

There are large gaps in the knowledge about the costs and benefits of higher education amongst students

Applications for university places have fallen largely due to a trebling of university fees and students' lack of knowledge of how fees will be paid. [Sandra McNally](#), [Martin McGuigan](#) and [Gill Wyness](#) show that supplying year 10 students with accessible information can reverse the fears of those who believe that university is simply too expensive.

Applications for university places are down for the 2012/13 academic year– evidence that many students have been put off applying because of the near trebling of tuition fees [this year](#). In theory, however, no-one should be put off from going university because of the fee increase. Fees are deferred and paid back gradually after graduation, only once the graduate is earning a good wage. And there are generous maintenance loans and grants on offer, meaning everyone, regardless of background, should be able to afford to go to university.

But how many potential students actually understand this? So far, there is little evidence of whether young people making important decisions about going to university actually understand how much it costs, how and when they have to pay, and crucially, whether the financial benefits outweigh the costs.

To find this out, a team of researchers at the LSE (led by Professor Sandra McNally), undertook some research aiming 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’. 54 schools in London participated in our study which took place in the 2010-11 academic year. We surveyed all students in year 10 (14/15 year olds) in each school – meaning around 12,000 pupils took part in the survey, in which we asked questions about their knowledge of the costs and benefits of higher education. After the first survey, some schools were given an [information package](#) about the costs and benefits of staying in education, whereas other schools were given the package after all schools had completed a second survey 8-12 weeks later.

Our surveys also took place at the time that the increase in tuition 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.

Our results showed large gaps in knowledge about the costs and benefits of HE. For example, less than half of students knew that fees are paid after university and once they have a job, and fewer than half regarded student loans as a ‘cheaper/better way to borrow money than other types of borrowing’. Furthermore, around a quarter of students held the view that going to university was ‘too expensive.’

Media reporting around the time of the fee hike improved students’ knowledge of how much university would cost – but it also increased the negative perceptions of affordability, with the proportion thinking university was too expensive increasing significantly – and more so among pupils from comprehensive schools compared with independent schools.

But we also found that misperceptions about the costs and benefits of higher education and the impact of the fee increase can be easily corrected with an information campaign. Student attitudes changed considerably in response to the our campaign, which gave a more rounded view of the reforms – stressing the availability of grants and how loans can be repaid – rather than focusing on the fee increase *per se*. As well as improving student knowledge about the benefits of HE – something the media failed to do – our campaign also significantly reduced negative perceptions of affordability across the board.

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.

'Student Awareness of Costs and Benefits of Educational Decisions: Effects of an Information Campaign' by Martin McGuigan, Sandra McNally and Gill Wyness is published in the [CEE Discussion Paper Series](#) on Saturday 25 August 2012.

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