

What impact did media reporting of the near trebling of tuition fees have on school students' understanding of the costs and benefits of university? A CEP experiment run by **Sandra McNally** and colleagues sheds light on this question as well as on broader issues about the importance of clear information about the value of higher education.



Student awareness of the costs and benefits of higher education

Applications for university places are down for the 2012/13 academic year, but it is too early to assess the impact of the near trebling of tuition fees on demand for higher education or on socio-economic inequality. In recent research, we have aimed to find out what school students know about the costs and benefits of going to university – and what would be the impact on their knowledge and aspirations of an ‘information campaign’.

We invited all secondary schools in London to take part in the study. Of these, 54 schools participated in the main evaluation, which took place during the 2010/11 academic year. The participating

schools were above average in terms of GCSE performance and relatively less deprived as measured by the percentage of students eligible for free school meals.

At each school, all students in year 10 (14/15 year olds) completed a 40-minute survey (under exam conditions). Eight to 12 weeks later, they completed a very similar survey. In between the two periods, some schools were given an information package about the costs and benefits of staying in education, whereas other schools were given the package after their students had completed the second survey.

The focus of the survey was on the costs and benefits of staying in full-time education, with a particular emphasis on

university. The fieldwork took place at the time that the hike in fees was announced, so the results show not only the impact of the information campaign but also the short-term impact of media reporting of the fee increase. We measure media reporting as the number of articles about fees that appeared on the BBC website between January 2010 and the survey dates (which varied across the schools so that students had different levels of exposure to the media).

The information experiment

Schools were randomly assigned to two groups: ‘treatment’ schools, which got the information package between the two surveys; and ‘control’ schools, which got it



later. The purpose was to test whether students in treatment schools showed any change in knowledge and aspirations compared with students in control schools. We chose Year 10 because these students do their GCSE exams one year later (at the end of Year 11) and are already making important decisions about what to do subsequently.

The central component of the information package was a password-protected website ('Whats4me'), designed to convey simple information about the costs and benefits of staying in education – including the likely improvement in earnings capacity and employment prospects, and information about fees, loans and maintenance grants.

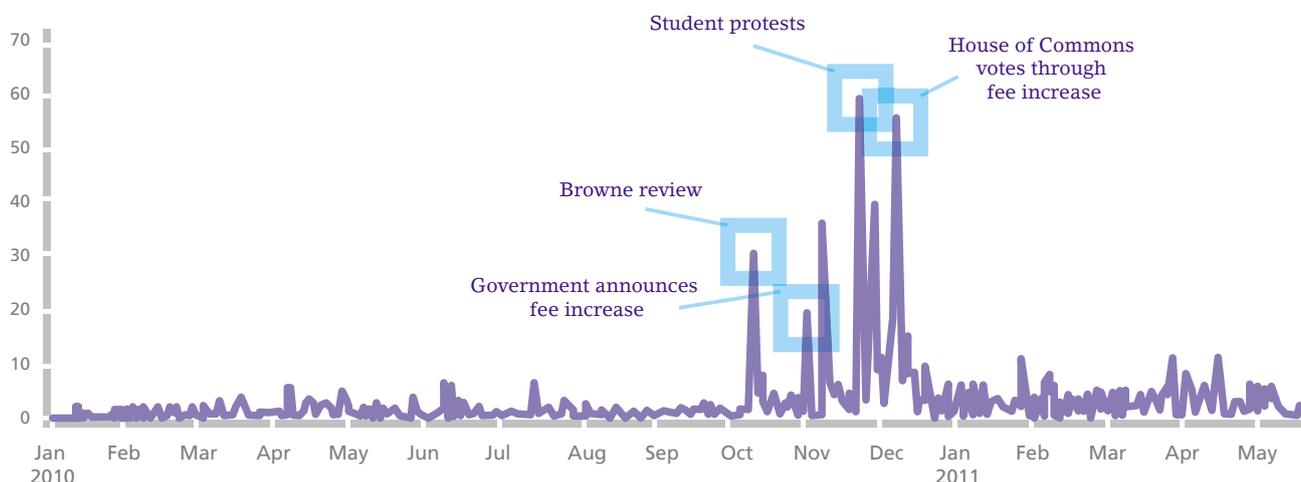
The website was updated with any

announcements about university finance as they occurred. By chance, the project coincided with major changes. First, the independent review of higher education and student finance led by Lord Browne of Madingley reported in October 2010. The most controversial of its recommendations – that the cap on fees, which had risen to £3,300 per year at the time of the review, should be removed altogether – received a great deal of press attention.

The government response came shortly afterwards, in November 2010, with the announcement that fees would not be unlimited but capped at £9,000 per year, and that government funding for certain subjects would be removed altogether so that they would be funded entirely by fees. Again, this announcement

There are substantial gaps in school students' knowledge of very basic facts about the costs and benefits of staying in education

Figure 1:
BBC reports on tuition fees



Misperceptions are easily corrected: a light-touch information campaign can have sizeable effects on student attitudes

received a great deal of press attention, with much coverage focused on the potentially negative effects of the fee increases on student participation.

Media reporting is illustrated in Figure 1, which counts the number of articles on the BBC website that mentioned fees between January 2010 and the time of our second survey. The fee increases were met with a great degree of public anger, including a protest by tens of thousands of students and lecturers in November 2010. Nevertheless, the rise in fees was successfully passed through parliament the following month.

The fortuitous timing of our project made it possible to test the impact on students' knowledge and aspirations of both our information campaign and media reporting. One crucial difference between our campaign and media reporting is that the latter emphasised the huge rise in fees, without always mentioning the favourable terms of loans and the availability of grants (see Table 1).

There are three main aspects of our results:

- The poor state of knowledge in participating schools.
- The effects of our information campaign and media reporting, which often work in opposite directions.
- The difference in how information from both sources affected students from different backgrounds. To illustrate this, we report differences between students in independent and selective state schools and students in comprehensive schools.

We also report differences between students eligible for free school meals and other students in state schools.

The state of school students' knowledge

The first column of Table 2 shows the percentage of students in the first or 'baseline' survey who agreed with statements in five categories: knowledge of student finance; perceived importance of financial constraint; opportunity cost; knowledge about the benefits of staying in education; and future intentions.

For example, answers to the 'knowledge' questions (of student finance and the benefits of staying in education) indicate that fewer than half of students knew that fees are paid after university and once they have a job. Similarly, fewer than half regarded student loans as a 'cheaper/better way to borrow money than other types of borrowing'.

While most students realised that staying longer in education increases the probability of finding a job, about one in five did not know this. Furthermore, many

students did not realise that expected earnings vary depending on the subject they study and the university they attend. This matters because ill-informed students might not take their education seriously enough.

Previous research has shown that what determines whether students go to university is largely set before they finish their compulsory education (at the end of Year 11). So we should not be waiting until exams have been sat and subject choices made before ensuring that students have the correct information on which to base their future decisions. The fact that careers information classes are not specifically resourced or required by government does not help create the right incentives for schools.

Effects of the information experiment and media reporting

The second and third columns of Table 2 show the effects of the information experiment and media reporting. These are estimated by comparing pupils in the

Table 1:

Basic facts about financing university education

Tuition fees

Universities are allowed to charge up to £9,000 per year. Tuition fees are deferred, meaning that students do not have to pay their fees upfront, but instead can borrow the full amount from the government under generous terms.

Maintenance loans

These loans are means-tested, according to the parental income of the student. In 2012/13, the maximum student loan available will be £5,500 per year, and the minimum amount, available to all students regardless of parental income, will be £3,575 per year. Student maintenance loans are repaid in the same way as tuition fee loans.

Maintenance grants

Some students are entitled to maintenance grants, which do not have to be repaid. Students whose parental income is less than £25,000 per year are entitled to £3,250 per year. As parental incomes rise, the grant entitlement is reduced, so that students whose parental income is over £42,600 per year receive nothing.

Repayment of fee and maintenance loans

Students do not have to repay their loans until they have graduated university and are earning £21,000 per year. Then, they repay 9% of their earnings over this amount, which will usually be deducted from their earnings automatically in a similar way to income tax. A graduate earning £25,000 would repay £360 per year. Repayment continues for 30 years or until the graduate has repaid the loan in its entirety. Interest is added onto the loan each year, on a means tested-basis. Graduates earning £21,000 or less per year will incur no interest, while graduates earning £41,000 per year will incur interest of 3% per year; interest is tapered between 0% and 3% for those earning between £21,000 and £41,000.

Table 2:
Effects of the information campaign and media reporting

	Mean at baseline	Effects of the information experiment	Effects of media reporting
Knowledge of student finance			
Know that university fees are paid after university and have a job	46%	+5.8%	+9%
'Student loans are a cheaper/better way to borrow money than other types of borrowing' <i>Agree</i>	48.6%	+7.6%	0%
Perceived importance of financial constraint			
Would the financial cost of staying in education prevent you from staying on in education after Year 11? Yes	11.7%	-3.9%	+2.4%
Would the financial aspect of going to university make you think of not applying? Yes	25.7%	-5%	+6.5%
'Going to university is too expensive for me and my family' Yes	22.2%	-2.2%	+6.6%
Opportunity cost			
'Going to university would mean waiting too long before I could earn a full-time wage' <i>Agree</i>	24.3%	-3%	+0.02%
Knowledge about the benefits of staying in education			
Better chance of getting a job if stays on to 18 <i>Agree</i>	79.8%	+2.3%	-0.6%
Better chance of getting a job if goes to university (compared to leaving at 18) <i>Agree</i>	80.4%	+3.3%	+1.6%
Will earn about the same no matter what university subject I study <i>Agree/don't know</i>	42.7%	-5.2%	+1.9%
Will earn about the same no matter what university I go to <i>Agree/don't know</i>	53.4%	-5.6%	+2.7%
Future intentions			
Plan to stay on in full-time education after age 16	77.9%	+2.9%	-2.1%
Think it is very or fairly likely that they will ever apply to go to university to do a degree	87.4%	-0.3%	-1.7%
Think it is very likely that they will ever apply to university to do a degree	59%	+0.6%	-4%

Notes: The data cover 54 schools and over 12,000 students.
The numbers in bold are statistically significant at 5% level.

treatment and control schools and taking account of some baseline characteristics.

The information experiment and media reporting worked in the same direction for knowledge of when fees are paid, increasing the probability of correctly understanding the basics of when fees are paid by 5.8 and 9 percentage points respectively (from a baseline of 46% of students, who knew the right answer in the first survey).

Moreover, our information experiment increased the probability of agreeing that 'student loans are a cheaper/better way to borrow money than other types of borrowing' by 7.6 percentage points (from a baseline of 48.6%) while media reporting had no effect.

For the perceived importance of

financial constraints on staying in education, the information experiment and media reporting had opposite effects. Our information campaign led students to think that staying in education would be affordable (loan conditions and grants were carefully explained) whereas media reporting led students to think that going to university would be 'too expensive'.

This difference is evident in all three questions on perceived financial constraints. The information experiment reduced negative perceptions of affordability across the board – for example, the proportion of students put off by financial aspects of university fell by five percentage points.

Media reporting, on the other hand, increased the negative perceptions of

affordability in all cases. For example, the proportion of students put off by financial aspects of university increased by 6.5 percentage points. This is a sizeable impact when put alongside the baseline level of agreement of 25.7%.

The information experiment had a downward effect on the perceived opportunity cost of going to university while media reporting had virtually no impact on responses to this question.

On knowledge about the benefits of staying in education, media reporting had no effect that is statistically different from zero. But the information experiment increased the probability that students perceive that they have a better chance of getting a job if they stay in education to the age of 18 or if they go to university.

Students at independent schools are much less likely to feel financially constrained than students at comprehensive schools



At the same time, the information experiment reduced the probability of agreeing with incorrect statements about choice of subject and university by 5.2 and 5.6 percentage points respectively (from baseline values of 42.7% and 53.4%).

Finally, the information experiment had an impact on whether students plan to stay in education – but it had virtually no impact on university intentions. But the effect of media reporting was to reduce the probability of stating ‘it is very likely I will ever apply to university to do a degree’ by four percentage points. It is worth noting that future intentions about staying in education are much higher than what is likely to transpire in reality, as has been shown in the Longitudinal Survey of Young People in England.

Our results indicate that media reporting and a fairly ‘light-touch’ information campaign have quite sizeable effects on student attitudes – at least in the short term. Of course, this does not necessarily translate into behaviour. But there is certainly a strong correlation between students’ attitudes and their subsequent behaviour.

On the negative side, the experiment shows substantial gaps in student knowledge about very basic facts about the costs and benefits of staying in education. More positively, it shows that such gaps can be easily filled – and in a cost-effective way.

If there is a chain of causation between student beliefs about the affordability of higher education and how hard they work to ensure they can access opportunities, then informing students

properly might also be a way of improving performance at GCSE.

Different effects by socio-economic group

To explore differences across socio-economic groups, we focus on the survey questions about the perceived importance of financial constraints in making decisions about education. We look at how students reacted to the information experiment and media reporting according to whether they attend independent and selective state schools or comprehensive schools, and whether they are eligible for free school meals.

Table 3a shows how students reacted according to school type. The first column shows that there are very large gaps at baseline. Students at independent and

Table 3a:

Effects: independent and selective state schools compared with comprehensive schools

	Mean at baseline	Effects of the information experiment	Effects of media reporting
Independent and selective state schools (18 schools)			
Perceived importance of financial constraint			
Would the financial cost of staying in education prevent you from staying on in education after Year 11? Yes	5.5%	0.3%	+1.7%
Would the financial aspect of going to university make you think of not applying? Yes	18%	-4.5%	+2.3%
‘Going to university is too expensive for me and my family’ Yes	13.1%	-1.1%	+2.2%
Comprehensive schools (36 schools)			
Perceived importance of financial constraint			
Would the financial cost of staying in education prevent you from staying on in education after Year 11? Yes	13.6%	-5%	+3.8%
Would the financial aspect of going to university make you think of not applying? Yes	28.1%	-5.2%	+5.6%
‘Going to university is too expensive for me and my family’ Yes	25%	-2.2%	+6.6%

Perceptions of the affordability of higher education have widened between different socio-economic groups

selective state schools were much less likely to feel financially constrained than students at comprehensive schools: 5.5% of students in independent and selective state schools were put off staying in education by the cost compared with 13.6% in comprehensive schools.

For higher education, 13-18% of students in independent and selective state schools were put off by the cost (depending on how the question is asked) compared with 25-28% in comprehensive schools. The impact of the information experiment was stronger in comprehensive schools for these questions, reducing the probability of feeling constrained by finances by around five percentage points.

But the clear difference between school types comes with students' reactions to media reporting. Although the difference is evident for all three questions, it is statistically significant for the statement 'going to university is too expensive for me and my family'. The impact of media reporting was to increase the perception of unaffordability by 2.2 percentage points in independent and selective state schools but by 6.6 percentage points in comprehensive schools.

This gap is also reflected in changes in aspirations to go to university (which are not shown in the table). There was no change in independent and selective state schools but a fall of three percentage points in the number of students in comprehensive schools who think they will ever apply for university.

These attitudes could influence efforts to work hard for GCSE exams a year later and/or actual decisions about staying in education. In this case, it would mean that increases in fees – and how these increases have been reported – widen gaps in participation in higher education between different socio-economic groups.

Table 3b reports effects according to whether or not students in state schools are eligible for free school meals. The differences in the baseline survey are not so striking for the two groups: students eligible for free school meals are a little more likely to say that cost would prevent

them from staying in education post-16 or going to university.

But there is a striking difference in how the two groups respond to media reporting. It greatly increases the extent to which students eligible for free school meals perceive university as unaffordable. When asked 'would the financial aspect of going to university make you think of not applying?', media reporting increases the probability of saying yes by 9.9 percentage points for students eligible for free school meals, whereas it only increases by 3.1 percentage points for other students.

The findings are very similar in response to the statement 'going to university is too expensive for me and my family'. This suggests that the reaction to media reporting was more severe for those from poorer backgrounds, in turn widening the perception gap between different socio-economic groups, even though the changes have been designed to protect students from poor families (through grants). If perceptions translate into behaviour, this would have serious implications for equity and intergenerational mobility.

Of equal interest are the different effects of the information experiment on the two groups. For students eligible for free school meals, our information experiment reduced the probability of saying 'yes' to the question 'would the financial aspect of going to university make you think of not applying' by

Table 3b:

Effects: students eligible for free school meals compared with other students in state schools

	Mean at baseline	Effects of the information experiment	Effects of media reporting
Eligible for free school meals (744 students)			
Perceived importance of financial constraint			
Would the financial cost of staying in education prevent you from staying on in education after Year 11? Yes	15%	-6.5%	+3.3%
Would the financial aspect of going to university make you think of not applying? Yes	27%	-12.9%	+9.9%
'Going to university is too expensive for me and my family' Yes	26%	-10.4%	+11.4%
Other students in state schools (3,186 students)			
Perceived importance of financial constraint			
Would the financial cost of staying in education prevent you from staying on in education after Year 11? Yes	12%	-2.4%	+2.3%
Would the financial aspect of going to university make you think of not applying? Yes	28%	-1.8%	+3.1%
'Going to university is too expensive for me and my family' Yes	23%	0%	+5.9%

12.9 percentage points (but only by 1.8 percentage points for other students). The effects are similar for the statement 'going to university is too expensive for me and my family', which shows that people's misperceptions can be corrected.

Conclusion

Our research indicates that school students have significant gaps in their basic knowledge about the costs and benefits of staying in education and going to university. All the indications are that the hike in fees in late 2010 – and specifically, media reporting of the changes – increased the perception of going to university as 'too expensive'.

This perception was significantly higher in comprehensive schools (compared with independent and selective state schools) and among children eligible for free school meals. If these perceptions influence effort at school or behaviour post-16, this will increase socio-economic inequality in the future.

On the positive side, a fairly light-touch information campaign in schools can reverse some of these negative effects. It can give a more rounded view of the reforms – stressing the availability of grants and how loans can be repaid – rather than focusing on the increase in fees *per se*. An information campaign like the one used in this project can be effective at low cost.

But we should not assume that information gets conveyed in the right

way – or at all – to students. Policy attention should focus on the incentives that schools have to invest time and effort in providing careers information (which is not regulated and does not influence 'league tables') as well as available resources to ensure that information is conveyed in an appropriate way.

This article summarises 'Student Awareness of Costs and Benefits of Educational Decisions: Effects of an Information Campaign' by Martin McGuigan, Sandra McNally and Gill Wyness, Centre for the Economics of Education Discussion Paper No. 139 (<http://cee.lse.ac.uk/ceedps/ceedp139.pdf>).

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The Whats4me website is now freely available: <http://www.whats4.me.uk>

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