Conceptualisations of value-for-money among graduates at English universities before and after the 2012 rise in fees

Steven Jones

Manchester Institute of Education, The University of Manchester, sj@manchester.ac.uk

Katy Vigurs

Faculty of Business, Education and Law, Staffordshire University, k.vigurs@staffs.ac.uk

Diane Harris

Manchester Institute of Education, The University of Manchester, diane.harris@manchester.ac.uk

Abstract

This article draws on interviews conducted with final year undergraduates at English universities in 2014 and 2015. The 2014 cohort was the last to graduate under a system in which students paid £3,350 per year; the 2015 cohort was the first to graduate under a system in which students paid up to £9,000 per year. In total, 92 detailed interviews were conducted, during which students were encouraged to speak freely about the levels of debt they had accrued, the kind of teaching they had encountered, the workplace relevance of the degree they had undertaken, and their plans for the immediate future. We find a drop in students reporting value-for-money, mostly attributable to the views of state-educated students in the 2015 cohort who did not qualify for bursaries. Two types of institution were sampled, a Russell Group university and a Million Plus university. Students at the Russell Group university were more likely to report value-for-money, and this gap widened following the introduction of higher fees. However, in both institutions, we found students conceptualising debt in complex and unexpected ways, often reporting high levels of uncertainty and disquiet, and attempting to pay off debts perceived as ‘urgent’ before embarking on a career or pursuing postgraduate options. An inadequate or incomplete understanding of the loan repayment model was commonplace, and, as such, findings have implications for both policy and practice. Changes to the funding model appear to have been fully understood and comfortably absorbed by some students, but others remain marginalised and fearful. Unsurprisingly, university is increasingly seen through a value-for-money lens, with consumeristic choices made and the language of the market regularly invoked. However, some evidence of resistance to more instrumental discourses of Higher Education are also observed. Indeed, when invited to reflect on their choices, a commitment to participate was often expressed strongly, especially by students eligible for bursaries. Many statements about value-for-money reflected conflicting underlying feelings towards a system that, on one hand, allows the accrual of human capital increasingly regarded as a prerequisite for job market entry, but, on the other hand, takes an emotional toll on those young people who are most sensitive to debt accumulation and who struggle to conceptualise their longer-term futures with confidence.

Keywords

Value-for-money; student debt; undergraduate fees; student wellbeing.

**Introduction**

We locate Social Justice in close-up Higher Education research by presenting the views of 92 graduands (university students who are about to graduate) at two English universities. We draw on in-depth interviews in which participants were encouraged to reflect on issues such as their student experience, their student debt and their impending transition into the job market or postgraduate study. Changes to the fee structure in English Higher Education have led to growing interest in students’ enrolment behaviour (Wilkins et al., 2013; Wakeling and Jefferies, 2013; Bachan, 2014), and we complement this emerging body of research with evidence about how such changes affect individual students, their experiences and their aspirations. Following the cap increase to £9,000 per year for full-time English undergraduate students studying in English universities, Buckley, Soilemetzidis and Hillman (2015) report that 34% judged their courses to be ‘poor’ or ‘very poor’ value-for-money and only 35% believed that they had received ‘good’ or ‘very good’ value-for-money. For Scottish students studying in Scottish universities, tuition is free, and their perception of value-for-money for their courses is far more favourable. In Scotland, only 6% of the students reported that their courses were ‘poor’ or ‘very poor’ value-for-money, whereas 70% believed that they had received ‘good’ or ‘very good’ value-for-money. This suggests that students’ perceptions of value-for-money are expenditure-related. However, Temple (2014) found that higher fees were not considered to be an issue of over-riding significance for students at Russell Group universities, where students appeared to take the level of fees in their stride. Such acquiescence, however, may partly be a consequence of the students that apply to and are accepted by the Russell Group universities. In her project to examine the extent to which there is fair access to UK Higher Education and to the more prestigious Russell Group universities in particular, Boliver (2013) found that applicants from state schools, lower class backgrounds and/or ethnic minorities were significantly less likely to apply or to receive offers of admission from Russell Group universities compared with their privately educated, whitemiddle*-*classpeers. Buckley, Soilemetzidis and Hillman (2015) identify two further factors that influence students’ perception of value-for-money, namely the amount of independent study they need to undertake and, more importantly, the number of contact hours they have throughout their degrees. For students in England who receive at least 30 hours scheduled contact time, 56% feel they receive good value-for-money but this figure drops to 26% with fewer than 10 scheduled contact hours (2015, p.17).

The UK government’s Green Paper for Higher Education (sub-headed “teaching excellence, social mobility and student choice”) outlined reforms designed to enhance teaching standards, to support an increased number of individuals from disadvantaged backgrounds into university and to improve employment prospects for students more generally (BIS, 2015). It also proposed the establishment of a new “Office for Students” with the explicit remit to promote value-for-money. However Woodall, Hiller and Resnick (2014) claim that value is a ‘slippery concept’ (p48), difficult both to conceptualise and to measure. Their work sought to identify the main ‘value drivers’, but they found that there were subtle differences for home and international students (2014, p63). Wilkins, [Shams](http://www.tandfonline.com/author/Shams%2C+Farshid)and [Huisman](http://www.tandfonline.com/author/Huisman%2C+Jeroen)(2013) suggest that there are increased levels of anxiety in response to the shifting English fee policy, and that this uncertainty will inevitably compel potential students to consider options outside Higher Education.

The changes in Higher Education fees have also impacted on applications for specific subjects and to certain universities. Sa’s (2014) research found that when Scotland removed upfront fees in 2001, there was an increase in applications to subjects/universities that commanded higher expected salaries after graduation. She also identified a larger negative effect on applications for subjects/universities with lower expected salaries after graduation as the result of the increase in fees in England in 2012 (ibid). This emphasis on graduate employment was also identified by Bates and Kaye (2014), who report that students have greater expectations of their career prospects since they have invested considerably more in their degrees in financial terms. A further concern is that of student anxiety over the amount of money they will owe at the end of their degrees, and determination of this final debt is strongly influenced by a student's gender, ethnicity and his or her year of study (Bachan, 2014). The situation is further exacerbated by the apparent lack of detailed knowledge about loans and bursaries, and the repayment systems currently in place do not necessarily alleviate low-earning graduates’ worries about debt (Jones, 2015). In this fast-changing context of English Higher Education, we now offer evidence of change in conceptualisations of value-of-money before and after the 2012 fee rise took effect. By taking an approach involving detailed interviews with students, rather than impersonal surveys and personality tests, we uncover the shifting patterns of logic that underpin students’ engagement with their university and, ultimately, with the opportunities that arise from it.

**Data and Methods**

Our research project aimed to interview 50 final year undergraduate students (25 from a Russell Group university and 25 from a Million+ university, coded as RG and M+ respectively in the data below) in 2014, when fees of £3,350 per year were being charged, and a matching group of 50 students in 2015, when fees of up to £9,000 per year were being paid. All participants in the research were under 25 years old and from one of three backgrounds: (1) independent schools; (2) state schools without qualifying for WP-related funding; (3) state school with WP-related (bursary) funding for at least two years of their programme. A voucher was given to each participant at both universities as a 'thank you'. In the 2015 group, as far as possible, the students were 'matched' with those from the 2014 cohort. This means that we sought to identify participants who were comparable in terms of schooling, gender and programme of study. Where an exact match for programme of study was not possible, we matched more broadly at the level of discipline type. Perfect matches were contacted first and it was not until those students had indicated that they did not wish to be involved (or had failed to reply to the third email invitation) that second choice matches were contacted. Though we gave our interviewees the space to talk about the issues they felt to be most relevant, we chose to prompt them directly with questions about value-for-money. Consumeristic language is used commonly in public discourses of higher education (Buckley, Soilemetzidis and Hillman, 2015), and we wanted to assess the extent to which such thinking was embraced or shunned such by different types of student.

**Analysis**

We begin by outlining overall patterns of response before moving towards more nuanced interpretation of how debt was conceptualised by our participants. When we asked directly whether students felt their degree programme had represented value-for-money, only a handful gave a one-word reply. Most took the opportunity to reflect on both positive and negative elements of their experience before deciding upon an answer to the question. These reflections form the basis of the following analysis. However, the distribution of our 67 answers (21 students were unable to reach a decision) is presented in Figure 1.

**Figure 1: percentage distributions of final year students reporting positive value-for-money, by institution type and year of completion.**

We acknowledge that our total sample size is small and we use distributional information to shape our qualitative analysis only. However, students’ answers to our questions about value-for-money reflected their broader conceptualisations of educational debt, and we noted clear difference between the ways in which students in the lower and higher fee group talked about their experiences of university, their financial situation and what they planned to do next. In total, across both universities, the proportion of students reporting value-for-money fell from 71% in 2014 to 50% in 2015. This fall was sharpest among state-educated students who did not qualify for bursaries (72% in 2014; 40% in 2015). For state-educated students who did qualify for bursaries, a lesser fall was observable (60% in 2014; 56% in 2015). For independent school students, the sample size is very low, but of the trio of students giving a direct answer in each cohort, the number reporting value-for-money feel from three in 2014 to two in 2015. In terms of the difference between university types, the fall in perceived value-for-money was sharp in the Million+ university (69% in 2014; 26% in 2015), but in the Russell Group university, a small rise was noted (73% in 2014; 76% in 2015).

**‘Value-for-money positive’ students**

We begin by considering those students we characterise as ‘value-for-money positive’. Almost 60% of those interviewees who provided a clear answer reported high levels of satisfaction and some were emphatic about their experience (for example, “one hundred per cent [value-for-money]” – M+ 2014, non-WP). Almost half of the 2014 cohort said that would not have been deterred from participation by higher fees. School type was a strong predictor of positivity, with independent school students in both cohorts reporting fewer financial anxieties.

* **RG, 2015, Ind:** I’m lucky enough that my parents are paying the fees for me. I went to a boarding school and that cost £30K a year so £9K a year doesn’t seem very much.
* **M+ 2015 Ind:** My university right now is being funded by my parents so I’m not taking out a loan or anything so it’s not affecting me or them, much. I am concerned about my future and finding a job and being paid what I deserve.
* **RG, 2014, Ind:** *(have you been doing part-time jobs?)* I haven’t, no. My parents are very good in that they felt that uni should just be for uni and so they’ve always said that they would support me to not have to get a job so that I could just go full pelt into my studies and I’ve done that. In this way I’ve been able to do other plays, choirs all that kind of thing which I just wouldn’t have been able to do really if I’d had to have a job. I feel I wouldn’t mind paying whatever the fee if I could have that experience. I’ve got some contacts now and I feel I’m ready to take the next step and I’d far rather be in this position with a lot of debt than, you know, having gone to, I don’t know, done another route and not be as socially confident.

The final student above makes revealing connections between her time at university and the social capital she accrued and is also unusual among interviewees in that she attributes her greater personal confidence to being at university. For WP ‘value-for-money positive’ students, we also find evidence of a more instrumental approach to participation, with students conceptualising the purpose of a university education in terms of enhanced employability and earnings potential. Value-for-money is achieved via cost-benefit analysis, with an undergraduate degree emerging as a sound investment.

* **RG 2015, non-WP:** I think the value-for-money is in terms of what it could return when I get my job. I will have no regrets because I will be better off for doing it.
* **RG 2015, non-WP:** Career-wise it’s probably the investment you need to make.
* **RG 2014, WP:** *(Do financial issues play a part in your decisions about what to do next (e.g. postgraduate study)?* Yes they do. Yes they one hundred per cent do. Like, I’m not particularly from an affluent background so therefore I am very mindful that when I finish university I have to be very self-sufficient in order to continue paying off my debts. So one of the main reasons why I’m going into the career I am, even though I’m not particularly romanticised by the accounting career, it is because there is good prospects, good economic prospects by joining that career.

Our interviewees demonstrated an awareness of the rising proportion of the population holding degree-level qualification and frame higher education as a ‘normal’ level of attainment. They generally sought to financialize their university experience in terms of its workplace utility rather than through their personal growth, possibly a reflection of public discourses that increasingly instrumentalise participation rather than accentuate its capacity to enlighten or transform. For 2014 students in particular, higher fees might not have precluded participation but would have changed the degree programme undertaken.

* **M+ 2014, non-WP:** Yeah I think it was three and a half [for me] and then the next year it went up. I don’t think I’d have done my course that I did do - I’d have done something a lot more academic I think if I did go. I don’t think I’d have done photography, no way.
* **RG 2014, WP:** I’d only come to university now if it was the nine thousand if I was going for a job that would, if it was a degree that would pay me quite a bit of money if you see what I mean.
* **RG 2014, WP:** I don’t think I would’ve come to university with the nine grand and if I would have it would have been something vocational I think.

Overall, we found that that ‘value-for-money positive’ students were most likely to be those from schooled in the independent sector and were best equipped to conceptualise their degree as an investment that would ultimately yield a positive return. Subject choice was often determined by rational economic thinking and many students were aware that a degree was increasingly perceived as a ‘normal’ level of education for the kind of career being targeted. Not being ‘particularly romanticised’ by either university or the job it led to was common among interviewees in both cohorts. However, a striking difference was that students in the 2014 cohort framed their positive value-for-money in relation to that of future cohorts.

**‘Value-for-money negative’ students**

We now turn to those students that we characterise as ‘value-for-money negative’, many of whom reported high levels of financial anxiety. For example, “there’s a lot to pay back - it is a lot of money” (RG 2015, non-WP) or, more bluntly, “I’m in the deepest pit imaginable” (M+ 2015, WP). Evidence suggests that financial concerns influence the way students’ long-term futures are self-conceptualised. Needing to return to the parental home was a common theme, and fears about being eligible and/or able to afford a mortgage were also frequently expressed.

* **RG 2015, non-WP:** Yeah and I wasn’t expecting to have to [move back to my parents’ home]. I thought that when you got a degree you then instantly moved out. I didn’t realize that I’d have to go back.
* **M+ 2015, non-WP:** I am desperate to get a job. I suppose it’s a bit daunting that I’ve got such a big debt to pay off and that’s going to be coming off my pay cheque once I’m earning a certain amount. I think also it affects when you look at a house I think because for a mortgage, I think they look at your debt history.
* **M+ 2014, non-WP:** I do worry about the financial situation because I went to university obviously hoping to get a better job but I’ve sort of, like, I’m graduating this year and really I’m no better off than I was before. In fact, I dislike technically that I’m in debt now so it’s not been very helpful.

Students conceptualised their life course cautiously and often with despondency. However, financial anxiety was not limited to the future. Many interviewees had experienced hardship during their degree. The two statements below, supplied by students from different background attending different universities – are similar in that they describe a shortfall in income that resulted in them being unable to meet basic living expenses.

* **RG 2015, non-WP:** When I came to university, I was expecting that the loan that you were given was enough, but it really isn’t. Like all I get is the maintenance loan which I think is £3K and something and I spent £4K so I didn’t realize that I literally wouldn’t be able to afford it and I’ve had to ask my parents for money.
* **M+ 2015, non-WP:** If you get the minimum amount it doesn’t even cover your rent. I mean it’s very cheap where we live at the moment and my loan does cover that but I have to get the food from somewhere else. Where are you going to get that money from?

When evaluating value-for-money, injustice was also identified across time. Students in both the 2014 and 2015 group remarked on the rapidity of the increase of the fees, and bemoaned its perceived unfairness. A common response to questions about value-for-money was to draw comparisons with family members who participated in higher education under a different model. This often acted as a catalyst for annoyance, especially the long-term prospect of members of the same family repaying different levels of debt for different periods of time under different settlement models.

* **RG 2015, non-WP:** I’ve got an older brother who got an entire degree for the price of one of my years.
* **M+ 2015, non-WP: M**y sister went to uni ten years ago as well so she paid like the £3K and I can’t see that anything has substantially changed from how her course was and how my course is now. So I don’t think it was worth the money.
* **RG 2014, WP:** I mean my brother’s in university and he’s paying nine grand a year and he’s like “why?”

Fewer comparisons were drawn with students elsewhere in the UK, though one interviewee noted that “it is annoying to hear that in, like, Scotland it’s free” (M+ 2015, WP). Discontent was more likely to be triggered by localised contrasts. The rapidity of change makes temporal contrast difficult to avoid, and the focus of attention was often on divisive contrasts within families or between friends. The prospect of more variable fees may exacerbate such responses.

**Conclusion**

The evidence we present here is no more than a first step towards capturing how young people are responding to fundamental changes in the way that English higher education system is funded. Having conducted detailed interviews with students from a range of backgrounds, we find no single voice emerging. At one end of the spectrum, some students report that higher education represents good value-for-money because the price is lower than the independent school they attended. At the other end of the spectrum, other students report severe financial hardship and express bitterness toward the substantial debts that they have accrued. In between these two extremes lie a large body of students who have worked hard to minimise their debts but feel constrained and anxious about their financial predicament and limited in terms of their next steps. Creative ways are often found to conceptualise this predicament. The ‘gap year’ is repositioned as a period to consolidate and repay urgent debt; the parental home, where possible, is framed as sanctuary; postgraduate study, even when an academically viable route, is deferred or declined.

By interviewing students graduating in comparable subjects across different types of institution, we were able to assess the extent to which attending universities that belong to different mission groups affected how students conceptualised value-for-money. Findings here were less clear cut, and issues of intersectionality require a larger sample before meaningful conclusions can be reached. Our evidence indicates that, as fees rise, Million Plus universities face a greater challenge to justify their worth than Russell Group universities. However, we note that patterns are not uniform, and arise largely because of dissatisfaction in the Million Plus university among WP students. Similar students attending the Russell Group university, particularly those in receipt of a bursary, responded more positively to questions about value-for-money. Indeed, the potentially divisive implications of rapid changes to funding change many students’ conceptualisations of higher education. The type of university attended is seen less as a reflection of the student’s academic potential and more as the consequence of educational and socio-economic background. The student’s choice of degree course is less a reflection of their love for a subject and more a product of graduate employment prospects. And universities are more likely to be seen through a value-for-money lens, as students succumb to pressure to draw consumerist comparisons between courses and institutions. Despite this, we find some evidence of resistance to dominant, instrumental narratives of higher education. Though financial apprehension levels were almost universally high among the state-educated students that we interviewed, regardless of university type, discipline or fee level, we also found a persistent commitment to self-improvement via higher education, a desire to maximise personal growth as well as employability, and self-conceptualisations that positioned students not as individuals competing with one another in an over-crowded job market, but as a generation of young people coping with a new Higher Education landscape and the prospect of greater levels of education-relation indebtedness.

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