



Department
for Education

Student Income and Expenditure Analysis

**Analysis of income and expenditure for
Post-18 Review of Education and
Funding**

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Part A: Student Income and Expenditure Survey Analysis

Summary

This section provides bespoke Student Income and Expenditure Survey (SIES) analysis used to inform the Post-18 Review of Education and Funding.

Introduction

Student Income and Expenditure Survey

The aim of the SIES was to provide an authoritative report on the financial position of HE students in England and Wales in the academic year 2014/15. The study was conducted in partnership by NatCen Social Research (NatCen) and the Institute for Employment Studies (IES). The report was published in 2018 and is available at this link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/693184/Student_income_and_expenditure_survey_2014_to_2015.pdf

The data in this note uses the SIES dataset to analyse elements of income and expenditure for different student subgroups. It is important to note that this data is from the 2014/15 academic year and is therefore approximately four years old and may not be representative of students current expenditure patterns and resources. In particular, in 2014/15 a different maintenance system was in operation, based on a mix of grants and loans, with a slightly lower level of total resource available. The data asks students about their income and expenditure and is subject to response bias – it is possible that students might underestimate or overestimate their income and expenditure. This is particularly the case where expenditure is concerned. In terms of their spending, students are also likely to “cut their cloth accordingly”. This means that they will spend what they have, with what they have – in many cases – highly contingent on how much maintenance support they have access to.

As SIES took place during the 2014/15 academic year, figures in this report have been updated using the retail price index, excluding mortgages (RPIX)¹. There are other measures, such as CPI, that could have been used to inflate the values in this analysis. However, as the student finance system uses RPIX as its measure of inflation, RPIX was used in this analysis to maintain consistency.

¹ Updated to present day figures unless otherwise stated

Analysis

Published Data

The 2014/15 SIES is the latest in the series of surveys with the previous one carried out in 2011/12. The 2014/15 survey shows that the average total **expenditure** (including tuition fee costs) for full-time students was £19,922 (up from £14,713 in 2011/12) and for part-time students was £18,375 (down from £19,340 in 2011/12).

Participation costs which include tuition fee costs had increased substantially for both full-time and part-time students in 2014/15, reflecting the impact of 2012 changes to the tuition fee cap. For full-time students most categories of average expenditure appeared to have increased in real terms when compared to the 2011/12 survey, the exception was living costs which remained largely static. Conversely, among part-time students all expenditure other than that relating to participation costs appeared to have fallen: average expenditure on living costs reduced by 21 per cent, housing costs by 15 per cent, and childcare costs by 27 per cent. The change in part-time expenditure is likely to be due to the change in profile of this group, with the age profile tending to be younger in the 2014/15 SIES compared to 2011/12. Students surveyed in 2014/15 would therefore be more likely to live at home thus reducing housing costs, and less likely to have children thus reducing childcare costs. Table A1 was published in the SIES report for 2014/15 and shows the figures discussed in greater detail.

Table A1: Comparison of SIES expenditure figures (£): 2011/12 (adjusted*) data for all English-domiciled full-time and part-time students compared with 2014/15 (mean)

	Full-time			Part-time		
	SIES	SIES	Index	SIES	SIES	Index
	2011/12#	2014/15	(15/12)	2011/12#	2014/15	(15/12)
Living costs# **	7,046	6,956	0.99	11,453	9,036	0.79
<i>N=Unweighted</i>	1,620	1,933		334	592	
Housing costs#	3,194	3,610	1.13	4,251	3,621	0.85
<i>N=Unweighted</i>	2,699	3,275		776	1,050	
Participation costs	4,208	9,181	2.18	2,681	4,631	1.73
<i>N=Unweighted</i>	1,662	1,966		354	611	
Spending on children	253	408	1.61	1,253	916	0.73

	Full-time			Part-time		
	SIES	SIES	Index	SIES	SIES	Index
	2011/12#	2014/15	(15/12)	2011/12#	2014/15	(15/12)
<i>N=Unweighted</i>	2,970	3,503		901	1,155	
Estimated total expenditure#	14,713	19,922	1.35	19,340	18,375	0.95
<i>Base (N) unweighted</i>	1,542	1,866		307	557	

Note: # figures adjusted for partner contributions where relevant

* 2011/12 data were multiplied by 1.064 to reflect RPI increases

** 2011/12 living costs data corrected for shared costs

Base: All English-domiciled students

Source: NatCen/IES SIES 2011/12 and 2014/15

The 2011/12 report is available at this link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301467/bis-14-723-student-income-expenditure-survey-2011-12.pdf).

SIES Analysis for the Post-18 Review of Education and Funding

As part of the Post-18 Review of Education and Funding, SIES 2014/15 has been used as the source for examining expenditure by students by specific sub-groups of students. This analysis is not included in the 2014/15 SIES report itself but is calculable from the dataset.

In particular the analysis of SIES has been used to answer the following questions:

- What was the expenditure on all costs excluding tuition fees for full-time students?
- What was the income that students received from their families?
- What was the expenditure on all costs excluding tuition fees for students living at home and not living at home?

In the panel report, the maintenance chapter refers to “elsewhere students”. These students are defined, in the report, as full-time students not living at home or in London. The reason that the maintenance chapter uses this group is because it represents the majority of full-time HE students. On that basis, much of the analysis contained in this report examines this target population, however, to provide further context, this report also includes analysis from all full-time students so as to compare with those full-time students not living at home or in London. In addition, table A9 examines the different student expenditure by whether full-time students lives at home or not. Again, this is for

contextual reasons. The base numbers are included in all tables, with a description of that base included in the table title. There is one figure in this chart with the base number and its description included in the figure title.

All figures have been updated using RPIX in line with the maintenance chapter of the panel report. Unless otherwise stated figures have been updated to present day figures.

Results

The table below demonstrates that the median expenditure for all full-time students students living outside of London and not living at home (excluding fees) was £11,679 once updated using RPIX to 2018/19 figures.

The median expenditure for those living away from but in London is £12,860. Given the higher level of living costs associated with living in London, the higher cost is not surprising.

It is also interesting to note that the means for each of the populations in the table are considerably higher than the medians. The living costs at the 75th percentile are also high. This suggests that there are some full-time students that have very high expenditures.

Table A2: Costs (excluding tuition fees²) incurred by full-time Students (the description of the bases are included in the table

	Full-Time Students living away from home and outside of London	Full-Time Students living away from home and in London	Full-Time Students living away from home
Mean	£13,725	£15,125	£13,873
Count	1,861	220	2,080
Median	£11,679	£12,860	£11,796
25th Percentile	£8,857	£9,799	£8,933
75th Percentile	£16,123	£19,164	£16,318

The table below shows that the median amount of income from family was the same for both in and outside of London at £1,498 once updated. However, the mean is slightly higher for inside London than outside. This suggests that there are more students living

² Costs include for: food, personal, entertainment, household goods, travel, any other living costs, housing, books and equipment, study and child related travel costs. See SIES 2014/15 report for further details.

in London that are receiving quite high levels of income from their families compared to those living outside of London.

Table A3: Students who received support from their families³

	Full-Time Students living away from home and outside of London		Full-Time Students living away from home and in London		Full-Time Students living away from home	
	2014/15	2019/20	2014/15	2019/20	2014/15	2019/20
Mean	£2,792	£3,218	£3,101	£3,575	£2,824	£3,255
Count	2,656	2,656	309	309	2,965	2,965
Median	£1,300	£1,498	£1,300	£1,498	£1,300	£1,498
25th Percentile	£400	£461	£305	£352	£400	£461
75th Percentile	£4,000	£4,611	£4,060	£4,680	£4,000	£4,611

Figure A1 presents income from family data for those students living away from home and outside of and in London. Most commonly, students who live away from home and outside of London and who receive some amount of support from their families (i.e. above £0) receive under £1,000 (42%). For those living inside London this figure is greater (46%).

Figure A1 also demonstrates that as the amount received increases the number of students receiving that amount decreases. However, the figure also shows that there is a not insubstantial amount of students receiving very high amounts, with 9% of students living away from home and outside receiving more than £8,000. This percentage increases to thirteen percent of those students living away from home and inside London, demonstrating that a slightly higher percentage of students living in London receive higher level of family support than those living elsewhere.

³ Inflated using RPIX

Figure A1: Distribution of amounts that students who received support from their families (bases: English domiciled full-time students who live outside of London and away from home – 2656; English domiciled full-time students who live in London and away from home – 309)

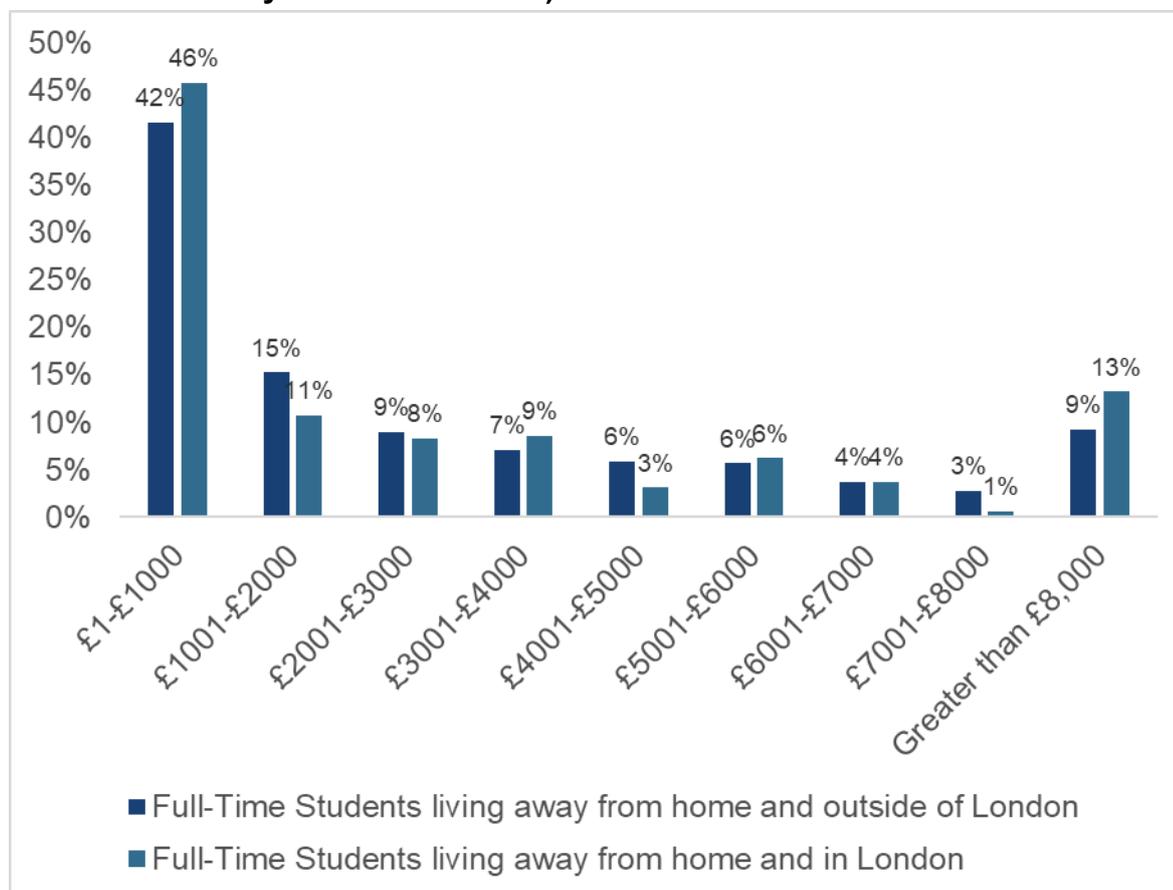


Table A4 shows the percentage of full-time students living away from home and not in London who received any support from their family. It demonstrates that just over three quarters of that group received some form of financial support from their families. However, it also shows that 24% did not receive support. Among students who lived away from home and inside London 71% received some support from their family. Overall, we see that while those who lived away inside London tended to be slightly less likely to receive family support, when they did it tended to be slightly higher compared to students not living in London.

Table A4: Percentage of students who received support from their families (base: English domiciled full-time students who live outside of London and away from home)

	Full-Time Students living away from home and outside of London		Full-Time Students living away from home and in London	
	Did not receive any support from their family	Received Support from their family	Did not receive any support from their family	Received Support from their family
Percentage	24%	76%	29%	71%
Count	848	2,656	127	309

The maximum amount of maintenance loan available through the maintenance system varies depending on household income. In 2016/17, the maximum level for students studying outside London and away from home was £4,350 higher than the minimum level. Table A5 shows the percentage of all full-time students who received greater than £4,350 from their families. These costs have been uprated using RPIX to the 2016/17 year. It shows that 15% of students received more than £4,350 per year.

Table A5: Percentage of full-time students who received greater than £4,350 support from their families (base: English domiciled full-time students)

		Full-time Students
Greater than £4,350	Percentage	15%
	Count	771
	Base	5,140

The median costs for all students living with their parents or guardian when their tuition fee costs are excluded is £9,556 compared to £12,382 of those not living with their parents.

Table A6: Costs (excluding tuition fees) incurred by whether students live at home (base: all English domiciled full-time and part-time students who incurred this cost)⁴

	Full and Part-time students living with parents or guardian	Full and part-time students living away from home
Mean	£11,323	£14,464
Count	707	2456
Median	£9,556	£12,382
25 th Percentile	£5,282	£9,339
75 th Percentile	£14,128	£17,771

Table A7 shows the median cost for full-time students living with their parents or guardian when their tuition fees are excluded is £9,028 compared to £11,796 for those not living with their parents.

Table A7: Costs (excluding tuition fees) incurred by whether full-time students live at home (base: all English domiciled student who incurred this cost)

	Full-time students living with parents or guardian	Full-time students living away from home
Mean	£10,880	£13,873
Count	562	2,080
Median	£9,028	£11,796
25 th Percentile	£4,943	£8,933
75 th Percentile	£13,757	£16,318

Finally, Table A8 focuses on full-time students who do not live in London. The median costs for those living with parents or guardian for this population is £9,133 compared to £11,679 for those not living with their parents or guardian.

⁴ Please note that this table includes both part-time and full-time student and therefore differs from Table A2 that concentrates on full-time students only.

Table A8: Costs (excluding tuition fees) incurred by whether full-time students live at home (base: all English domiciled full-time students who do not live in London and incurred this cost)

	Full-time students living with parents or guardian and outside of London	Full-time students living away from home and outside London
Mean	£10,519	£13,725
Count	461	1861
Median	£9,133	£11,679
25 th Percentile	£5,123	£8,857
75 th Percentile	£13,623	£16,123

Part B: Number of English domiciled students paid a maintenance loan by term-time residence for academic year 2016/17

Summary

This section shows that of the 1,013,000 full-time English domiciled students paid a maintenance loan in the academic year 2016/17, 68% lived away from home and studied outside London during the whole 2016/17 year, 18% lived at home during the whole 2016/17 year, and 13% lived away from home and studied in London during the whole 2016/17 year. 1% changed location during the 2016/17 year and a further 1% were abroad on a placement.

Introduction

Students are entitled to a different amount of maintenance loan depending on their entitlement rate. Maintenance loan entitlement rates are based on where the student is living and studying during term-time⁵:

- Elsewhere – living away from home and studying at an institution outside of London;
- London – living away from home and studying at a London institution;
- Home – living at home (whether in London or not); and,
- Abroad – living outside of the UK.

This note shows a break down of entitlement rates for full time English domiciled⁶ maintenance recipient students enrolled at any providers of higher education in the United Kingdom using Student Loans Company (SLC) data for academic 2016/17. This is a further breakdown of published statistics⁷ by SLC, using an internally held data extract by the Department of Education.

⁵ As defined by The Education (Student Support) Regulations 2011 (available at http://www.legislation.gov.uk/ukxi/2011/1986/pdfs/ukxi_20111986_en.pdf).

⁶ The country in which the applicant was normally resident in the three years prior to the start of the course.

⁷ The Student Loans Company data extract held by the Department for Education has not been created at the same effective date as the SLC published payment statistics. Therefore, the results published here won't align exactly with the published statistics.

Analysis

This analysis uses the latest SLC term time location flags for individual student finance for terms 1, 2 and 3 in a given academic year. In this analysis, we use the term time location flags as a proxy for student term-time residence.

Results

Table B1 below shows the term-time residence on application for the 1,013,000 full-time English domiciled students paid a maintenance loan.

Table B2 – Number of full-time English domiciled students paid a maintenance loan by term-time residence for academic year 2016/17

Entitlement rate	Number of students	Percentage of students
Elsewhere	685,000	68%
Living at home	178,000	18%
London	133,000	13%
Abroad	10,000	1%
Mix ⁸	8,000	1%
Missing	0	0%
Total	1,013,000	100%

⁸ Students with different entitlement rates during the three academic year terms.

Part C: Household residual income distribution of students in the English Higher Education system for academic years 2015/16 and 2016/17

Summary

In this note we publish the household residual income distribution of students paid a full-time maintenance loan using Student Loans Company data for academic years 2015/16 and 2016/17 (the latest available years).

Introduction

This note shows a further breakdown of published statistics⁹ by SLC, using an internally held data extract by the Department for Education, for academic years 2015/16 and 2016/17. This period is of interest because it coincides with changes from a means-tested maintenance grants system (academic year 2015/16) to maintenance loans system (academic year 2016/17).

Analysis

This analysis is based on full time English domiciled year 1 students that have been paid a maintenance loan in the academic years 2015/16 and 2016/17, which corresponds to around 89% of those eligible to take out the loan at public providers in both years.

Household residual income is equal to the students' gross household income minus any disregards for those people on whom the student is considered to be dependent. Household residual incomes are nominal and have not been adjusted to constant prices¹⁰.

Results

Table C1 below shows the household residual income distribution for full time English domiciled students who have a course year of 1 and were paid a maintenance loan.

⁹ The Student Loans Company data extract held by the Department for Education has not been created at the same effective date as the SLC published payment statistics. Therefore, the results published here won't align exactly with the published statistics.

¹⁰ Earnings growth between financial years 2015-16 and 2016-17 was 2.45%.

Table C3 – Household residual income distribution for full time English domiciled year 1 students paid a maintenance loan in the academic years 2015/16 and 2016/17

Household residual income (£)	Number of students (2015/16)	Percentage of students (2015/16)	Number of students (2016/17)	Percentage of students (2016/17)
0	50,300	13.3%	49,750	12.9%
1-5,000	21,800	5.8%	20,150	5.2%
5,001-10,000	28,450	7.5%	28,150	7.3%
10,001-15,000	21,850	5.8%	21,400	5.6%
15,001-20,000	19,500	5.2%	18,950	4.9%
20,001-25,000	17,150	4.5%	16,250	4.2%
25,001-30,000	14,950	4.0%	14,200	3.7%
30,001-35,000	14,350	3.8%	13,400	3.5%
35,001-40,000	13,700	3.6%	13,200	3.4%
40,001-45,000	12,450	3.3%	12,550	3.3%
45,001-50,000	10,750	2.8%	10,650	2.8%
50,001-55,000	9,150	2.4%	9,100	2.4%
55,001-60,000	7,400	2.0%	7,400	1.9%
60,001-65,000	5,550	1.5%	5,750	1.5%
65,001-70,000	4,200	1.1%	4,050	1.0%
70,001-75,000	2,700	0.7%	2,750	0.7%
75,001-80,000	1,750	0.5%	1,800	0.5%
> 80,000	5,000	1.3%	5,100	1.3%
Income not declared ¹¹	116,300	30.8%	130,300	33.9%
Total	377,350	100.0%	384,850	100.0%

¹¹ Equivalent to the student not being means tested.



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