

# All-Party Parliamentary Group for Students – Cost of Living inquiry: UCAS submission

## About UCAS

As an independent charity, UCAS, the Universities and Colleges Admissions Service, strives to empower students to make the best decision for them by making choices clearer. Our significant role as the gateway to post-secondary opportunities allows us unparalleled insight into the mindset of young people and mature students. We are aiming to bring parity to all post-school options, and each year more than 1 million students register with UCAS for support progressing to university, college, apprenticeships, or employment.

Our admissions services span undergraduate, postgraduate, technical, and apprenticeship pathways, with the undergraduate service alone supporting over 700,000 students a year from over 200 countries and territories to access UK higher education (HE).

The evidence submitted in this document has been collected through the various established touchpoints UCAS has with individuals who are interested in HE and training. It is worth noting that the survey population comprises of those who engage with UCAS; as such, it will not be representative of the whole population. There may be a cohort of individuals who have chosen not to engage with HE and training (and therefore UCAS) because of increasing living costs.

## Summary of key points

In November 2022, UCAS surveyed a range of prospective applicants that had registered an interest in progressing to higher education, with the findings outlined below. We are conscious that this reflects the thoughts and experiences of those that have made this commitment, and that some students may not have reached this point.

- **There is an opportunity to fill an information gap:** Only 11% of prospective applicants domiciled in the UK recall receiving information and advice about the cost-of-living, and prospective applicants would welcome more information about the financial support available whilst in study.
- **Open day attendance is being affected due to rising living costs:** Open days can be a vital source of information and guidance for applicants. However, almost two in five prospective applicants domiciled in the UK have reduced the number of open days they attend, and 5% did not attend any open days due to the associated costs. Prospective applicants from the most disadvantaged backgrounds were more likely to cut down on open day attendance. We would continue to encourage universities, colleges, and government to consider how we can facilitate access to these.
- **The desire to go to university or college remains strong, with subject choice slightly affected:** Although choice of subject is generally a 'set' decision, some are reevaluating this to reflect a greater interest in employability and graduate prospects. For example, we continue to see growing demand for courses such as Computer Science, which are perceived to offer high employability.

- **University or college choice may be revisited:** There is evidence that living costs are having an impact on university or college choice e.g., prospective applicants from the UK are considering living at or closer to home considering the increasing cost-of-living.
- **Expectations about the student experience are being impacted:** Over a half of prospective applicants domiciled in the UK say they have lowered their expectations of student life (51%), and almost three in five (58%) are considering getting part-time work in light of the rising cost-of-living.

## Recommendations

It is UCAS' view that student choice risks being constrained by cost-of-living considerations. We believe the following measures could help reduce this risk:

- As previously referenced in UCAS' response to the HE policy statement and reform consultation [response](#), Government to **create a transition fund** to support individuals in managing up-front costs prior to access to student finance. This could be delivered directly to students via a voucher scheme or as an addition to the [16-19 Bursary Fund](#).
- UCAS, universities and colleges and other information providers to provide a **constant drumbeat of information and advice** to build understanding and confidence about how to manage costs as a student. This could include pre and post-enrolment information, from how to attend open days and apply for bursaries to real-time data about living costs at regional/ city level, information about part-time job availability, and financial and pastoral support.
- Universities and colleges to **ensure that information provision about the financial implications of higher education**, and related support available, are a core part of their engagement with prospective students. This would include information on scholarships and bursaries.

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## Context and background

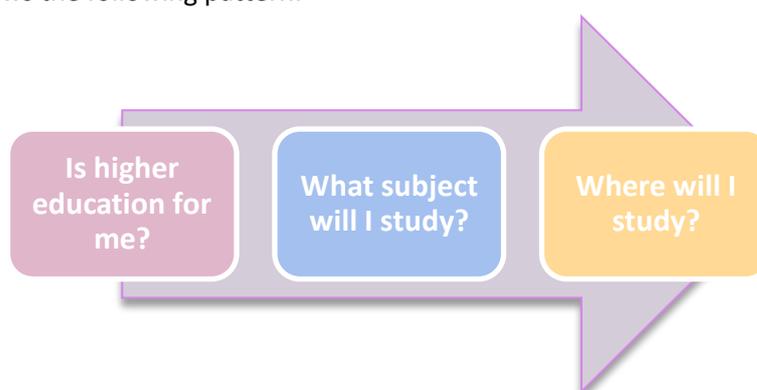
Living costs for students have increased by 14% since 2021 with four in five students worried about 'making ends meet' ([Save the Student](#)). Half of the current student population is facing financial difficulties, and three in ten students have taken out new debt in response to the rising cost-of-living ([ONS data](#)). The increasing cost-of-living is impacting on the mental health of students enrolled in HE, with nine in ten students affected by it ([NUS](#)). Rising living costs also pose a threat to the progress made in increasing access for underrepresented groups. Million Plus [research](#) has identified that Black and mature students are the two groups most at risk of impact of the rising costs. Similar [research](#) has also identified older students, PG students, and students with caring responsibilities to be at risk.

Most of the research so far has focused on the impact of the rising cost-of-living on current students. This leaves a gap in understanding of if and how the rising cost-of-living has impacted the behaviour of those at an earlier stage in their education journey. That's why UCAS carried out a study in November 2022 to identify how the rising cost-of-living is affecting the decision-making patterns of prospective applicants to UK HE.

The evidence presented below has been collected through a bespoke survey to more than 6,800 prospective applicants in November 2022, alongside analysis of 'New Applicant' and 'Student Lifestyle' surveys that are conducted by UCAS every year. To bring further perspective and context, UCAS also conducted focus groups in November 2022 to provide further qualitative insight.

Furthermore, UCAS projects that we could see one million applicants to higher education this decade due to the rising UK 18-year-old population and increased demand for UK HE from international students. In this increasingly competitive environment, there is a risk that it is the lesser supported groups of students that lose out. Concurrent rises in living costs may exacerbate the challenges posed by the increased competition, particularly on supply side elements such as financial support and accommodation.

Previous [UCAS research](#) identified that the decision-making process of a school leaver typically follows the following pattern:



The evidence provided below has been categorised according to this decision-making process. The document also shares evidence on the impact of the cost-of-living on expectations prospective applicants hold about their HE experience and the adjustments they are planning to make to overcome the challenges posed by the rising costs.

It is worth noting that the survey population comprises of those who engage with UCAS; as such, it will not be representative of the whole population. There may be a cohort of individuals who have chosen not to engage with HE and training (and therefore UCAS) because of increasing living costs.

## Findings

### Decision to go to university or college

#### *Going to university or college can be a strong commitment*

Our research shows high awareness of the potential implications of cost-of-living and the impact this may have on their experience of higher education. Prospective students are pragmatic and determined to progress, adjusting their anticipated experience to offset the impact of cost-of-living. In comparison, prospective international students are less likely to be concerned about the implications of cost-of-living on their progression. There were no notable differences in the intent to progress between the most and least disadvantaged groups.

For some, university is a goal that cannot be disrupted – their belief in HE is unwavering – a degree is a route to prosperity, a means to higher earnings and security in the future. For others, there is the belief that the broader economic situation will only worsen, so now is the best time to pursue HE.

However, a minority of applicants we engaged with highlighted an array of concerns regarding the increasing of cost-of-living on their progression, including, moving to a new place, and paying living costs such as utility bills. Some students worry that studying full time means less hours to work, and consequently less income to afford expenses.

Some prospective applicants are also evaluating other options, such as an apprenticeship of employment. Nearly 1 in 10 prospective UK domiciled applicants said they are considering apprenticeships instead of HE due to the increasing cost-of-living.

#### *Upfront and immediate costs are a greater concern than tuition fees*

As UCAS has [highlighted](#) previously, students incur many costs in transition as well. It is up front and immediate costs that are of greater concern to students (61% of students worry about these), as opposed to tuition fees. These costs could include accommodation deposits, setting up a new house, buying course material etc. The typical budget for pre-HE costs estimated by the students is between £2,000 and £3,000. As such, increasing living costs are likely to increase the upfront costs and burden for students.

UCAS has also [highlighted](#) previously that the current funding model incentivises full-time study, and young people with an interest in HE as compared to mature students who may have more family and financial responsibilities. We welcome the [recent announcement](#) by Government about implementation of the Lifelong Loan Entitlement. Expanding maintenance support across all eligible L4-6 technical and part-time courses will provide parity of support across all post-secondary progression pathways.

## Choice of subject

Since the start of the pandemic, UCAS has [noted](#) an increased interest in graduate employability – this trend continues into 2023. Whilst enjoyment of subject remains the number one influencing factor, UCAS' 2023 New Applicant Survey finds the proportion of applicants citing careers prospects as critical to their subject choice has increased this year by four percentage points.

UCAS' 2023 January deadline data depicts [strong variations](#) by subjects across all ages and domiciles. Robust growth in applications can be noted in courses such as computing, law, and engineering and technology, whereas demand has fallen for courses such as nursing, and education and teaching, where [graduate salary returns](#) can be modest, or perhaps, demand is readjusting after a peak seen during the pandemic.

## Choice of university or college

Some individuals are re-evaluating provider choice based on location, distance from home, and living costs. Even in some cases where students do not directly link cost-of-living to their choice of university or college, conversations during focus groups highlighted that it is in fact affecting those decisions. Open day attendance is also being affected due to rising associated costs.

### *Living at home*

In any given year around a third of UK domiciled students choose to live at home. When we look at this by age, we see a quarter of 18-year-olds choose to remain at home, compared to two thirds of those aged 25 or over. In addition, we also see that half of the most disadvantaged students (IMD quintile 1) live at home, compared to a fifth of the most advantaged (IMD quintile 5).

As a result of increasing living costs, more than one in four (26%) prospective applicants domiciled in the UK told us that they are considering choosing a university or college closer to home and a similar proportion are considering living at home (24%). However, when pressed further, it seems that this cohort sees moving away from home as, for the most part, a non-negotiable part of the university or college experience – only one in ten see choosing a university or college close to them as a likely outcome.

That said, the proportion of applicants who applied by UCAS' 2023 January deadline that have a live at home choice has increased, most notably for those aged under 21. For this age group, the number has risen to 38% (+2.2 percentage points from 2022). This trend has been seen almost equally across all backgrounds when looking at indices of multiple deprivation (IMD) across the four nations, although the largest increase when averaging across the UK is for IMD quintile 1, the most disadvantaged young people, rising 2.7 percentage points to 60% with a live at home choice.

In 2022, we know that over 20,000 people used Decline My Place to release themselves from their confirmed choice and found a place on a different course. Of these, 52% found a place closer to home than their released choice, so we can expect people to continue making decisions about the location of their university or college choice later in the cycle.

### *Cutting back on open days*

Almost two in five prospective applicants domiciled in the UK (39%) say that they reduced the number of open days they would have liked to have attended due to costs (train tickets etc). 5% of UK respondents did not attend any open days due to cost. Whilst virtual visits are valued by some, only around half of this group saw these as a good alternative. Reasons cited by those not using virtual open days cover the fact that whilst virtual open days work well for giving an understanding of the course itself, they lack insight about other important details for applicants such as the campus facilities and getting a feel for student life.

When categorised according to subject choice, prospective students applying to historical, philosophical, and religious studies, and for design, media and creative subjects are most likely to have cut down on the number of university open days they attended. Whereas those choosing computing, mathematical sciences, and physical sciences are least likely to do so. Additionally, prospective applicants from the most disadvantaged areas are more likely to cut back on open days due to increasing costs, in comparison to those from least disadvantaged areas (42% of POLAR Quintile 1+2 vs 35% of POLAR Quintile 4+5).

### **Adjustments to university or college experience**

*“I have always wanted to go to University, and it is what my family would have wanted too. Increase in price doesn’t change my decision but only makes the journey a little harder.”  
(Focus Group Student)*

Our insight work suggests that an impact will be felt in expectations as to the likely student experience. Over a half of prospective applicants from the UK say they have lowered their expectations of student life (51%). This is partly due to considerations around part-time work, and partly because of the extracurricular activities that students will have to scale back on.

#### *Part-time work*

In light of the rising cost-of-living, prospective applicants domiciled in the UK are considering getting part time work whilst at university (58%), part time work before university (40%), applying for financial support (40%), choosing a university closer to home (26%), or living at home (24%). This means that the availability of part-time work may become a critical piece of pre-application information. According to UCAS’ ‘Student Lifestyle’ survey, 43% of existing students are already working part-time because of rising living costs. Prospective applicants are aware of the likely knock-on effect of part-time work – 66% expect to have less time available to study and 68% expect to have less time to socialise.

#### *Extracurricular activities*

Extracurricular activities enhance the student HE experience. Yet, 52% of prospective applicants domiciled in the UK and considering university or college in 2023 are expecting to scale back on extracurricular activities, and 77% are expecting to cut back on other activities.

### **Gap in information and advice**

Another theme arising from the findings is lack of information and advice received by prospective applicants from universities or colleges. Only 11% of prospective applicants domiciled in the UK recall receiving information and advice about living costs; and yet,

according to UCAS' January 2023 'New Applicant' survey it is now the second most important lifestyle factor behind location.

Aspiring HE students are looking for practical tips on how to live day-to-day at university or college, and for areas where they can reduce costs, and UCAS is providing a range of new information, advice and guidance to support students in this area. Prospective applicants domiciled in the UK would like information about student discounts (77%), how to budget at university (58%), the availability of financial support (57%), bursaries/ scholarships (56%) and how to find a part-time job (47%). Meanwhile, prospective international students are looking first and foremost for information on bursaries (71%).

There is variation across student groups within the UK. Prospective Welsh applicants are much more likely to find availability of financial support (41%) and good accommodation to be important (33%) when choosing a university. Prospective Scottish applicants, on the other hand, are less interested in accommodation information (13%) but more likely to find the opportunity to study abroad (23%) to be important.

We believe that information regarding the financial implications of progressing to higher education, and the support available, should be a core part of the engagement strategy of universities and colleges for prospective students. Throughout the remainder of the 2023 entry cycle, UCAS will continuously engage with universities and colleges to share the latest sentiment of applicants to help shape their engagement, and collaborate with them to maintain confidence amongst prospective applicants to UK HE.