



Department
for Business
Innovation & Skills

BIS RESEARCH PAPER NUMBER 100

**24+ Advanced Learning Loans:
Specific Learner Groups**

JANUARY 2013

RESEARCH

The views expressed in this report are the authors' and do not necessarily reflect those of the Department for Business, Innovation and Skills.

Department for Business, Innovation and Skills

1 Victoria Street

London SW1H 0ET

www.bis.gov.uk

Research paper number 100

January 2013

Contents

Contents	3
Introduction	5
Background	5
The aims of the research	5
Research design	6
Summary: cross-cutting themes	8
Motivation and commitment	8
Ability to pay	9
Financial awareness and experience, and attitudes to debt	10
Attitudes to the principle of state-funded education and the removal of the subsidy	11
Overall attitudes and likely behaviours	11
Muslim learners	13
Motivations, behaviours, drivers and barriers that lead to FE study	13
Sources of information	15
Attitudes to financial products	16
Reaction to the 24+ Advanced Learning Loan	16
Likely behaviour from 2013 onward	18
Learners aged 40+ years	20
Motivations, behaviours, drivers and barriers that lead to FE study	20
Sources of information	22
Attitudes to financial products	22
Reaction to the 24+ Advanced Learning Loan	23
Likely behaviour from 2013 onward	26

Apprentices	27
Motivations, behaviours, drivers and barriers that lead to FE study	27
Sources of information	29
Attitudes to financial products	30
Reaction to the 24+ Advanced Learning Loan	30
Likely behaviour from 2013 onward	31
Learners with Disabilities	33
Motivations, behaviours, drivers and barriers that lead to FE study	33
Sources of information	34
Attitudes to financial products	34
Reaction to the 24+ Advanced Learning Loan	35
Likely behaviour from 2013 onward	36
Conclusions: maximising take-up	38
Muslim learners.....	38
40+ Learners.....	38
Apprentices	39
Learners with disabilities	39
Implications for communications	40

Introduction

Background

Given forthcoming budget restrictions, the government is proposing that adults aged 24 and above who study for qualifications at Level 3 and above should make greater contributions to the costs of their learning. Grant funding for these Further Education (FE) learners and courses will be removed, to allow the government to focus its investment on younger and lower-qualified learners who are less likely to invest in themselves. The government will provide income-contingent loans to cover the resulting upfront costs, in line with its principles of promoting fairness and personal responsibility. These 24+ Advanced Learning Loans (24+ Advanced Learning Loans) will be made available to new learners from the 2013/14 academic year, with the first full year expected to be the 2014/15 academic year.

The Department for Business, Innovation and Skills (BIS) has carried out an impact assessment to illustrate the economic costs and benefits associated with this proposal¹, and an equality impact assessment² to consider how the proposal will affect different types of learners. These assessments have now been published.

BIS also commissioned qualitative and quantitative research from TNS BMRB to inform these assessments and to provide an initial understanding of how learners are likely to respond to the 24+ Advanced Learning Loans proposition, and how its impact on their decisions and behaviours could be minimised. This research indicated that most learner groups are unlikely to be put off by the loans proposition, provided it is communicated effectively; but it also highlighted groups which, for varying reasons, are likely to face specific issues and challenges.

The aims of the research

Following on from the research outlined above, the study reported here was commissioned to provide a greater understanding of four specific learner groups:

- those aged 40+, and particularly those out of work
- those with mental or physical disabilities or learning difficulties have particular needs regarding communication and information.
- those seeking to take up Advanced/Higher Apprentices
- Muslim learners

¹ 24+ Advanced Learning Loans Regulatory Impact Assessment (BIS 2012)

² 24+ Advanced Learning Loans Equality Impact Assessment (BIS 2012)

Among these four groups, the study was required to:

- provide an understanding what motivates learners to learn, how they weigh up the costs and benefits of study, and how and from which sources they access information/advice to allow them to make decisions
- assess the effect that 24+ Advanced Learning Loans is likely to have on their decisions in the context of their current motivations and cost/benefit appraisals
- identify how support from employers and course providers could be deployed to reduce adverse reactions to 24+ Advanced Learning Loans in the context of how they currently seek information and support

Research design

The research employed a staged approach, in which mini group discussions were conducted to identify the issues relating to each learner group, followed by full group discussions to understand those issues more deeply. Individual interviews were also conducted with learners with disabilities.

The first stage was an exploratory investigation of the views of three of the specific groups of learners. This stage involved mini groups, each with four respondents:

- 4 mini-groups with 40+ learners
- 4 mini-groups with Muslim learners
- 4 mini-groups with Apprentices

The second stage was designed to follow up the issues and concerns raised at the first stage in order to explore these in greater detail. This stage involved group discussions, each with six respondents):

- 3 group discussions with 40+ learners
- 2 group discussions with Muslim learners
- 3 group discussions with Apprentices

There was also a parallel stage of 10 individual interviews with learners with disabilities.

As part of the discussions, the following statement was read out to describe the 24+ Advanced Learning Loan to respondents:

“From 2013 higher level college courses for those aged 24 or over will no longer be subsidised by the government, so they are introducing 24+Advanced Learning Loans to help with course fees for those studying at Level 3 and above who are aged at least 24. You have an option to get a loan to cover the cost of your course, which you only start to pay back once you’ve left the course and

are earning over £21,000 a year. The amount you pay back each month depends on your income, not how much the course costs. If your income falls below £21,000 – such as a career break or unemployment – your repayments will automatically stop and only restart again when you earn over £21,000. Interest will be charged at inflation plus up to 3%. For example if an individual earns £25,000 a year their Loan repayments would be around £30 a month.”

Full details of the sample are provided at Appendix 1. Fieldwork was conducted between August and October 2012.

Summary: cross-cutting themes

A number of common themes relating to views and reactions to the 24+ Advanced Learning Loan emerged across the four specific groups of learners. They combined in various ways to produce different attitudes and likely behaviours across the different groups of learners. In this section we discuss these themes and highlight the impact they had. In subsequent chapters each of the specific groups is discussed in more detail.

The most significant themes were:

- Motivation and commitment
- Ability to pay for the course
- Financial awareness and experience
- Attitudes to the principle of state-funded education

Motivation and commitment

Respondents' reasons for wanting to study varied considerably; the significant point with regard to their likely behaviour from 2013 onward was the strength of their motivation, and the extent to which their commitment to studying was maintained when told about increased costs and the 24+ Advanced Learning Loan product. Some learners seemed motivated enough to accept the increased costs; others did not (in the group discussions at least – see below).

A number of factors seemed to influence the strength of learners' motivation to study, in particular: their age; their life situation or lifestage (e.g. whether or not they had dependents or other personal commitments); their expectations about how the course would benefit them; and their perceptions of how long those benefits would last.

Younger people (Muslims, Apprentices) who had few personal commitments, who saw FE as a way of advancing their career and thus earning more money in the future, and who still had many working years ahead of them and thus expected to enjoy the benefits of FE in the long term, were most motivated. These respondents were not only the most convinced of the value of FE; they also felt most strongly that they had little choice but to study if they were to achieve what they wanted in life. This closely aligns with the attitudes of younger learners we have found in previous research.

Most older people (40+s in employment, older Muslims, older Apprentices) were less strongly motivated to study. They were more likely to see FE as useful but tangential or even unrelated to their career progression, to doubt that they would secure 'good' jobs even if they had an FE qualification, to recognise that they had less time ahead of them to enjoy the benefits of FE, and to have other commitments and pressures (including children) that competed with their desire and ability to study. These respondents also seemed to feel less 'obligation' to study than younger learners – for them it was a 'nice to have' rather than a necessity.

The exception among older people were the **unemployed 40+s**, many of whom felt the same type of necessity and perceived the same level of benefit as the younger respondents, and were also among the most motivated to study.

People with **disabilities** were similar to the general population, in that their motivation was related to the age of learner, their life situation/lifestage, and their expectations about the benefits of completing the learning.

There was little discernible difference between **men and women** in terms of motivation.

Other things being equal, the less motivated learners were more likely to believe that increased course costs would dissuade them from taking an FE course. However, the likelihood of them studying was also influenced by their ability to pay the increased costs, their financial awareness and experience, and their attitudes to education funding.

The above points notwithstanding, it is also important to consider the way in which learners make decisions about FE courses. Previous research looking at learners' journey into FE has indicated that learners tend to choose a course and provider, and in doing so form an **emotional commitment** to that particular course, before considering the costs in detail and investigating funding options. Currently, learners often have little idea of the costs of a course in advance, and rarely seem to object to these costs when they do find out about them. No doubt this has something to do with the sums involved, but it also seems clear that the commitment that learners form by this stage bolsters their motivation to study, and that this makes it all the more likely that they will accept the costs.

This means that motivation, while an important driver of interest in FE, is not in itself the only factor that drives take-up once that interest has been acted upon. We would therefore caution against accepting at face value the impression given by some respondents that their motivation would not be strong enough to proceed given the higher course costs. Such claims were made in a research setting where commitment could not play an influential role in their beliefs. In real life, learners may find that the investment and commitment they have already made to their chosen course means that they go ahead in the face of higher costs, even if they claimed that they would not in the more detached group discussion.

Ability to pay

The second important influence on learners' likely behaviour was their ability to pay the higher course costs. The 24+ Advanced Learning Loan was only one of many funding options cited across the sample; and while some learners felt they would have little choice but to take the loan, others believed they could pay for their course in other ways (should they want to).

Younger learners (Apprentices, some Muslims, those with disabilities) and **unemployed learners** (among the 40+s) were most likely to feel that they had no options apart from the 24+ Advanced Learning Loan. They had few savings, no desire or ability to access a bank loan, and no desire or ability to borrow money from other people. These learners were the most interested in the 24+ Advanced Learning Loan as a way to fund their study – and the most strongly deterred from FE if they did not like the product.

Older learners were more likely to feel that they had choices about funding, and would not have to take a 24+ Advanced Learning Loan if they wanted to study. The 40+ employed learners tended to be more financially stable than others in the sample, and often felt that they would be able to save up for the course or pay from savings if they wanted to. Many Muslims, and some **younger Muslims**, had access to informal loans from family members or to community sources of funding (known as 'Committees'). Consequently, these learners did not necessarily feel that they would not take a course if they did not like the 24+ Advanced Learning Loan.

Financial awareness and experience, and attitudes to debt

The extent to which learners understood and questioned financial products, their short and long-term views of financial planning, and their attitudes towards taking on debt, all played a role in their reactions to the 24+ Advanced Learning Loan as a way of funding their study.

Younger learners (Apprentices, some Muslims, those with disabilities) tended to have a short-term view, focussing on the immediate implications of the 24+ Advanced Learning Loan (no upfront fees, low monthly repayments). They tended to find these features attractive, which in combination with their lack of other options (see above) meant that they were most positive about the product and seemed most likely to take it up. They were also most likely to assume that the 24+ Advanced Learning Loan is the 'best' way to fund study, since it is an 'official' product offered by the government, and least likely to express interest in its other features (e.g. interest rates, length of repayment, total amount to repay, etc).

Older non-Muslim learners (40+) were often more financially 'savvy' and experienced. They were more inclined to look at the 24+ Advanced Learning Loan in the round, and more likely to question whether it would be the best option in the long term, given the length of time it would take to repay, the possible level of interest etc. They were also less willing to take on debt, largely because they already had other commitments and/or did not find it appropriate to enter into long-term debt at their stage of life.

There was a similar divide by **social grade**: those in higher socio-economic groups tended to be more savvy and those in lower groups less so. However, social grade seemed less prominent indicator of this than the age. **Location** was also a factor: across all sample sectors those living in northern England were noticeably less optimistic about earning more than £21,000 per year (and therefore having to pay the loan back) than those living in the south; this inevitably had an impact on their perceptions of the 24+ Advanced Learning Loan.

Muslim learners (especially older, but also many younger) tended to have specific cultural and religious attitudes to debt and financial products that, on the face of it, made the 24+ Advanced Learning Loan seem inappropriate. Muslim **women** often had little control over family finances, and decisions about how (if at all) their study should be funded would be left to husbands, parents and/or parents-in-law. Muslim **men** were more autonomous but still often bound by culture. However, there were various mitigating and conflicting factors that may come into play when Muslims are faced with the product and the need to fund study for real.

Attitudes to the principle of state-funded education and the removal of the subsidy

Underlying learners' views of the 24+ Advanced Learning Loan, their access to and preferences among other funding options, and their motivation to study even at a higher cost, were their attitudes to the fact that FE will no longer be subsidised to the same extent. The key difference between learners was the degree to which they focussed on the implications of this for themselves, and the implications for society.

Younger learners (Apprentices, Muslims, those with disabilities) were disappointed to learn that the subsidy was to be removed, but tended to understand that it was due to the need to cut public spending. For the most part they accepted the fact that costs would increase as a 'fact of life'; while they would have preferred that the subsidy is retained, their attitudes were not obviously influenced by its removal. They also looked at the situation primarily from their own personal perspective – and since they did not object strongly on this level, they accepted the change overall.

Older learners (40+, Apprentices, Muslims) often reacted more strongly on principle. They were more wedded to the idea that education benefits society as well as individuals, and should be accessible to everyone and funded by the state; they were concerned that increased costs might exclude older and poorer people in particular. Thus their views of the situation were societal as well as personal, and even if they felt they could go ahead with their study their attitudes had a negative tinge.

Amongst some people with **disabilities** there were added concerns that the total costs of FE would rise significantly, particularly if they had to pay for additional costs of support, transport or adaptations.

As with motivation, however, we need to consider the **research context**. Respondents were generally unaware of current course costs and tended not to question them. They were told that the subsidy is to be removed, and naturally they were concerned about the impact of this; but when the unsubsidised costs are the new norm, the principled attitudes outlined above may well be less evident.

Overall attitudes and likely behaviours

The points outlined above indicate that some types of learner in this sample are likely to be more accepting of higher course costs, and more receptive to the 24+ Advanced Learning Loan as a way of funding those costs, than others. The main attributes that made learners more likely to take a loan to fund their study even with higher costs were: being younger; being motivated to study in order to change careers or improve prospects; being less financially savvy; and lacking access to alternative funding sources.

Older, more financially savvy people who wanted to study for less tangibly beneficial reasons seemed more likely to be put off the idea of FE if costs increase (although the research effects need to be borne in mind), and less likely to find the 24+ Advanced Learning Loan attractive. However, they were also more likely to feel that they could fund their study in other ways, should they want to.

These points also indicate that most of the learner groups in this research face a relatively complex, albeit varied, set of decisions about whether to participate in FE. Muslims' decisions are influenced by cultural or community values and their family; learners with disabilities need to investigate numerous additional aspects of FE courses and providers (physical access, support available), and to consider whether and how these can be funded; older learners often find themselves balancing the needs of their current job, existing loans and debt, and the needs of their children. These learners are likely to discuss and work through their decisions with others, and in light of other available funding options, rather than making choices quickly and autonomously.

Clearly, communications and support that seek to maximise take-up of FE should be tailored to the needs of each type of learner. But in general, it seems that many in these groups will need additional information, advice and support to give them confidence that FE funded by a 24+ Advanced Learning Loan (or another product) is appropriate for them.

Muslim learners

24+ Advanced Learning Loans were thought to have the potential to pose difficulties for Muslim learners because they involve the charging of interest, which contravenes the principles of Sharia law. Sharia prohibits the payment or acceptance of specific interest or fees (known as *riba*, or usury) for loans of money. Practices that are considered contrary to Islamic principles are considered to be *haraam* ('sinful and prohibited'). However, earlier research³ suggested that reactions amongst Muslims would not be uniform, and that the influences on their behaviours would not be restricted to attitudes to interest payments.

This study explored the views of male and female Muslims who were considering or had started Level 3 or 4 training, and looked at their likely behaviour from 2013 onwards in greater depth than was possible in the previous research.

Motivations, behaviours, drivers and barriers that lead to FE study

Most **younger (in their late 20s and early 30s) Muslim male learners** in this study had left school at 16 years old, and in response to family pressure to earn money had started in relatively low-paid jobs which required no qualifications and provided no training. Their families had played a significant role in their choice of initial and subsequent jobs. A few had opportunities to join family businesses, but most had looked (and continued to look) to the open market for employment.

These respondents tended to say that, immediately after leaving school, they were pleased to be earning money and spending time with their friends; few had much interest in further formal education at that stage. Their families continued to exert an important influence on their life choices and were keen that they establish themselves in work prior to getting married at a fairly early age.

After a succession of 'get by' jobs or periods of unemployment, these men had begun to reflect on their future prospects, and at that stage became more willing to consider undertaking FE to improve their work prospects.

Those in employment were generally keen to improve their opportunities within their existing career. FE was expected to help them gain promotion, move into management, and enhance their financial position. The downturn in the economy had further encouraged them to get qualifications in order to improve their prospects in what they considered to be a more competitive market. Those who were unemployed had also recently become more receptive to the idea of pursuing FE in order to find work and to begin a career with future prospects. Consequently, these respondents were fairly motivated to study.

By contrast, most of the **older (40+) male Muslim learners** who participated in the research had worked for a number of years, and were well established in their jobs and

³ Attitudes to Further Education Loans. TNS-BMRB Final Report. Department for Business Innovation and Skills. May 2012.

careers. They were considering FE to ‘finesse’ their skill set by providing them with additional skills or qualifications that would help them to carry out their current jobs, or to progress in their chosen career, rather than the fundamental ‘overhaul’ that younger men were considering. Developing financial skills or management skills were areas of particular interest to this group; participating in FE was an important demonstration of how important they considered these skills to be, and it was seen as a sign of their commitment to their job and employer. Many of these older men were optimistic that undertaking L3 or L4 training would enhance their opportunities for promotion or ensure their job security; some had their own business and saw FE learning as way of develop their business skills and improve the success of their businesses.

Younger female Muslim learners tended to have a wider variety of educational experience than the men. While some had left school early, others had gone on to study for qualifications beyond GCSE, and a few had completed University degrees. They also had a wider range of work experience than the men, working in a variety of technical, administrative or professional roles. These learners had a range of views about the benefits of completing FE. Some had relatively low expectations of getting a well-paid job, with or without FE, while others saw a qualification as a means of gaining the skills and/or qualification needed to progress in their chosen career.

“I just want to complete my course and then hopefully I should be qualified as a Management Accountant by next year and then maybe I want to either go into a practice as a Chartered Accountant and have my own client base or I’d like to go into maybe auditing, go in through that side.”

Female Muslim

Older female Muslim learners were generally less convinced of the financial and other benefits of FE and tended to be less motivated to study. Often considering a return to work after a long period at home, they were not optimistic about their chances of finding well-paid employment; but they were interested in gaining skills to enable them to do something outside of home life. However, their priority was to ensure that younger members of the family had educational opportunities, and they were willing to forego their own education if the costs made it difficult to manage both.

For men and women alike, the main perceived **barrier to learning** was balancing work, study and family commitments. Family life was considered to be very important, and both men and women spent a lot of time socialising with their immediate and extended families. Pressure to balance these commitments meant that flexible, part-time courses with local providers were generally the preferred way to study. Other reservations about FE were similar to those found among learners more generally: the work to complete the course might be demanding (those with strong family commitments thought it might be particularly challenging); and they perceived an element of risk in that the course would require them to spend money and work hard, and yet the employment outcomes were uncertain.

Consistent with findings from other research⁴ with learners in general who were planning to undertake FE, consideration of the **costs of pursuing FE** was not top-of-mind for

⁴ Ongoing learner research to support the FE loans programme. Student Loans Company. 2012.

Muslim learners. They were aware that courses would involve costs – fees, travel, study materials and other costs – but in general they had not researched this in any depth, and those considering an FE course were usually unable to say how much the course would cost.

When specifically asked about FE course fees, Muslim learners thought there were probably a range of possible funding options, including grants, bursaries, employer- sponsorship and self-financing arrangements. As was the case with learners in general, most had little understanding of what might be available and how to go about securing funding. **Younger learners** expected that their parents were probably more informed and would help them through the process of gaining funding. **Older learners** were more likely to turn to the college for information about funding options.

Overall, most Muslim learners anticipated life after FE as being more positive than a future in which they had not studied: FE was widely seen as a ‘good thing’ that provided increased opportunities in the job market, a competitive edge over others, and an enhanced feeling of personal worth and self-confidence. Thus for most, the benefits of FE as the situation currently stands were more tangible and compelling than the costs, and the issue of financial costs and funding in particular was rarely clear enough to be a disincentive.

Sources of information

Muslim learners had used a range of sources to find out about FE. Local newspapers, discussions on local radio and discussion with colleagues or employers were commonly mentioned as triggering initial interest. This was then usually followed up by more specific online investigation of what was on offer locally, using Google searches and training providers’ websites. Finally, this initial research might lead to attending a course provider’s open day and/or to face to face meetings with the course provider.

Potential learners were mainly interested in learning about the practicalities of the course: the timing, the locations, the entry requirements and the content of the course. Course providers’ websites were seen as an authoritative source of information and were frequently accessed. However, as with learners in general, some Muslim learners felt that college websites gave relatively generic and limited information; if they had a specific issue or query, they felt the best option was to telephone the college and speak directly to a course tutor or someone else who was familiar with the course.

Seeking information about the costs of the course and the funding options usually happened very late in the process. In the same way as other learners, Muslim learners tended to wait until they had chosen an FE course, and made an emotional commitment, before they began in earnest to look at the costs and funding options. There was a strongly held view that some funding must be available, particularly as other learners in similar circumstances to theirs had successfully secured a place at college. All this is consistent with evidence from other research⁵.

⁵ Ibid.

Attitudes to financial products

Most Muslim learners had deeply held reservations about taking out loans and getting into debt, and were very keen to avoid both if possible. These reservations were based on 'family values', 'cultural values' or 'guiding principles', rather than adherence to specific religious tenets. Most were unfamiliar with financial products and had little or no experience of taking out loans or using credit cards. Instead, many preferred to manage things within the family, taking informal loans from relatives. Alternatively some, particularly within the Pakistani community, operated 'committees': these were community funds where members made regular payments (typically around £20 - £100 a month) and had the opportunity to take out larger sums without interest being charged. Committees were used to make payments for large items and could be used for any purpose – including for training courses.

The main exceptions to these patterns were where formal financial products were considered unavoidable. The most prominent example was mortgages: many respondents had had to take one in order to buy their house, but they disliked Sharia-compliant mortgages as the house remained the property of the bank until the final payment had been made. This being the case, they saw no realistic alternative to taking out a commercial mortgage, and therefore accepted it. A second example was student loans to fund University costs: again this was considered by some families to be acceptable as they had no alternative way to fund something they viewed as essential. In both cases, few seemed uncomfortable about the inconsistencies with their views on lower-level financial arrangements.

Reaction to the 24+ Advanced Learning Loan

Much of respondents' discussion about the 24+ Advanced Learning Loan centred on whether it would be an option that Muslim learners would take up. Most immediately, the terminology was seen as a significant problem. The word 'loan' immediately made Muslim learners think about debt, and despite the fact that they understood from the description that this product is not the same as a bank loan, the very issue of debt quickly elicited negative reactions. There was some initial discussion about whether it would be possible simply to 'repackage' the loan in a way that would make it more palatable for a Muslim audience: some asked whether it could be renamed as a 'grant' with fees instead of interest; but others felt that it would make little difference to most Muslim learners and that the loan would remain an unattractive option.

In real life and after greater consideration, however, reactions to the 24+ Advanced Learning Loan are likely to be more nuanced and complex than this immediate rejection implies. As noted, attitudes and behaviours with regard to financial matters were widely driven by cultural mores and experience rather than specific religious beliefs or tenets. This seemed to mean that, for many learners, the views and values of family members and the wider community are likely to be more significant influences on attitudes towards the loan than their own personal beliefs. It also suggested that, given the flexibility around these values and the fact that they are often received rather than directly held, there is likely to be room for practicality.

Few participants directly mentioned religion or Sharia law in the early stages of discussion about the 24+ Advanced Learning Loan. Rather, it was considered in light of the cultural

values displayed by their families and communities. Muslim learners (younger as well as older) tended to speak about being brought up by their parents to save up for things, and not to get into debt; they generally agreed with these values and as a result few possessed credit cards or had any experience with commercial loans.

“Our parents have always told us to live within our means and not to borrow money and be in debt.”

Male Muslim

Although Muslim learners talked about ‘values’ or ‘principles’, many did recognise that these were founded on religious beliefs and acceptance of Sharia law. However, respondents varied considerably in the extent to which they understood and considered Sharia practice relating to loans. Some were clear that it was against their religion to take a loan, and would therefore not consider a loan of any form; others were aware of Sharia practices but took a more relaxed view. A few were unaware of Sharia practices at all.

Those who were aware of and accepted Sharia practices expressed two main concerns about the 24+ Advanced Learning Loan. Taking it would result in being in debt, which was haraam; this would be made worse if they died before the loan was paid off (a particular issue for older respondents, and given the apparent length of the repayment period). Further, they were concerned that if the loan were to be passed to family members following their death, it would result in their relatives going into debt, which would also be very undesirable. Overall, it seemed unlikely that these respondents would take a loan to fund their FE study.

However, as noted, most did not seem to take Sharia itself too seriously, and were instead more heavily influenced by their cultural upbringing and the views of their family and community. Some younger respondents described how their parents and extended family had stronger religious convictions than they did, and were more likely to take a traditional stance against loans.

“My family, my sister’s side are extremely religious. I don’t think they’d ever consider taking loans or mortgages. If they do, it would definitely be Sharia-compliant.”

Male Muslim

While they themselves might not be averse to taking a 24+ Advanced Learning Loan on religious grounds, they were likely to take the views of their parents and family into account. This family influence was strongest in the case of women. While men expected to make their own decision about the loan, many women said that the decision was not theirs to make. Financial decisions were taken by their husbands, parents, parents-in-law or other family members, even where they were the object of those decisions. This would result in a situation in which the person who is motivated to study is not the one making the decision about funding. In these circumstances it was seen as very unlikely that the 24+ Advanced Learning Loan would be taken up.

On the other hand, while they talked about trying to live up to received cultural values, many learners also accepted that that it is not always possible to do so. As noted, families

often took a pragmatic view about purchasing their homes through commercial mortgage arrangements, or less commonly funding University education for their children or themselves through loans, because they felt there was no alternative.

In these cases, Muslim learners stressed the importance of paying off a loan as soon as possible, to minimise the interest paid. They were keen to make voluntary payments when feasible in order to reduce the overall term of the loan. In this light, the threshold of £21,000 was seen as a disadvantage by Muslim learners, as they wanted to pay off the loan even though they might be earning less.

“If you can avoid it (a debt) then do your best to avoid it. But if you can’t then get rid of the debt as soon as you can.”

Male Muslim

The question, therefore, seems to be whether Muslim learners feel that FE study is ‘significant’ enough to warrant bending cultural values by taking a loan. The impression gained in this research is that the majority (especially among women and those whose family have strong religious views and who are specifically supportive of Sharia practices) would not feel the benefits of FE are great enough, and that even if they themselves were not put off by Sharia considerations, they would be deterred from taking a 24+ Advanced Learning Loan by wider cultural influences and the views of others.

“Yes, but not for further education or A levels - degrees are a completely different thing. If I was going to do a degree I would you know consider then taking out a loan - it’s got the financial benefit for me.”

Female Muslim

However, take-up is more likely among Muslim learners who are most motivated to study, and who consider the 24+ Advanced Learning Loan to be the only way to fund a course that they expect to be beneficial. This perhaps applies to younger men in particular. It is also important to bear in mind that a rejection of the loan was not necessarily seen as a barrier to study, as there were other options available to them.

Likely behaviour from 2013 onward

Almost all the Muslim learners in this study felt that the removal of the subsidy and consequent increase in course costs would present a significant barrier to FE study. It was difficult to know, however, whether this was based on a realistic assessment of the new situation, or a reaction to the fact that costs would increase. Many were unclear about the costs of FE at the moment, and none was aware of the scale of the current subsidy, so they were unable to form a view of what the new costs would be. Moreover, respondents also picked up from the information that they would be expected to pay the costs of the course, which was something that many had not fully appreciated before. Finally, learners’ commitment is likely to bolster the motivation of some to study. It is therefore possible that their reactions to the removal of the subsidy were overstated in the research.

The above notwithstanding, take-up of FE courses among Muslim learners will depend on their ability to secure funding from an acceptable source. In light of the above discussion, it is likely that some Muslim learners (younger men in particular) will feel sufficiently motivated and 'free' from cultural restrictions to take a 24+ Advanced Learning Loan to enable them to take their chosen course. But it seemed that many others would only take up FE if they could fund it some other way.

There were two main alternative options for funding FE. The first involved the immediate or extended family paying for the training. This approach was commonly used for making larger one-off purchases, and respondents expected that it would be most appropriate where the costs of FE study were relatively small. If larger sums were involved, few felt it would be possible for families to raise that much money.

The second approach involved the use of Committees, as outlined above. As with funding provided by family members, the available pot of money was limited and there might be competing requests for funding. Respondents felt that both options would be most appropriate where the money required was limited to a few hundred pounds, rather than a few thousand pounds.

Muslim women were particularly anxious about the impact of increased costs. In many cases it would be their family members who made the decision about funding, not themselves, and they felt their relatives (who did not feel their motivation to study so directly) may be less favourably disposed to pay the higher costs, however these were funded. Some Muslim women also thought that they might drop their plans to do FE if the costs rose, since they already had low expectations of the salary they might expect in a job after completing FE, and were not confident that the cost of training could be recouped by getting a better paid job.

Learners aged 40+ years

Older FE learners were identified in previous research as a group that might react negatively to the removal of the subsidy and introduction of the 24+ Advanced Learning Loans. They seemed more wary about debt than younger learners, more wedded to the concept of 'state-funded education', and less likely to be motivated by the expectation of financial gain as a result of gaining a qualification. This study explored the views and likely reactions of learners aged 40 and above in greater detail. It looked specifically at those in employment, those who had been out of work for one year or less, and those who had been unemployed for longer than a year, since previous research had revealed distinct differences in attitude between these three groups.

Motivations, behaviours, drivers and barriers that lead to FE study

As with all of the specific groups covered in this research, there was a wide range of educational backgrounds amongst those aged 40+. Some had left school early and gone straight into employment. Others had level 1 or 2 NVQ qualifications, professional qualifications or degrees.

Those **in employment** could broadly be divided between the three 'employed' motivation quadrants identified in the previous research. They were generally looking to:

- Acquire qualifications in areas related to their current job (consolidation)
- Learn new skills that would help them advance their career (progression)
- Develop skills in a new area that would open up work opportunities in a different work area (career/interest change)
- Enhance their knowledge through learning (career/interest change)

Many in the first group had learned the job skills they needed through experience but were now looking to demonstrate that they were suitably qualified. Sometimes acquiring the qualification had become a requirement of continuing to work in that role as a result of legislation (such as courses for Care Workers on Manual Handling); other respondents wanted to protect themselves against competition for their own jobs. Often employers (from both private and public sectors) were supportive of these employees 'improving themselves' and helped by paying a proportion of fees and granting time off work to study.

The second group tended to be more personally motivated and were often seeking to learn skills that would help them secure their next promotion. Financial and management skills training were common examples of the types of course this group were keen to undertake. In a few cases employers were willing to support their employees, but more often the cost of the course was borne by the employee.

The third group were looking to acquire skills in a different area to their current job in order to start a new career – often this group of 40+ learners expressed a desire to do something different, more interesting or creative, and were sometimes prepared to take a

cut in salary to achieve a change that they hoped would be more fulfilling. This group expected to have to pay for their course themselves.

The final group were interested in learning for its own sake, and were not specifically motivated by financial or job-related benefits. They were more interested in enriching their cultural and social lives, often through learning a new language or acquiring other new skills.

Employed respondents described few barriers to FE study, beyond practicalities such as fit with their job and lifestyle and a vague notion of costs. As with Muslim respondents, few gained a clear idea of how much courses would cost until they had decided which one they wanted to pursue.

Learners aged 40+ who had **recently become unemployed** (within the past six months or so) were looking to improve their qualifications and skills to get a job. Some wanted to work in a similar occupation and felt that a qualification would help them compete in that specific job market. Others, particularly those who been redundant for a little longer, wanted to equip themselves with new skills to re-enter the job market in a different role. They knew that they would have to fund their study themselves, so were keen to ensure that whatever they did would be worthwhile.

The **longer term unemployed** (more than about six months) was the most fragmented of the segments. Many had a varied work history, having had a number of jobs where little or no formal job training was provided and where they had learned 'on the job' through experience. Others had been in their role or industry for many years, often until their company closed or they were made redundant. A number of women who had been at home looking after children were looking to get back into part-time or full-time employment or develop their skills now their children were growing up.

"It's about doing something for me that I enjoy. The kids are getting older and you have more time for yourself. I also want to earn more money."

Female, 40+ learner, out of work for more than 1 year

The unemployed described a mix of rational and emotional motivations for pursuing FE. These included: becoming more employable through building skills and developing their CV; gaining employment in a specific career; fulfilling their ambitions; and gaining self-esteem, personal confidence or self-respect. Their longer term goal was to be employed in an occupation and industry they were happy to work in, with a job that pays a reasonable living wage.

"I can do a bit of cleaning. But where's cleaning going to get me? I want a job that's going to be a good experience and put me up in life"

Female 40+ learner, out of work for less than 1 year

However, many of the unemployed 40+ learners were undecided about the training they wanted to pursue, and a number had been exploring different options, including gaining skills to start their own business, skills to find employment in markets where there was strong demand, or GCSE qualifications to take them onto higher education.

The unemployed described a range of barriers to FE, including finding the right course at a convenient location, having the confidence to restart education after a number of years' absence, and being concerned about their ability to learn and to pass exams. The longer term unemployed were more conscious of the costs of training than other groups covered in this research. Some experienced a cycle of obstacles: no job = no money = no training = no job.

"They go on about training but at the end of the day we need money to do the training"

Male 40+ learner, out of work for less than 1 year

Amongst the long-term unemployed there was also a perception that the government is failing to make available the correct courses to help them get work, and that employers are unwilling to invest in older employees who require significant on the job training:

"The government sends you on these courses about how to find a job... that's not the problem. We would like the money to be spent on the actual training for us to get the job itself."

Male 40+ learner, out of work for less than 1 year

"They've got the attitude that you're on the scrapheap."

Male 40+ learner, out of work for less than 1 year

Sources of information

Those aged 40+ accessed a wide variety of sources of information about FE. Local newspapers, discussions on local radio and discussion with friends and family were usually the initial source of information about FE. For women particularly, contact with other parents was also important. For those in employment, professional or trade associations, employers and HR departments often provided information about training opportunities. Searches on the internet and course providers' websites were then used to find out more details about what was available locally. Finally, many attended college open days and met with the course providers to discuss their options.

Potential learners were mainly interested in learning about the content of the courses as well as the practical arrangements concerning timing, duration and locations. Course providers' websites or face to face or telephone contact with the colleges were the preferred methods for finding out this more detailed information. As with other groups, only after learners had made an emotional commitment to pursuing a course did they seriously investigate how to fund the training.

Attitudes to financial products

Most 40+ respondents were familiar with a range of financial products and had experience of taking out loans. Those in employment generally accepted the principle of using loans for important purchases, especially if the loan was for a 'manageable' amount and they

were happy with the agreement. However, this did not mean they would do so without serious consideration of the impact the loan would make on their finances and lifestyles. Unemployed respondents were much less receptive to taking on loans because they had no means to pay them back.

Using credit for less specific reasons was less acceptable, and credit cards were not viewed favourably. Many respondents were already overdrawn on their current accounts, and they tended to view any form of further credit sceptically.

Reaction to the 24+ Advanced Learning Loan

The concept of an income-linked loan to fund FE study elicited a mixed reaction from this group of learners. Those who were employed tended to be either negative or sceptical about it, but many of those who were unemployed (and particularly those who had been out of work for a middling amount of time – perhaps between six and 18 months) had more positive views.

In general, reactions to the 24+ Advanced Learning Loan were based on a combination of learners' expectations of the value they would derive from FE and their attitudes towards the impact that the loan would have on them. Where the value of FE was perceived to be higher (and motivation to study was stronger), the loan seemed more acceptable whatever respondents thought of the details. Where FE was valued less (and motivation was weaker), respondents tended to focus negative attention on detailed aspects of the loan and the impact it would have on them.

Motivation to study and perceptions of the benefits of FE were greatest among those who had been unemployed in the medium term, since they believed most strongly that the FE qualification they sought would help them to get a job. These respondents also faced the greatest practical barrier to study at the moment – the need to pay course fees up front. As a result, they were considerably more positive about the concept of the 24+ Advanced Learning Loan than any other type of respondent. The product was viewed as more 'understanding' than a bank loan, especially since they would not need to pay it back whilst unemployed; the fact that there would be no upfront course costs was appreciated; the repayments were felt to be low; and the threshold for starting repayments was thought relatively high. Not only were they comfortable with the terms of the loan, many felt it would improve access to the type of study that they wanted to undertake. Indeed, some felt it might encourage other unemployed people to apply for a course and to work hard to ensure they successfully completed their FE.

"I wouldn't take out a bank loan, if you default on a bank loan you're under all sorts of pressure, whereas if you take a loan from government you can pay the money back when you earn it"

Male 40+ learner, out of work for less than 1 year

"If they paid for it and then just took it back over ten year's time, I wouldn't even notice"

Male 40+ learner, out of work for less than 1 year

“If they said they would take £5 a week off me then I think it would be worthwhile. It seems an obvious thing to do.”

Female 40+ learner, out of work for less than 1 year

Those who had been unemployed for less time (less than 6 months) were more negative, largely because they had not been out of work for long enough to be convinced of the need to gain a qualification in order to get a job. This meant their motivation to study was lower, and they were more ‘free’ to focus on what they saw as negative aspects of the loan. Those who had been unemployed for longer (around 18 months) were also less positive: they were less convinced that they would be able to get a job with or without a qualification, and their situation had made them more averse to financial products in general. This split in attitudes by the length of time spent out of work is consistent with what emerged in previous research.

Respondents who were employed were also generally less strongly motivated to study than the medium-term unemployed. The personal benefits (and especially the financial benefits) of FE were less clear cut, and they knew they had fewer working years ahead of them than younger learners in which to enjoy those benefits. Lacking focus on themselves and their need to study, their reactions to the loan were more closely bound up with their feelings about the removal of the subsidy and increased course costs, and the impact of this on UK society, than was the case with other types of learner. All this gave these respondents the ‘freedom’ to express negative, principled views about aspects of the 24+ Advanced Learning Loan on a number of levels.

The most fundamental of these negative aspects was the fact of taking on a long-term loan, and being in debt, at their stage in life. Many of those who were already earning over £21,000 were financially stretched and had other commitments: they argued that there was no available money with which to make the repayments, even at the levels described; and they were sceptical about their chances of earning significantly more to offset these repayments as a result of taking their course. Those who were better off financially were often quick to point out that it was unfair to expect those who had little money to take out a loan for FE.

A number of the 40+ respondents also strongly disliked the idea of being in debt at their stage of life, and wanted to be free from such commitments. Alternatively, those with children often felt that their main priority was to ensure that their children were able to benefit from FE or HE, and that they wanted to support their children to do this. For some, if it came to a choice between helping out with their children’s education or life in early adulthood, or paying for their own education, they would prioritise their children over themselves.

On a broader, social level, some felt that the government should not be encouraging people to get into debt, or to take out loans for things that they cannot afford – a situation that they felt applied to their own age group. They felt that this would reinforce some of the problems that led to the current economic difficulties.

“I hate being in debt. I have a mortgage and that is it. I buy things only if I can afford it. If I cannot afford to buy them, I’d rather not be in debt.”

40+ learner, in work

Payment of interest on the loan was strongly disliked. On a personal level, employed respondents felt unhappy that interest should be charged on the loan at all, and they were concerned about what the rate of interest would be – some felt that the government might be profiteering from people’s motivation to learn.

“They shouldn’t be trying to charge interest for people that are already struggling”

Male 40+ learner, out of work for less than 1 year

“First of all, this is a con, it’s about the government making money”

Male 40+ learner, out of work for more than 1 year

On a social level, for all these reasons many believed that the 24+ Advanced Learning Loan would actually present a barrier to FE study for older learners, and argued that it would be in the interests of the country to encourage wider participation in FE. These learners believed that the government would benefit from the additional taxes paid by older people if they found work after being unemployed or moved into higher paid positions as a result of their FE. They also felt that the government would stand to gain if FE learners start their own businesses and take on staff.

“If I get a job then I will pay my taxes and that is how the government recover the money for education. We pay our taxes, so why should we pay for our education as well?”

40+ learner, out of work for more than 1 year

“It is the principle of paying for something you would normally get free. Here you have people who want to better themselves and want to get a job and then you put up a barrier for them.”

Female 40+, in work

Arguments such as these helped to cement 40+ learners’ antipathy to the 24+ Advanced Learning Loan and the context in which it is to be introduced: it was not simply their perceptions of the loan as a product, or the impact that it would have on themselves, than informed their views. It seemed that these views were allowed to form by respondents’ relative lack of motivation and focus on what they might get out of FE, and that even if negative views were overstated in the research, the 24+ Advanced Learning Loan is unlikely to be looked on favourably where this is the case.

Likely behaviour from 2013 onward

If 40+ learners hesitated to find the 24+ Advanced Learning Loan acceptable, this did not necessarily mean that they would abandon plans to study. As with the Muslim learners, many had access to other sources of funding and knowledge should they decide to proceed. Compared with younger learners, those aged 40+ tended to be relatively savvy with regard to financial products, and to have greater flexibility in their finances.

Many questioned whether the 24+ Advanced Learning Loan would be the 'best value' option (and considered alternatives such as putting the costs on a mortgage, using or extending existing bank loans, or using interest-free credit cards); some had savings they could use to cover the course fees, or felt able to save up in advance.

"I would rather pay it all up in front than have a debt hanging round my neck and paying interest. I mean if I had the money I'd pay for it, why would I want a loan that I'm going to have three percent interest when I've got the money sitting in the bank?"

40+ learner, in work

I have always paid for everything. Even if it was an interest-free loan, it will still be in the back of my head, slowing me down."

40+ learner, in work

The upshot of this was that whereas younger learners often felt compelled to undertake FE, and believed they had little option but to take a 24+ Advanced Learning Loan if they were to do so, those aged 40+ (employed respondents in particular) tended to feel they had a lot more freedom to choose whether or not to study and how to fund it. Their decisions about whether or not to pursue FE are likely to be determined by whether their motivation to study is strong enough to make them find their own funding, if the 24+ Advanced Learning Loan is not thought appropriate. As with Muslim learners, this will depend on the cost of courses: although it seemed clear to respondents that these would rise, most were vague about what they might actually be.

Apprentices

Apprentices are of particular interest because their courses and funding arrangements differ considerably from those of other learners. In this study we spoke to both prospective Apprentices and those currently undertaking an Apprenticeship. The discussion groups in Stage 2 involved a cohort of Apprentices undertaking training at an agricultural college and employed by a range of private employers in the farming and dairy industries; and apprentices receiving mainly in-house training in a range of areas at a large City Council.

Motivations, behaviours, drivers and barriers that lead to FE study

A number of respondents who were considering Advanced or Higher Apprenticeships had been in work for a number of years, and were in some way dissatisfied with their current employment. They saw the Apprenticeship as the key to a new job, often in a new role and industry that would provide them with enhanced job opportunities and a career path. They varied considerably in terms of educational experience, with some holding GCSEs as their highest qualifications, and some going on to college BTEC or HND qualifications or University degrees. Many had had a succession of jobs and had difficulty finding the right job for them.

These respondents tended to be in their mid-20s to early 30s and had a number of financial and family commitments. Most had set up home with a partner, some were married, and some had young children. Apprenticeships attracted them because they offered training that would be sponsored by an employer and a job as part of the same 'package' (as opposed to other types of FE, in which a qualification might lead to a new or better job). It was the financial security the employer offered that was most attractive to them, rather than the opportunity to participate in training: they were more interested in the job than the qualification.

Prospective Apprentices considered the main barriers to taking on an Apprenticeship might be cost (if employers did not pay all the costs) and time.

"I'm not sure how it's going to work but if it's going to cost me, then I'm going to have to find the money somehow"

Apprentices, 24-29

"The course I want to do is day release, so I need to sort it out with work. I can't do three evenings with kids. I'd have to do it day release"

Apprentices, 30-39

"I'll probably ask my mum if she can help... but it's a big ask"

Apprentices, 24-29

Some had begun to work in a trade (such as electricians, plumbers, etc) straight from school and had completed a number of courses prior to starting their Apprenticeship.

These respondents had a range of motivations for undertaking an Apprenticeship: progression in their chosen profession was usually the main one, but earning more money, improve job security or employability, increasing responsibilities at work and enhancing their job satisfaction were also mentioned.

“I’ve been with the same company since I left school”

Apprentices, 30-39

“I left school when I was 16 and been an electrician ever since, obviously times move on and I’ve been doing courses as I go along”

Apprentices, 30-39

These Apprentices had generally been encouraged to undertake training by their employers, often because the training was a legal requirement to perform certain aspects of their job. Employers varied in the extent to which they supported their employees while undertaking the Apprenticeship: some paid all the costs and paid their salary during the course, others expected their employees to make a financial contribution. Where employees were expected to contribute to the costs, payments were deducted from their salary; or in some cases they were able to take out a company loan. Others had to look to a bank loan or to family members to pay these costs.

“I’ve got to fund it all myself, I’ve had loans in the past to pay for courses and this one’s on me”

Apprentices, 24-29

Amongst this group there was a sense from some that employers were less willing to send employees on external courses because of the cost, particularly if they are not legally required.

“I think that employers are not as willing to send you out on courses these days cos they don’t have the money... there is more pressure to do work at night”

Apprentices, 24-29

“They want to push the youngsters more don’t they?”

Apprentices, 29-39

The cohort of Apprentices undertaking training at the agricultural college had very similar backgrounds to the prospective Apprentices. They were also in their mid-20s to early 30s, had been in a range of different jobs and had been looking to find a career path. They too had financial and family commitments and for them the Apprenticeship offered job security and paid-for training. As with the prospective Apprentices they had a wide range of educational backgrounds spanning college BTEC, HNDs and first and postgraduate University degrees. They had different employers, but all were being paid a salary and had their course fees and weekly travel back to their family home covered. This group of Apprentices were very positive about the opportunity they had been given and recognised

that they were considerably more fortunate than many other students at the college, who were often supporting themselves during their training.

The final group of Apprentices tended to be older, many in their late 30s and 40s, and had been employed by the same organisation for many years. They were undertaking a variety of Apprenticeships, paid for by their employer, in areas related to their current job including administration, HR, social care, and finance.

“The reason I’ve been able to do this particular course as well is because the funding has been available otherwise I don’t think anyone of us would have been able to do it, one because we can’t afford it in this day and age now unfortunately with our jobs at risk all the time.”

‘Internal’ apprentices

Most of these ‘internal’ Apprentices were positive about education and training, and most recognised that the Apprenticeship would enhance their skills and provide them with qualifications that would help them in their current role. A few considered that the Apprenticeship would enhance their employability in the open job market. A number, however, were more cynical and felt that they had been put on the Apprenticeship mainly for their employer’s benefit to comply with regulations or legal requirements.

“I just want to get to the next grade to what I’m on now because I’ve been on this grade for a long time ... So I’m hoping this will help, it just keeps the mind active and everything so that’s my aim.”

‘Internal’ apprentices

Sources of information

The journey of prospective Apprentices was quite different to the journey of other prospective learners. Rather than research training courses, prospective Apprentices were researching and applying to employers for Apprenticeships or jobs that would lead to Apprenticeships. They used a variety of channels to do this including newspapers, directories of employers, word-of-mouth, and local knowledge. Some had contacted local colleges to identify what employers sponsored Apprenticeship training and had then contacted the employers directly.

For those undertaking an Apprenticeship within their current job, the employer was almost always the source of information about training opportunities. A few Apprentices had looked more widely at trade and professional magazines and journals to look at possible training opportunities. Line managers and HR departments were the main source of information, and one HR department had set up a Yammer site that provided lists of available courses. As most of the training was conducted in-house, there were relatively few decisions for the employee to make regarding starting the Apprenticeship.

Attitudes to financial products

Apprentices were relatively familiar with a range of financial products including mortgages, credit cards and loans. Many had a mortgage, or had investigated taking one out. A number were trying to reduce their outstanding balances on credit cards, and many were wary of debt and credit.

“I’m finishing up paying off a £9000 loan now on my house that I had to get out to afford the deposit. After that’s finished, that’s it.”

Apprentices, 30-39

“I think it’s ok to have a credit card, but I’m not rushing to use it. I’ve seen people in thousands of pounds of debt. I don’t want that.”

Apprentices, 24-29

Many had taken out loans in the past for large items such as cars and household goods, and were relatively comfortable with the idea of taking out loans for major purchases. A few of the younger Apprentices had outstanding student loans.

Reaction to the 24+ Advanced Learning Loan

Opinions about the removal of the subsidy and introduction of the 24+ Advanced Learning Loan tended to fall into two camps. Older and ‘internal’ Apprentices were generally negative about the changes, whereas younger Apprentices and those moving into a new job were generally more accepting. This seems consistent with the attitudes and motivations described for Muslims and 40+ learners above.

Prospective Apprentices who had been concerned about how to finance their training were generally positive about the introduction of the loan: it seemed to be an easy to access source of finance; the repayment threshold seemed relatively high; and the repayments were considered to be reasonable. As with the most motivated learners in other groups, and indeed the less financially savvy, these Apprenticeships were focussed on getting a place on a course, and were more prepared than most others to do whatever is necessary to secure it. Their attention concentrated on the immediate benefits of the 24+ Advanced Learning Loan rather than potential long-term impacts.

“I think it’s a good idea but I would need to see the small print. You can just go down the bank if it’s a better deal there.”

Apprentices, 24-29

“I think the key thing there is that you don’t start repaying it back until you’re earning over £21000.”

Apprentices, 24-29

Younger Apprentices were relatively neutral about the loan product, as they did not think it would directly affect them. Most felt that the payment of fees would be either wholly or partly paid by their employer and that any shortfall would come out of their earnings. They did not see that it would be necessary to take up the loan.

Older Apprentices also felt that it was unlikely that they would need to take up the loan as they expected that their employers would continue to pay for the Apprenticeships. As most felt that the employer was putting them on Apprenticeships, often to fulfil legal requirements, they were fairly confident that this funding was unlikely to be withdrawn.

In other regards, the older Apprentices were similar to the 40+ learners in that they were relatively savvy financially and questioned many aspects of the loan product. In particular they questioned whether other alternative options might not be better value, and wanted to have the necessary information to make comparisons, including information about eligibility, interest rates, typical loan terms as well as the average total costs of repayments. Many were concerned about the low rate of repayments and were keen that the loan could be repaid early. Again like other 40+ learners, some were against getting into debt. Some felt that if they did decide to fund any future training that they be more likely to fund it using alternative sources (such as savings or a company or bank loan), for reasons similar to those described above for the 40+ learners.

“With me it’s that mental thing it would follow me around like a black cloud.”

‘Internal’ apprentices

A major concern for the older ‘internal’ Apprentices was whether there would be future redundancies which might leave them out of work. If they had to make payments towards the costs of their Apprenticeship this would leave them in a situation where they had no job and a debt.

“I just feel I would always worry that tomorrow I’m going to be tarred, I’m going to be called in and they’re going to let me go and then I’ve got that debt to pay, that’s what scares me...”

‘Internal’ apprentices

Likely behaviour from 2013 onward

Apprentices in this sample were relatively unconcerned about the impact that the removal of the subsidy would have on people in their situations, but this was largely due to the fact that they assumed that employers would continue to fund courses. They did not know this for sure, however, and many eventually wondered whether Apprentices would have to pay more for their courses if employers did not.

Younger Apprentices generally understood that removal of the subsidy was an attempt to reduce public spending, and accepted the need to cut government expenditure. They seemed to feel motivated enough to get an Apprenticeship to be prepared to take on some of the costs (although they had little idea of what these would be), and saw a 24+ Advanced Learning Loan as a good way to do this.

The acceptability of this arrangement would of course depend on the costs involved, and respondents recognised that ‘costs’ could come in a number of forms. They anticipated that employers might offer to pay the full or main part of the course costs, but seek to off-set these increased costs by reducing other financial benefits for Apprentices. Some thought this could include Apprentices’ wages, but on reflection many believed it is more likely that funding would be cut in other areas, such as travel from the place of study to the Apprentices’ home, or the costs of materials. They were concerned about this for themselves, but also in terms of fairness, as they thought it might mean some people would be priced out of FE education even if course costs for Apprentices do not rise.

Older and ‘internal’ Apprentices expressed very similar reactions to the 40+ employed learners. They took a very negative view of the removal of the subsidy on a societal level, even if they did not believe it would affect people doing in-house courses as they were. They felt that employers would be less willing to finance Apprenticeships and that they would either reduce the number of Apprenticeships that were available or be more selective about the business areas in which they offered them. Some felt that employers might be less willing to finance Apprenticeships that were not directly required by legislation. This group also felt strongly about the principle of free education and expressed similar views to the 40+ groups about what they perceived as a lack of support for training.

“I think it’s sad because a lot of people probably didn’t get the opportunity earlier on in their life because of whatever commitments or problems they had so I think it’s a shame to target this age group of twenty five and beyond.”

‘Internal’ apprentices

On balance, it was difficult to establish what Apprentices – younger and older – are likely to do from 2013 onwards because of the lack of information about what employers would do. If made to pay some of the course costs, younger Apprentices embarking on a new career seemed likely to accept this and to use a 24+ Advanced Learning Loan. However, there would be a limit to the amounts that they would be prepared to pay; and if employers were to fund the full costs but try to recoup these in other ways, this may create a different kind of deterrent (one which presumably cannot be addressed with a government loan).

‘Internal’ Apprentices valued the courses they were taking, but it was less clear that they would have been motivated to take them themselves. Given this, they seemed less likely to accept the need to pay for their course, and to use a 24+ Advanced Learning Loan to do so. But again this would depend on the amounts that they had to pay.

Learners with Disabilities

Learners with disabilities comprise a very broad group with a very wide range of different needs. In this study, learners with physical and sensory disabilities as well as learners with learning and mental health difficulties were included in the scope. Of particular interest were their expectations about how any additional costs related to their disability might affect their behaviour from 2013 onward.

This sample was smaller than for the other specific groups, so the findings should be considered as more explorative.

Motivations, behaviours, drivers and barriers that lead to FE study

People with disabilities shared a broad range of motivations to undertake FE study with the wider population of learners. These motivations were generally more significant than any that specifically related to their disabilities. As with the general population of learners, people with disabilities wanted to undertake FE in order to move into a new career, progress in their chosen career, find a route into the labour market, or consolidate their skills to increase their job security. As with other learners, the strength of their motivation varied, with younger people tending to be more optimistic and motivated to participate in learning than some of the older learners.

In a few cases, issues relating to disability had contributed to the decision to undertake FE. One female learner who suffered from post-natal depression had re-evaluated the things that were important to her and decided to move out of a previously stressful role in sales to undertake FE training in floristry, an area that she had always been passionate about.

“So I was on maternity leave and then I was just on sick and stuff and different things and then so I thought well that was something that I couldn’t face – I don’t think I could go back to sales, I feel as though I couldn’t possibly...”

Female learner with mental health difficulties

Others had learned about particular jobs and careers through networks or contacts that related to their disability, and were looking at FE as a way to gain access to these jobs. One woman with an addiction problem learned about counselling roles as a result of her treatment programme, and was planning to start on an L3 course in counselling. Another woman with physical disabilities was motivated to work with other disabled people and was training to be a rehabilitation officer.

Learners with disabilities also mentioned similar barriers to FE as the wider population: family commitments, pressures on time, concerns about the impact of learning on other activities, and cost. However, in addition to these, they were often acutely aware of the need to ensure that the course provider was able to make the necessary arrangements to deal with their disabilities. As a result this group of learners spent more time at an early stage researching the course provider. For people with physical and sensory disabilities this involved looking more carefully at class sizes and whether the course provider had

considered access to buildings or other adaptations that would help learners with disabilities to manage their studies.

“I have to look at whether I could get between classrooms in the time available between classes. Do they have ramps, and lifts? You have to check before you decide.”

Female learner with physical disabilities

Another issue for some people with mobility problems was how they would travel to the course provider’s site and whether the course provider would be able to provide any transport.

Across the range of people with disabilities, many were also interested in understanding whether course providers would be sympathetic to the needs of people with disabilities, and whether they would provide appropriate emotional or pastoral support.

“I want to be sure that they understand the difficulties I might have and that they would try to sort out any problems I might have.”

Female learner with mental health difficulties

These respondents found it more important than most others to meet up with course providers and to talk through any specific difficulties they might have and how these could be resolved. They also wanted to establish whether the course provider would pay for any transport or special materials to help in their studies.

Sources of information

People with disabilities accessed a similar range of sources of information about FE as the wider population. Local newspapers, discussions on local radio, and discussion with friends and family were usually part of their initial research into FE. Some had also looked at the websites of national disability organisations for information or advice on training opportunities and grants. Women with children often talked to other parents about FE; and professional or trade associations, employers, and HR departments were important sources of information for employed learners. However, they usually also discussed opportunities in FE with local services that they were receiving: this might involve talking to staff at local clinics, or local specialist units that they attended for help.

General internet searches and viewing course providers’ websites was important for this group; their searches often involved looking for information about the support that course providers offered people with disabilities.

Attitudes to financial products

The views of the people with disabilities were similar to the wider population. Some were relatively sophisticated in terms of understanding and use of financial products, while others were less knowledgeable and experienced. In general the older people tended to

be more savvy about the various products available, and those who were unemployed or on low incomes were the least willing to commit to loans.

Reaction to the 24+ Advanced Learning Loan

Most of the reactions described above for other groups of learners also applied to learners with disabilities. Older people and those with savings or alternative sources of funding generally expressed negative views of the 24+ Advanced Learning Loan. They disliked the idea that the loan attracted interest, and were critical of what they saw as a relatively high repayment threshold and low repayments on the basis that it would lead to debts accumulating for those in low income jobs or in part-time work, which would extend the loan period and increasing the total amount to repay.

“It still remains a barrier... if I was saying I’d like to have a part time job and carry on learning I just don’t want to keep creating debt, because I might never earn £21,000. So what happens to that debt? Does the money that I borrowed become £10,000, because I’ve never yet earned £21,000?”

Female learner with physical disabilities

“I wouldn’t like it. I would be quite annoyed that I had to do that, and I would be annoyed that I was paying the interest on it.”

Male learner with physical disabilities

These more financially savvy learners wanted to ensure that they had sufficient information to make appropriate comparisons with alternative sources of funding.

By contrast younger people and those who were unemployed were much more positive about the 24+ Advanced Learning Loan. They saw it as preferable to a bank loan, and the high threshold was considered to be a very positive feature.

“I think it’s really good. I’m quite happy you’ve told me about it. It’s a really good, positive thing, I think. It’s a win-win, because if you’re earning £21,000, you can afford it, because it’s a lot of money, isn’t it?”

Male learner with physical disabilities

However, even these learners were wary about the details of the 24+ Advanced Learning Loan, and wanted to have more detailed information about the payments. This is perhaps one area in which they differed a little from other learners of similar age and situation.

“So I can borrow the money and when I am earning then I can start to pay it back? I don’t really understand – obviously if it’s suspended and obviously your interest is still incurring then obviously your loan could end up being a lot more money than what you’ve borrowed. So I’d have to see the figures, so how much that would be and how much more I’d pay back – but I think it stops those barriers of the cost for people.”

Female learner with mental health difficulties

There were some specific issues related to disability. Most fundamentally, a number of learners were unsure whether the removal of the subsidy, and thus loan itself, would apply to them. They questioned whether the government would remove the subsidy for people with disabilities, and asked whether they would be excluded from the rise in the cost of fees on the basis of their disability.

“Does this refer to us – to people with disabilities, or are we not included?”

Female learner with physical disabilities

A number wondered about the additional costs they might have to pay for their studies that would be incurred as a result of their disabilities. They anticipated facing costs for necessary transport, additional equipment or materials, or additional help to support them to undertake the training; and they were unclear whether they would have to pay these additional costs (and if so whether the loan would cover them) or whether the college or the government would provide the necessary support. There was an expectation that additional support should be available at no cost to the learner, but information about the removal of the subsidy made them less confident about this.

A further concern related to the possibility of having to learning as a result of their disability: would they still be liable to pay the loan, even if they were unable to return to studying?

“What if I take on that debt, start a college course and find because of my depression, I can’t do it and I’ve took the debt on, what happens then? What if - happens halfway through I think this is not for me and I’ve took a debt on and then I might never qualify then, what happens then? For somebody like me with depression what would happen?”

Female learner with mental health difficulties

Finally, people with disabilities wanted a specialist advisor who could provide information on the 24+ Advanced Learning Loan that was specifically tailored to the needs of people with disabilities.

Likely behaviour from 2013 onward

As with other learner groups, the precise financial consequences of the removal of subsidy were not clear, so respondents were unsure about the likely impact on themselves. Learners with disabilities did face more unknowns than many other types of learner (for

example, the impact on additional costs, and whether this would be covered by the loan), and they are likely to need and expect more information about the 24+ Advanced Learning Loan than other types of learner, and to do more research into their course and the loan before deciding to proceed. In general, however, it seemed that as elsewhere younger learners were more committed to FE and accepting of the 24+ Advanced Learning Loan as a way to pay for it, whereas older learners will be more wary and sceptical.

Conclusions: maximising take-up

In this section we discuss some of the implications from the research, and identify what could be done to maximise take-up of FE courses from 2013 onwards.

Muslim learners

All learner groups wanted to know how much courses would cost from 2013, but Muslim learners seemed more 'price sensitive' than most. Decisions about learning and funding are often taken collaboratively and may or may not involve the learner; and perceptions of the value of FE varied considerably. With some exceptions, it seems likely that higher course costs will be more of a barrier to take-up of FE than in other groups, regardless of the availability of funding.

With this in mind, it will be important to maximise Muslim learners' motivation to study so that they feel the higher costs are acceptable. Learners of all types tend to research courses and to make an emotional commitment to their course of choice before finding out about costs and funding. This may present an opportunity for communications to ensure that learners' initial enthusiasm is converted into an enduring commitment to pursue FE. Course providers seem well placed to do this, since they are a main point of contact for learners at this stage.

Where a learner's motivation and commitment to study are great enough to make the higher costs acceptable, the appeal of the 24+ Advanced Learning Loan may still be limited, and alternative sources of funding may be needed. There did not seem to be much that could be said to 'sell' the 24+ Advanced Learning Loan to Muslims who did not find it appealing, so for more motivated learners who do not like it, it will be important to draw attention to alternative sources (e.g. informal loans from family members and Committees) that are already in use. These arrangements are generally private, so it may not be possible to influence the availability of this type of funding. However, it might be possible to remind learners that these funding sources are out there, and to provide them with information that will assist them in presenting a convincing case to secure it if it is available.

The disconnect for women Muslims between motivation to participate in FE and decisions about funding also has significant implications for communications. Messages aimed at those who make financial decisions (husbands, parents, parents-in-law) may encourage them to consider the value and benefits of FE more fully than they would otherwise have done, especially if course costs rise. It might be worth exploring further than was possible in this study how these decisions are made and what factors are considered, and whether such information can or needs to be aimed at these decision-makers.

40+ Learners

The reactions of employed 40+ learners to the 24+ Advanced Learning Loan were clouded by negative responses to the removal of the subsidy. These responses focussed as much on the impact that they believed higher course costs would have for society as on the

impact they perceived for themselves. Their beliefs seemed deeply held, and politically and morally tinged, and as such would be difficult to shift.

The implications of this backdrop seem to be a need to increase 40+ learners' motivation and commitment to study so that they clearly perceive the benefits to themselves. As with Muslim learners, the 24+ Advanced Learning Loan may not be the most appealing way to fund study, and increased costs are likely to present a barrier in themselves, so there is a need to emphasise the personal benefits of FE study and to make clear that there are numerous ways to fund it. These benefits may be financial, but they can also be social and emotional factors such as establishing new friends /networks and the pleasure of learning.

At the same time, 40+ learners were financially savvy and it was clear that they will require full and detailed communications about the 24+ Advanced Learning Loan, particularly with regard to repayments and interest rates. It will be important to provide this without suggesting that the loan is the only funding option.

Those who were unemployed, particularly in the medium term, did recognise that the 24+ Advanced Learning Loan could enable them to study and to improve their employment prospects. For this group the communications need is to explain and emphasise the advantages of this type of loan over a commercial loan: these were access to the loan, the relatively high threshold and the low repayments. Reminding them of the reasons why they want to study is also likely to be beneficial.

Apprentices

In many ways the reactions and needs of Apprentices in this research reflected those of learners of similar ages and motivations in other groups. Younger Apprentices and those who were studying in order to progress or change career seemed likely to be least affected by increased course costs and most likely to find the 24+ Advanced Learning Loan an appealing way to fund their study. Older Apprentices and those who were studying for less tangible reasons seemed more likely to be deterred personally, and less likely to find the 24+ Advanced Learning Loan appealing.

All Apprentices were concerned about the impact of increased costs on employers' willingness to fund other aspects of their study. Communications that describe the overall 'package' offered by an employer, and how the 24+ Advanced Learning Loan fits into this, seem likely to be effective for the more motivated (younger and change-seeking Apprentices). Less motivated Apprentices may also need more reinforcement in the form of messages that remind them of the benefits of study (as with the less motivated 40+ learners).

Trade and professional organisations were a significant source of information and advice for Apprentices: it seems likely that communications regarding the changes will be required to assist these organisations in providing advice and support to Apprentices.

Learners with disabilities

The most significant issue for learners with disabilities concerned the costs of any additional transport, materials and support they will require during their studies. They

wanted to be clear about any financial or other support that was available to them from their course provider, local authority, or elsewhere, and how the 24+ Advanced Learning Loan fits into this. There was an expectation that additional support should be available at no cost to the learner; if this was not the case, learners with disabilities wanted to know whether these additional costs could be added to their loan. Otherwise, their needs seemed similar to those of other learners.

Local and national organisations that represent the interests of people with disabilities may play an important role in providing advice to learners with disabilities regarding the 24+ Advanced Learning Loan. There was some demand for information on the 24+ Advanced Learning Loan that was specifically tailored to the needs of people with disabilities.

Implications for communications

In addition to the group-specific points made above, some further points about learners' journeys towards FE need to be taken into account when planning communications. First, it is clear from this study and previous research that learners tend to think about the costs of their course and how best to finance it relatively late in the process. Following on from this, learners tend to choose a course and commit themselves to that decision before finding out about costs. These points suggest that learners will look into funding options with momentum behind them and a degree of urgency and focus on the course that may in some cases help to 'carry them through' the process of obtaining funding and completing their application.

This tendency could be leveraged through communications to maximise the chances of learners getting over the barrier created by higher course fees. This would involve providing clear information about funding options, emphasising that the 24+ Advanced Learning Loan is quick to arrange and funding is more or less guaranteed, but also being clear that alternatives are also available. There is a danger that, faced with higher course costs, some learners will postpone their application until they have researched and considered their funding options, in which case the momentum and commitment could be lost and the learner may not go through with his or her intention to complete the application.

Communications that help learners choose a funding option quickly and easily, provided at the point at which a funding decision is needed, are likely to help maintain their commitment and keep their focus on the course and what they hope to get out of it rather than the costs. Learners mainly look to the course provider for information at this stage, so this would seem to be the most effective channel of communication. Messages delivered at the same time to remind learners of the benefits of FE, and thus bolster their commitment, are also likely to be beneficial.

Potential FE learners vary considerably in the extent to which they understand and have experience of financial products, and loans in particular. As a result we would suggest that the communication needs of the 'savvy' and 'less savvy' are different. Savvy learners (generally older, and higher social grade) will require full and detailed communications about the loan, and particularly in regard to repayments and interest rates. Less savvy learners (generally younger, lower social grade) will be more interested in and motivated by the immediate benefits of the loan, which include no-upfront costs, and repayments linked to earnings.

Another important point regarding communications concerns the transition year 2013. Prospective learners were generally unaware of the likely costs of FE courses at the moment, and those who did know about them were generally accepting of the fees that providers charge. It is quite possible that the same will apply in 2013, if learners take the higher costs in isolation: unless they compare the costs with 2012 costs, they will simply accept them as the norm. Moreover, for many learners the most negative aspect of the 2013 changes was the fact that the subsidy is being removed, not the fact that costs will go up. It may therefore be best to ensure that communications simply present the 24+ Advanced Learning Loan as a new product to help with the costs for FE, and to downplay or avoid mentioning the removal of the subsidy.

Finally, the specific groups covered by this research have relatively distinct social networks, so it would be worth considering a social marketing approach for communicating some of the key messages. This might involve targeting parents groups for the 40+ learners, employers for Apprentices, community and religious organisations for Muslim learners and a range of support organisations for people with disabilities.

© Crown copyright 2013

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. Visit www.nationalarchives.gov.uk/doc/open-government-licence, write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

This publication is also available from www.gov.uk/bis.

Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000

If you require this publication in an alternative format, email enquiries@bis.gsi.gov.uk, or call 020 7215 5000.

URN 13/547