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Spatial Economics Research Centre

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Postgrad fees: do rising costs deter poorer students?

Posted by Phil Wales, LSE and SERC

When [undergraduate tuition fees were announced in 2010](#), many people worried that fees would put off those from poorer backgrounds from going to university. For those *already* at university and thinking about graduate study, fees have been a reality for years. What many people haven't noticed, however, is the very rapid rise in the cost of postgrad courses: fees have increased by an average of 31.8 per cent between 2003-04 and 2008-09, from £3,232 to just over £4,261, well above inflation.

Students from poorer backgrounds are [under-represented in postgraduate study](#), something many policymakers worry about. So have rising fees put poorer students from further study? Yes, according to [new research soon to be published by SERC](#).

The findings, which I presented at the Royal Economic Society Annual Conference last month, draw on a rich new dataset of postgraduate tuition fees institution, subject and time. Using micro-data from the Higher Education Statistics Agency (HESA), I find that a rise in postgraduate fees of 10 per cent leads to a reduction in the probability of students progressing directly on to a postgraduate degree of between 1.7 per cent and 4.5 per cent.

Moves to postgrad study are heavily weighted towards students from higher socio-economic backgrounds. Students from managerial or professional backgrounds, for example, account for 60 per cent of those progressing, while students from the lowest socio-economic groups - routine occupations, never worked and long-term unemployed - account for no more than 4 per cent.

Even after controlling for a wide range of other characteristics, students from poorer backgrounds remain significantly less likely to progress than their wealthier peers. Notably, attendance at a private school prior to university significantly increases the likelihood of progression by between 0.9 per cent and 2.4 per cent.

It's interesting that students from non-white backgrounds were also significantly more likely to remain in higher education: Black and Asian students are 5.5-6.6 per cent and 5.2-6.8 per cent more likely respectively to progress to a further degree than equivalent white students.

Not surprisingly, I find that first degree results make a big difference, with those earning firsts or 2:1s over 10% more likely to do further study than those with 2:2s or below. Men are also about 3 per cent more likely than women to stay on.

The research makes the case for several important policy changes. Firstly, a systematic effort is needed to monitor all postgraduate tuition fees in the UK. The absence of a database of fees by subject, institution and qualification level has presented a significant barrier for research and is an essential pre-requisite for efforts to effectively monitor access above undergraduate level.

Secondly, there is a need to re-examine how public support for postgraduate study is allocated. The results suggest that students from poorer backgrounds are under-represented in postgraduate study and that the jump from undergraduate to postgraduate study presents an additional barrier. Policy makers should reconsider the funding arrangements for postgraduate study - and in particular, the extent of public support for students from low income backgrounds who aspire to study beyond undergraduate level.

Posted by [Phil Wales](#) on [Friday, April 27, 2012](#)

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