

**Student and Graduate views on the proposed
Master's loan for postgraduate study**

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The data for this report was collected by Youthsight.

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About Youthsight

YouthSight is a specialist youth research agency, established for over 10 years. It provides the UK's largest youth panel and conducts quantitative and qualitative research for policy makers, academia, and brands seeking to understand the youth market (ages 16-30).

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Executive Summary

This report presents the findings of research undertaken in Spring 2015 to gather views of the proposal set out at Autumn Statement 2014 when the Government announced its intention to introduce a new government backed loan system for postgraduate taught Master's students. For the first time, anyone under age 30 who is eligible and accepted to study a 1 year postgraduate taught Master's course, in any subject, will be able to access an income contingent loan of up to £10,000.

Views were collected from undergraduates, postgraduates and graduates.

Key Findings

Motivations and barriers to pursuing postgraduate Master's study

- Having 'more career opportunities' was the main motivation to studying for a postgraduate taught Masters
- The main barrier to studying was the cost of tuition fees

Response to the Master's loan announcement

- The majority of respondents (70 per cent) thought the proposed terms of the loan were reasonable
- The main benefit was being able to afford to do a postgraduate Master's course (42 per cent said this was the main benefit of the proposed loan).

Concerns about the proposed Master's loan

- The main concern (for around half the respondents) was that the loan wasn't available to those aged 30 and over.

Likely effects of Master's loan on undergraduates and graduates

- For those students who are considering postgraduate study, 19 per cent might defer until the loan is available.
- Amongst graduates who didn't take up postgraduate study around two thirds would consider undertaking a postgraduate Master's course to some extent whilst 19 per cent would definitely consider doing a Master's course.
- 18 per cent of postgraduates said that if the proposed loan had been available they would have started their course sooner.

(Hypothetical) loan take-up behaviour

- Around half of all respondents would (hypothetically) take out the full £10,000 loan amount. Most (around two thirds) would take out more than £5,000.
- The loan would (predominantly) be used for tuition fees rather than living costs
- For those who are likely to defer postgraduate Master's study until the proposed loan becomes available, the loan will replace savings (18 per cent) or money from parents

(15 per cent). For 13 per cent the loan would replace a commercial loan. A large proportion of this group (74 per cent) said they would borrow the full £10,000 loan amount or near full amount.

- 42 per cent of postgraduate students in the study would have definitely considered the loan had it been available to them at the time.

Current loan take up behaviour

- Amongst postgraduate Master's students in the survey, the main sources of funding were savings and parental contributions (53 per cent each); 47 per cent received funding via a scholarship or bursary or grant; 35 per cent had employment earnings.
- 42 per cent of postgraduate students in the study would have definitely considered the loan had it been available to them at the time.

The majority of students already undertaking postgraduate Master's study (84 per cent) had found it a struggle to some extent to support themselves financially during their Master's study.

1. Background and objectives

This report presents the findings from research commissioned by the Department for Business Innovation and Skills (BIS) to collect snapshot opinions from a sample of undergraduates and graduates and postgraduates about the Government's proposed postgraduate Master's loan.

1.1 Context

At Autumn Statement 2014, Government announced its intention to introduce a new loan system for postgraduate taught Master's students. For the first time, anyone under age 30 who is eligible and accepted to study a 1 year postgraduate taught Master's course, in any subject, will be able to access an income contingent loan of up to £10,000.

There are clear and recognised benefits to the economy from increasing the supply of workers with the high level skills needed to meet demand from employers and stimulate an innovation led economy. Through this policy, the Government's objective is to support take-up in postgraduate taught Master's study by providing access to finance where the evidence shows it is the greatest barrier to pursuing study at this level.

The eligibility criteria, design and repayment features of the loan include:

Eligibility:

- *Individual eligibility:* Those who are English-domiciled (ordinarily resident in the UK for a minimum of 3 years) and EU-domiciled students will be eligible subject to meeting all the other criteria.
- *Individual eligibility:* those aged 29 and under on 31 August of the academic year before course start date will be eligible
- *Individual eligibility:* For those without an existing Master's qualification, including one obtained as part of an integrated undergraduate course resulting in an MA/MSc degree. (Those who have achieved a PGCE qualification would be eligible because it is classed as an OPG - other postgraduate qualification).
- *Course eligibility:* Available for 1 year full-time taught Master's courses, in any subject including MBAs (or 2 years part-time at 50 per cent intensity)
- *Institutional eligibility:* At HEFCE funded institutions and Alternative Providers with Degree Awarding Powers

Design and Repayment:

- *Loan amount:* Up to £10,000 income contingent loan; payable in 3 (or 6 for part-time courses) tranches
- *Loan purpose:* The loan is a contribution to costs paid directly to the borrower - to cover either tuition and/or maintenance;
- *Interest* would be calculated at RPI + 3 per cent
- *Repayment* threshold of £21k per annum (frozen for 5 years) at 9 per cent of income
- *Repayment* will be made concurrently with any outstanding undergraduate loan

- *Repayments* being collected through HMRC (PAYE) for UK residents; and recovered directly from EU/ international borrowers
- *Write-off* at 30 years.
- *Timetable*: The scheme is being targeted so that the loans are available for courses commencing on academic year 2016/17.

The design of the proposed loan is underpinned by five key principles, which are:

The Government's objective: which is to support the highest levels of skills to support the UK economy by enabling those who cannot afford or delay study at taught postgraduate level to take up places. The Government does not wish to duplicate the provision of support available through existing funding mechanisms.

Sustainability of the public subsidy: The proposed loan has been designed to ensure the majority of borrowers repay in full, while recognising the personal benefits that most will accrue.

Income contingent: As a safeguard for individuals and to ensure repayments are achievable and affordable, repayments must be based on income.

Contribution towards costs: The intention is to make finance available as a contribution to the costs of pursuing postgraduate taught Master's study. The Government does not seek to provide finance to cover all the associated costs. We consider this balances the incentives to ensure students will continue to make considered and informed decisions about pursuing education at this level. The Government also wishes to reduce the risk that employers will withdraw existing support from their employees wishing to study at postgraduate level (including other postgraduate (OPG) courses which is out of scope for this policy).

Better than commercial rates or on better terms: The loan must comply with European Legislation for Consumer Credit. The Government wants the proposed loan to be exempt from consumer credit regulation whereby the loan must have an interest rate which falls below those prevailing on the market, or no higher than those prevailing on the market but with more favourable terms for the borrower.

These principles are corner stones which frame and have informed the design of the Master's loan.

1.2 Research objectives

The research objectives were to:

- Acquire a snapshot of views regarding the proposed postgraduate Master's loan policy
- Determine the extent to which such a loan might influence individuals decisions to pursue 1 year postgraduate Master's study
- Gain an understanding of the extent to which more individuals might be encouraged to consider/pursue a postgraduate Master's level qualification
- Inform the assumptions made about loan take-up behaviour

1.3 Methodology

In order to inform these objectives, a quantitative online survey was designed to assess early views about the postgraduate Master's loan proposal. The responses were a snapshot in time. Many respondents were previously unaware of the Autumn Statement 2014 announcement.

In total, 15,000 people from a panel of undergraduates, graduates and postgraduates were invited to participate in the survey. From these, 1748 responded to a 15 minute on-line questionnaire in February 2015.

The survey invited views about:

- Studying at postgraduate Master's level
- The terms and criteria of the proposed new Master's loan (advantages and disadvantages)
- The potential effect of the availability of the Master's loan on their likelihood to consider pursuing study at this level
- Other potential effects of the loan, for example on choice of institution, course and mode of study.
- Likely loan take-up behaviour

Respondents were classified and analysed according to the following four groups:

- **Group 1 'undergraduate considerers'** consisting of 506 respondents. This group were in their final year of undergraduate study at university and considering pursuing postgraduate Master's study
- **Group 2 'graduates'** consisting of 510 respondents. This group had completed their undergraduate degree in either 2012 or 2013 and had not pursued postgraduate Master's level study
- **Group 3 'postgraduates'** consisting of 230 respondents. This group were currently studying a postgraduate taught Master's course or had graduated at this level in the last 18 months.
- **Group 4 'undergraduate non-considerers'** consisting of 502 respondents. This group were in their final year of undergraduate study at university and were not considering pursuing postgraduate Master's study.

Further details about the methodology and limitations of this study are provided in the technical annex.

2. Views about Postgraduate Master's Study

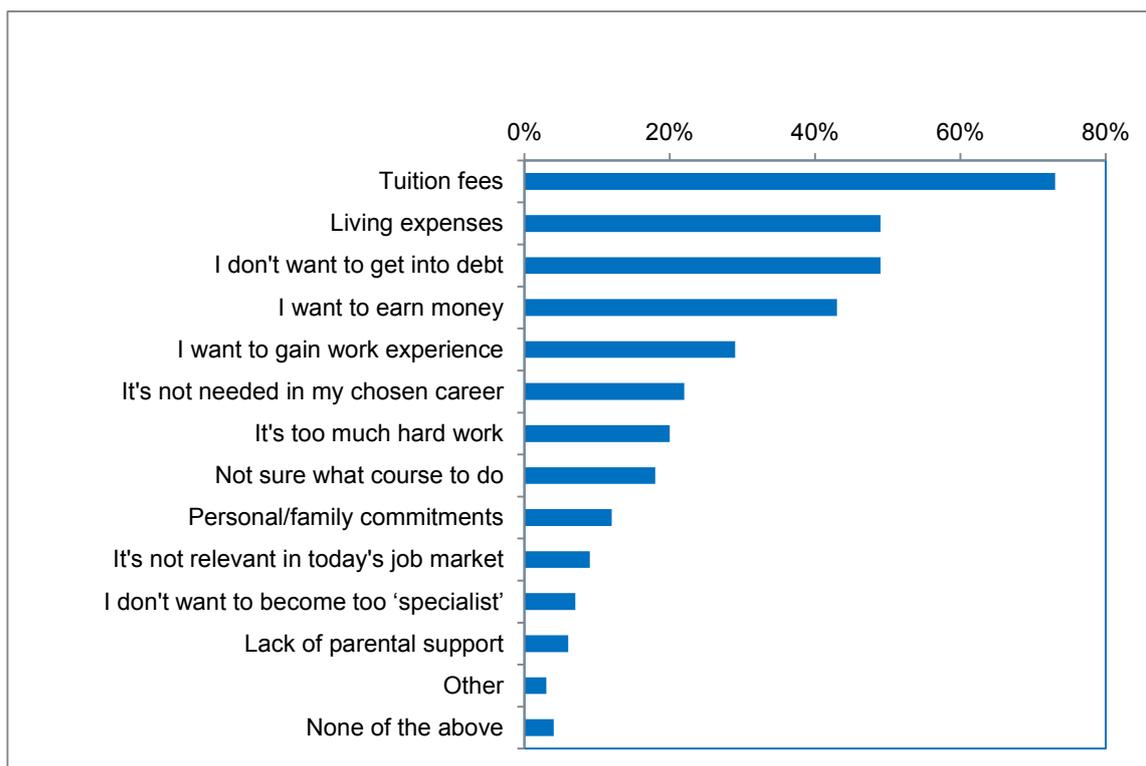
2.1 Attitudes towards Postgraduate Master's level study, including perceived barriers

- **Postgraduate Master's level study was viewed positively** - more than half of those who had not yet undertaken postgraduate Master's study (all graduates and undergraduates in the survey) would consider studying for a higher qualification of this type at some point.
- When asked for *all* the possible reasons why they might pursue a postgraduate taught Master's qualification, **furthering knowledge in a subject area** or **having more career options** (both 64 per cent) was most commonly cited. Other reasons included **wanting to specialise in a particular area** (55 per cent) or **being able to earn more money** (43 per cent).
- When asked for the **main reason most applicable to them** (why they might pursue a Master's course), respondents cited **career opportunities** as the most important factor (a quarter overall), followed by **subject knowledge** (just over a fifth).
- Whilst career opportunities were the main reason overall, those in **higher socio economic groups** were more likely than those in lower socio-economic groups to be **motivated to furthering their knowledge of a particular subject** as a main motivation for studying at Master's level (23 per cent compared with 17 per cent).

2.2 Reasons for not pursuing a postgraduate Master's study

- Amongst *all* the possible reasons why respondents might be put off undertaking a postgraduate Masters course, the **cost of tuition fees** was most frequently cited (73 per cent said this was a reason). **Living expenses and incurring debt** were also frequently cited barriers (both 49 per cent) and **wanting to earn money** (43 per cent). **See Figure 1.**

Figure 1. Reasons for not studying at Master’s level



Base=all respondents

- **Postgraduates** were less likely to perceive tuition fees or living costs as a barrier (55 per cent and 34 per cent respectively) compared with **graduates** who had not gone onto Master’s level study (80 per cent and 53 per cent respectively).
- **Undergraduates** who were considering pursuing a Master’s qualification (undergraduate considerers) were also more likely than **Postgraduates** to perceive tuition fees and living costs as barriers (75 per cent and 54 per cent respectively). **See Table 1.**

2.3 Main reason for not pursuing a Master’s qualification

- When asked for the main reason (most applicable to them) for not pursuing a postgraduate Master’s qualification, **tuition fees remained the most dominant factor** across all groups. Overall just over a third of all respondents (35 per cent) said that this would be the reason they would be put off studying at Master’s level.
- **Undergraduates** who were considering going onto Master’s level study (undergraduate considerers) were more likely to cite tuition fees as a barrier (45 per cent) than **undergraduate ‘non-considerers’** (25 per cent); but this latter group were more likely to say they wanted to earn money (13 per cent) or that it wasn’t needed for their future career (15 per cent) compared with those considering further study (6 per cent and 4 per cent respectively). **See Table 2**

Table 1: Perceived barriers to Master's take up

Barriers to pursuing postgraduate Master's study	Group 1 'undergraduate considerers'	Group 2 'graduates'	Group 3 'postgraduates'	Group 4 'undergraduate non-considerers'
Tuition fees ¹	75%	80%	55%	70%
Living expenses	54%	53%	34%	46%
I don't want to get into debt	52%	53%	34%	49%
I want to earn money	41%	41%	33%	53%
I want to gain work experience	30%	27%	22%	32%
It's not needed in my chosen career	16%	20%	10%	35%
It's too much hard work	19%	16%	11%	30%
Not sure what course to do	17%	20%	8%	22%
Personal/family commitments	11%	13%	11%	11%
It's not relevant in today's job market	5%	11%	6%	12%
I don't want to become too 'specialist'	7%	6%	7%	8%
Lack of parental support	7%	7%	7%	4%
Other	2%	3%	1%	6%
None of the above	3%	3%	16%	2%

Base=all respondents

Note: question asks for all reasons and therefore percentages do not add to 100

¹ Tuition fees for Master's courses are set by institutions and are not capped as they are for publicly funded institutions

Table 2: Main perceived barrier to pursuing Master's study

Barriers to pursuing postgraduate Master's study	Group 1 'undergraduate considerers'	Group 2 'graduates'	Group 3 'postgraduates'	Group 4 'undergraduate non-considerers'
It's not needed in my chosen career	4.3%	8.0%	3.0%	14.7%
It's not relevant in today's job market	.8%	1.6%	3.0%	2.6%
I don't want to become too 'specialist'	1.0%	1.0%	1.7%	1.0%
Living expenses	12.6%	10.8%	10.4%	7.0%
Tuition fees	44.5%	36.7%	31.3%	25.3%
Personal/family commitments	1.8%	3.5%	1.7%	2.2%
It's too much hard work	3.0%	4.1%	2.6%	8.8%
I want to gain work experience	7.5%	6.7%	9.1%	9.0%
I don't want to get into debt	10.5%	11.4%	7.8%	6.6%
I want to earn money	6.1%	8.0%	10.0%	13.3%
Lack of parental support	.6%	.6%	1.7%	
Not sure what course to do	3.0%	3.1%	.9%	1.8%
Other	1.2%	2.0%	.9%	5.6%
None of the above	3.2%	2.5%	15.7%	2.2%

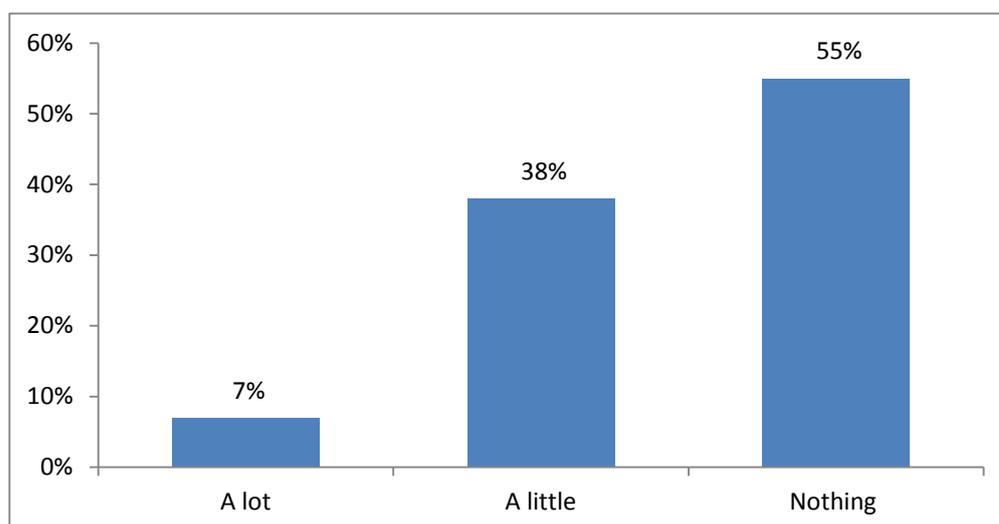
Base=all respondents

3. Attitudes towards the proposed postgraduate Master's loan

3.1 Awareness of the proposed loan

- When asked how much they knew about the proposed loan for postgraduate Master's study, **55 per cent of all respondents reported they were not aware of the proposal.** 38 per cent said **they knew a little bit.** Only 7 per cent reported to have **considerable knowledge.**

Figure 2: Awareness of the proposed loan



Base= all respondents (n=1748)

- Those already undertaking a postgraduate Master's course or considering taking up postgraduate Master's study in the future, were somewhat more aware but nevertheless around half of respondents in these groups knew nothing of the proposed Master's loan announcement.

3.2 Attitudes towards the proposed Master's loan

- The survey formally introduced respondents to the proposed loan and its terms. The majority (70 per cent) of all respondents **thought the terms seemed reasonable.** Only 12 per cent **disagreed**². 18 per cent were **uncertain.**
- Those already undertaking a postgraduate Master's course and those considering Master's study were more likely to agree that the **terms seemed reasonable** (75 per cent and 73 per cent respectively). Those **least likely to agree** were undergraduate

² Note that the majority of respondents were aged 18-25. This survey was not representative of all age groups.

students who were not contemplating postgraduate study at all (65 per cent) although they were more likely to be **uncertain** (24 per cent) rather than **disagree per se** (11 per cent). **See Table 3**

Table 3: Do the proposed terms of the loan seem reasonable

Whether the Loan terms are reasonable?	'Undergraduate considerers'	Graduates	Postgraduates	'Undergraduate non-considerers'
Yes	73%	69%	75%	65%
No	11%	15%	12%	11%
Not sure	16%	16%	13%	24%

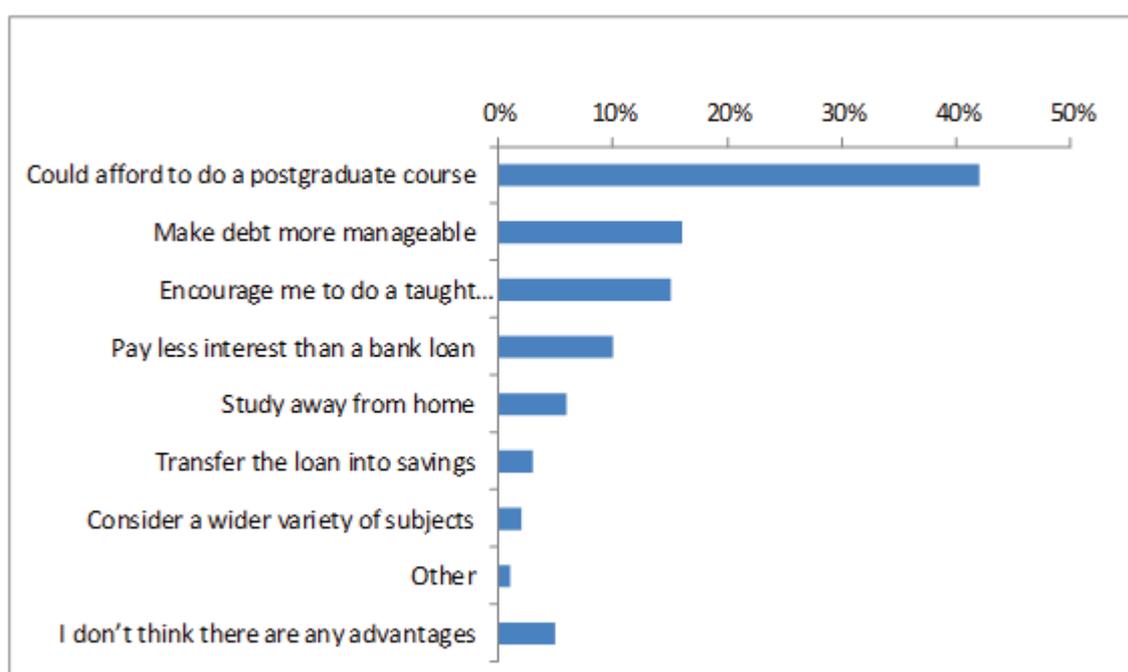
Base=all respondents (n=1748)

- There were no significant differences between men and women **but lower socio-economic groups** were slightly less likely to agree (69 per cent) than higher socio economic groups (73 per cent) about the terms of the proposed new loan.

Main advantage of the proposed loan

- The perceived main advantage of the new loan for all respondents was being able to **afford to undertake a postgraduate Master's course**. 42 per cent mentioned this was the main advantage for them. 15 per cent said it would **encourage them to undertake further study**, whilst 16 per cent mentioned debt being more manageable as the main reason. For a minority, the loan would allow for geographical mobility (6 per cent said it would allow them to study away from home). Very few considered, at least as the main advantage, the loan being something they could transfer into savings (3 per cent). See Figure 3.

Figure 3: Main advantage of the proposed loan



- Around half the **'graduate'** respondents (49 per cent) said the main advantage was that they **could afford to do a postgraduate Master's course**.
- **40 per cent of undergraduate students who** were not considering pursuing a postgraduate Master's qualification said being able to afford Master's level study was the main advantage and similarly for those **undergraduate 'considerers'** (44 per cent).
- Being able to afford to do postgraduate Master's study was more commonly the main reason for **women** (47 per cent) compared with **men** (35 per cent).

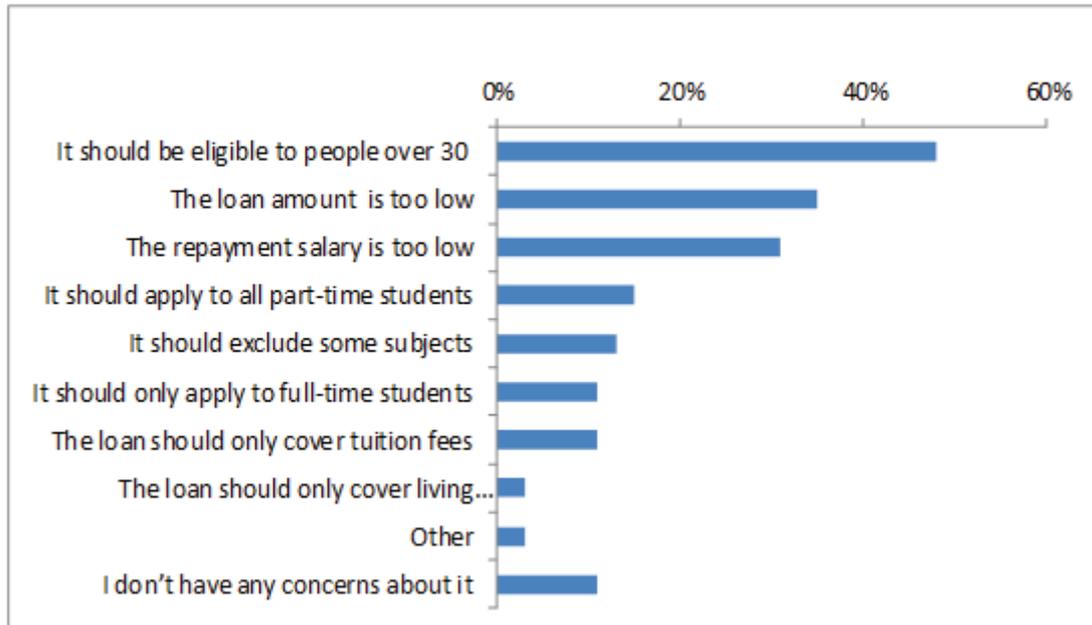
Main disadvantage of the proposed loan

- The perceived **main disadvantage** of the loan was **debt**, cited by the majority of respondents (61 per cent). 17 per cent mentioned that it **"might be difficult to get a job"** if more people have postgraduate Master's qualifications and 11 per cent mentioned **"the interest payable on the loan"** as a main disadvantage for them. **7 per cent said there were "no disadvantages"**.
- A slightly higher, although not significant, proportion of **undergraduates who were not considering pursuing a Master's qualification in the future** (65 per cent) cited debt as the main disadvantage for them compared to **'undergraduate considerers'** (62 per cent).

Main concern about the proposed loan

- The **main concern** about the proposed loan was that it **wasn't available to anyone age 30** or older and was cited by almost half of all respondents. For just over a third (35 per cent) the main concern was that the **loan amount (maximum £10,000) was too low**. **See Figure 4**
- Amongst all the groups in the study, the Graduates and Postgraduates were the **most concerned about the age eligibility criteria** (54 per cent and 56 per cent respectively).
- **Women were more concerned than men** about the age eligibility criteria (52 per cent compared with 43 per cent).

Figure 4: Concerns about the proposed loan



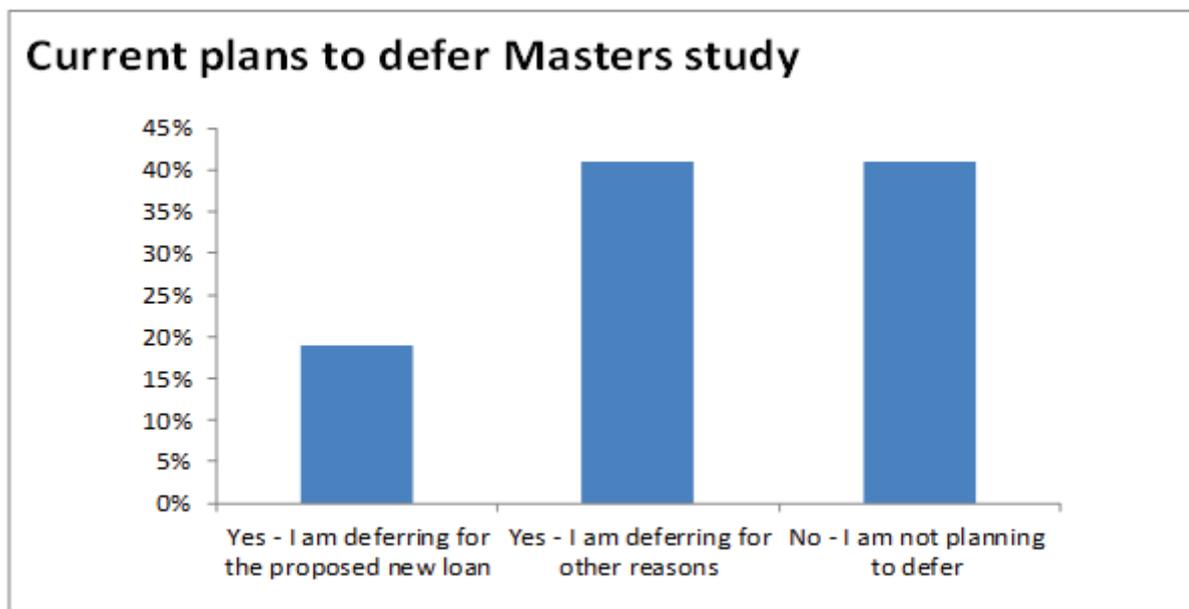
Base=all respondents

4. Potential effects of the proposed Master's loan

4.1 Effect on take up of Master's study – Postgraduates and Undergraduate 'Considerers'

- The proposed loan would not have altered **the timing of their study** for most of the **Postgraduates** in the survey (75 per cent) but 18 per cent said the availability of this type of loan would have enabled them to **start their Master's course sooner**.
- Amongst the undergraduate respondents identified as 'considerers' of postgraduate study, 19 per cent said they were **thinking of deferring further study until the proposed loan becomes available**. For 41 per cent, the **loan wouldn't affect their start date** and they were not planning to defer. A similar proportion said they would be **deferring but for reasons unrelated** to the loan. **See Figure 5**
- Those who were thinking of deferring because of the proposed loan were asked how likely it was that they would still consider doing a Master's in the event that the **loan wasn't available**. Just 10 per cent were certain they would still consider this option and less than half overall indicated it was likely.

Figure 5: Plans to defer Masters study and reasons amongst 'considerers'

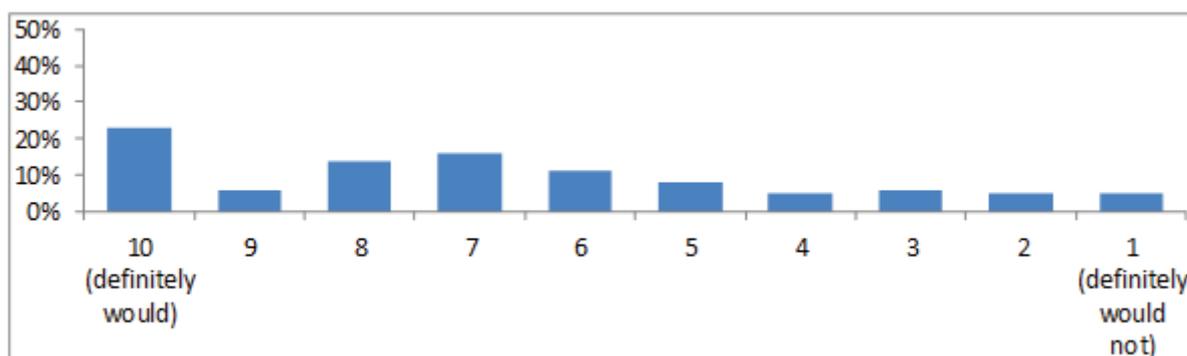


Base=undergraduate 'considerers' (n=506)

4.2 Effect on take up of Master’s study - Graduates and Undergraduate ‘non-considerers’

- **The graduate respondents** who were mostly in full-time employment (52 per cent) or part-time employment (18 per cent)³ were asked if the proposed loan had been available to them **how likely they would have been to undertake a postgraduate Master’s course when they were an undergraduate**. 23 per cent indicated they would have definitely considered doing a Master’s degree at that time and the majority indicated they would have considered it to some extent. See **Figure 6**.⁴

Figure 6: Likelihood of Graduates pursuing a Master’s qualification if the proposed loan was available



Base=all Graduates in the survey (n=510)

- In terms of **how likely these Graduate groups would consider postgraduate study in future**, around two thirds expressed a possibility of this⁵, of which 19 per cent said they would definitely consider undertaking a taught Master’s either now or in the future.
- Those in the **graduate group** who were least likely to consider Master’s level study⁶ were asked why the proposed loan was not enough to change their minds. **The desire not to incur further debt was by far the most common response** (58 per cent) rather than the **terms of the loan not being good enough** (8 per cent) or the loan amount not being sufficient (9 per cent). The second most common response was **not wanting to study anymore** (28 per cent) and the third was **‘happy in my present job’** reported by 22 per cent. 13 per cent said they were **‘successful without one’**. See **Figure 7**

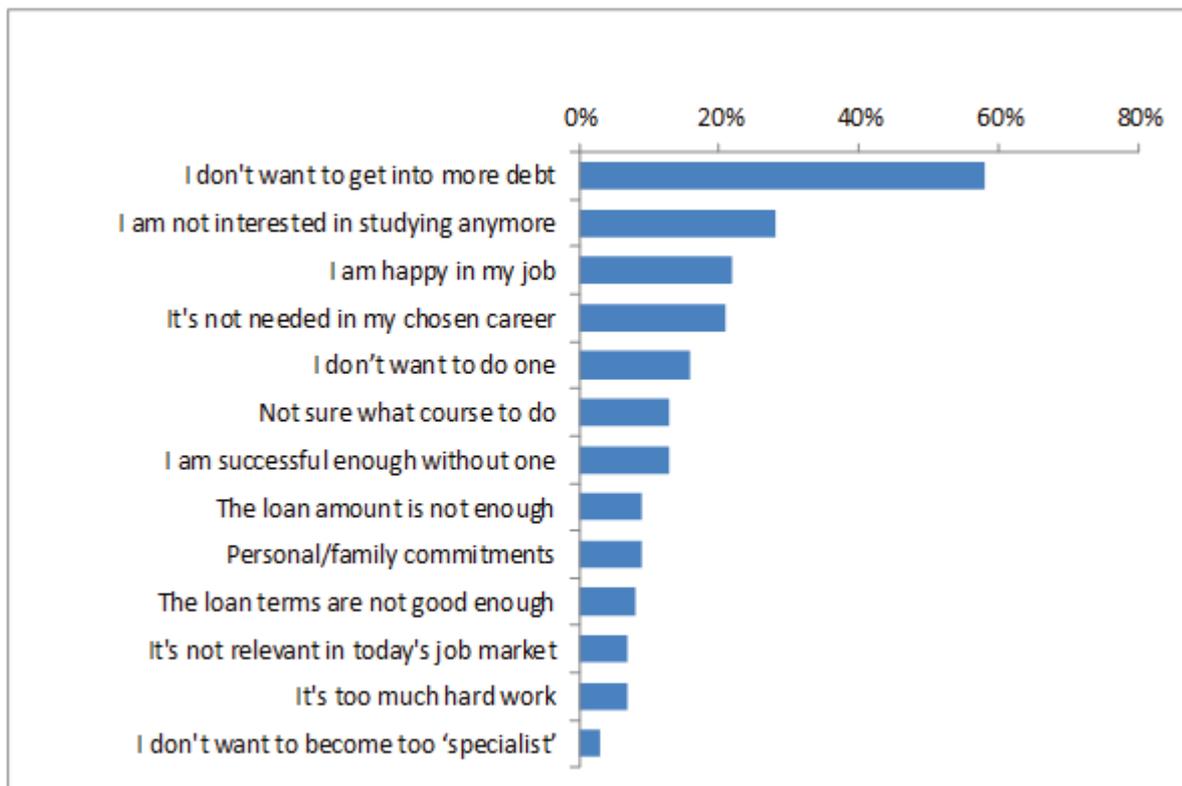
³ The remainder were in training (5 per cent); unemployed (12 per cent); volunteering (3 per cent); internship (2 per cent); 8 per cent were in other (non-specified).

⁴ The question asked graduates to score how likely they would be to consider pursuing a postgraduate Master’s or MBA on a scale of 1-10 where 1 would be ‘definitely not consider’ and 10 would be ‘definitely consider’. For this question 70 per cent of Graduates had a score of 6 and above.

⁵ Again this question was based on a scale (see footnote 2 above) whereby 1=would definitely not consider and 10=definitely consider. For this question 65 per cent had a score of 6 and above.

⁶ This assumption was based on those scoring 5 or less on the questions asking about likelihood of considering postgraduate study (See footnotes 3 and 4 above for further explanation)

Figure 7: Why the proposed loan is not enough to change Graduates' minds about pursuing a Master's qualification



Base=Graduates in the study

- **'Undergraduate non considerers'** were only slightly more likely now to consider Master's study (just over a quarter would consider to some extent) of which only around 1 per cent said they would definitely consider, based on the availability of the loan⁷.
- When asked what might change their mind for **those undergraduate non-considerers'** least likely to consider a postgraduate taught Master's⁸, **increasing the loan amount** might help change the mind for a proportion (21 per cent) or if the **loan repayment terms were different** (22 per cent) but the most important factor for this group was unrelated to the loan itself. The majority of this group would need to see **clearer job opportunities** (56 per cent) before changing their mind.

⁷ These assumptions are based on the question asking "Now that you are aware of the loan how likely are you to consider pursuing one of these degrees now or in the future where 1=will definitely not and 10=definitely will?". 28 per cent scored 6 and above, 1.4 per cent gave a score of 10 and 3.2 gave a score of 9.

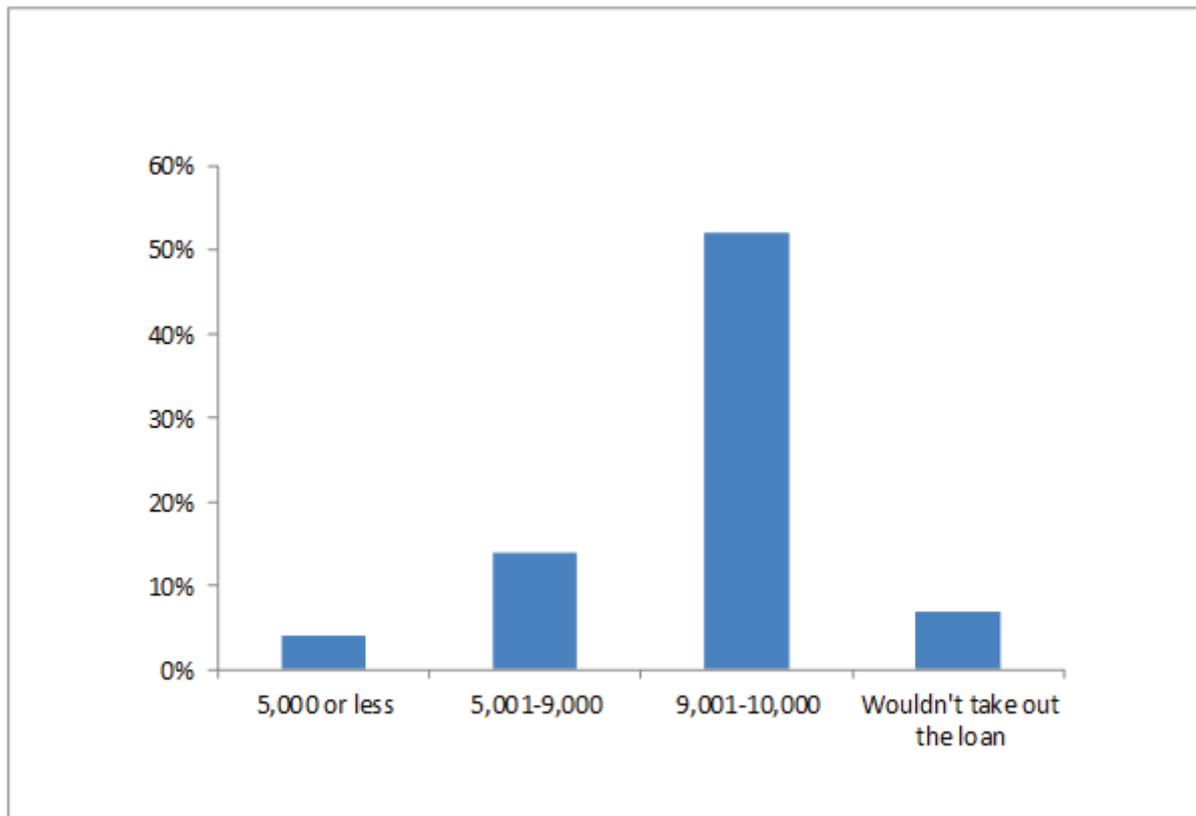
⁸ Based on those scoring 5 or less on the likelihood of pursuing a Master's (see footnote 5 above)

4.3 Effects on loan behaviour

Use of the proposed loan

- Hypothetically, around half of all respondents in the study **would take out the full £10,000 loan amount or close to it** (52 per cent) and 14 per cent would take an amount of more than £5000 and up to £9000. Twenty three per cent were unsure how much they would borrow and 7 per cent wouldn't take out the loan. See **Figure 8**

Figure 8: Potential amount students would borrow



Base=all respondents in the survey (note proportions do not add to 100, 23% were unsure)

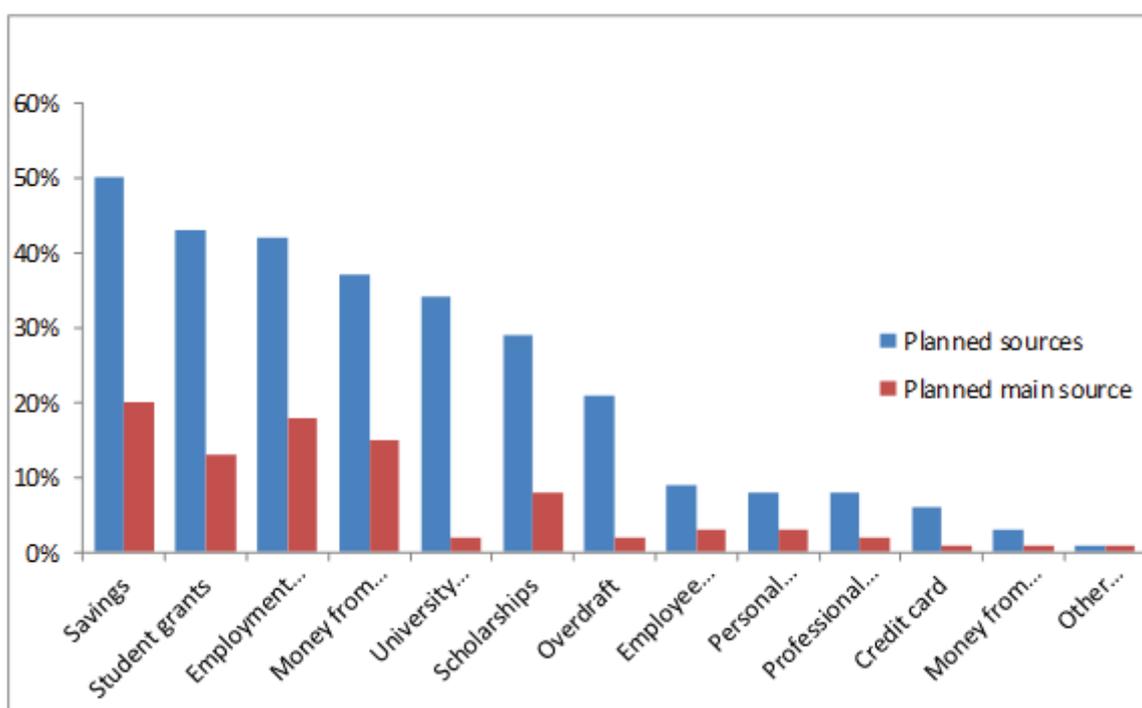
- For the undergraduate 'considerers' who said they would defer Master's study until the loan is available, a somewhat higher proportion said they would take out the full loan or close to it (74 per cent)⁹
- Respondents were more likely to state they would use the loan for **tuition fees** rather than **maintenance costs**. The majority (around 70 per cent) are likely to allocate the majority of the finance to fund fees.
- More than **two thirds** of postgraduates said they would have considered taking the proposed loan to pursue postgraduate Master's study had it been available to them at the time. **42 per cent** said they would definitely have considered it.

⁹ Some caution as small sample sizes for this group (n=95)

4.4 How Master’s courses were currently funded (or planned to be funded) and what the proposed loan would replace

- In terms of how respondents were currently planning to fund their course, for the group type ‘undergraduate considerers’, **50 per cent expected to use personal savings**. This was the main source for 20 per cent of this group. **Employment earnings** were the second most common source of **main funding** cited by 18 per cent; whereas **money from parents/relatives** was the main source for 15 per cent of individuals considering postgraduate Master’s study. ‘**Student grants**’ were reported by 13 per cent as the principal source and the new **proposed Master’s loan** was the primary source for 11 per cent, whilst a **university scholarship** was cited by 8 per cent of the undergraduate ‘considerers’. See **Figure 9**

Figure 9: sources of funding (Undergraduate considerers)



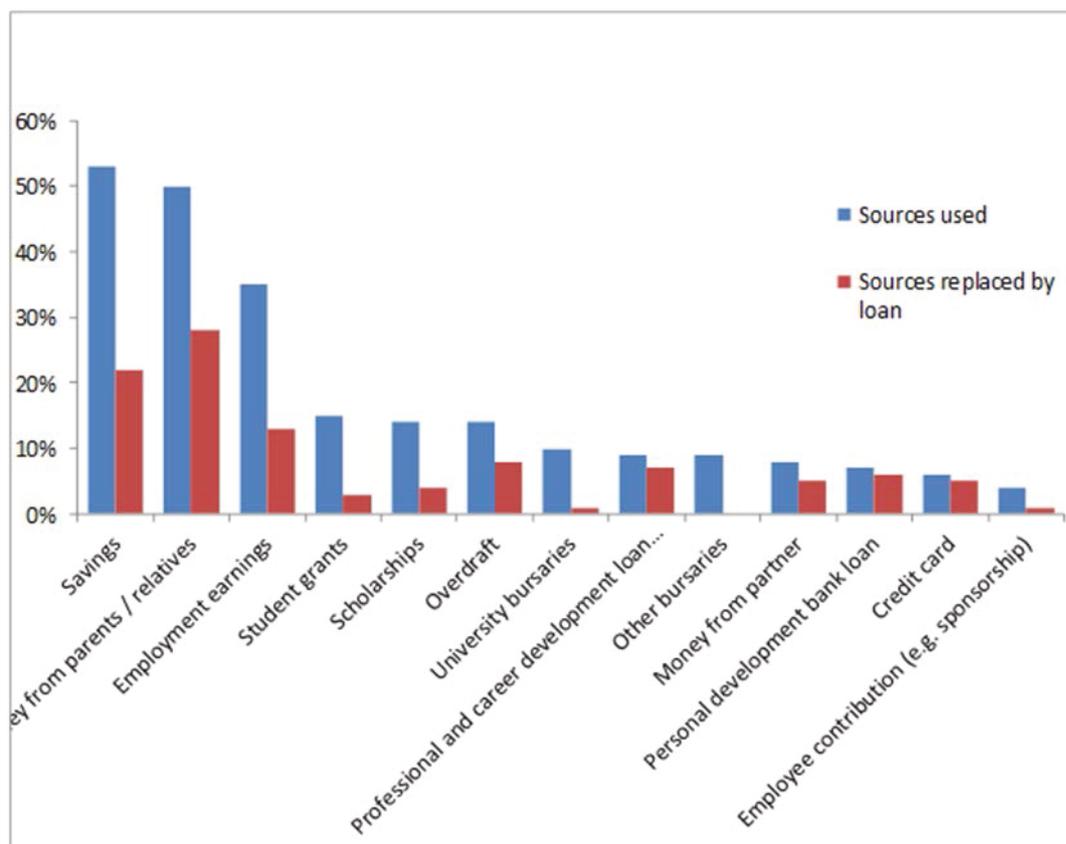
Base= Undergraduate considerers (n=506)

- For the ‘**considerers**’ who would wait for the proposed loan to become available before undertaking a Master’s course¹⁰, the loan would **mostly replace savings** (18 per cent) or **money from parents/relatives** (15 per cent). For some it would replace **employment earnings** (11 per cent). For around 13 per cent the loan would **replace commercial loans** (including overdrafts).
- For those who have **already taken up postgraduate Master’s study**, **savings and parental contributions** were reported to have been a source of funding for around half the group. 47 per cent of postgraduates received some funding via a **scholarship, bursary or grant**. **Employment earnings** supplemented the funding

¹⁰ For those undergraduate ‘considerers’ who mentioned that they were not deferring postgraduate Master’s study, or not deferring because of the availability of the proposed new loan (in 2016/17) nevertheless over half of this group (56 per cent) said it was very likely or quite likely they will postpone their plans for study until the proposed loan is available.

for 35 per cent of students and 9 per cent were in receipt of a professional and career development loan (PCDL). Just 4 per cent had received some funding from their employer. If the proposed loan had been available to this postgraduate group, 28 per cent reported that they wouldn't have needed **contributions from parents** and 22 per cent reported that they wouldn't have needed to use their **savings**. 11 per cent wouldn't have taken out **commercial credit or overdraft** and for 7 per cent the proposed loan would have replaced the **professional and career development loan (PCDL)**. See **Figure 10**

Figure 10. sources of funding (Postgraduates) and what the loan would replace



Base=Postgraduates in the study (n=230)

5. Wider effects of the proposed loan and other types of financial support

5.1 Effects of the loan on subject choice

- The availability of the proposed loan did not appear to have a strong effect on the choice of subject at Master's level for undergraduate 'considerers' or Postgraduates. Only 9 per cent of both those who are considering postgraduate study and those who are already or have taken a postgraduate taught Master's course would change their subject. See Figure 11 and Figure 12.

Figure 11: Undergraduate considerers original Master's course choice, and with the proposed loan (as shown by the red bar)

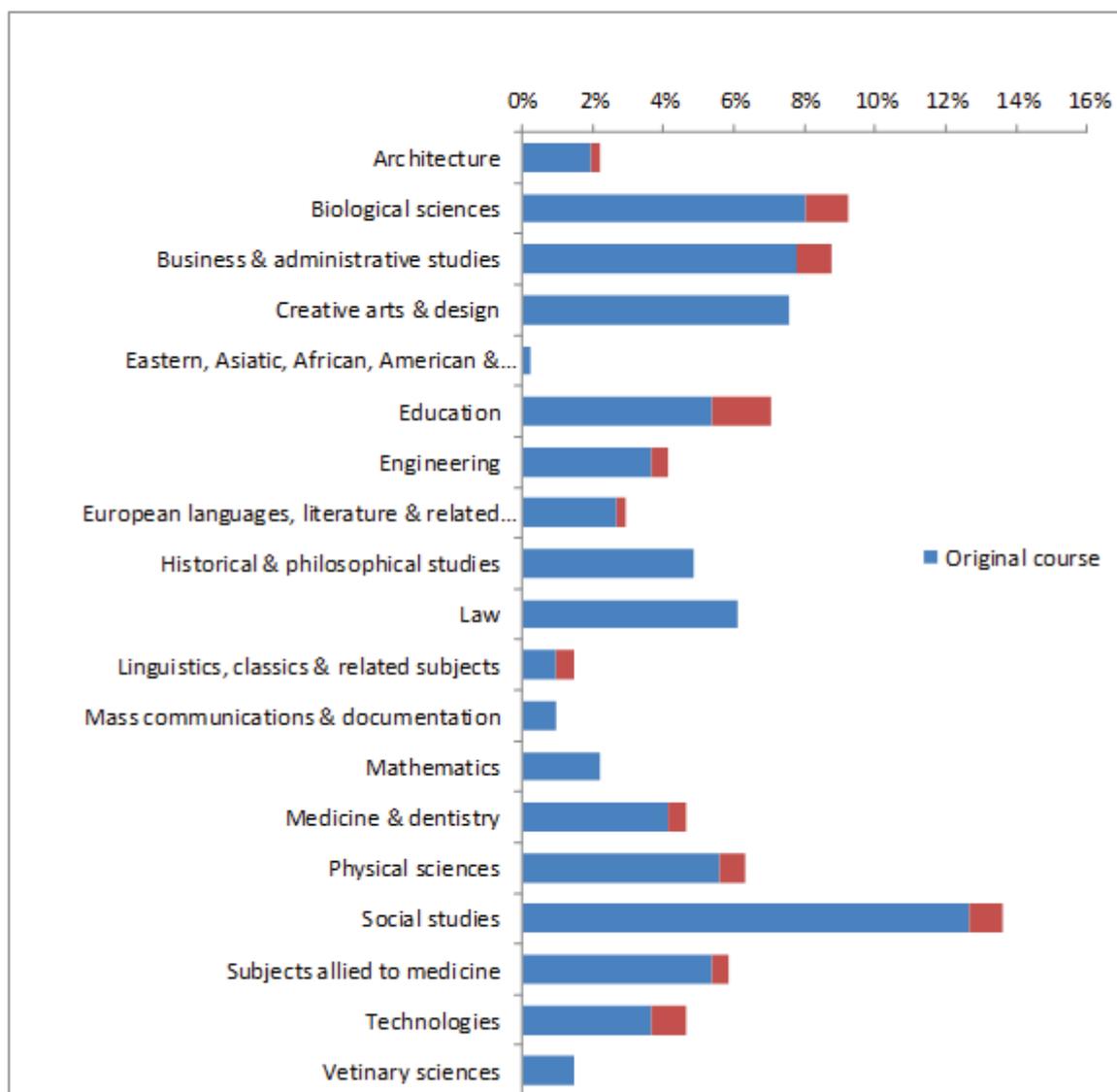
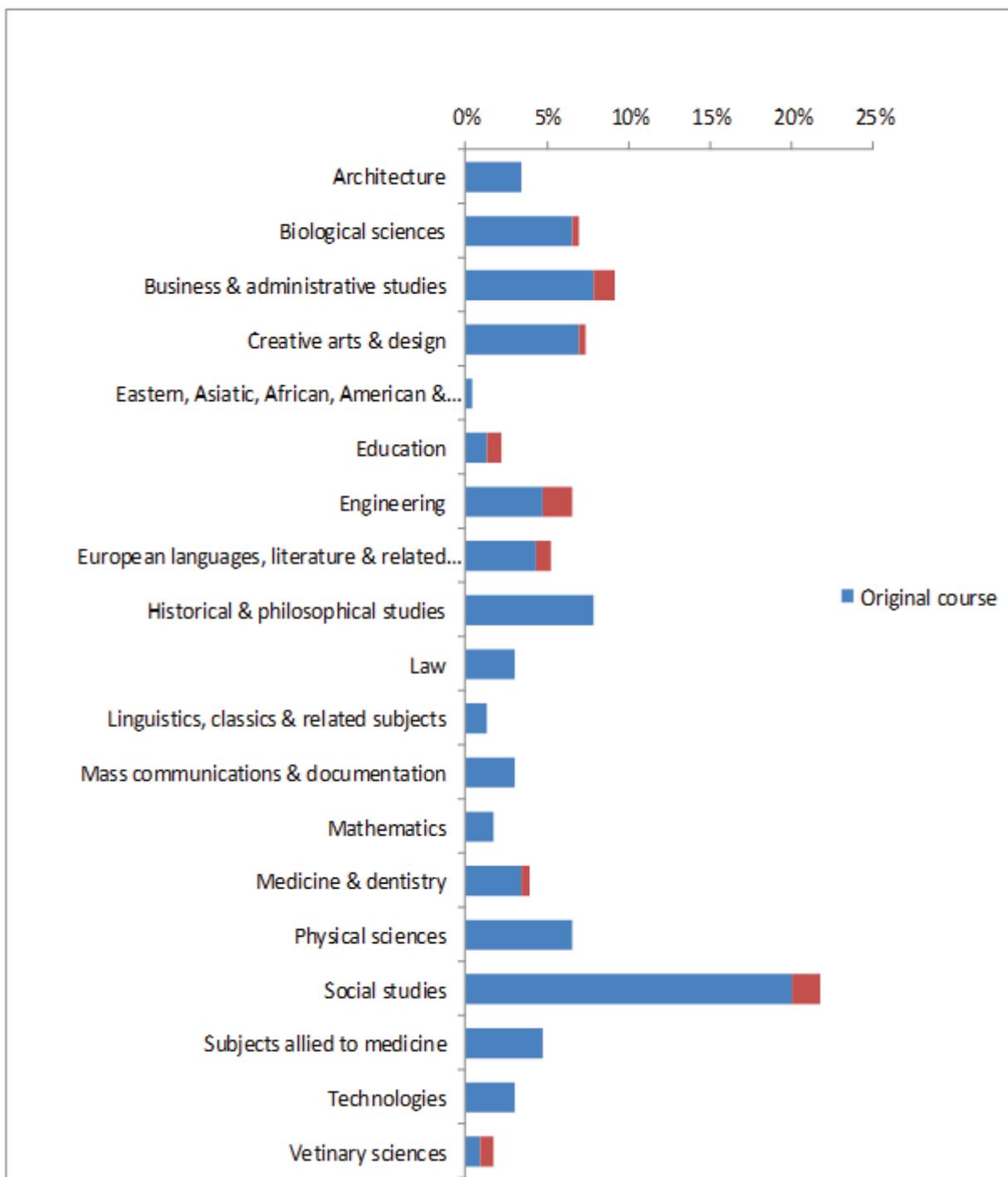


Figure 12: Postgraduates original Master's course choice, and with the proposed loan (shown by the red bar)



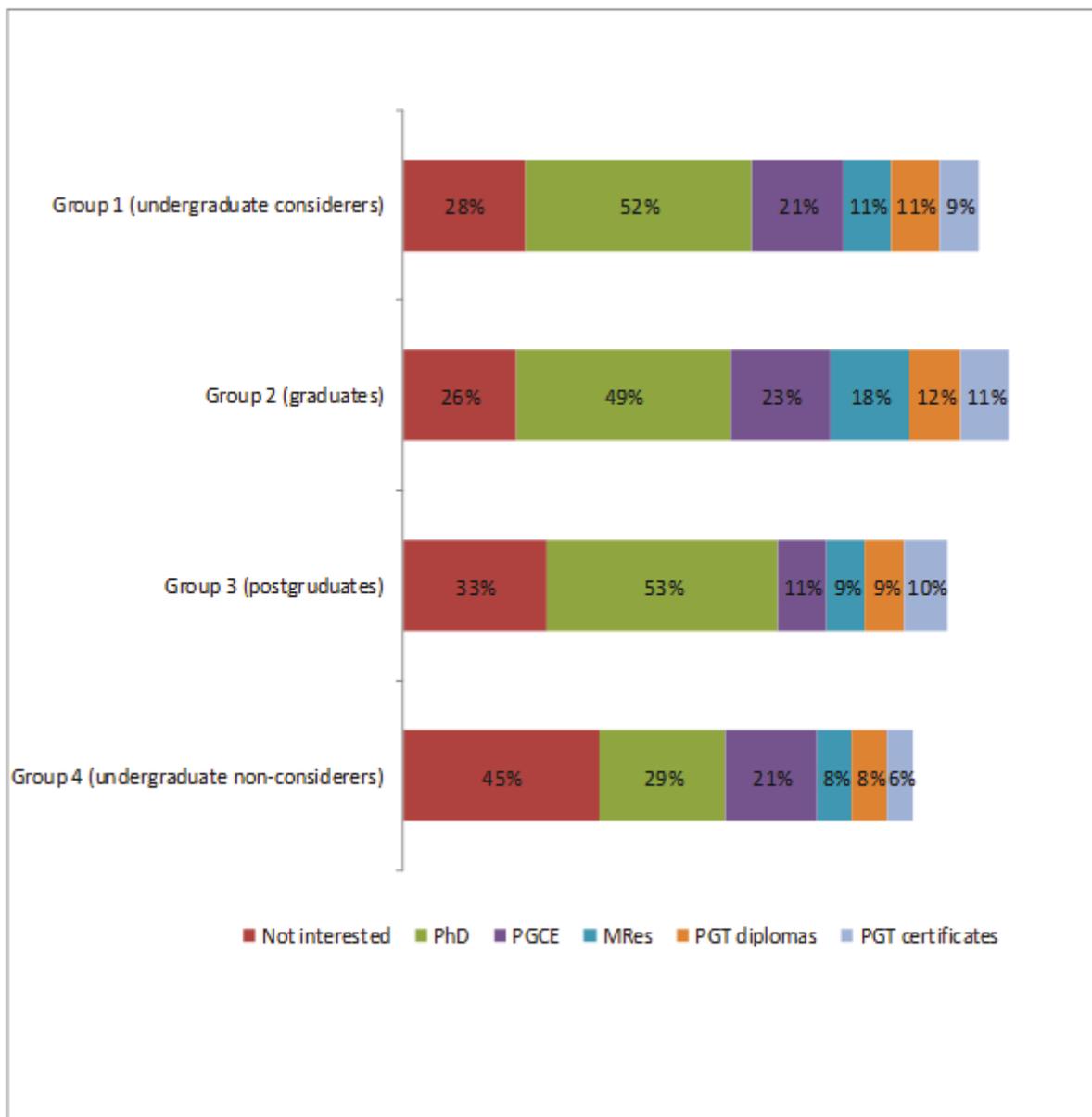
5.2 Potential effects on choice of institution and mode of study

- When asked if the availability of the proposed loan would affect respondents' choice of university in any way, those who were considering pursuing a Master's course were mostly of the opinion that they would not alter their choice of institution (63 per cent) but 25 per cent said they would choose a more prestigious university.
- In terms of affecting the mode of study (i.e. 1 year full-time or 2 years part-time) undergraduate 'considerers' were most likely to stick to their current plans. 76 per cent said they were planning to study full time (and still were); 11 per cent said they were planning to study part-time and would not change this. Only 9 per cent would consider swapping from full time to part-time and 4 per cent would consider swapping from part-time to full-time in light of the proposed loan announcement.

5.3 Potential effects loan availability for other types of postgraduate study

- The chart below shows what type of qualification all respondent groups (undergraduates, graduates and postgraduates) would be interested in pursuing if, hypothetically, a loan existed for a postgraduate qualification in any subject. Whilst 45 per cent of undergraduates not considering a taught Master's course would not be interested in any type of postgraduate qualification, **around half** of all the other groups said they would be interested in **pursuing a PhD if there was a loan available for that level of study**. See Figure 13

Figure 13: Interest in other types of postgraduate study if a loan were available



6. Technical annex

6.1 Methodological overview

YouthSight conducted a quantitative on-line survey in February 2015. 1748 respondents completed a 15 minute questionnaire aimed at gathering opinions about postgraduate Master's and MBA study, including opinions about the eligibility criteria and terms of the proposed loan announced at Autumn Statement 2014.

The sample was drawn from a panel population registered with YouthSight. The majority of the panel are undergraduate students and university applicants¹¹. There are more than 135,000 young people in total on the panel (around 70,000 university students; 16,000 graduates and approximately 17,000 university applicants). In addition there are some young people in the panel currently not in education.

Approximately 15,000 panellists were invited to participate in the on-line survey to which 1748 responses were returned (a response rate of 12 %). Reminders were sent to harder to reach groups.

6.2 Sampling method and sample profile

A random sample of panel members were selected to participate from each of the three participant groups: undergraduates, postgraduates and graduates. Quotas were set to achieve the following sample sizes in 4 major groups:

Table 4: Groups in the study

	Group 1 (under-graduate considerers)	Group 2 (graduates)	Group 3 (postgraduates)	Group 4 (under-graduate non-considerers)
N=1748	506	510	230	502

Classification into Groups 1 (undergraduate considerers) and Group 4 (undergraduate non-considerers) was based on information collected in the survey. Group 2 (graduates) were eligible if they had graduated from their undergraduate degree in 2012 or 2013 and had not embarked upon a postgraduate qualification. Group 3 (postgraduates) were studying a postgraduate Masters course or had graduated at this level in the last 18 months.

The demographic profile of respondents is show in Table 5.¹²

¹¹ The panel are to a large extent a self-selected group. They opt into the panel for survey purposes.

¹² Whilst quotas were used, the study was not designed to be representative of each of the groups in the survey (undergraduates, graduates and postgraduates) and weights were not used in the analysis.

6.3 Sample profile

Table 5: Profile of sample

Demographic Groups	Percentage
Age: Under 21 21-25 26-29 30 and over	 13 72 8 7
Male Female	 38 62
Domicile English Other domicile (other UK 53%; EU 30% and non-EU 17%)	 77 23
University type Higher tariff university Lower tariff university	 48 52

6.4 Survey design

The survey was an on-line questionnaire.



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