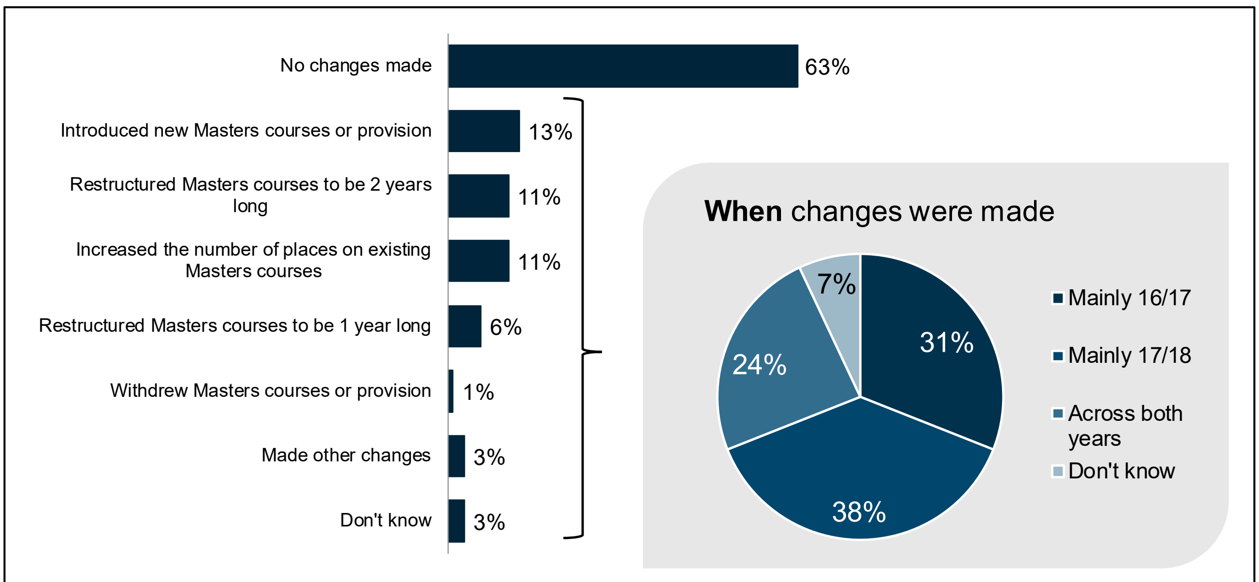
8 Changes in provision

One of the outcomes anticipated from the Master's Loan was providing HEIs with more sustainable income, but without having the negative impact of leading to increased fees (which would offset the financial benefit for students). This chapter explores whether the introduction of the Loan has led HEIs to make changes to their provision or fees, and whether they anticipate changes in future; it also looks at the impact the Loan has had on the financial position of HEIs. The evidence in this chapter comes from the survey of HEIs.

Changes to eligible provision

Just over three-fifths (63%) of HEIs stated that they had made no changes to their learning provision as a result of the introduction of the Master's Loan[19] (Figure 8.1); among HEIs with a high average tariff, three-quarters (74%) had made no changes, compared to 58% of those with a middle average tariff, and 54% of those with a low average tariff.

Figure 8.1 Changes made by HEIs to eligible provision as a result of the introduction of the Master's Loan



Master's Loans HEP Survey: Base = All HEPs (79).

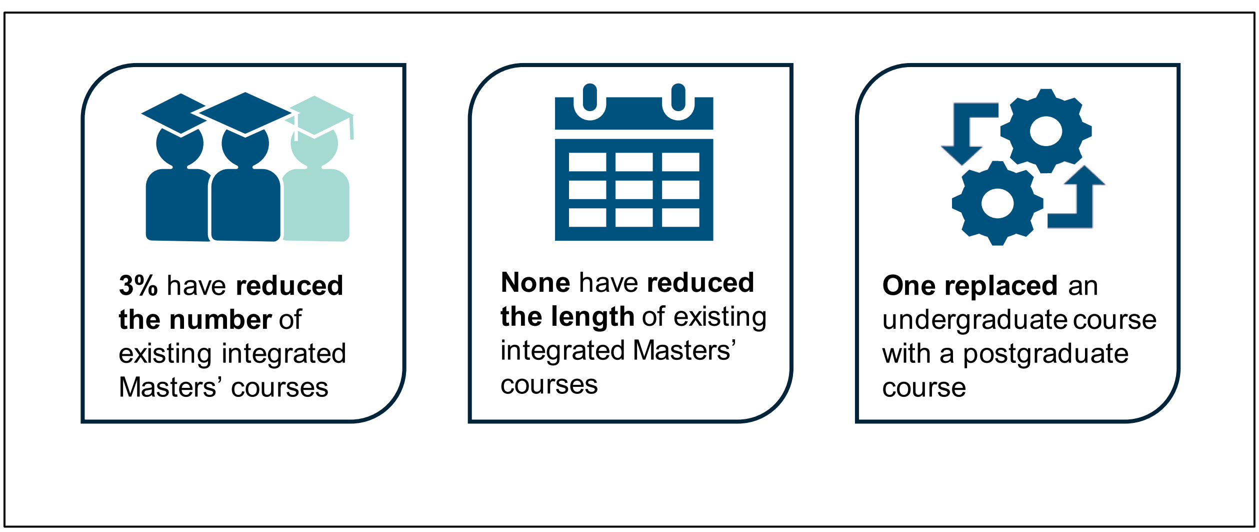
[19] Note that HEIs were asked not to record any changes made if these were unrelated to the introduction of the Master's Loan – these figures represent only changes made *as a direct response* to the Master's Loan

The most common changes made in response to the introduction of the Master's Loan showed that they generally expanded upon previous provision, including the introduction of new Master's courses or provision (13%), restructuring of Master's courses to be 2 years long (11%) and increasing the number of places on existing Master's courses (11%). Only a very small proportion (1%) said they had stopped completely or withdrawn Master's courses or provision

Looking to the future, three in ten HEIs (30%) anticipated some change to their future Master's provision as a result of the loan. A number of HEIs anticipated further expansion of their Master's offer: a quarter (25%) expected to introduce new Master's courses or provision, while 16% expected to increase the number of places on existing Master's courses.

HEIs were also asked about the impact of the Master's Loan on their integrated Master's or undergraduate provision. An integrated Master's is a study programme which combines undergraduate and postgraduate study into a single course. A possible impact could have been the de-coupling of integrated Master's courses. However, the indications from the HEI survey were that this sort of change had not taken place (Figure 8.2). The vast majority of HEIs stated that no changes had been made as a result of the introduction of the Loan; no HEIs had reduced the length of existing integrated Master's courses, while three per cent had reduced the number of integrated Master's courses, and one HEI said they were replacing one undergraduate programme with a postgraduate-level programme.

Figure 8.2 Changes made to integrated Master's or undergraduate provision

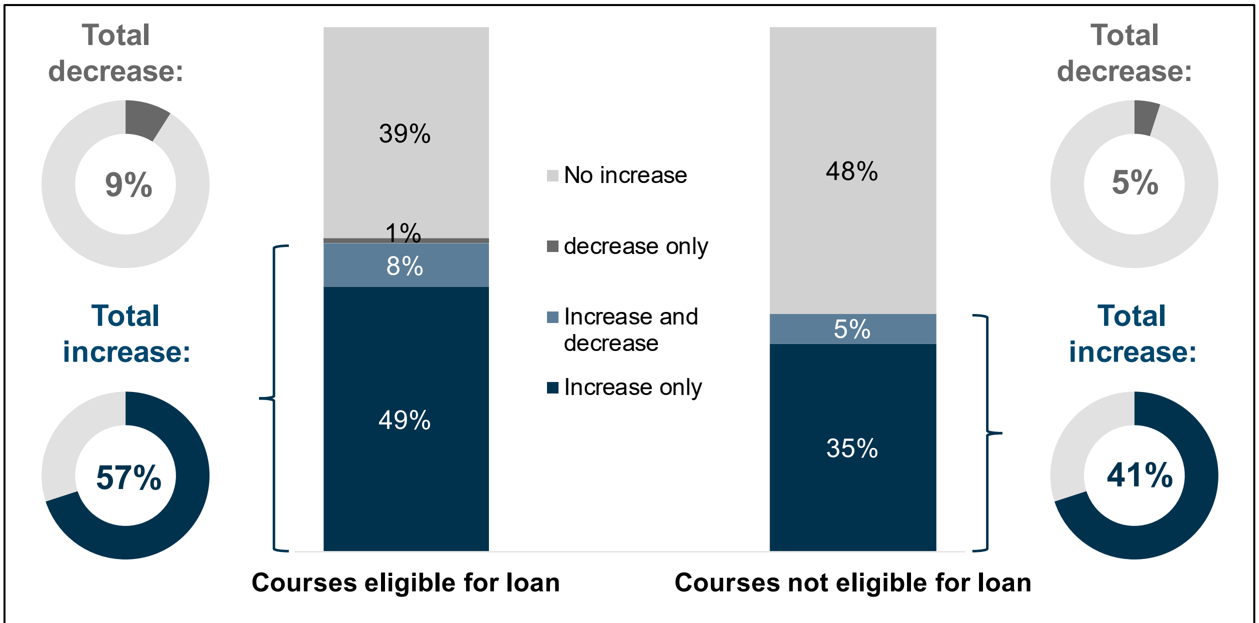


Changes to course fees

Since the introduction of the Master's Loan, HEIs had made some changes to their fees (both increases and decreases) for courses, including both those eligible and not eligible for the Master's Loan.

As shown in Figure 8.3, fees for courses eligible for the Loan were more likely to have been changed by HEIs, compared with courses not eligible for the Loan: 57% of HEIs reported fees for Loan-eligible courses had increased, compared with 41% reporting increases in fees for non-eligible courses; at the same time, nine per cent reported fees for Loan-eligible courses had decreased, compared with five per cent reporting decreases to fees for non-eligible courses. Some of this reported increase is likely simply to be inflationary increases. Providers were more likely to report 'slight' increases (52%) rather than 'substantial increases' (10%) for loan eligible courses. However the fact that loan-eligible courses are more likely to have seen fee increases than non-loans eligible courses perhaps gives an indication that the introduction of the Loan has stimulated fee increases to some extent.

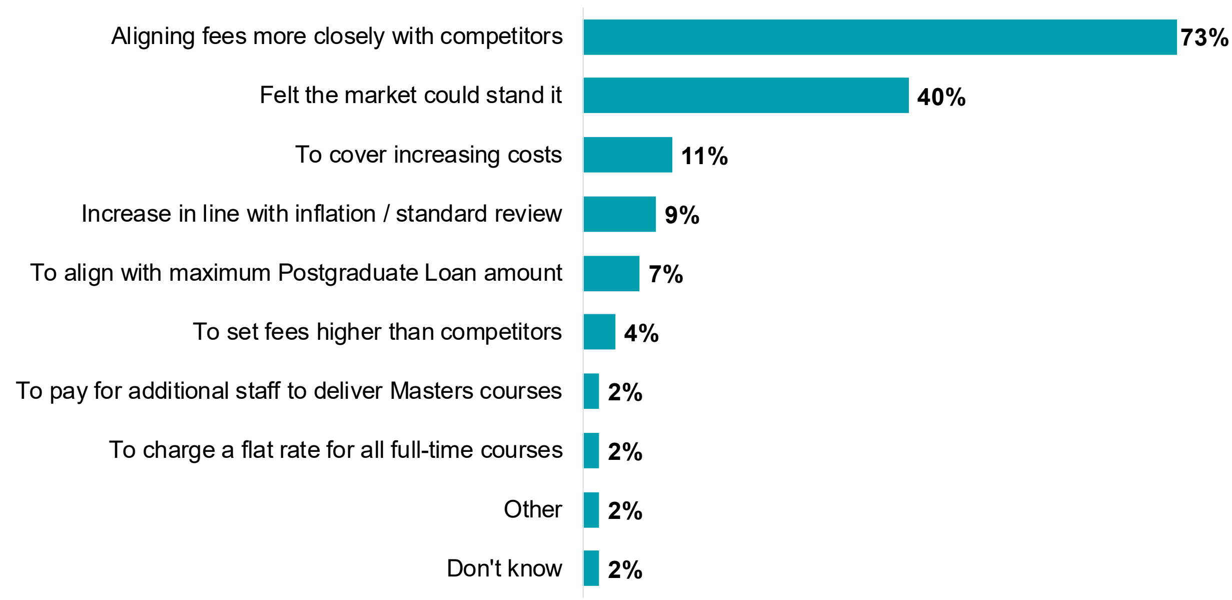
Figure 8.3 Changes to course fees since the introduction of the Master's Loan



Master's Loans HEP Survey: Base = All HEPs (79).

Although providers were more likely to have increased fees for loan-eligible courses, relatively few (7%) stated that the increase was to align with the maximum Postgraduate Loan amount, as shown in Figure 8.4.Three-quarters (73%) of HEIs said they had increased fees for loan-eligible courses to align the fees more closely with their competitors, and two-fifths (40%) said they felt the market could stand it. It is worth noting that both of these reasons could still ultimately tie back to the introduction of the Master's Loan, if competitor prices had been influenced by this, or if the Loan had had an impact on the market generally.

Figure 8.4 Reasons for increases in fees for courses eligible for Master's Loan

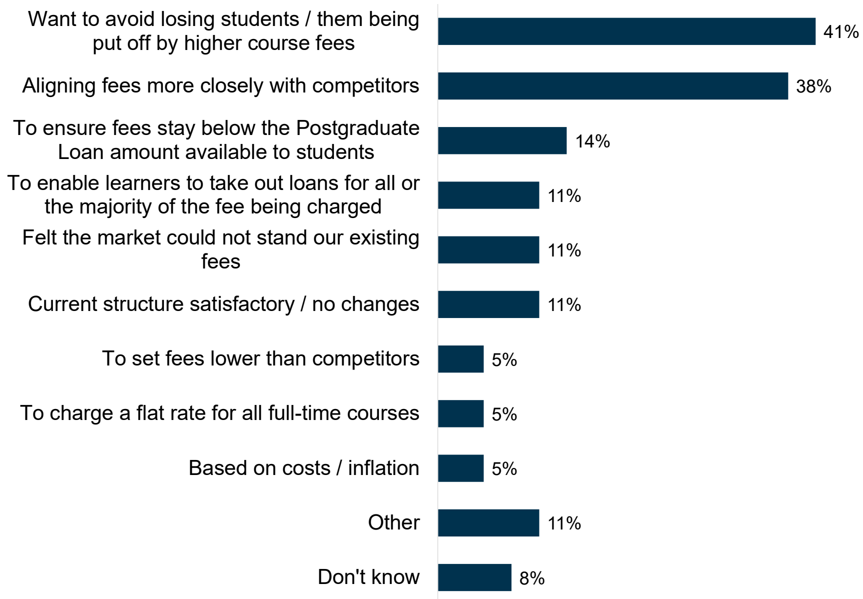


Master's Loans HEP Survey: Base = All HEPs that have increased fee structure (45).

HEIs that either decreased fees or elected not to change them attributed this to wanting to avoid losing students, or avoid putting off students by higher course fees (41%), and in order to align fees more closely with competitors (38%) – the same reason given by a majority of HEIs to explain increased fees.

Some reasons for decreasing or maintaining existing fee levels were directly linked to the Master's Loan – 14% said they wanted to ensure their fees stay below the Master's Loan amount available to students, and 11% said it was to enable learners to take out loans for all or the majority of the fee being charged (Figure 8.5).

Figure 8.5 Reasons for decreases in fees or no change to fees for courses eligible for Master's Loan



Master's Loans HEP Survey: Base = All HEPs that have decreased fee structure or not changed it (37).

Future revenue predictions

Just under half (48%) of HEIs believed that over the longer term the introduction of the Master's Loan would lead to increased revenue for the institution. Of the remainder, the majority were undecided, with 37% saying they did not know if revenues would increase, while 15% said they did not think that revenues would increase.

Among those believing the introduction of the Master's Loan would lead to increased revenue, the most common reason, mentioned by 84% of HEIs anticipating an increase, was that the Loan would lead to increases in PGT student numbers; a smaller proportion (13%) also believed that a wider range of students would be able to afford Master's level study.

9 Experiences of using the Master’s Loan

This chapter explores the experiences of using the Master’s Loan among students in the 2016/17 cohort that took out all or part of the Master’s Loan. The focus of the chapter is therefore on responses from the 1,101 students in the quantitative survey and the 37 loan-taking students interviewed in the qualitative interviews.

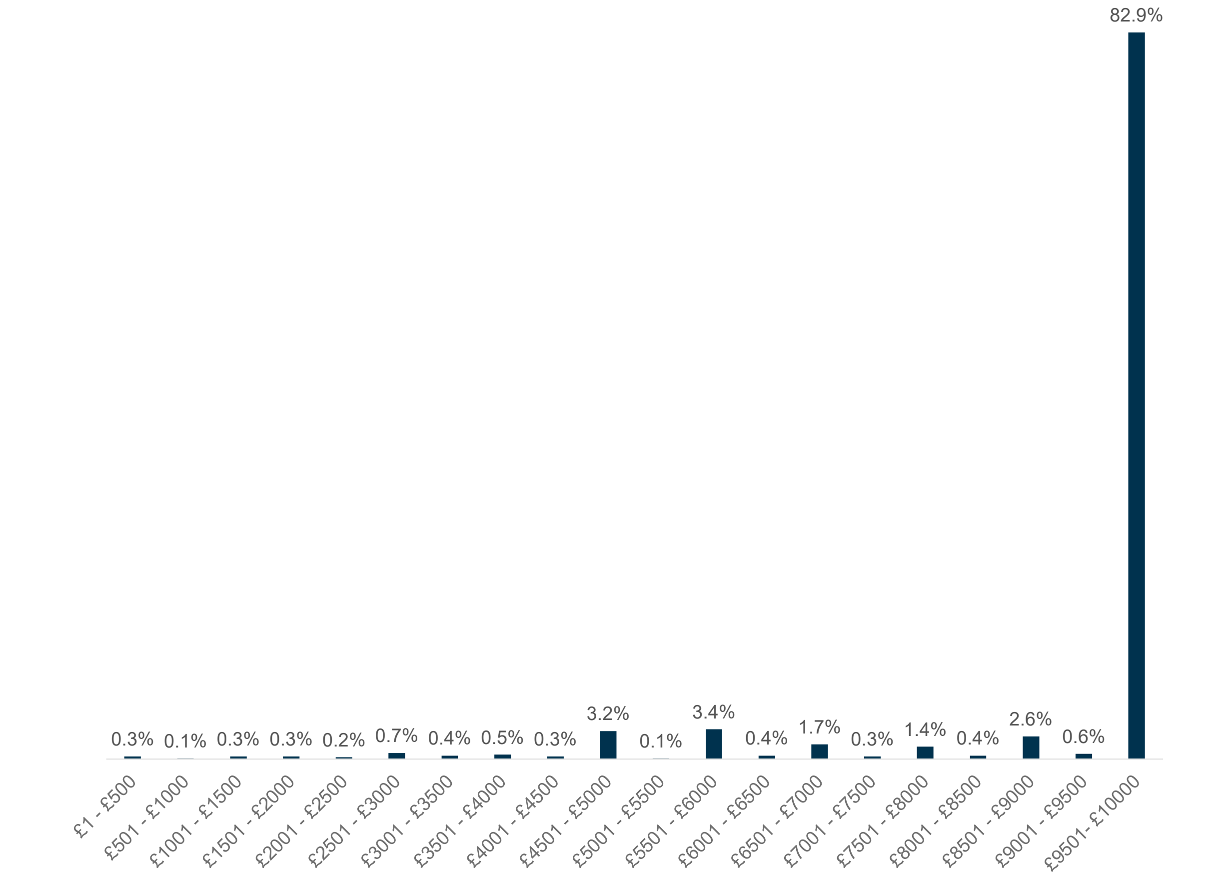
The chapter covers how much of the Master’s Loan students took out, what this was used for, whether it was sufficient to cover the cost of tuition fees and living costs and other sources used to cover study and living costs. Another key focus was the Loan application process, how students managed their finances and their views on the terms of repayment. Additionally, this chapter considers the experience of using the Master’s Loan for individuals on courses lasting more than one year.

Amount of loan taken out

Under the Master’s Loan Scheme, taught postgraduate students in the 2016/17 cohort were able to borrow up to £10,000.[20] The vast majority of students who received a Master’s Loan took out £9,000 or more of the Master’s loan (80%), with just 4% of students taking out under £5,000. Among all students who took out a Master’s Loan, the mean value borrowed was £9,340. Figure 9.1overleaf lists out the proportions of the Master’s Loan that loan-taking students took out and the average value borrowed by students, broken down by mode of study.

[20] This increased to £10,280 in the 2017/18 cohort and £10,609 for the 2018/19 cohort.

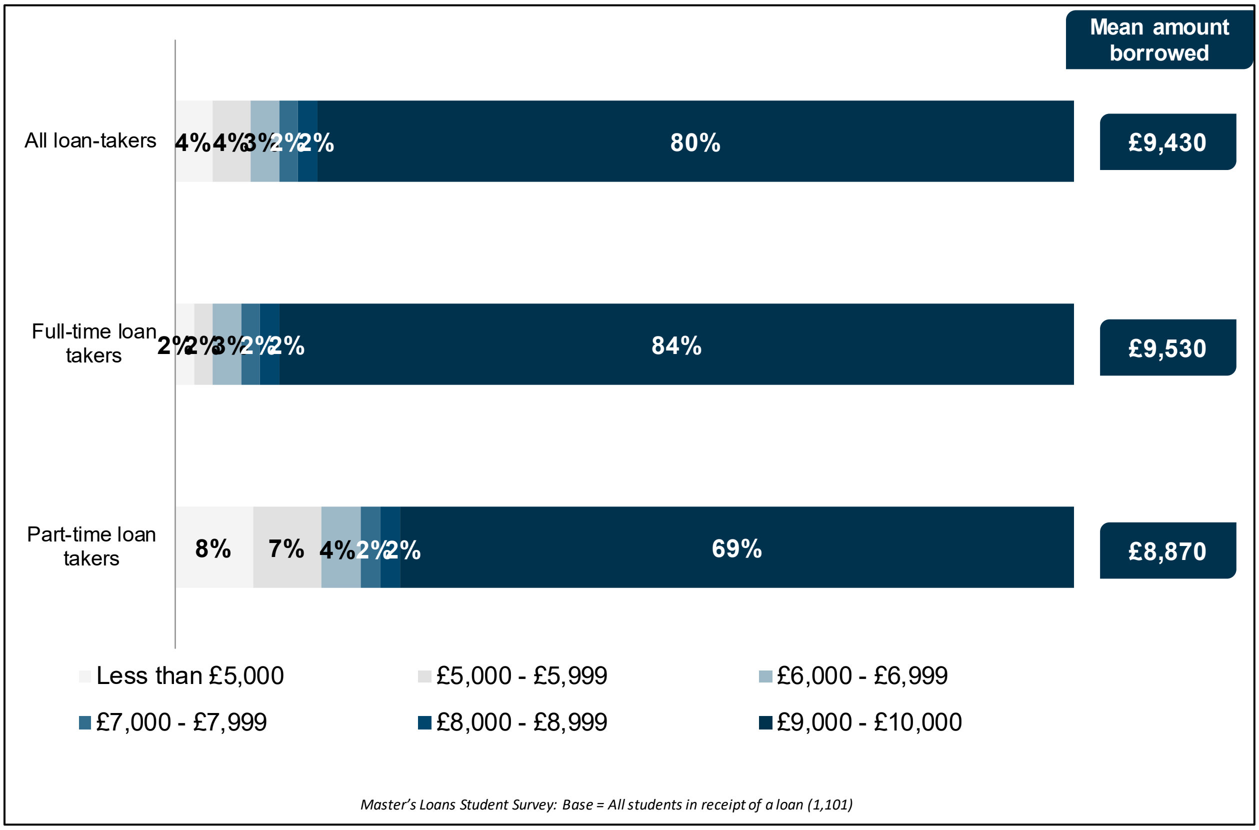
Figure 9.1 Amount of loan taken out by students



Master's Loans Student Survey: Base = All students in receipt of a loan (1,101)

As shown in Figure 9.2, full-time students on average borrowed more money (£9,530) than part-time students (£8,870). Similarly, full-time students on courses lasting one year also borrowed more than full-time students who were studying for longer than a year (£9,560 compared to £9,320).

Figure 9.2 Amount of loan taken out by students, broken down by mode of study



Other differences by student characteristics were:

- Younger students borrowed more than older students: those aged 25 and under borrowed on average mean value of £9,450, compared with £9,150 for those over the age of 25. BAME students also borrowed more on average (£9,520) compared with white students (£9,260).
- Students at high tariff institutions borrowed more on average (£9,610) than students at medium (£9,370) or low tariff institutions (£8,740), perhaps linking to differences in tuition fee rates. Similarly, students at London based HEIs unsurprisingly borrowed more than other students, taking out £9,680 on average, in comparison to £9,200 among students at HEIs based outside of London.

Use of the Master's loan for tuition fees or living expenses

Among students who took out a Master's Loan, around half of students used it for both tuition fees and living expenses (50%). A further 45% of students used the Master's Loan just for tuition fees, with just under one in twenty students (4%) using the Loan just for living expenses. The vast majority of students, therefore, used the Master's Loan at least to some extent to cover tuition fees (96%), while just over half of students used it at least to some extent to cover living costs (55%).

Mode of study had a clear influence over what students spent their loan on. Part-time students were more likely to have spent their loan exclusively on tuition fees (59%) than full-time students (39%). Comparatively, full-time students were more likely to have spent their loan on both tuition and living expenses (56%) or just living expenses (5%) than part time students (39% and 2% respectively).

Age also influenced spending of the Master's Loan, with younger students (aged 25 and under) being more likely to spend their Master's Loan on both tuition fees and living expenses (53%) compared with students age 26 and over (46%). In contrast, students aged 26 and over were more likely to spend the Master's Loan exclusively on tuition fees (49%) compared with students aged 25 or under (43%).

When looking at one of the traditional markers of disadvantage, students whose parents had studied at university were more likely to spend the Master's Loan exclusively on tuition fees (49%) compared with students whose parents had not studied at this level (42%).

Whether the amount of the Master's Loan covered the full cost of tuition

Students who took out a Master's Loan were asked if the value of £10,000 was enough to cover the cost of their tuition fees. For around three-quarters of students (77%), the Master's Loan did cover the full cost of tuition.

Unsurprisingly, there was a link between the full cost of tuition and the subject studied. Those studying courses in business and law (69%) and medical and health sciences (68%) were less likely to agree that the value of the Master's Loan covered the cost of tuition compared with other students. Contrastingly, humanities students (92%) were more likely than students of all other courses to agree that the Master's Loan covered the full cost of tuition.

Table 9.1 Whether total value of loan was / would have been enough to cover the full tuition fees for the Master's course split by subject of study

Subject studied	% value of the Loan was / would have been enough to cover the full tuition fees for the Master's course	% value of the Loan was not / would not have been enough to cover the full tuition fees for the Master's course
Medical and health sciences	68%	32%
Engineering and technology	82%	16%
Natural sciences	83%	17%
Social sciences	75%	24%
Business and law	69%	30%
Arts	77%	23%
Humanities	92%	7%

Base: All in receipt of a loan (1,101)

There were also regional differences in the extent to which students stated that the value of the Master's Loan covered the cost of tuition. For those in HEIs based in London 57% indicated that the Loan covered all of the cost of their tuition fees, compared with 84% of students at HEIs outside of London (84%)

Students from a BAME background were less likely to respond that the value of the Master's Loan was sufficient to cover the cost of tuition (69%) than white students (81%). Despite the fact that BAME students were more likely to study at London based HEIs, and that students in London HEIs were less likely overall to feel the loan was sufficient to cover tuition costs, this did not seem to be the cause of this difference between the ethnic groups. White and BAME students at London HEIs were equally likely to state that the Loan covered the cost of tuition (BAME 59%, white 57%), while white students at HEIs outside of London were more likely to state that the Master's Loan covered tuition (89%) compared with BAME students outside of London (73%). However, this difference is seemingly explained by the difference in courses studied by students from a white or BAME background, as BAME students were more likely than white students to study subjects where the loan was perceived to be insufficient to cover the cost of tuition.

Student views on the value of the Master’s Loan, including use of the loan and managing finances

The qualitative interviews with students explored their views of the Master’s loan amount. Student views about the sufficiency of the offer of £10,000 varied There was a complex mix of demographic profiles and background contexts influencing the views and experiences of students regarding the amount offered as part of the Master’s Loan scheme

Most of the students interviewed suggested that £10,000 was not enough to adequately cover the full cost of postgraduate study. One relatively common theme was it forced students to live frugally, with a careful eye on their finances.

> *"Even with my wages [it wasn’t possible to manage my finances]… it tended to be just my mum giving me food. I didn’t really have any financial support. I definitely had to live meekly."*
> **Loan-taker, full-time student, one-year course**

Some students also reported negative effects of managing finances when using the Master’s Loan, including that it could affect their ability to socialise; a few students reported the difficulty of managing their finances while working alongside their study, which could prohibit attendance at social events. Similarly, some students reported the difficulty of managing finances through specific pinch-points that were unavoidable such as paying for the deposit on their accommodation. Inevitably, some students mentioned that the cost of living in certain parts of the country caused the management of their finances to be considerably more difficult, with individuals pointing to the cost of living in London as causing particular difficulty in this regard.

> *“I couldn’t live without my part time job and the days my shifts fell on were often days when things were happening, so I missed out on a lot of extra-curricular activities.”*
> **Loan taker, full-time student, two-year course**

> *“It’s quite hand to mouth because you’re leaving university with basically no money and then you have to pay a deposit for a house in London, which is often over £1,000.”*
> **Non-loan taker, full-time student, one-year course**

There were a few other consistent factors that influenced students’ views on whether the Master’s Loan was sufficient to cover the cost of study. Mode of study and length of course were, unsurprisingly, two such factors. A few students who were studying full-time mentioned that they needed more than £10,000 to cover their tuition fees and their cost of living, yet the time demands of their course made working alongside their study difficult. One student, who studied full-time on a two-year course, highlighted that this was particularly difficult given the length of their course; this individual was forced to rely upon parental financial help to fund their study.

> *"If it was ten thousand each year, for example, I wouldn't have needed to have that difficult conversation with my parents."*
> ***Loan taker, full-time student, two-year course***

The cost of a course was of concern to a few students who suggested that £10,000 was not enough to fund their studies. One individual studying on a Cognitive Behaviour Psychology course, mentioned the cost of tuition was nearly the full £10,000, but also stated they had other course-related costs such as paying for medical professionals to supervise them.

The income and wealth of parents was also mentioned as a factor that could influence whether the Master's Loan was sufficient to cover the costs of Master's study. A few students mentioned that they felt that the Master's Loan was sufficient only because their parents were able to financially support their study. It is worth noting of course that our sample only included those that were ultimately able to at least begin their studies. Consequently, there may be students who were prohibited from pursuing their desired Master's study because the Master's Loan was not enough to pay for living costs and tuition fees, and whose parents were unable to assist.

> *"I don't think it's enough to make the same difference to someone who is not as lucky as me."*
> ***Loan taker, full-time student, one-year course***

Other more specific experiences provided by students in the qualitative interviews also provided examples where it was difficult to manage finances. A few students who had dependent children reported that they found it difficult to manage their finances while also covering the costs of raising children. One student mentioned that it had been easier during their undergraduate study, while another mentioned that they had only been able to pursue Master's study because their parents lived nearby and were able to cover childcare costs without charging the student.

> *"It just seems to be very different from the normal undergraduate loan when you can get adult learning grants and childcare grants. There didn't seem to be anything like that for postgraduate study."*
> ***Loan taker, part-time student, two-year course***

Students suggested a range of values that would be sufficient to cover the full cost of study, reflecting the complexity of evaluating any universal and unitary cost of Master's study. A majority of students did indicate that they felt the £10,000 currently offered was insufficient, although a few students did feel that it was. A few students suggested that the Master's Loan should be increased to £20,000 per year, while another student suggested increasing the Loan to around about £13,000-£15,000.

Among students who believed that £10,000 was the right amount, the reasons provided did not suggest that £10,000 was enough to cover all costs associated with Master's study. Instead, these individuals suggested that it was important to limit the Master's Loan to that level for varying reasons. One such reason provided was to limit the amount of student debt that students are able to accrue while studying, and another reason that a few students mentioned was that it was important to encourage Master's students to work while studying.

> *"By the time you are of the age to do a Master's you will have ways of working and adding to the Master's Loan anyway, so I don't think any more than that is necessary."*
> ***Loan taker, full-time student, one-year course***

> *"I would say it was more than enough. If somebody really wants to study, they will find a way to fund the course. Too much money makes people less willing to work in my opinion."*
> ***Loan taker, full-time student, one-year course***

Views on the application process

In terms of the mechanics of receiving the Master's Loan, the majority of students found the process easy. Some students mentioned they had been able to negotiate the timing of the payment of their tuition fees to be in line with the payment of their Master's Loan instalments, which made the management of their finances easier.

One idea that was fed back by a few students was that students would have preferred to have an option of Student Finance paying the Master's Loan directly to their HEI to cover the cost of tuition, with the remainder being paid to the student for living costs. This was because these students would have preferred to reduce the risk of them spending the money that they had allotted for tuition fees on other costs accidentally.

> *"It just takes that one big weight off the situation and you can budget from there."*
> **Loan taker, full-time student, one-year course**

Student views on the Master's Loan application process

One view that almost all applicants expressed in qualitative interviews was that the application process for the Master's Loan was easy, well-explained and well-timed.

> *"Everything was so simple that I don't even remember how I did it."*
> ***Loan taker, full-time student, one-year course***

A few students commented, without being prompted to do so, that they had found it to be considerably easier than when they applied for their undergraduate loan. The main reason for this seems to have been that students did not need to enter any information regarding their parental income, as the Master's Loan is not means tested, unlike the undergraduate loan scheme.

> *"I seem to remember it was considerably easier than the undergraduate loan because you don't need all the means testing side of things."*
> ***Loan taker, full-time student, two-year course***

Regarding the timing of the application, no students expressed any concerns about when the window to apply opened.

One student mentioned that they appreciated that they were able to apply for the Master's Loan before their place on their course was entirely guaranteed, specifically before their grade requirements were met. This allowed the individual to be certain that they had a course and funding guaranteed, as long as they were able to achieve their required grades, rather than waiting for their course place to be guaranteed before applying for their funding.

> *"The timing was perfect, and I didn't have any of those chicken and egg situations where I had to wait for one to get another. The timing and the flexibility was really good, so I was very happy about the process itself."*
> ***Loan taker, full-time student, one-year course***

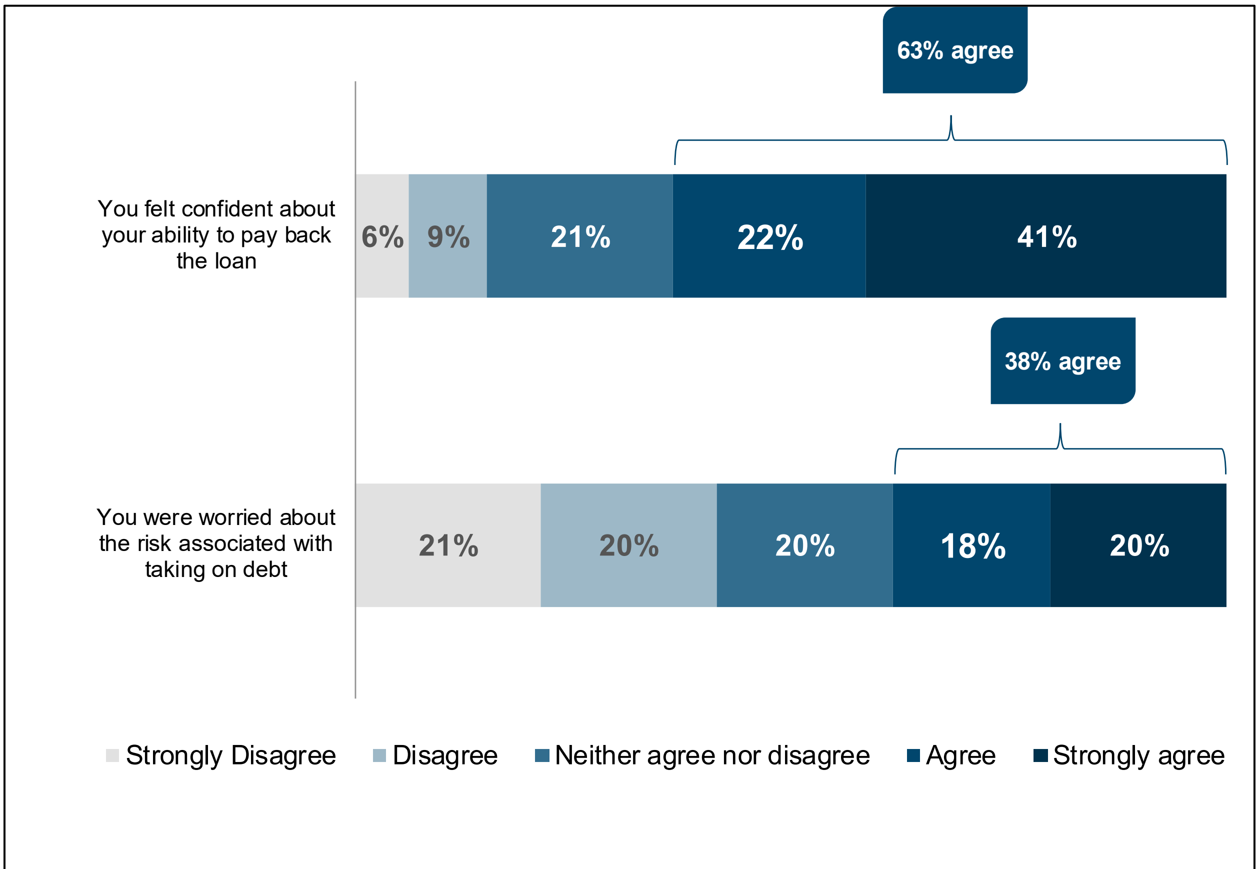
As a whole, students found the £10,000 to be insufficient to cover all of the cost of their study, and many students complained about various issues that arose as a result of the financial constraints. Despite this, students found applying for and using the Master's Loan to be easy, and even among students who had complaints about the amount offered, a sense that the Loan was still helpful prevailed; some students were keen to stress that despite their complaints, they still thought that the Master's Loan was a very good thing.

'It's definitely a good thing despite that, it's a step in the right direction for sure, it does help to remove the barriers in the way of postgraduate study.'
Loan taker, full-time student, one-year course

Student views on the repayment terms of the Master's Loan

Nearly two thirds of students who took out a loan were confident in their ability to repay the Master's Loan (63%) and only 15% stated that they were not confident. Despite this, two fifths stated that they were worried about the risk of taking on more debt when they took out the Master's Loan (38%).

Figure 9.3 Student confidence in repaying the Master's Loan and worry about the risk associated with taking on debt



Master's Loans Student Survey: Base = All students in receipt of a loan (1,101)

Part-time loan-takers were more likely to agree that they were confident in their ability to pay back the Master's Loan (68%) than full-time loan-takers (61%). Confidence was affected by whether individuals had an undergraduate loan; three quarters of students without an undergraduate loan agreed that they were confident in their ability to repay the Master’s Loan (75%), while six in ten of those students with undergraduate loans agreed (61%). These two findings are interlinked, as significantly more full-time students had taken out an undergraduate loan from Student Finance (84%) than part-time students (51%).

Age also played a role in confidence in ability to pay back the Master’s Loan, with students who were 25 or under being less likely to be confident in their ability to repay the Master’s Loan (58%) than those that were 26-35 (69%), 36-45 (80%) or 46 and over (70%). There were no differences in this regard when considering traditional markers of disadvantage such as parental degree status or ethnicity.

There were few differences by student characteristics in the extent to which they were worried about the risk of taking on more debt. One demographic factor that did have a slight influence was ethnicity; students with a white background were more likely (44%) than students of a BAME background (35%) to be worried about taking on debt.

In the qualitative interviews with students who took out the Master’s Loans, students were asked about their understanding of the terms of repayment. These interviews demonstrated that students’ understanding was mixed. A few students were able to provide detailed, accurate descriptions of the repayment terms of the Master’s Loan, a few were able to provide vague descriptions that were broadly reflective of the terms and a few others either lacked any understanding or inaccurately described the terms that they had agreed to.

At an overall level, students were more aware about when they would begin to make repayments, and the threshold of income that triggers repayment. They were less aware of the interest rates associated with the Master’s Loan. A lack of understanding of the interest rates was, among a few students, associated with the idea that they would not pay off all of their student debt anyway, so the interest charged would prove to be irrelevant when it was cleared after thirty years of repaying.

> *“I doubt I’ll ever pay it all off... On a monthly basis the percentage is just the cost of a few cups of coffee, so it’s not really anything of concern.”*
> **Loan taker, part-time student, two-year course**

A few students expressed understanding of the repayment terms insofar as they understood that they were closely matched with those of the undergraduate loan offer. While these students may not have been able to state the interest rates or exact rate of repayment, they seemed comfortable with their understanding of the Master’s Loan as being similar to those at undergraduate level.

"Same as [the undergraduate] student loan really, more like a tax than a repayment really."
Loan taker, full-time student, one-year course

"[You pay it back] when you have a proper job with a certain amount of money coming in."
Loan taker, full-time student, one-year course

A handful of students who did not fully understand the terms of repayment stated that they did not see that as a problem. This was because they knew that they could find out the terms if ever they needed to or when they were in a position to start repaying the Master's Loan which they saw as the moment that comprehension of the terms became important.

"I'm confident that I know how to access the information."
Loan taker, full-time student, one-year course

Students were also asked to provide their views about the terms of repayment in qualitative interviews. Most students did not feel particularly negative about the terms of repayment of the Master's Loan, although a handful did mention having some reservations, while a handful felt positive about the terms of repayment.

The prevailing feeling among students who did not feel positive or negative about the terms of repayment was that they were ultimately worth accepting to pursue postgraduate study. Alternatively, some students were unconcerned with taking on more debt because they felt that it would make little difference as an addition to their existing undergraduate debt.

"Adding a bit more to that pile was a small trade-off for getting above the competition with a Master's instead of an undergraduate degree."
Loan taker, full-time student, one-year course

A handful of students felt actively positive about the terms of repayment of the Master's Loan. These students thought that the Master's Loan offered fair terms of repayment, stating that they did not hesitate to apply for the Loan which they felt only required students to repay it when they were able to.

The most commonly expressed complaint regarding the terms of repayment was that students are required to repay it alongside their repayments of undergraduate debts, rather than after finishing repayment of their undergraduate loan.

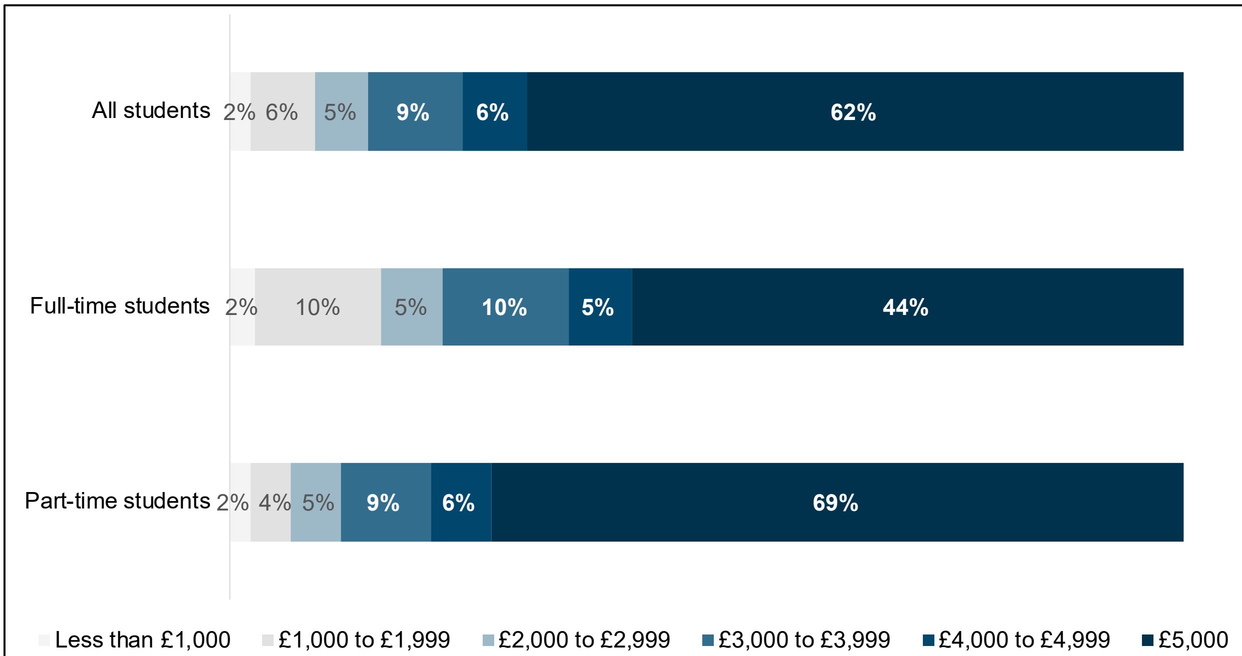
"The fact that I have to pay it back on top of my student loan was the real qualm for me because now I realise that I have to pay back maybe 13% or 15% of my wage."
Loan taker, full-time student, one-year course

Despite this reservation, it is worth highlighting that students who took out the Master's Loan were, on the whole, relatively unconcerned by the terms of repayment that they had agreed to.

Using the Master's Loan on courses lasting more than one year

For students who study courses lasting more than a year, the Master's Loan is split into two sets of payments, one in the first year and one in the second. Students are able to request up to £5,000 in their first year, with anything up to the remainder of the £10,000 not yet borrowed paid in the second year of study. Nearly two-thirds of students in receipt of a Master's Loan on courses lasting more than one year (62%) requested the full £5,000 for their first year, with students on average borrowing £4,320.

Figure 9.4 Amount of loan paid out in first year of courses lasting more than one year



Master's Loans Student Survey: Base = All students in receipt of a loan on courses lasting more than one year (411)

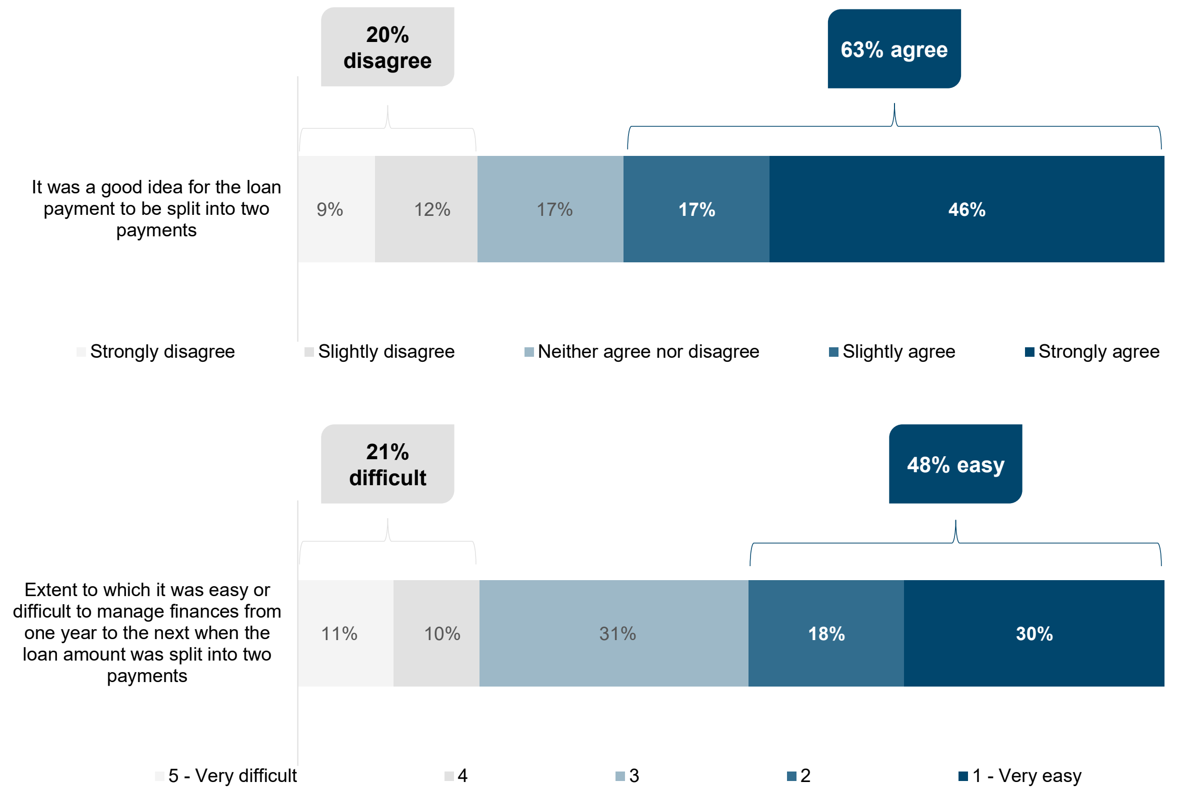
As shown in Figure 9.4, part-time students were more likely to request the full £5,000 in their first year of study than full-time students. On average, part-time students borrowed

£4,520 in their first year of study while full-time students borrowed £3,460 in the first year of their Master's course.

Loan-taking students on courses lasting more than a year were also asked what proportion of the first loan payment that they received was spent in the first year of their Master's course. Three quarters of these students spent all of their first loan payment (75%), while one in ten spent more than three quarters but less than all of it or between a half and three quarters (10% each). Just 2% of students spent less than half of their first payment in their first year.

Students who took out a Master's Loan for courses longer than a year were also asked if they felt it was a good idea to split the Master's Loan into two payments. Sixty-three per cent agreed that it was, while 20% disagreed. These students were also asked how easy or difficult it was to manage finances from one year to the next with the Master's Loan being split into two payments. Just under half of students stated it was easy (48%), and 21% indicated it was difficult. It is worth highlighting that nearly a third of students stated that it was neither easy nor difficult managing their finances between years (31%).

Figure 9.5 Extent of agreement that it was a good idea for the Master's Loan payment to be split into two payments and the extent of ease or difficulty of managing finances between years



Master's Loans Student Survey: Base = All students in receipt of a loan on courses lasting more than one year (411)

Students on courses lasting three years or longer were more likely to disagree that it was a good idea to split the Master's Loan payment into two sets of payment, with 27% of these students disagreeing compared to just 13% of those on 2-year courses.

Part-time students were more likely to agree that it was easy to manage their finances from one year to the next when the Master's Loan was split into two payments; just over half of part-time students indicated that it was easy (53%) while just over a third of full-time students found it easy (34%). White students were more likely to find it easy to manage finances from one year to the next, when the Master's Loan amount was split into two payments, compared with students from a BAME background (53% compared to 32%).

10 Reasons why take-up of Master’s Loans is not higher

This chapter explores the reasons why students did not take out the Master’s Loan as part of their funding for their postgraduate study. This forms an important part of this overall evaluation as it will help to establish if individuals are put off from applying for the Master’s Loan due to inaccurate or undesirable perceptions of it.

Factors considered in this chapter include student awareness of the Master’s Loan, reasons given by students for not applying for the Loan and the rationale provided by students who did apply for the Loan but did not take it out to explain not taking out the Master’s Loan.

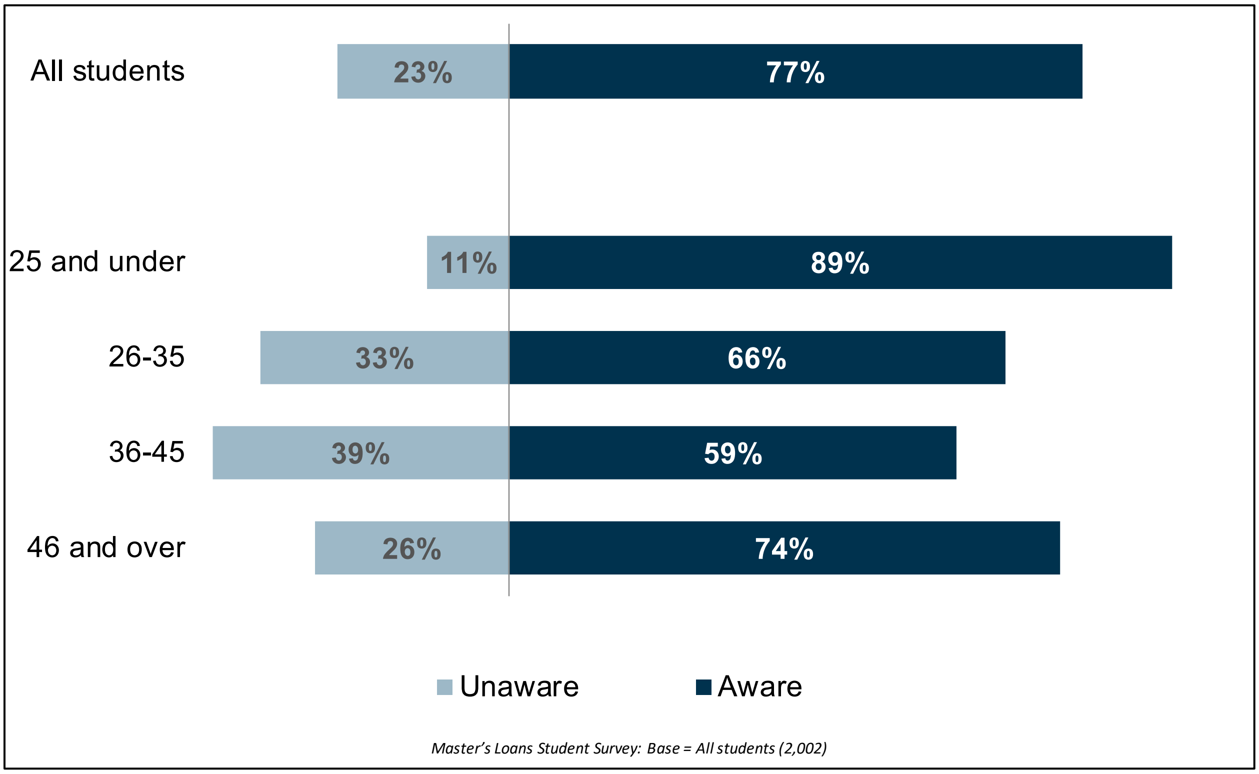
Awareness of the Master’s Loan

In the 2016/17 cohort of students, overall awareness of the Master’s Loan at the time of starting Master’s study was high although not universal; over three quarters of students were aware of the Loan when they started their course (77%).

Students aged 25 and under were more likely to have been aware of the Master’s Loan when they started their course than older students, with 89% reporting that they were aware of the Loan when they began their study (compared to 66% of students aged 26-35, 59% of students aged 36-45 and 74% of students aged 46 or older), as shown overleaf in Figure 10.1.

This perhaps indicates that the message about the availability of the Master’s Loan has been distributed more effectively to those already in the education system (i.e. those progressing straight from undergraduate study who tend to be younger) than those outside it.

Figure 10.1 Student awareness of the Master's Loan when starting their Master's course by age

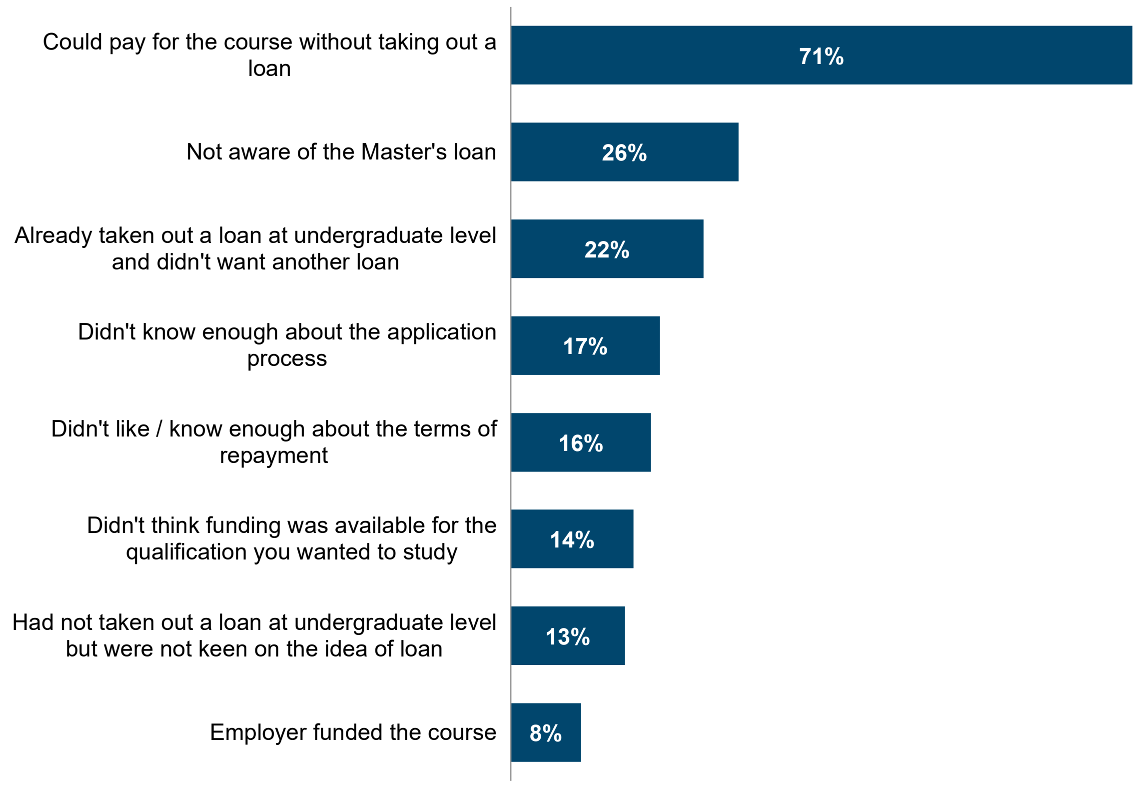


Other factors also seemed to influence awareness of the Master's Loan. Full-time students were more likely (85%) than part-time students (65%) to have been aware of the Master's Loan at the start of their Master's course. Region of HEI applied to also seemingly played a role, with around nine in ten students at HEIs based in Wales (94%), Scotland (91%) and the North East (86%) aware of the Master's Loan. Conversely, students at HEIs based in London were less likely to be aware (73%).

Reasons for not taking up the Master's Loan

By far the most common reason given by students for not taking out a Loan was that they could pay for the course without a loan, which was the case for around seven in ten students (71%). Less common reasons included a lack of awareness of the Master's Loan (26%) or that students had already taken out a loan at undergraduate level and didn't want another loan (22%). Other reasons provided by students for not applying for the Master's Loan are outlined in Figure 10.2.

Figure 10.2 Reasons students did not apply for a Master's Loan



Master's Loans Student Survey: Base = All who did not apply for a Master's Loan (860)

The most common reason for not applying for the Master's Loan, therefore, can be seen to be unproblematic and, indeed, a positive finding from the perspective of evaluating the success of the Loan.

Despite this, minorities of students who did not apply for the Master's Loan because they were unaware of it (26%), didn't know enough about the application process (17%), didn't like or know enough about the terms of repayment (16%) or didn't think funding was available for the qualification you wanted to study (14%) suggest that a lack of awareness (generally and of specific elements) has been a barrier to greater take-up in the first year.

Among those not taking out a Loan, younger students were more likely to have not applied for the Master's Loan because they could pay for the course without taking out a loan (students aged 25 or under 77%; students aged 46 and over 60%). Similarly, three quarters of white students (74%) did not apply for the Master's Loan because they could afford it without taking out a loan, compared to six in ten students from a BAME background (62%). Students studying business and law courses were more likely to be able to pay for the course without taking out a Master's Loan (80%) compared with students on other courses (70%).

A small number of students had applied for the Master's Loan but did not go on to take it up (6% of those not in receipt of a loan, 3% of all students surveyed). The most common reason for this was that the application was rejected (62%), followed by the student finding an alternative or preferred way to fund their Master's study (24%). Other factors were provided by a few students, although by too few to be reported.[21]

Students who did not take out the Master's Loan were asked as part of our qualitative interviewing why they had not done so. The reasons provided mirrored those outlined in Figure.

A few students that applied for the Master's Loan explained that the Loan had always been used as a backup plan or second choice. In one instance, a student had only applied for the Master's Loan to make it completely certain that they would be able to fund their Master's study, however their preferred method of funding came to fruition in the end, and so they withdrew their application for the Master's Loan.

> *"It was a means to absolutely be able to afford to do everything and not be limited by finances in the process of doing the qualification and yet that turned out not to be necessary."*
> ***Non-loan taker, full-time student, two-year course***

Similarly, a few students explained that they had not applied for the Master's loan because they already had other means of funding guaranteed.

> *"Because I was industrially funded my course fees were paid for by industry and my living costs were paid by the Engineering and Physical Sciences Research Council."*
> ***Non-loan taker, full-time student, one-year course***

On the whole, many of the reasons that students did not take out a Master's Loan do not suggest that the Master's Loan process requires any changes. Despite this, student awareness and comprehension of the Master's Loan did seem to act as a barrier at least to some extent to students applying to or ultimately taking out the Master's Loan.

[21] *Please note the low base size on these figures of 41.*

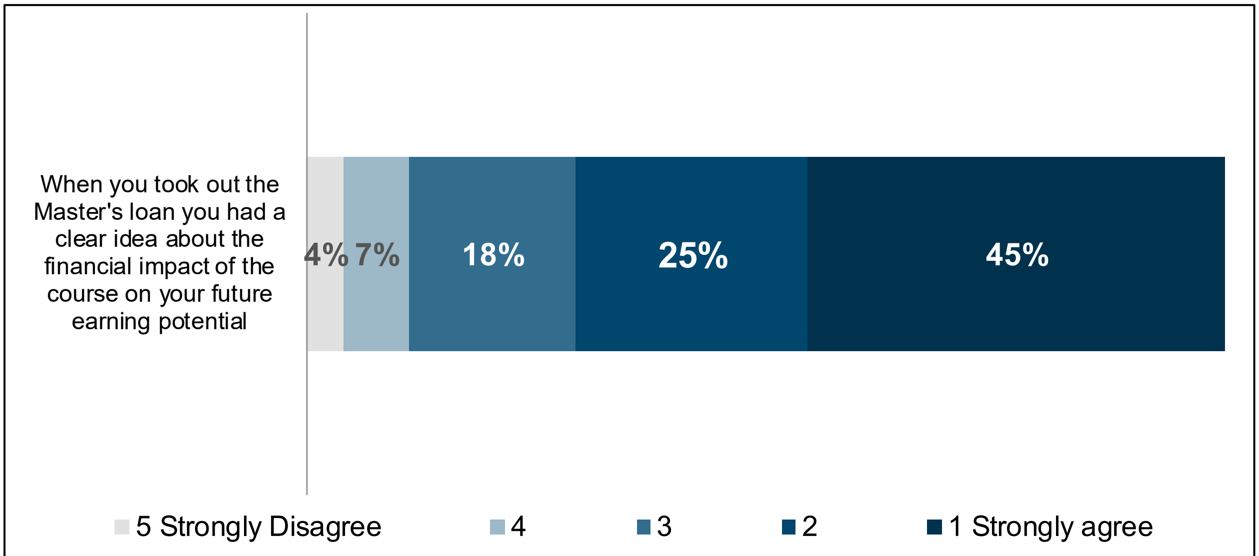
11 Return on investment of Master's study

The logic model for the introduction of the Master's Loan includes outcomes around increased employment in high skilled jobs and increased earnings. The timing of this evaluation was too early to collect concrete detail around destinations after completion of Master's courses, but we have some evidence around students' likely destinations. This chapter covers the views of students regarding the effect of their Master's study on their earning potential, their intended destination or current activity after finishing their course and their expected outcomes five years after completing their Master's course.

Student views on impact of study on future earning potential

Loan-taking students were asked if they had a clear idea about the financial impact of their study. Seventy per cent of these students agreed, with nearly half of all loan-takers strongly agreeing (45%). In total, 11% loan-taking students disagreed that they had a clear idea of the financial impact of their postgraduate course.

Figure 11.1 Student agreement with whether they had a clear idea about the financial impact of the course on you future earning potential



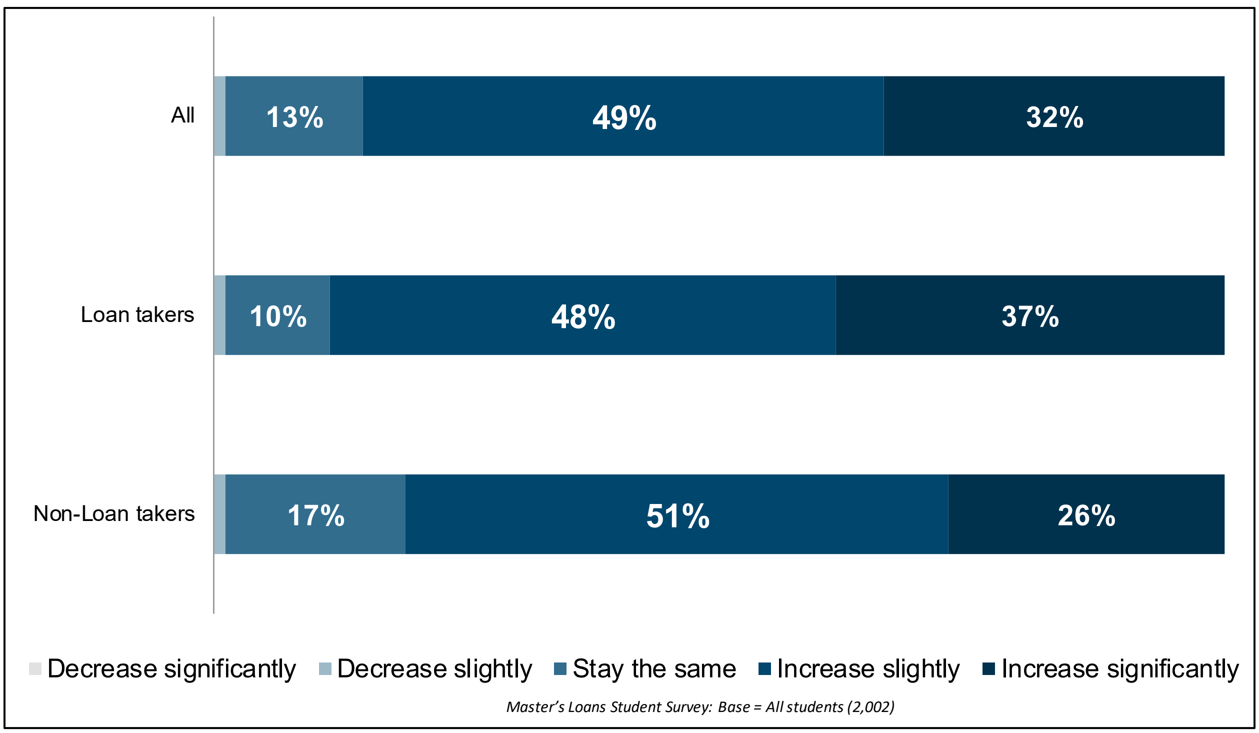
Master's Loans Student Survey: Base = All students in receipt of a loan (1,101)

There were few subgroup differences of note, with the exception that students on engineering and technology Master's' courses (80%) were more likely to agree.

All students were asked how they expected their future earning potential to change as a consequence of their Master's course. The majority of students, 81% felt that their earning potential would increase (81%). A third of students felt that their earnings would increase significantly (32%), while around half thought that their future earning potential would increase slightly (49%). Thirteen per cent expected their future earnings would stay the same, and 1% felt their earnings would decrease (while 4% did not know what the impact on their future earnings would be).

Loan-takers were more likely than non-loan takers to believe their earning potential would increase (85% compared to 77%), or that it would increase significantly (37% compared to 26%), as shown in Figure 11.2. A similar disparity was found between full-time students and part-time students, with full-time students more likely to indicate they believed their earnings would increase (86%) or increase significantly (36%) than part-time students (75% and 27% respectively).

Figure 11.2 Students' expectations of change to future earning potential as a result of the Master's course



The course studied by a student influenced the likelihood to feel that earnings would increase as a result of their study. Students who studied business and law (90%) were more likely to feel that it would increase, while humanities students were less likely to indicate that their future earning potential would increase (71%).

Students from a BAME background were more likely to feel that their earnings would increase compared with white students, with nearly nine in ten BAME students indicating that they felt they would increase (88%) compared with white students (79%). Similarly, BAME students were more likely to feel that their earnings would increase significantly (44%) than white students (28%). When considering other traditional markers of disadvantage such as parental degree status, students whose parents had studied at university (84%) were more likely than students whose parents had not studied at university to feel their earnings would increase significantly (79%).

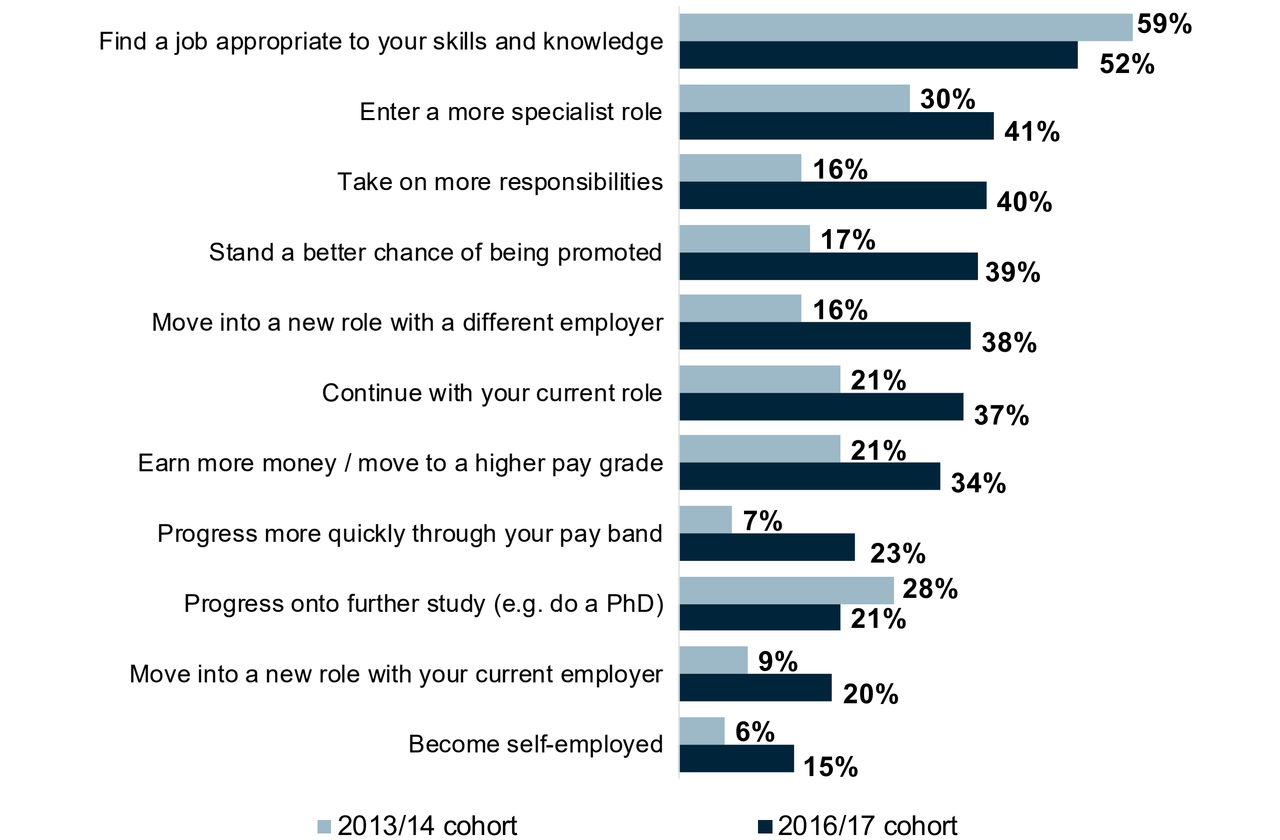
Students' current or intended destinations on completion of study

Students from the 2016/17 cohort were asked about their intended destinations after completing their Master's course. The same question was also asked of the 2013/14 cohort in the *Transitions Survey*. The 2016/17 students were generally more positive about the potential returns on their investment relating to their Master's study compared with the 2013/14 cohort, although fewer felt that they would find an appropriate job or progress onto further study, as shown in Figure 11.3 overleaf.

The most common expectations in this regard, as with for the 2013/14 cohort, related to career progress such as finding a job, changing the nature of their job or being promoted.

Most commonly, 52% of students had either found a job or were expecting to find a job appropriate to their level of study, 41% had either entered or were expecting to enter a more specialist role, 40% had taken on or were expecting to take on more responsibilities, 39% stood or were expecting to stand a better chance of being promoted and 38% had moved or were expecting to move into a new role with a different employer. Other responses provided by students are outlined in Figure 11.3 below.

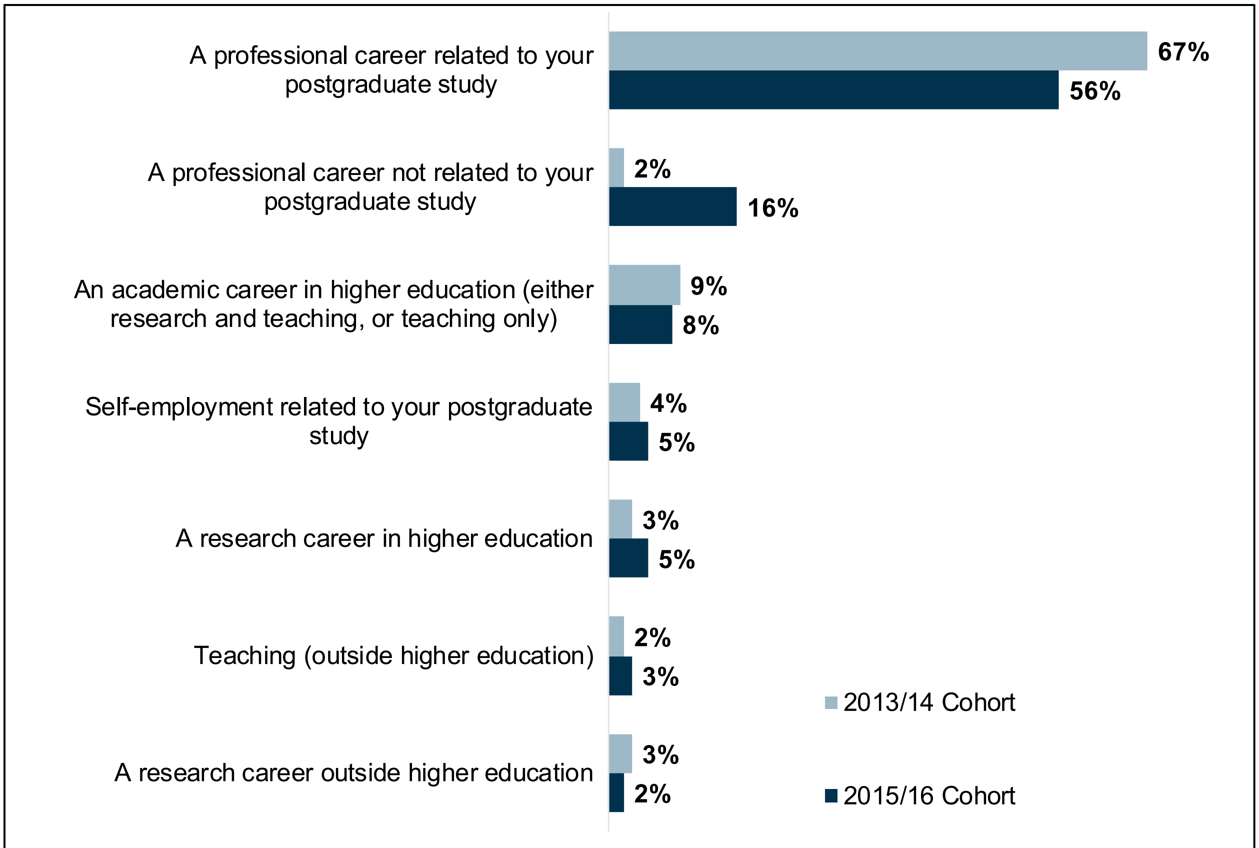
Figure 11.3 Students' outcomes or anticipated outcomes immediately after completing or leaving their Master's qualification



Master's Loans Student Survey: Base = All students (2,002). Transitions Survey: Base = All 2013/14 PGT starts (2,530)

Students who had finished their course were also asked what their current activity or career plans for the near future were. Across both cohorts of students, the proportion who had entered a professional career was similar. However, the proportion who had entered a career or had planned to enter a career directly related to their postgraduate study was higher in the 2013/14 cohort than in the 2016/17 cohort. In the 2016/17 cohort the proportion working in a professional career not related to their postgraduate study was correspondingly higher (16/17 cohort 16%, 13/14 cohort 2%). Otherwise students had similar outcomes or expected outcomes after completing their study, as shown in Figure 11.4.

Figure 11.4 Students current activity or career plans for the near future if they have completed or left their course

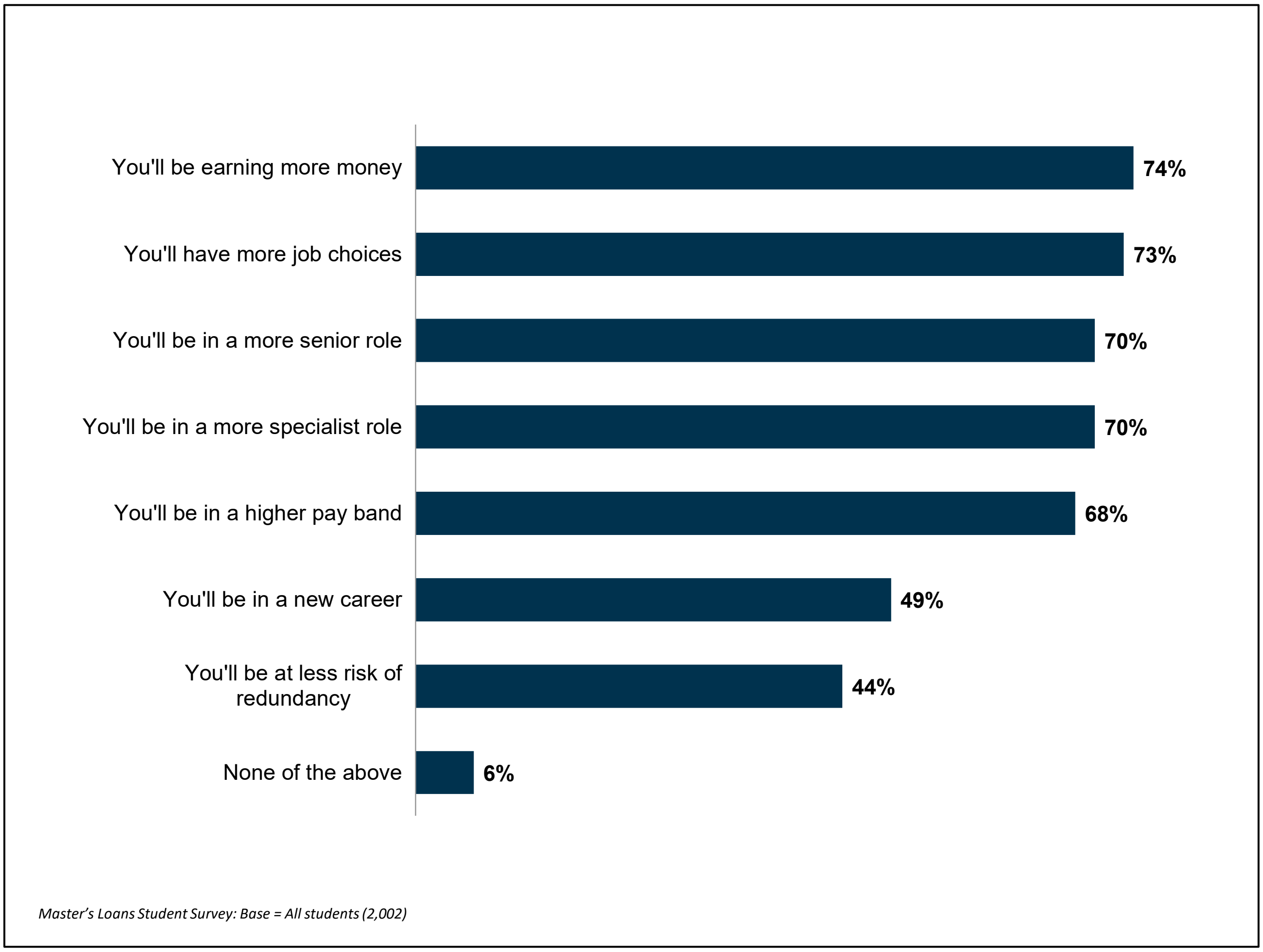


Master's Loans Student Survey: Base = all students that have completed or left their Master's qualification (1120)). Transitions Survey: Base = All 2013/14 PGT starts (2,530)

Mode of study influenced student expectation upon finishing their study. Full-time students were more likely to have entered or think they will enter a professional career related to their postgraduate study (58%) than part-time students (46%). Contrastingly, part-time students were more likely to currently be teaching or to think that they will be teaching (11%) or to be self-employed or to think that they will be self-employed (9%) than full-time students (2% and 5% respectively).

Students responding to the survey conducted for this evaluation were also asked about their expectations five years after completing their study. Again, students provided a wide range of expected benefits to their study, almost all being professional or career benefits, with 94% of students expecting to receive at least one benefit. Figure 11.5 outlines the most commonly suggested expectations, with the most commonly selected being around three quarters of students expecting to be earning more money (74%) or to have more job choices (73%).

Figure 11.5 Students' expected outcomes five years after completing their Master's course



Students, on the whole, anticipated a wide variety of potential benefits arising from their postgraduate study. Generally, students expressed views that their postgraduate study would bring about, or already had brought about, professional benefits, with most students feeling that it would improve their future earning potential and lead to broader or improved job choices.

How the Master's loan has helped to achieve intended outcomes

In qualitative interviews, students were asked if their Master's study and the Master's Loan had helped them to achieve the intended outcomes of pursuing postgraduate study. Most students indicated that they felt that their Master's course had helped them to achieve their career aims, although a few students did state that they were yet to see any benefits of their study.

Several students felt that their Master's course had helped them get ahead of the competition in the job market, had directly contributed to them already getting a job or that their Master's Degree served to increase their positive feelings about their careers generally. These ideas were expressed by both loan-takers and non-loan-takers

> *"I feel more confident that I will achieve my career aims now than before when I didn't have the Master's."*
> **Loan taker, full-time student, one-year course**

> *"I can actually see myself going somewhere and now the sky is the limit and I can see myself moving forward."*
> **Non-loan taker, full-time student, two-year course**

A few students also indicated that their study had changed their career plans in a positive way. One student indicated that their Master's course had created a desire to study at PhD level, and a few students provided similar examples of their Master's study changing their intended outcomes, but ultimately enabling them to achieve these newly formed plans.

> *"I think if I hadn't studied at Durham I might not have wanted to go on to study my PhD … the good experiences I had and the people I worked with have really influenced my decision to go forward with academia."*
> **Loan taker, full-time student, one-year course**

Among students who had not yet achieved their intended outcomes, a few suggested that while they had not yet done so, they felt that they would do eventually; and that their Master's degree, which the Master's Loan had enabled them to undertake, would help them to achieve these intended outcomes.

"Yes, I think having the Master's degree has definitely added something to the jobs that I'm applying for. I haven't got the job that I want, but it's helping."
Loan taker, full-time student, one-year course

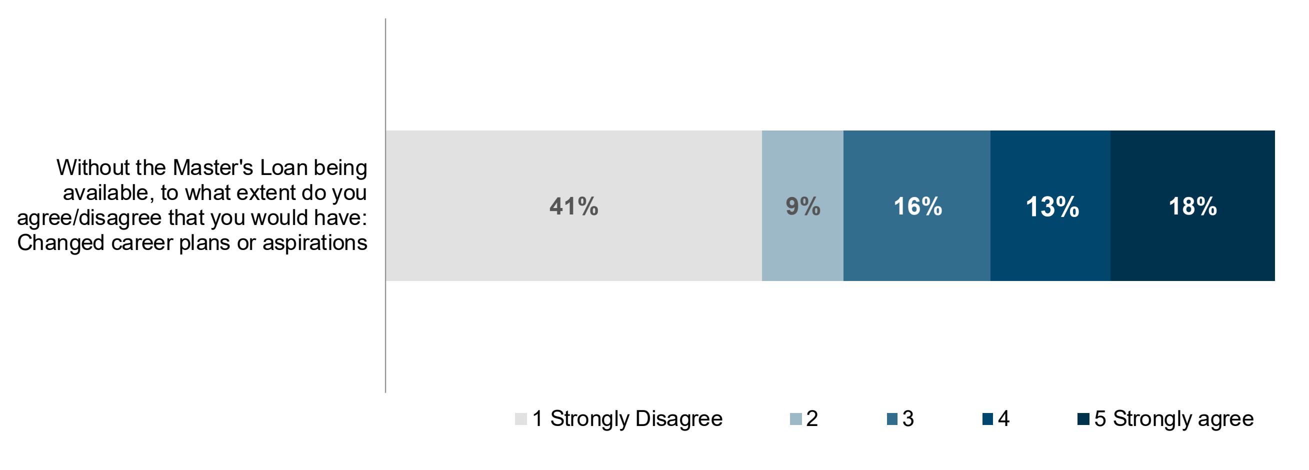
There were very few cases in which students felt that their Master's degree had not helped them to achieve their intended outcomes at all. One individual said that they had not been able to get a job and in retrospect would have preferred to have studied a professional qualification instead.

The majority of students interviewed at the qualitative stage felt that their Master's study, which for many students was enabled by the Master's Loan, either had already helped them to achieve the goals and intended outcomes or would in the long-term help them to achieve their aims.

Whether without the Master's Loan students would have changed career plans

In the quantitative survey, loan-taking students were asked if they felt that they would have had to change their career plans if the Master's Loan had not been available. Nearly a third of students who took out the Master's Loan indicated that they would have had to change their plans (31%), although half of students disagreed that they would have had to change their career plans (51%), as shown in Figure 11.6. This provides further evidence of the role the Master's Loan was perceived to play, for some students, in helping them to progress in their careers.

Figure 11.6 Student agreement that without the availability of the Master's Loan they would have changed their career plans or aspirations



Master's Loans Student Survey: Base = All students in receipt of a loan (1,101)

Full-time students were more likely to agree that they would have had to change their career plans or aspirations (33%) than part-time students (25%). When considering demographic profile, there were few subgroup differences in this regard, however students from a BAME background (36%) were more likely to agree that they would have had to change their career plans or aspirations without the availability of the Master’s Loan compared with white students (28%).

While only around a third of loan-taking students stated that they would have had to change their career plans or aspirations if the Master’s Loan had not existed it is worth noting that this does not take into account the timing of access to intended career plans. Students disagreeing with the statement may have been doing so as they ultimately would have retained the same end goal or objective relating to their career but later on in their life or via an alternative route. Similar ideas were expressed in our qualitative interviewing, with individuals indicating that their access to Master’s study expedited their entry to the desired career.

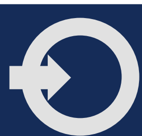
> *"I’m hoping that I will get a research assistant role in mental health policy so I’m hoping the specific knowledge that I gained from [the Master’s] will help me to do that. I wouldn’t necessarily have been able to do it as quickly without it."*
> **Loan taker, full-time student, one-year course**

At an overall level, students expressed the view that they would have been able to pursue the same career plans whether the Master’s Loan existed or not, however this does not reflect upon the timing of entry to desired careers, nor the path towards them. Evidence from elsewhere in the survey suggests that while the ultimate endpoint or broad pathway may not have changed, the steps taken to get there and the speed at which these steps could be taken for many students may have changed had the Master’s Loan not existed.

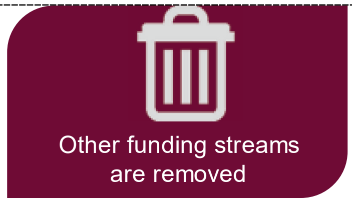
12 Conclusions

The introduction of the Master's Loan was underpinned by a logic model outlining the desired outcomes and impacts, alongside some potential unintended impacts (such as other funding sources being removed). This evaluation was conducted in 2017/18 and involved research among the first cohort of students eligible for the Loan (those starting a Master's course in 2016/17). As such it is a very early assessment of the difference that the Master's Loan has made. Nonetheless it is possible to make some early judgements of the extent to which the desired outcomes have been achieved (and hence the likelihood of resulting in the longer-term impacts of more individuals in higher skilled jobs and a stronger economy), and to assess the extent to which any unintended impacts may have occurred.

Desired Outcome	Evidence
	There has been a large increase in the volume of England-domiciled loan-eligible Master's students. Student enrolments increased by 36% on 2015/16 figures from 58,000 students to 79,000. This suggests that the Loan has been successful in increasing access to Master's education. There is some evidence to suggest this might be an inflated 'first year' effect with 50% of students who started their Master's course more than one year after the end of undergraduate study (c. 15% of the cohort as a whole) stating that they deferred their study specifically to allow them to benefit from the Loan. However, it is also the case that there was not full awareness of the availability of the Loan in this first year (77% were aware at the start of their course) and this might mean that volumes of applications might be increased still further in the future. Students themselves clearly feel that the Loan has made a big difference in their ability to undertake Master's study with almost three quarters of those who took out a loan said they couldn't have studied without it.

Desired Outcome	Evidence
	As well as making Master's level study a possibility at all for some students, there is also evidence to suggest that the Loan helped to open up more choice to potential students (41% of Loans-takers stated that without it they would have made different choices about what and where to study).
 Widened access to masters level education	There is no evidence to suggest that that introduction of the Loan has resulted in any change in profile of Master's students in terms of age, gender, whether parents attended HE or likelihood to have dependent children. However, there is an indication that the Loan has led to a greater proportion of Master's students from a Black background. Black students represented 11% of the 2016/17 cohort – an increase from 8% in 2015/16.
 Earlier access to masters level education	The evidence for this outcome is mixed. There is was no notable change in the overall age profile of Master's students in 2016/17 and this would be expected if the Loan was leading students to study much earlier. However students themselves believe that the Loan helped them to study earlier (90% of those who took out a Loan believe that this was the case). The evidence is stronger in terms of the Loan enabling students to benefit earlier from Master's study through studying full-time rather than part-time. The proportion of England-domiciled loan-eligible students studying full-time increased from 56% in 2015/16 to 62% in 2016/17. In addition 89% of full-time students who took out a Loan stated that the Loan enabled them to study full-time rather than part-time

Desired Outcome	Evidence
Higher standards of students	It is difficult to assess from this evidence sources for this evaluation whether the quality of students has been affected by the introduction of the Master's Loan. Compared to the 2013/14 cohort, there is no change in the profile of students by grade of undergraduate degree. Although not directly about quality, in terms of the primary motivations of students, there has been a shift towards study because of interest in the subject and away from study prompted by improving employment prospects.
HEIs have more sustainable income	Most HEIs have benefited from increased volumes of Master's students in 2016/17 (but scale of increase varied dramatically). Overall the aim of achieving more sustainable income for HEIs appears to have been achieved with half of institutions (48%) believing that the Loan will lead to increased revenue.
Increased financial return to students Increase in employment in highly skilled jobs	The timing of this evaluation was a bit early to look at impacts on employment and earnings. However, student aspirations / anticipated destinations are similar to those in 2013/14 which would indicate that the same levels of return are likely to be achieved (but obviously for more students as a result of the increased volumes studying).

Possible unintended impacts	Evidence
	So far there is no evidence to suggest that the Loan has 'crowded out' funding. In 2016/17, the proportions of students in receipt of employer and HEI funding for their tuition fees remained the same as in 2013/14. The increase in the proportion using the Loan to meet their tuition fees is just countered by a reduction in those self-funding. This is corroborated by evidence from HEIs themselves who reported very little change so far in the funding that they provide to Master's students.
	There is some evidence from this evaluation that the introduction of the Loan has had an influence on Master's level provision: Around a third of HEIs stated that they had adjusted their postgraduate provision in response to the Loan (and more expect to in the future) There is also some evidence to suggest that fees on loan-eligible courses have been affected. Although this evaluation did not involve a systematic review of the fees for Master's courses, HEIs themselves were more likely to report increases for loan-eligible courses than for ineligible courses.
	There is certainly some evidence of students with the ability to self-fund opting to take out a Loan instead. The overall increase in England-domiciled loan-eligible students is far smaller than the volume taking out a Loan. In the quantitative survey, a third of Loan-takers stated that they could have found alternative funding if they had needed to.

In terms of the process of administering the Master's Loan, the findings from this evaluation were positive.

- Awareness of the Loan was quite high considering this was the first year of its introduction (although the fact that it was lower among mature students suggests that there is some way to go to ensure all *potential* students are aware);
    - The application process was seen to be very straightforward;
    - Students on courses lasting longer than a year generally felt it was a good idea to split payments although it was common for them to say that they struggled with managing their finances;
    - There is some appetite among students for the Loan to be for a larger amount with many feeling that it did not fully cover the expense of studying at a Master's level.

Appendix A. Detailed Methodology

This appendix sets out a detailed outline of the methodology utilised in this evaluation.

Quantitative Student Survey

This survey was conducted initially online before moving into telephone interviewing fieldwork (with the option to complete online remaining open). Interviews were conducted with 2,002 English domiciled students from the 2016/17 cohort of taught postgraduate students, providing a response rate from of 47% from our sample of 4,300.

Sampling

In-scope Higher Education Institutions were identified as those in the UK that offered taught postgraduate courses, which formed a total of 158 HEIs. In order to conduct a survey of the student population, HEIs were required to append contact details to student-by-student datasets of eligible students, identified in the HESA data. HEIs were approached to participate in this evaluation, with institutions being purposively selected in order to ensure a good spread of institutions when considering the average UCAS tariff level and the volume of Master's' students. Institutions were also approached for participation in order to ensure variation across regions and across tariff groups. Within this purposive sampling, however, the specific selection of HEIs was random; HEIs were selected at random within each group of average tariff x size band, and ensuring that a good regional spread was achieved overall. This was to ensure that the students in our sample reflected the broad range of experiences of students, which is partially driven by the HEI that they attend. In total, 15 HEIs agreed to participate in this stage of the research and to append the contact details of their students to the sample files of Master's Loans eligible students from the 2016/17 cohort. The profile of HEIs that participated in this research is presented overleaf, in Table A.1.

Table A.1 Participating HEIs split by volume and tariff

Information item	Low Tariff	Mid Tariff	High Tariff	No Tariff (PG Only)	TOTAL
Low Volume of Master's' Students	2	2	1	1	**5**
Medium Volume of Master's' Students	1	2	2		**6**
High Volume of Master's' Students	1	2	1		**4**
TOTAL	**4**	**6**	**4**	1	**15**

The 15 participating institutions provided sample files that included markers identifying any students or graduates that had opted-out of the research; after removing these individuals, the evaluation was left with a starting sample of 10,500 students. With a target of 2,000 interviews, 5,000 records were drawn at random, although they were purposively sampled to ensure an even split by full-time and part-time students, and students on one-year courses that they had completed and students that were considered to be continuing learners. Initially, 4,000 students were invited to complete the survey, and the final 1,000 records being held back as contingency sample. In total, 4,300 records were drawn from our overall sample to be contacted to take part in this research. This initial sample of 5,000 records was broken down as laid out in Table A.2.

Table A.2 Mode of study and course status sample breakdown

Mode of study	Target	Total sample population	Number sampled
FT students	1,000	5,002	2,500
PT student	1,000	5,596	2,500
Course status			
Those on 1-year courses that completed at the end of 2016/17	1,000	4,560	2,500
Continuing learners	1,000	3,332	2,500

Fieldwork

A total of 2,002 students took part in the survey, providing a response rate from the sample of 4,300 students of 47%. Students were initially emailed to be invited to take part in the survey online, before being called at a later date to complete the survey over the telephone. The online survey also remained open for use during the telephone fieldwork period. This took place in July and August 2018, with 613 students completing the survey online and 1,389 completing the survey over the telephone.

The profile of students responding to the survey is shown overleaf in Table A.3.

Table A.3 Student quantitative survey sample profile

		Achieved (n)	Achieved (%)
	Total	**2,002**	**100%**
Loan-Status	Loan	1,101	55%
	Non-Loan	901	45%
Mode of study	Full-time	996	50%
	Part-time	1,006	50%
Length of study – full-time students	1 year	912	46%
	More than 1 year	84	4%
Length of study – part-time students	1 year	76	4%
	2 years	473	24%
	More than 2 years	457	23%
Subject of study	Medical and health sciences	467	23%
	Engineering and technology	174	9%
	Natural sciences	94	5%
	Social sciences	470	23%
	Business and law	366	18%
	Arts	78	4%
	Humanities	299	15%
Age	25 and under	859	42%
	26-35	474	24%
	36-45	357	18%
	46 and over	259	13%
Gender	Male	903	45%
	Female	1,078	54%
Ethnicity	White	1,462	73%
	BAME	473	24%
HEI Mean UCAS Tariff	High	825	41%
	Medium	600	30%
	Low	568	28%
	None	9	<1%
HEI Size	Large	1,415	71%
	Medium	448	22%
	Small	139	7%
HEI Country	England	1,885	94%
	Northern Ireland	18	1%
	Scotland	42	2%
	Wales	57	3%

Weighting

After fieldwork was completed, the data was weighted to ensure that it accurately reflected the taught postgraduate student population that were eligible for the Master's Loan, which was calculated utilising HESA data for the 2016/17 year. The key demographic details that the data was weighted to were length of study and mode of study, with a target population being calculated of the 2,002 completed interviews that were achieved. Table A.4 sets out the target population compared to the achieved population below.

Table A.4 Achieved sample and target sample based upon 2,002 interviews

	Achieved sample			Target sample		
	Full-time	Part-time	Total	Full-time	Part-time	Total
1 academic year	912	76	**988**	957	55	**1012**
2 academic years	69	473	**542**	192	382	**575**
3+ years	15	457	**472**	27	389	**416**
Total	**996**	**1006**	**2002**	**1176**	**826**	**2002**

These figures were utilised to create a weighting grid as set out in Table A.5 below, to ensure that the 2,002 achieved interviews were fully representative of the Master's student population as a whole.

Table A.5 Weighting used in the quantitative student survey

	Weighting	
	Full-time	Part-time
1 academic year	1.049143	0.720970
2 academic years	2.783374	0.808577
3+ years	1.775722	0.851734

Qualitative Student Study

The qualitative interviews with students were conducted over the telephone during August and September 2018.

Sampling

During the quantitative student survey, students were asked to give their permission to be re-contacted for the qualitative strand of this evaluation at a later date. Those that gave their permission to be re-contacted for the qualitative research were used as the sample for the qualitative follow-up interviews. The sampling approach taken aimed to include three core groups of students, the first being those that had taken out the loan and used it to fund a course that was studied full-time for one year, while the second was also among loan-takers, but students that had studied full-time for two years. These two groups were selected, in particular, to explore the experiences of students that were using the Master’s Loan to fund different types of postgraduate study. The third group consisted of non-loan takers that had studied for reasons that were classed as being career oriented and who had not been rejected in their application for the loan. This group was selected in order to provide further explanation of why individuals that were eligible for the Master’s Loan had not taken it out.

In addition to these core groups, subgroups of interest within each were also targeted in our qualitative sampling approach. Factors that were selected to be of relevance included age, whether the student had dependent children that they needed to financially support while studying, parental degree status and motivation for studying for a Master’s course. Two overall demographic targets were also set. All of these targets were to ensure an appropriate range and diversity of student response and experience of funding Master’s level study. Table A.6 overleaf sets out the achieved interview profile

Table A.6 Student qualitative interview responses

	Achieved (n)
Total	**50**
Full time, 1-year course, loan takers	**27**
• *Under 25*	*20*
• *Over 30*	*6*
• *Over 30, have children*	*2*
• *Parents did not go to HE*	*11*
• *Motivated for career reasons*	*17*
Full time, 2-year course	**13**
Full time, 1-year course, non-loan takers that studied at postgraduate level for career reasons, that were not rejected for the loan.	**10**
Demographic profile	
Ethnicity: BME background	10
Familial status: Have at least one dependent child	7
Students that did not start their postgraduate qualification straight after their undergraduate degree	20
Students that started their postgraduate qualification straight after their undergraduate degree	28
Those who were mainly motivated to study their Master's qualification to change their career	9
Those that had been considering doing a Master's degree for less than a year	25
Those that had been considering doing a Master's degree for three years or more	3

Survey of HEIs

The survey of senior members of staff within HEIs that had oversight of postgraduate admissions took place in January and February of 2018. The survey was emailed to individuals that fit this description in all 162 providers that offered courses that were Master's Loan eligible. As a result of the small sample size for this, no sampling or weighting was conducted, with each institution being asked to complete the survey online. Some telephone chasing was also undertaken as part of this process, with the senior members of staff being called and asked if they would be willing to participate in the research. Those that stated that they were willing to complete the survey were encouraged to do so and were redirected to the online survey. In total, 79 senior members of staff completed the survey, ensuring that we received responses from 49% of HEIs. The profile of HEIs responding is shown in Table A.7.

Table A.7 HEP quantitative sample breakdown

		Achieved (n)	Achieved (%)
	Total	**79**	**100%**
HEI Mean UCAS Tariff	High	27	34%
	Medium	24	30%
	Low	24	30%
	None	4	5%
HEI Size	Large	26	33%
	Medium	27	34%
	Small	26	33%
HEI Region	England	70	89%
	Northern Ireland	0	0%
	Scotland	4	5%
	Wales	5	6%
Mission Group	Russell Group	14	18%
	Million+	6	8%
	University Alliance	7	9%

Secondary Analysis of Historic Data

There were two key sources of secondary data, the first being five years of historic data from the HESA Student Record, which spanned the 2012/13 academic year to the 2016/17 academic year. Analysis was conducted on both the full dataset (which included all starts on Master's courses at English HEIs) and on those deemed to be 'loans-eligible', that is, aged under 60, England-domiciled, without a prior postgraduate level qualification, and enrolled on a course eligible for Master's Loan funding. The second key historic dataset was the 2014 *Understanding Transitions* dataset, which contained 7,734 survey responses from postgraduate students. The data from the HESA Student Record was predominantly used to provide trend analysis on the volume and profile of Master's' students, while the data from the *Understanding Transitions* survey was used, where possible, to provide comparable results from a survey of a recent cohort of students. The design of the student quantitative survey for this evaluation was modelled upon the *Understanding Transitions* questionnaire when possible, to ensure that results would be comparable.

Department for Education

Reference: DFE-RR914

ISBN: 978-1-83870-009-6