

PRESS RELEASE (Embargoed until 11th February 2010)

Opinionpanel's new report "*How much more will students pay?*" by Professor Anna Vignoles examines likely responses to changes in higher education tuition fees

What are students prepared to pay for their degrees? Are different kinds of student prepared to pay different amounts? As universities across England reflect on likely financial changes and the possibility of the cap on fees being lifted, this report presents evidence on what students might be prepared to pay in the future for their undergraduate degrees. Based on 37,000 interviews undertaken by Opinionpanel and analysed by Professor Anna Vignoles of the Institute of Education, the report provides potentially valuable information to assist university planners in determining the likely impact of increased tuition fees on the demand and, more importantly, the willingness to pay for full-time first degrees, by subject, university and background of student.

For the past six years, Opinionpanel's annual *Higher Expectations* study has been tracking the importance of a range of factors in prospective students' decision making processes. To date we've learned that the salient point about full-time undergraduate tuition fees is their *unimportance* in that process. They play second fiddle to the real drivers of choice; course suitability, location, reputation and UCAS tariff points required. In a market where the majority of degrees have the same price tag, it is not surprising that this is the case. What would happen if tuition fees went up substantially? Would students on Clinical Medicine degrees be prepared to pay substantially more than those on, say, Psychology degrees? Would students from poorer family backgrounds be less willing to pay? Could research-intensive universities in the Russell Group and 1994 Group charge premia over other university mission groups? And if so, how by much?

We have found that, reassuringly for universities, the level of demand for higher education at higher rates of tuition fee appears to be substantial, even at the £7,000 level. However, since the amount students are willing to pay varies substantially, with students at some universities willing to pay significantly higher fees, not all universities can afford to be sanguine. Each institution needs to determine its place in the market and price accordingly. In fact, it was not the type of institution that was the most important driver of how much students were willing to pay for their degree, but subject area, suggesting that differential fees by subject as well as institution are likely. Students taking subjects which command a high wage in the labour market are more willing to pay higher fees.

More able and socially advantaged students were, perhaps unsurprisingly, willing to pay higher fees. Institutions, therefore, need to be aware of the potentially adverse effect of raising fees for particular sub-groups of students, particularly those from disadvantaged backgrounds. Even though these poorer students may be exempt from fees altogether, universities have an important role in explaining this fact to more disadvantaged students to prevent them from being discouraged from participating altogether or limiting the universities or courses they might consider due to the apparent high costs.

NOTES:

- Full reports are available from Opinionpanel priced at £250. Executive summaries are available on free at www.opinionpanel.co.uk. The full database of results behind the report is also available – contact Opinionpanel.
- For further information contact Ben Marks (benmarks@opinionpanel.co.uk) or Eleanor Simmons (eleanor@opinionpanel.co.uk)
- The data in this report was obtained by Opinionpanel Research in their annual *Higher Expectations* study. The report is based on three years' of interviews, in total 37,000 cases from 2006/7 to 2008/9. The latest online database of results of the interviews allows users unlimited data interrogation and includes the results for the 2009/10 interviews – in total 47,000 interviews over four years. It also allows very detailed data interrogation.
- The research covers new first year, full-time undergraduate students at publically funded, UK HEIs.