Finance report continued: Second year experiences and change from first year

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Second year experiences and changes from first year

Sheffield Student 2013 – Student tracking project
WPREU Report

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Structure of this report

Building on the previous report on financing the first year at the University of Sheffield, this document provides an overview of the second year outcomes of the ‘Sheffield Student 2013’ longitudinal research project (Hordósy, 2015a, Crockford et al., 2015). The report first introduces the focus of this project and outlines the research design and methods used (pp 3-4). Second, it gives an introductory summary to the report (pp 5-8) using the same structure in which the outcomes are presented (pp 9-36).

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Sheffield Student 2013 – Student tracking project

Making sense of the expectations, transitions, and realities of the student experience

Context

In 2012, university undergraduate degree level students in England and Wales became responsible for all or most of the costs of study. Although fees are currently capped at £9000, these changes are largely considered to have transformed the Higher Education (HE) sector. However, this policy of ‘full tuition fees’ built upon two earlier policy initiatives. In 1992, the first of these initiatives sought to expand the HE sector by transforming polytechnics and colleges into universities and, following moves by the New Labour governments in 1998 and 2004 respectively, maintenance grants were phased out and replaced by a scheme of subsidised fees and loans. After opening out the sector yet further to entirely private operators, full tuition fees then followed (Callender, 2012, McGettigan, 2013). As originally suggested, financial support was supposed to mitigate potential financial barriers for the poorest students; however, analysing the post-2012 student support across the HE sector, Dearden et al. (2012) found that future students cannot know the exact amount of student support in advance mainly due to the pace and level of change and the resulting complexity within the system. Similarly, the evaluation of the National Scholarship Programme concluded that it had a limited impact on HE choice (Bowes et al., 2016). The ‘Sheffield Student 2013’ research project looks at the student budgeting post-2012, contrasting the experiences of low and high income students of the second generation who started their studies under the new tuition fee regime.

Research aims and focus

This study, based at the University of Sheffield, seeks to explore how students make the transition into, and through, university. The study focuses on the undergraduate cohort of full-time Home students starting their studies in September 2013 and, specifically, the expectations and experiences of the lowest-income students. Lowest-income in the project is defined as getting a tuition fee waiver from the University in their first year of studies.

Research design and methods

The research aims to understand the changing student experiences over their university years; therefore it is based on a longitudinal design (de Vaus, 2001, Bryman, 2008, Gorard, 2013). This study investigates student experiences within one institution for a specific cohort of students, thus it is necessary to employ a research design that provides details about the micro, that is in this case the individual level, – such as prospective observational longitudinal research (Singer, 2003). Moreover, as the research is designed to gather data about students on a yearly basis whilst they are studying for their – normally – three-year long Bachelor degrees, there are at least three data collection points; this is deemed necessary to identify change over time (Ruspinì, 2002). The research triangulates through gathering data from multiple sources as well as using different methods of data collection (Gorard and
Taylor, 2004). The administrative data are complemented with the longitudinal tracking of a smaller subset of the 2013 cohort to tap into their experiences at the University of Sheffield. Thus the ‘bigger picture’ can be contextualised and understood at the individual level. Through gathering personal accounts via the means of interviews with 40 students the project can provide a deeper understanding of attitudes and experiences of students towards their university education. Moreover, by contacting the same students multiple times, change can be analysed and compared across the different stages of a university career. The interviews collect a wide range of information around university choice; settling into university life and the transition to later stages both in terms of the academic and the social angles; and financing university studies and attitudes to student debt and financial independence.

Sampling frame
Regarding the available administrative data, all information from the student record about full-time undergraduate Home students entering in 2013 is used and adding further outcomes variables to the initial dataset at later stages. For the longitudinal tracking a non-probability sample is used to achieve a diverse picture, whereby two or three departments from each faculty are chosen with a higher number of students receiving a fee waiver. A total of 6 or 10 students are interviewed in each faculty, half of whom received a fee waiver and thus are amongst the poorest 10% of the cohort entering in 2013. The 40 students are then interviewed once each of the three academic years.

Limitations
There are a number of limitations due to the design and the scope of the project. Tapping into the expectations and experiences of students who pay the new, higher tuition fees at the university, the research does not have a comparator group of those paying lower fees or no fees at all. Further, as policy interest is diverted towards full-time Home undergraduate students, there is no information collected on other student groups, such as postgraduates, international students, or part-time students. A more substantial limitation concerns the research into ‘widening participation’. It is hard to define who ‘ought to’ be in HE, due to its selective nature, its dependence on prior qualifications and the trouble of defining and measuring demographic background of potential students. Due to this, it is not possible to set up an appropriate comparator group which the HE participants could be contrasted to (Gorard et al., 2006). This research, therefore aims to compare the opinions and outcomes of students already within the university setting. It is possible to compare the most disadvantaged groups at the University of Sheffield to the general student population and the more advantaged groups. As the research contacts registered students and not potential applicants, it is only possible to uncover how they remember their decision making process prior coming to university, not the ‘actual’ process. It would be problematic to make claims about the appropriateness and usefulness of the financial incentives on their university choice as these students are already ‘here’: they have started university despite the changes in the fee system.
Introductory summary to second year data

Finance report continued: Second year experiences and changes from first year

The ‘Sheffield Student 2013’ tracking project follows the 2013 cohort and their transitions throughout university life. Seeking to understand the characteristics, outcomes and experiences of the Home undergraduate full-time students this research provides valuable information to both academic departments and the student support services. Building predominantly on interviews with a subset of the cohort (n=40), this report gives an overview of the second year outcomes in terms of the income and expenditure sides of the student budgeting.

This summary follows the structure of the report, giving details about both the income and the expenditure side of a student budget, as well as the balancing practice of managing money throughout the first and the second year of studies. The final section draws out some concluding remarks. For details about budgeting in the first year of studies see Hordósy, 2015a and Crockford et al., 2015.

Financing university: Income side of the student budget

Governmental and institutional income streams in the student budget

Students studying at university will have multiple sources of income from the government and the university, based on their household income. These take the form of loans, grants, bursaries and scholarships. There is a high level of complexity in eligibility for maintenance funding for full-time undergraduate home students further complicated by the reassessment of loans and grants on a yearly basis.

Attitudes to the tuition fee loan and the maintenance loan

Using student loans to finance one’s studies is widespread at a national level, with most students taking both a tuition fee loan (91.6%) and a maintenance loan (88.9%)\(^1\). In the first year account most students talked at great length about their attitudes to and thoughts on the student loan and the tuition fee changes implemented in the previous academic year. Some respondents exhibited a great deal of knowledge about the system, its caveats and potential pitfalls. The two main narratives to justify taking the loan revolved either around being anxious but hopeful that they are in this situation together with a much larger cohort of students so the system as a whole will function well, or being angry about the fee change but having to resign to taking the full amount of loan to get to and through university (Hordósy, 2015a).

Attitudes towards the student loan have not changed substantially between the first and the second year; if anything, the importance and prominence of the student debt has started to fade in the student accounts. As the novelty of the loan wears off, the day to day financial worries of maintenance take a much higher priority. The visibility of, and hence connection to the tuition fee loan is far removed from the here and now of university days (Clark et al., 2014). Although the student fees and tuition fee loan covering it seem to be distant from the daily student life, the notion of ‘paying for this’ does arise in the context of teaching and learning. It emerges both in terms of their own motivation to study and have better attendance, and with regards to expecting good quality lectures, appropriate guidance and sufficient materials.

\(^1\) Latest data for the academic year 2012/2013 for students domiciled in England (SLC, 2014).
Changing views of financial independence

The second year accounts reveal some of the constraints on financial independence in more detail. Most of these stem from how the loan system is set up; below the age of 25 years parental income is taken into account when calculating the loan and grant eligibility. In some cases this results in assuming substantial levels of parental contribution. On the other end of the spectrum are students whose family income is below £25,000 a year; these families are assumed to have huge difficulties to contribute towards the costs of study. For this the system aims to level the playing field: the maximum amount a student could receive is made up of a non-repayable grant and the loan. Thus the poorest students in this system do not have to take on a substantially higher amount of student debt than their wealthier counterparts.

Differences in support from the family

There are huge differences in the degree of familial support available to individual students. The most common ways of supporting students by their families are the following:

- paying for accommodation – thus freeing the maintenance loan up for use;
- monthly allowance above the maintenance loan;
- pocket money every now and then;
- food shop every now and then;
- other in kind: giving the family car for them to use;
- living at home rent-free or paying some money towards the family budget.

Some better off students in the cohort take it for granted that they could turn to their parents for further support in case they run out of money before the next ‘payday’. Most students who had a fee waiver in the first year suggested that their parents cannot support them with substantial amounts of money; they have to make ends meet with the maintenance loan and grant. Not having a familial safety net to fall back on tends to result in being very careful with spending and/or finding additional ways to supplement their income.

Changing circumstances, changes in the loan

The tuition fee loans and grants are reassessed on a yearly basis, mostly resulting in similar budgets over time. In a number of cases, however, changes in the circumstances of the family prompts substantial revisions of the student loan and grant. Cases from this latter group suggest that considerable changes in family income do not necessarily trickle down to the student as additional parental support. It might be useful to support those students whose loan has been revised down by a substantial proportion compared to their previous loan and grant eligibility.

Financial support in the second year

The first year report suggested that due to the short period of fast paced changes and the high level of diversity across the sector the new financial support system could not have informed decisions of students regarding university choice (Hordósy, 2015a). The evaluation of the National Scholarship Programme found no direct link of front-loaded financial support on access to higher education, nor did it find evidence of an impact on retention (Bowes et al., 2016). Both Bowes et al. (2016) and Harrison (2015) suggest, however, that financial support could have positive impact on student success and experience.

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2 It is precisely this aspect that is planned to be scrapped by policy makers for future generations of students starting their studies in 2016/2017 (BBC, 8th of July 2015; BBC, 19th of January 2016).
From our data it seems that the loan, grant and financial support help to level the playing field by alleviating current financial pressures. The extra financial support makes a difference for the university experience, either by being able to afford things they would not otherwise have or making it unnecessary to take up substantial hours of paid employment.

Term-time jobs in second year
Most students in the first year took up a part time job to have a bit of extra funds and savings; however, a few of them suggested that they relied on their salaries to get by. During the first year 15 students worked either in the holidays or term-time; the second year the ratio reverses, 25 students now taking up some sort of job at one point during the academic year. The most flexible roles are the term-time weekday positions at the University or via an advert from the Careers Service Job Shop. These roles are much more easily fitted around their university duties. Additionally, some of them mention that taking up a job and having less time on their hands also means they become better at time keeping. A number of students have found positions that are related to their future career plans; these mainly cover the more vocational subjects like medicine and teaching. Catering and retail positions outside of the University’s remit tend to result in more precarious situations whereby students work more than the recommended 16 hours per week with little flexibility in their shifts.

Private credit
Most students suggest that taking out an overdraft was mainly to get over the financial pressure points that occur due to the different timing of the loan instalments and having to pay rent. In the second year most students do not find a way out of the cycle of using this source of private credit.

Financing university: Expenditure side of the student budget
Similarly to the first year, the single biggest expenditure in the student budget goes on accommodation. Whereas in the first years most students lived in student halls, for the second (and third) year they move into private housing. There are mismatches between the income and the expenditure timing: the first few months of rent and deposit payment occurs precisely when students do not have incurred any extra income or meaningful savings. Quite a few students suggested that their (lack of) budgeting was fairly similar to the first year; others said that they found ways of budgeting a little bit better partly by being more selective in choosing socialising occasions and being more careful with maintenance costs.

Commuter students in the sample tended to be more disengaged during their first year, not wanting to participate in the night-time economy (see also Cheeseman, 2010). Most suggested that their local friendship groups make up for the lack of engagement with course mates. This remains the case for mature students especially with caring responsibilities: they are more likely to have difficulties in integrating into the university life. As suggested in the first year report, mature students with caring responsibilities tend to have a much higher pressure both on their budgets and their time that can be devoted to the University (Hordósy, 2015a). Some younger commuter students found meaningful ways of engaging by joining extracurricular activities and making more friends during their second year at the University.

Expenditure related to their studies during the first year means purchasing necessary equipment, such as laptops and books; little else directly linked to their university career has been mentioned. The second year interviews show a more diverse picture: beyond purchasing the necessary equipment, a lot of students spend on extracurricular activities, as well as internships and summer schools. Participation grants from the Financial Support Team enabled some of the poorest students to
participate in activities they might not have been able to afford otherwise. Further important support comes from the Disability and Dyslexia Support Service in the form of free specialist assistive equipment.

Money management and financial independence

As suggested earlier, the system is set up so that supposedly independent adults gain state support based on two other adults’ income up till the age of 25. It also assumes that all families (above a certain income threshold) are willing and able to contribute to the university studies of their offspring. This structural lack of independence and agency on behalf of the student might be the reason why certain parents find it appropriate to take the loan (and grant) from their child and send it back in monthly instalments to support them budget better. A number of students blamed their budgeting errors and overspending on the huge difference in the scale of the money they have to handle now compared to what they were used to. The picture, again, is profoundly different for those students with caring responsibilities. In both such cases the families make up their budgets from multiple sources, such as part-time work by the student and their partner if present, child benefits, financial support and student loans.

Second year students are asked about their plans for the future, showing a high level of diversity. Seven students are thinking about getting a job straight away after they graduated with their BA/BSc programmes. Fourteen are enrolled on longer degree programmes (e.g. year abroad, MEng, medical) or changed into others, meaning they will finish their studies later than 2015/2016. Ten students suggest that they are thinking about postgraduate programmes either funded by the NHS or teacher training. Nine students mention that they are thinking about a potential Masters predominantly in social sciences, or in arts and humanities. This suggests that there is a high demand for further studies at least whilst students are still a while away from having to make decisions.

Conclusions – student perspectives on finance

This report shows that the second cohort of undergraduate students who pay the higher fees introduced in 2012 tend to be resigned to indebtedness juxtaposed with their parent’s fear of debt. As very few families can afford to pay for the fees up-front, nearly all students in our cohort are accumulating substantial amount of tuition fee and maintenance loan debt over the course of their studies at Sheffield.

The governmental maintenance support system seems to function well in levelling the playing field for students from the poorest families by providing them with sufficient funds. Supplementing the loans with non-repayable grants means that the poorest students in this system do not have to take on a substantially higher amount of student debt than their wealthier counterparts. As such, the system of grants and loans helps to alleviate some of the financial pressures these students are under: most of them cannot fall back on the financial safety net of their family. By using the extra financial support available to them, the poorest students seem to be able to afford a better quality student life than they expected: most crucially, they do not have to take up part-time jobs to sustain themselves. Issues arise when the amount of support between years changes substantially and the family cannot provide the level of support assumed by the system.

Part-time employment seems to become more wide-spread in the second year, most students suggesting that they need some experience and a bit of extra cash. Jobs that they take up via the University tend to give more flexibility and security to students.
Finance report continued:  
Second year experiences and changes from first year

Purpose of second year report and data used

Building on the report on financing the first year at the University of Sheffield, this document provides an overview of the second year outcomes (Hordósy, 2015a, Hordósy, 2015b, Crockford et al., 2015). Using the methodological advantages of a longitudinal design, the changes between the two years are pointed out as well.

The main topics presented are, similarly to the previous year’s outcomes:

1. Income: This section analyses students’ accounts of where their money comes from, how they view their dependency on tuition fee loans and/or family support and how they talk about the financial support they receive. The section points to the main differences from the first year experiences and attitudes to the income side of the student budget.

2. Expenditure: This section provides an overview of what students spend money on when being at the university, including housing, living costs, expenditure on their studies as well as socialising.

3. Money management and the future: This section deals with the ways students manage their budget and make ends meet, focusing more specifically on those who are considered to be from a widening participation background. The section points to the students’ thinking around their future pathway and the financial implications of their plans.
**Financing university: Income**

This section describes the income side of the student budget in the second year, making references to how it has changed for individuals between the two years. The section analyses the changing attitudes to the student debt and financial independence. It also details stories with regards to changes in family support, in central and institutional financial support provision, as well as in patterns of taking up part-time jobs.

**Governmental and institutional income streams in the student budget**

Students studying at university will have multiple sources of income from the government and the university based on family (or their own) earnings. These take the form of loans, grants, bursaries and scholarships. The next sub-sections of this report will detail other income sources such as part-time jobs or family support. Using information from the University's Financial Support Team³. Table 1 attempts to show the diversity of potential governmental and institutional income sources for the poorest (yearly household income below £25,000), the 'middle earners'⁴ (yearly household income £40,000) and the wealthiest students. The table shows the level of complexity of potential maintenance funding for full-time undergraduate home student. It also points to potential change over time, as loans and grants are re-assessed on a yearly basis.

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³ Information kindly provided by Richard Brailey and Catherine McKeown from the Financial Support Team.

⁴ Note that the median household income for the United Kingdom in 2013 was £27,000, the 'middle earners' who get some, but not a lot of statutory support are still in a higher income bracket than more than half of the population of the UK (DWP, 2013).
### Table 1: Income streams for the poorest, middle earners and the wealthiest English domiciled undergraduate full-time students, 2013 entrants (Information from the Financial Support Team)

<table>
<thead>
<tr>
<th>Statutory and TUoS financial support based on parental income</th>
<th>Family income &lt; £25,000</th>
<th>Family income = £40,000</th>
<th>Non-means tested loan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Student Finance England, Loan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st year</td>
<td>£3,823</td>
<td>£5,230</td>
<td>£3,575</td>
</tr>
<tr>
<td>2nd year</td>
<td>£3,862</td>
<td>£5,282</td>
<td>£3,610</td>
</tr>
<tr>
<td>3rd year</td>
<td>£4,047</td>
<td>£5,467</td>
<td>£3,731</td>
</tr>
<tr>
<td><strong>Student Finance England, Grant</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st year</td>
<td>£3,354</td>
<td>£540</td>
<td>Not eligible</td>
</tr>
<tr>
<td>2nd year</td>
<td>£3,387</td>
<td>£547</td>
<td></td>
</tr>
<tr>
<td>3rd year</td>
<td>£3,387</td>
<td>£547</td>
<td></td>
</tr>
<tr>
<td><strong>University Bursary</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st year</td>
<td>£1,400/£1,100</td>
<td>£500</td>
<td></td>
</tr>
<tr>
<td>2nd year</td>
<td>£1,400/£1,100</td>
<td>£500</td>
<td></td>
</tr>
<tr>
<td>3rd year</td>
<td>£1,400/£1,100</td>
<td>£500</td>
<td></td>
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<tr>
<td><strong>University first-year fee waiver</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st year</td>
<td>£9,000/£6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd year</td>
<td>Only 1st year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3rd year</td>
<td>Only 1st year</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>City Scholarship</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ABB/equivalent &amp; low participation neighbourhood in the Sheffield City Region)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st year</td>
<td>If eligible, £1,500</td>
<td>If eligible, £1,500</td>
<td>If eligible, £1,500</td>
</tr>
<tr>
<td>2nd year</td>
<td>If eligible, £1,500</td>
<td>If eligible, £1,500</td>
<td>If eligible, £1,500</td>
</tr>
<tr>
<td>3rd year</td>
<td>If eligible, £1,500</td>
<td>If eligible, £1,500</td>
<td>If eligible, £1,500</td>
</tr>
<tr>
<td><strong>Care leaver</strong></td>
<td></td>
<td></td>
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<tr>
<td>1st year</td>
<td>£1,600</td>
<td>£1,600</td>
<td>£1,600</td>
</tr>
<tr>
<td>2nd year</td>
<td>£1,600</td>
<td>£1,600</td>
<td>£1,600</td>
</tr>
<tr>
<td>3rd year</td>
<td>£1,600</td>
<td>£1,600</td>
<td>£1,600</td>
</tr>
</tbody>
</table>

Further support is available for **students with children**: the childcare grant covers up to 85% of childcare costs with a maximum amount of £148.75 per week after one dependant, £225 per week after two or more dependants. The parents’ learning allowance is up to £1,508 a year.

Further to the support students gain automatically based on their household income and background, there are other they can apply for whilst studying at the University of Sheffield.

### Attitudes to the tuition fee loan and the maintenance loan

The first year report provides a great deal of references to how students view their newly acquired student loan and grant in the context of tuition-fee changes in 2012 ([Hordósy, 2015a](#), Harrison et al, 2013). It is important to emphasize that this research gathers data from students who are already at university, hence had to decide to sign up for paying the higher tuition fees in the post-2012 context. The most recent information from the Students Loans

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5 Partial fee waiver options: £6,000 tuition fee waiver OR £1,000 cash and £5,000 waiver. Full fee waiver options: £9,000 tuition fee waiver OR £2,000 cash and £7,000 waiver OR £4,000 cash and £5,000 waiver.
Company (SLC) refers to the academic year 2012/2013, when the tuition fee loan take up for students domiciled in England was 91.6%, whereas the maintenance loan take up was 88.9% (SLC, 2014). TuoS administrative data and the first year interviews conducted via the Sheffield Student 2013 project suggests that there are two main narratives to justify taking on high levels of student debt.

The first narrative suggests that despite the amount of loan and that the borrowing being a cause of worry and anxiety, as everyone else has to do it too, the system hopefully works and will work well for the students who are in this together. The second narrative encompasses anger and irritation at the system as a whole, questioning student fees all together or the rise in student fees specifically. As the interviewees are in fact at university and paying the higher fees, the ‘solution’ to this anger is that they resigned to the loan and the amount they have to use. (Hordósy, 2015a: 8)

In the first year accounts a number of prominent and important topics emerged, such as the politics around the student fee rise, the notion of the student debt, comparisons nationally across cohorts and internationally (Hordósy, 2015a, Hordósy, 2015b). Most students talked at great length about their attitudes to and thoughts about the student loan and the tuition fee changes. Some respondents exhibited a great deal of knowledge about the system, its caveats and potential pitfalls. Students have administered the student loan application and gained the first two payments along with the financial support from the University by the time the interviews were conducted during their first year of studies. The vast majority of students in our cohort finance their studies via tuition fee loans, maintenance loans and grants, help from their family or using their own savings, additional bursaries and further financial support.

The attitudes towards the tuition fee and the loan taken to cover it has not substantially changed between the first and the second year; if anything, the importance and prominence of the student debt being built up has started to dwindle in the student accounts. This can be explained partly by the novelty of the student debt fading by having had to get used to the idea without any other way of covering the fees for their undergraduate studies. More importantly, the day to day financial worries of maintenance take a much higher priority: having or not having sufficient money ‘in the now’ is more gripping than the prospect of losing out on some income long term as a sacrifice for their studies. As these students explain, money now is about whether they can buy food, or afford to go out at the weekend: this is about available funds on their current account right now and in the short-term future.

I just don’t expect to pay back my like however much it is. I just don’t, so I’m just like well I might as well spend it on what I want [right now], and I feel like clothes are a good enough... and holidays are a good enough investment, really. My mother doesn’t. (NR34, NFW, 2nd yr)
The visibility of and hence connection to the tuition fee loan is profoundly different, also meaning that although it is a much higher amount than the maintenance loan, it is further removed and becomes a much more abstract concept.

(...) we talk about the maintenance loan and that sort of thing because that’s the money you spend and you see, whereas (...) nobody thinks about the tuition fees because it’s going straight from one bank to another and you don’t look at it until you come out [of your studies], so it’s not a very real thing at the moment. (NR21, NFW, 2nd yr)

A number of students are less comfortable with the idea of the student debt and aim to minimise the amount they will owe once they finish their studies. These narratives tended to come from students who are from less well-off families and referred to how their parents’ aversion to debt made them think twice. One example shows a proactive way of tackling the issue so that this particular student comes out of university with less debt.

I had a gap year and worked, that money is what I used to pay off my 1st year accommodation so that [maintenance grant and] loan I got 1st year is what I’m using up right now. I did not apply for a loan this year so that money is what I’m still spending right now. So this year all I took out was that tuition fee loan. So summary for 1st year is just maintenance loan to pay back, summary for 2nd year is just tuition fee to pay back. 3rd year I don’t even know. (NR20, FW, 2nd yr)

A lot of the students started using a language normally reserved for employment when talking about the student loan instalments, talking about ‘being paid’ by Student Finance and the desperate times before the next pot of money comes in. The interesting difference from the past and future life phases is that the maintenance loan and grant instalments are paid in bigger chunks of money, not on a monthly basis. The third section of this report on money management discusses issues arising from this in more detail.

Although the tuition fee and the loan covering it seem to be far removed from the daily student life, the notion of ‘paying for this’ does arise in the context of teaching and learning. It emerges both in terms of talking about their own motivation to study and have a better attendance, and with regards to expecting good quality lectures, appropriate guidance and sufficient materials.

(...) I’d say [it was] pointless [to go to lectures], ’cause I kind of noticed that I could easily have revised everything that I needed to know by just going through the lecture notes (...). At the same time I’d feel the need to go there because then I am paying £9,000 for it and I’m the sort of person I want to make the most out of what I pay for. (...) It’s that environment you get, you’re in there, and you just want to learn. So even though I’ve been out on a night out the night before I’ll still end up going to a 9 o’clock ’cause I just feel the need to go there. (NR20, FW, 2nd yr)
Whereas in the first year they compared their courses mainly on the basis of quantity, i.e. how many contact hours they have compared to their peers; in the second year accounts they tend to talk about quality more both in terms of their course now and for their future career.

Yeah but it’s just the [medical] theory stuff [that is provided in the lectures] and the way they deliver it doesn’t, I don’t think is particularly good so… just getting the theory from somewhere else. (…) but at the moment what I’ve essentially done is paid £9,000 to sit exams. (NR26, NFW, 2nd yr)

I feel like this [dentistry course] is worth the expensive loans just because I’m effectively qualifying for a job. I will get a job at the end of it in what I’ve done, I don’t have to do any extra training afterwards. (NR16, NFW, 2nd yr)

Milsom et al. (2015: 25) suggest that second year students are known as the ‘complainers’ who become ‘a bit more assertive, but also a bit more focussed’ when compared to their previous attitudes. A good example for complaint and stepping up for themselves came from one of the departments. More students mentioned a widespread unhappiness regarding contact hours, feedback and availability of lecturers leading to complaints and the department taking several changes. The interviewees suggested they were glad to see the proposed changes even if the effect will be felt only by the next generations.

Changing views of financial independence

Moving away for university from their parents and sustaining themselves on student loans is the basis for a very new notion: establishing their financial independence from the family. However, as it becomes clearer in the second year accounts, there are important constraints to this supposed independence. Crucially, below the age of 25 years parental income is taken into account when calculating the loan and grant amount students are eligible for, meaning that a certain level of parental contribution is assumed by the system. Above the age of 25 years it is the student’s own income that the calculation is based on - interestingly, this cut-off point does not match another cut-off point used elsewhere by higher education regulators such as HESA, HEFCE or OFFA; they term students ‘mature’ above the age of 21 years.

In some cases the assumed contribution from the family is substantial. The maximum possible amount for maintenance loans and grants for 2013/2014 is £7,177; Figure 1 uses this figure as a baseline (Hordósy, 2015b). If the household income is below £42,000 a year, families are expected to contribute around £2,500 to provide the same budget as those from the poorest families are entitled to. Parents of students from the wealthiest backgrounds are expected to contribute around £4,000-£5,000 yearly as maintenance. On the other end of the spectrum are students whose family income is below £25,000 a year; these families are

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6 Using the Government’s minimum wage figure for 18-20 year olds for 2013 (£5.03) and calculating with full-time employment the figure would be £8048 for a 10 month period; £9657.6 for a 12 month period. The minimum wage figure for those above 21 years the figures are: £10,096 for 10 months and £12,115.2 for 12 months. The living wage figure for outside London for those above 21 years the figures are: £12,240 for 10 months and £14,688 for 12 months (Gov.Uk, 2016, LWF, 2016).
assumed to have huge difficulties to contribute towards the costs of study. For this the system aims to level the playing field: the maximum amount a student could receive is made up of a substantial non-repayable grant and the loan. This means that the poorest students in this system do not have to take on a substantially higher amount of student debt than their wealthier counterparts. It is precisely this aspect that is planned to be scrapped by the conversion of the maintenance grant for students starting their studies in 2016/2017 (BBC, 8th of July 2015, BBC, 19th of January 2016, THE, 18th of March 2016).

Figure 1: Student loans, grants and bursaries in different household income brackets

According to our interview data, the maximum amount of loans and grants should suffice to get by on - this means that the students from the poorest families can potentially make ends meet without further funds. The exception here seem to be student carers; the first year report showed a high need for extra funds to keep their family budgets in balance (Hordósy, 2015a). The third section of this report will pick up on their stories again.

Students whose family income was below £25,000 received a tuition fee waiver from the University in their first year. These students suggested that it would be impossible for them to get support from their parents or from their family budget. In cases where the high family income means eligibility for the basic maintenance loan, the ‘complete minimum, and that doesn’t even cover my accommodation so I was going to be living on like minus £22 a week’, students talked about substantial parental involvement in financing their studies (1, NFW, 2nd yr). This suggests that it is only the poorest students who can claim independence from their families; others have to rely on their parents supplementing their budgets.
Differences in support from the family

There are huge differences in the degree of familial support the individual students receive. As suggested earlier, very few students have their tuition fee loans paid for by their family. In both such cases in our interview cohort the family has imposed constraints on other support, i.e. not gaining further substantial help for living costs. Table 2 provides six different stories from students both from their first and second year situation of financial support from the family.

Table 2: Examples for familial financial support – rough estimates

<table>
<thead>
<tr>
<th></th>
<th>NR21</th>
<th>NR30</th>
<th>NR27</th>
<th>NR13</th>
<th>NR35</th>
<th>NR2</th>
</tr>
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<tr>
<td></td>
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<td>Resident</td>
<td>Resident</td>
<td>Commuter</td>
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<td></td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
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<td>£5,095</td>
<td>£5,095</td>
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</tr>
<tr>
<td>occasional: food &amp; other</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>occasional: cash</td>
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<td>£500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>loan’ from family</td>
<td>Potentially</td>
<td>Potentially</td>
<td>Potentially</td>
<td>Potentially</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>safety net for extra</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>occasional: cash</td>
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<td>loan’ from family</td>
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<td>Little</td>
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</tr>
<tr>
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<td>£14,626</td>
<td>£9,446</td>
<td>£4,800</td>
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</tbody>
</table>

A common way of supporting the student seems to be to pay for their university accommodation thus freeing up the maintenance loan (and grant) for them to budget with for everything else. This has been true for a lot of the interviewees: their parents paid for their university halls in the first year and for their rent in a shared house in the second year. The transition first to halls and from halls to rented housing means a gradual shift from being away from the family and learning to sustain themselves to then having to sort out housing

7 Calculations for Table 2 explained: Accommodation first year, Endcliffe Self-catering en-suite £5095 for 42 weeks in 2013/2014; Accommodation second year, rough estimate of £320 a month for 12 months; Monthly allowance, rough estimate of £200 a month for 12 months; Accommodation for commuters: rough estimate of £200 for 12 months in case they do not contribute to the maintenance (e.g. food and utility bills) and £100 for 12 months if they do contribute.
contracts and utility bills in the second year. There is some variation as to whether in the second year the parents pay for the bills as well, or only for the rent. Some students have an extra monthly allowance from their family, usually above and beyond keeping the tuition fee loan (and grant).

Examples of such stories in the interview data came from students NR 30, NR21 and NR27 as shown in Table 2. The interviews did not contain exact amounts of finances, is an attempt to calculate a rough outline of how much students receive from their parents. NR21 has her tuition fee paid for as a joint family effort: such promise was made to her sibling studying under the previous fee regime and kept by the family for her as well. This example points to the huge inequalities arising between cohorts due to the drastic changes of the tuition fees. NR30 has substantial support via having his accommodation paid for and thus keeping his maintenance loans to budget from. Additionally, he receives an extra monthly amount in cash and some further in-kind support. NR27 has her accommodation paid for as well by her family and budgets from the maintenance loan for all daily expenditures. As she participates in multiple different extra-curricular activities, she had to ask for additional support in the first year above the loan instalments; cutting down on spending this was not needed in her second year.

One important characteristic in the accounts of these students is the confidence in being able to fall back on the support of the family – be that a family loan for the summer payments of the new flat or support for extra and bigger expenditures as sporting kit. This is profoundly different for students from the poorest families. Most students from families with a low household income and especially some of the mature students know very well: they have little or no safety net to fall back on if things go wrong.

The accounts from NR13, NR35 and NR2 show this profoundly different picture. They are very well aware that their parents cannot support them with substantial amounts of money throughout their university years, therefore having to make ends meet from the maintenance loan and grant, supplemented with part-time employment. (A later sub-section details the reasons for taking up part-time jobs.)

As suggested in Table 2, these students did not follow the usual trend of moving cities for their university studies. Two of the three commuter students have the advantage of living at home with their parents whereas the third Sheffield resident is renting in a shared house. NR13 lives at home and only took the maintenance grant to support herself throughout her studies. This is possible as ‘thankfully my parents don’t make me pay like full rent or anything like that (…); [and I use] just like what I need for my own social and gym membership and stuff’. A different experience is that of NR35: she supports her family to keep up the household with her maintenance grant, hence not being able to save much of that money. NR2 rents a room in a shared house far from the student crowd; although she is a young student, her circumstances show patterns of those who are substantially older. She is not estranged from her family, but is certainly not gaining support from them. She could potentially ask the family to support her as a very last resort; however, she prefers to sustain herself on the loan and the grant along with substantial income via a part-time job.
From I think I were like almost 17 when I first had that job, and it were just ten hours a week before I went to college. I don’t know, I’ve just never had to borrow money off anybody, and I’d rather keep it like that. (NR2, NFW, 2nd yr)

To summarise, the most common ways of supporting students by the family are the following:

- paying for accommodation – and freeing the maintenance loan up for use
- monthly allowance above the maintenance loan
- pocket money every now and then
- food shop every now and then
- other in kind: giving the family car for them to use
- living at home rent-free or paying some money towards the family budget

A further very important factor is harder to measure or quantify; this is whether students could get support from their families in case of financial hardship. A lot of better off students in the cohort take it for granted that they could turn to their parents for further support in case they run out of money before the next ‘payday’. Students whose families are less well-off occasionally are faced with very different situations.

Like sometimes I hear other people and they’re like, “My mum’s sent me my money to do my weekly shop this week,” and I think that’s insane! Like where I’m from that’s just not something that happens. Like for me, if my mum comes to visit me and doesn’t need me to pay half of the petrol money that’s like a treat. (NR5, FW, 2nd yr)

Oh, yes, [my housemate said], “Oh, I’m getting paid on Tuesday,” I’m, “Who are you getting paid by?” “Oh, my dad, well, I mean, my dad’s given me some of my uni money back, I’m getting paid and...getting paid.” But you know when you just live in a house and I think everyone is from quite well-off families and it’s just... I don’t know, it’s just quite funny to see. (NR40, FW, 2nd yr)

The two potential responses to not having a financial safety net to fall back on are to be careful with spending and/or to find additional ways to supplement their income. Further details about the circumstances of the poorest students are provided in the next subsections on financial support and part-time employment for the second year. Before detailing these, the potential changes in the amount of the maintenance loans and grants are outlined.

**Changing circumstances, changes in the loan**

The tuition fee loans and grants are reassessed on a yearly basis, prompting potentially large changes in the student budget. In most cases there is little or no change in the amount the student receives, meaning they can carry on managing their budget the same or a similar way as they did in their previous academic year.

In a number of cases, however, changes in the circumstances of the family prompts substantial revisions of the student loan and grant, resulting in a very new financial situation for the student. Cases where the revision resulted in a larger amount of loan and grant,
potentially even a bursary refer either to far-reaching, sudden changes in the family income or could signify situations where the student was substantially under-paid the previous year.

Because my Dad does not have a job in England anymore so [calculations are based on] my Mum’s [income] who doesn’t earn that much. So rather than getting the base I now get the maximum amount so it has bumped right back up yes so I get all the grants as well. (...) [The first year financially] it wasn’t tough, it was the student life: it was kind of what can I eat tonight, oh pasta, well I will have that. Whereas this time this year I have had a bit more money so it has been easier to pay for bills and things like that this year and go out and have fun really. (NR31, NFW, 2nd yr)

The larger problem stems from situations where students got used to a certain levels of support via loans, grants and bursaries as well as from their families, and this decreases substantially. Note that all three examples shown here are students who have been working part-time throughout both years of their study: NR2 and NR18 have been working substantially more than the recommended 16 hours per week part-time. All of these examples show situations where the family circumstances supposedly changed for the better according to tax returns, but this potential additional income has not trickled down to the student. NR2 and NR12 have substantial cuts to their budgets for the second year, which they try and make up by taking on more working hours and trying to cut back on their expenses. This does not seem to cause them too much stress, however, NR2 has admitted to having had periods when she was overworked, tired and stressed.

Ah, so I get less loan this year because my parents... their income has nominally gone up, but therefore all of the sympathetic, okay, you don’t have to pay us the debt back just yet, all of them have gone up so now they’re actually in a worse position than they would have been, yet I’m getting less of a loan: which is fine. (NR12, FW, 2nd yr)

I’m not supported by my mum or [mother’s new partner] in any way, and they [SLC] took two grand off me. And I went to the finance office and they said that they can’t do owt about it. (NR2, FW, 2nd yr)

NR18 gained substantial support in her first year of university, along with the full loan, grant and bursary she also received a tuition fee waiver from the University. For her second year, however, she only receives the minimum amount of loan due to her father having had some short term contracts in the previous tax year.

So now [my dad has] got no job again, so they’re not... what they... obviously like bills and stuff they have to pay for, they don’t have any money they can help me out with. (NR18, FW, 2nd yr)

I got... ’cause last year I got the full grant and then the loan, this year, because... I think it went off the year that my dad got made redundant or something. So the tax years worked out weird anyway, I only got the minimum amount [this year], so it didn’t... (...) Minimum amount of loans, the (...) lowest you could get, no grants, no. So, I didn’t
get a lot of money and my parents can’t support me financially so I have to work to put myself through uni. (NR18, FW, 2nd yr)

This situation has prompted her to start working much more than the suggested maximum hours for undergraduate students; she said some weeks she worked 30 hours, most weeks taking at around 20 hours in shifts at a retail chain. This had profound effect on her university experience, meaning she would compromise on attendance to lectures and sleep.

NR18, FW: I just think ‘cause it just wore me down so much, like, it was a lot, but [dropping out] would be admitting defeat and I didn’t want to quit just so it got a bit tough.
Interviewer: Did you actually think about dropping out?
NR18, FW: Yes I did, but then there’s the thing I would have to find someone to live in my room at my house and pay the rent ’cause I couldn’t be at uni... no, like, be at home and be able to afford the rent and all that. But no, didn’t tell anyone, I just bottled it up because it was easier to do that than burden anyone else with my problems.

These experiences suggest that substantial changes in family income do not necessarily trickle down instantly (or even in the medium term future) to the student as additional parental support. Hence the assumption of the system on how much families contribute to the budget of under-25s in the second year of their studies might be even more removed from reality. It might be useful to support those students whose loan has been revised down by a substantial proportion compared to their previous loan and grant eligibility.

Financial support in the second year

The first year report contrasted the timeline of university choice and policy changes around financial support (Hordósy, 2015a). It suggested that due to the short period of fast paced policy changes and the high level of diversity across the sector the new financial support system could not have informed decisions of students regarding university choice. Similarly, Bowes et al. (2016) argue that their evaluation of the National Scholarship Programme found no direct link of front-loaded financial support on access to HE. They also argue that the impact of financial support on retention is problematic to evidence.

A wide range of factors affect student retention and decisions to leave HE are likely to be more complex than simply lack of finance. Financial aid alone may not be sufficient to prevent students leaving HE, but financial problems may be the ‘final straw’ for students who are struggling with other difficulties. (Bowes, 2016: 3)

A third area they evaluate regarding the three years of the NSP funding is success and student experience; their interviews indicated some positive impact of having extra financial support to ‘engage with their studies through reducing the need for paid employment and enabling them to purchase the necessary resources, such as text books’ (Bowes, 2016: 4).
This research collected some stories of financial support provision as well as the lack of it. In the interview cohort, 27 students were eligible for at least one type of financial support initiative, 20 of them gaining at least two of them (Hordósy, 2015a). As suggested in the previous section, for most students the financial situation has not changed drastically. As suggested in the previous year’s report, there was a distinct lack of knowledge about financial support above and beyond the student loans; mainly due to ‘[students] not expecting to receive [extra] support and therefore not looking for information’ (Hordósy, 2015a: 13). Along with being unaware of their eligibility of extra financial support, students knew little about the reasons for them gaining this support. Obviously, students who received financial support that they have not anticipated were pleased that they got those additional funds. Most suggested that ‘the amount [of the fee waiver] helped them either to balance their budget, or save for subsequent years that they generally anticipate will become harder to finance, or to avoid having to take out more loans’ (Hordósy, 2015a: 13).

When talking about the financial support they gained this year, some showed sentiments regarding not gaining the elevated extra support again.

There’s one specific thing where you can get either £6,000 knocked off your tuition, or £5,000 and £1,000 for you, and obviously they only give you that in the first year. I was really hoping that they’d give it to you in your second year, (…) They still give you a bursary and stuff… (NR6, FW, 2nd yr)

The second year interviews show a general familiarity and confidence with how things work at the university along with a consolidation of their position within the structure. This is true for the financial aspects of being a student: the loan, grant and further financial support become normalised. Moreover, most students talk about their budget in greater detail and exhibit a higher degree of knowledge then in the previous year. Students have overcome the initial shock of being told they are from poor backgrounds thus qualifying for extra support and they start enjoying the benefits of this situation.

So [where I’m from] is considered a deprived area of the UK and because of that I get bursaries from the university. But it’s like really nice over there so I don’t actually see how that works. (…) It’s free money; I’m not really complaining, good times. (NR20, FW, 2nd yr)

The lack of knowledge about the extra financial support coupled with not expecting these additional funds in the first year meant that most students seemed to spare this money and started to build up some savings for future years. The trend seems to be similar for the second year, most students claiming that they have been careful about not spending all the extra funds they gained.

I also got a scholarship when I came to uni which gave me some money which I put immediately into funding for second year so I did need to work to pay extra but it’s also because I like to go on holiday a lot and stuff. (NR21, NFW, 2nd yr)
I do also get a bursary from the university I think its £1,000 or something, which does help a lot. I keep trying to like put that into savings, 'cause it's like just extra money that I could just put into savings 'cause it's not, I don't need it kind of thing. (NR23, FW, 2nd yr)

NR35, FW: Yeah, I've got a university bursary.
Interviewer: And is that enough together or...?
NR35, FW: I think it is, yeah, 'cause, like, if it wasn't I would be dying to get a job right now, whereas, now, I just want a job for, like, more experience. But, obviously I would be happy to get more money, just, like, to save up for the future and stuff.

Starting saving for later years is a very positive and crucial step when considering that it is precisely these students who cannot fall back on financial support from their families. Remarks like 'money's not really an issue' (NR22, FW, 2nd yr) are similar to attitudes of better of students who can rely on their parents’ help suggesting that the financial support might be levelling the playing field by elevating current financial pressures. Moreover, the extra financial support makes a difference for the university experience as well. This is either by being able to afford things they would not otherwise have or making it unnecessary to take up paid employment.

Yes, its fine, I think without the bursary I might have struggled a bit this year in terms of uni life as well, but with the bursary it’s been fine, so, yes. (NR8, FW, 2nd yr)

I mean [the £250 bursary I get twice a year is] a large part of my rent for the month so, that’s another two months’ rent where I’ve not had to pay the full, which is good. 'Cause it means, I've got money to do other things. (NR14, NFW, 2nd yr)

NR5 mentioned in the first year that the fee waiver made it possible to rent a more suitable place for her second year. Her first year accommodation did not suit her health problems well impacting hugely on her well-being and thus university experience. She used the fee waiver cash option and further extra funds to live somewhere more appropriate meaning her experience in the second year vastly better.

Some students mentioned that they received other forms of financial support that they had to apply for centrally. One student talked about a crisis situation when they needed very urgent financial support from the University due to a medical emergency. A further example with crucial financial support comes from a commuter student.

Yes, I asked for, I asked for finance support which they gave me some [funds towards my transport] so yes I did ask for finance support from... (...) From the university which they did give me, it's not [the whole amount] what I asked for but what they gave me at least it did help a long way yes. (NR17, FW, 2nd yr)

Two students mentioned their applications for participation grants and scholarships. In the case of NR11, she got help with her departmental society membership. Explaining how she found out about her eligibility, she mentioned an email telling her that 'just like 'if you fancy
applying for this, apply', so I apply for all that kind of stuff to help out' (NR11, FW, 2nd yr). NR5 talked about how she gained information on funding to go abroad for a summer school after her second year as well as her initial concerns regarding this application.

So you get an email saying you're eligible to apply and then it gives you sort of options of where you can go and then, you know, like links to their website and then you just look through what they offer. (...) as I was applying I was thinking why am I doing this, I can't even afford to do it with the scholarship, and then I got the scholarship (...), yes, I can pay my rent. I can go to summer school, this is amazing. So I was very happy. (NR5, FW, 2nd yr)

Another important support provision comes from the Disability and Dyslexia Support Service. Four students in total received support in the form of making their lecturers and tutors aware of their needs and providing them with additional equipment to assist them.

It’s a laptop with software on it, like Dragon Naturally Speaking, where I can speak into a microphone and it will type it out for me, and Mind Mapping software; a software, that reads things aloud to me. A software where I can scan in a page from a book, and a printer, so I can scan in a book, and it will read it out to me. (NR6, FW, 2nd yr)

Some of these students have struggled in their previous studies due to their undiagnosed learning difficulty; as the same student put it, 'if you're achieving your grades, then they [school teachers] don't care' and you will not be diagnosed (NR6, FW, 2nd yr). After being tested and provided with extra support, he noticed how small adjustments make a difference for him in exam situations as well.

[...] so that was a big part of kind of the first semester in last year really, kind of getting to grips with that. It's weird, it was a weird one, but yes, but it seems to have made a difference. Because now I'm in exams, for example, I had an exam last semester (...) which was an hour-and-a-half, which meant that I got like 20 minutes on top of that, and that 20 minutes just allowed me (...) to plan my work to such an extent that I properly knew what I was doing, and I could properly sort everything out in my head. (NR6, FW, 2nd yr)

Financial support for the second year seems to become something that enables students to have a less stressed university experience with being able to afford slightly more than the basics. Whereas in the first year most fee waiver students tread carefully with regards to their spending knowing there is no (parental) safety net to fall back on, the second year they become more confident and comfortable with their budgeting.

Term-time jobs in second year
The first year interviews suggested that most students worked chiefly to gain either generic job skills or specific work experience (Hordósy, 2015a, Crockford et al., 2015). Most students took up a part time role to have a bit of extra funds and savings; however, a few students
suggested that they relied on their salaries to get by. During the first year it was 15 students who worked either in the holidays or term-time; the second year this ratio changes, most students now taking up some sort of job at one point. As Table 3 shows, 14 students took up paid employment both in their first year and their second year; only one student dropped their job for the second year; this is to take up a job during the summer instead. Students who have not taken up paid employment in their first or second year and have not worked in the holidays either tend have sufficient funds in their budget and are occupied with other extracurricular and sport activates, or generic socialising. A lot of them mentioned that they have applied for internships or research experience programme (the SURE scheme being very popular), but had little success in getting onto these.

Table 3: Paid employment in the first and the second academic year

<table>
<thead>
<tr>
<th></th>
<th>Worked 1st year</th>
<th>Not worked 1st year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worked 2nd year</td>
<td>14</td>
<td>11</td>
<td>25</td>
</tr>
<tr>
<td>Not worked 2nd year</td>
<td>1</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>25</td>
<td>40</td>
</tr>
</tbody>
</table>

More students seemed to take up roles in their holidays and term-time then in the first year. Those working in jobs not related to their degrees or future careers tended to work during the summer in retail and catering. In case they kept or got similar roles for term-time, they also suggested that they have financial worries for the present or near future. The most flexible roles that can be fit around the course duties are those term-time weekday positions students take up at the university or via an advert from the Careers Service Job Shop. As suggested by NR5 (FW) and NR9 (NFW), the positions they took at the university mean relatively short shifts at a convenient distance for decent pay:

Yeah, but it’s also perfect because we don’t [work] during the breaks, the university breaks, which means that I can run away [home] because I don’t have to worry about taking time off from work, so it is perfect. (NR5, FW, 2nd yr)

Catering and retail positions outside of the University’s remit seem to result in precarious situations, as suggested by a number of students.

I did not really leave on good terms with [my former manager] (...) because he owed me some wages and then just tried to get out of it and say he didn’t. (NR25, NFW, 2nd yr)

[Working in a local bar] you start at 8:00pm and I finished at 5:00 in the morning, 4:00/5:00 in the morning and they didn’t give you a break. (...) it was just minimum wages, like, £5 an hour and they didn’t really like to pay you for all the hours that you did, gosh, it was terrible (...). ’Cause it takes up your weekends and you’re tired from doing an eight hour shift (...) through the night and it wasn’t worth the money. I quit that one. (NR40, FW, 2nd yr)
(...), it was normally late, so 4:00pm 'til 8:00pm or 4:00pm 'til 9:00pm after a day of lectures was quite common, and then obviously all day Sunday. I never did a Saturday though, I always said no ‘cause I always needed one day off so, I guess, I’m sensible in that respect, but... Wednesdays I’d do all day near enough. (...) So I try and fit it round my lectures, but it didn’t always work that way, but I always went to seminars. (NR18, FW, 2nd yr)

A number of students have found up positions that are related to their future career plans; these mainly cover the more vocational subjects like medicine and teaching. Students who are involved in departmental outreach are accounted for here as well. The most working hours outside of their university duties are taken up by students who are aiming for the nursing or midwifery masters; they have to have accumulated 650 hours by the time of their applications. Programmes such as departmental outreach and other ambassadorial duties mean a bit of extra for students with a high level of flexibility. It is problematic, however, that there seem to be some discrepancies between programmes across the University as to whether they pay for participating students’ time.

The main reasons for taking up paid employment have not changed substantially from the previous year:

- Students feel they ought to have some level of experience in a part-time job by the age of 20: ‘I feel like I’m almost 20 and I should have had a job by now really’ (NR19, NFW, 2nd yr)
- They have to have specific work experience (and a number of hours) accumulated for their Masters programmes planned: ‘if you want to continue for the postgraduate yes, I think its 650 or 600 hours working experience you know in a [health] sector’ (NR17, FW, 2nd yr)
- They need a bit of extra money to fund their interests or travels
- They need substantial amounts of extra to make ends meet and are building up extra funds to act as a safety net:

  Yes, in a way, yes just ‘cause... I don’t know, I suppose, when you haven’t got people to ask or fall back on, you do feel a bit more... it’s nice to have that security that... yes. (NR40, FW, 2nd yr)

Additionally, some of them mention that taking up a job and having less time on their hands also means they become better at time keeping. This aspect was mentioned by a number of students in the first year, in the second year it seems to be a widespread common place assumption.
More debt: private credit

As suggested in the first year report, most students have started using their interest-free overdrafts as an amount to fall back on when in need of some extra funds (Hordósy, 2015a). This is a source of funding their parents have little or no oversight over. Most students suggest that taking out the overdraft was mainly to get over the financial pressure points that occur due to the different timeline of the loan instalments and having to pay rent. In the second year most students do not find a way out of the cycle of using this source of private credit. NR37 suggested in her first year (Hordósy, 2015b: 43) that she will attempt to pay back or at least use the overdraft less in her second year.

I’m now in my overdraft but my thoughts are sort of like well, it’s okay to use my overdraft now because if I come out in September I can get a job next year and it won’t be as crazy as the first year. (NR37, FW, 1st yr)

When asked about her financial situation this year, she ‘blamed’ the use of the overdraft on the lack of bursaries that would have balanced the budget.

[I am in my overdraft this year as well.] Especially as I don’t have that bursary, I’m just in it, that’s just the way I’m living at the moment. Hopefully I’ll be able to be out of it next year. (NR37, FW, 2nd yr)

Yet again, she hopes to pay the overdraft off the following academic year. The main issue here is that most banks give interest-free overdraft for students for the duration of their studies, meaning that after this period they will be charged for the use of this. Furthermore, students view overdrafts are ‘free money’, suggesting that private credit without interest is ‘not real debt’ and that they are only ‘sort of borrowing for money that I’m going to get’ (NR37, FW, 2nd yr).

A similar distinction between different types of debts is visible with regards to how students talk about student loans; comparing it to mortgages they suggest that it is different: it is a ‘better’ kind of loan in terms of the repayment process. Beyond these crucial distinctions of ‘real’ and ‘not real’ debt types, a number of students suggested their generation’s indebtedness was normalised compared to their parent’s debt-averse attitudes.

My parents are that generation where they don’t like debt. They just don’t like debt. My mother has never been in debt, ever. She always pays her credit card bill on time every time. They’re that people. They’re savers. They save their money, and they’re careful with their money. (NR34, NFW, 2nd yr)
**Financing university: Expenditure**

This section briefly examines the changes that occur in the students’ account with regards to the spending side of their budget. Similar to the first year report, there are references to the expenses such as housing, living expenses, expenditure related to their studies and socialising.

**Housing at university in second year**

As suggested in the first year, report most students lived university–managed halls; additional to the 27 students who did so, a further 3 decided to live in private halls mainly to cut costs. University halls, as across the sector, are quite expensive: inclusive of bills the most usual Endcliffe self-catering en-suite rooms for 42 weeks were £5,095, ~£121 per week (TUoS, 2014a, TUoS 2014b).

There seems to be an unfounded panic around the availability of ‘good houses’ (defined either in terms of the required size or location), exaggerated by landlords and letting agents, most students rush into signing contracts for their second year housing with people they have only just met mainly in their halls. Letting agents and landlords require students to pay for the summer months despite the vast majority of students not staying in Sheffield between the first and the second years.

This brings up two crucial problems: first, students pay for services they do not use whilst they do not gain the same amount of support from SLC; second, there is a bigger payment due (first few months of rent and deposit) precisely when students do not have incurred any extra income or meaningful savings. Most students aimed to balance the budget via taking up summer jobs whilst living at home. The latter problem was overcome by most via asking for additional parental support (in some cases a ‘loan’), or dipping substantially into their overdrafts.

As for the second year accommodation, most students seem to be moving out from halls into private housing: Table 4 shows the living conditions for both years. Only one student decided to stay in University halls; no student stayed in private halls and a student who lived previously with their family moved in with course mates as well.

**Table 4: First and second year housing**

<table>
<thead>
<tr>
<th>Student housing in the first year</th>
<th>1st year housing</th>
<th>2nd year housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents’ house</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Private halls</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Rented accommodation alone/others</td>
<td>2</td>
<td>33</td>
</tr>
<tr>
<td>Rented accommodation own family</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>University-managed halls</td>
<td>27</td>
<td>1</td>
</tr>
<tr>
<td>Abroad, rented accommodation with others</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>
When asked which type of accommodation was more expensive, most students suggested that although they pay less for their student housing per week, it seems to amount to a similar sum when counting the summer months. This means that most of them spend roughly £100 per week on rent and bills. The University advises students to find private accommodation in the range of £65-95 per week\(^8\). It seems that due to the high demand for student housing and the false rumours on availability letting agents and landlords can draw up substantially worse market conditions for students than for other customers.

Despite learning that there is indeed enough housing available, there seems to be a renewed rush for third year accommodation as well. In a lot of cases this, similar to the preceding year happens just after they moved into their respective houses, bringing about a high level of pressure to make decisions on who to live with next. A number of students suggested they will have better deals for the third year: either by living with people who they are closer to, or living in a better quality house, or paying slightly less for their rent.

**Living expenses: lessons in budgeting**

The first year of university brings a lot of new ideas, concepts and situations to all students and especially to those who moved away from their families to start their studies. Budgeting for their accommodation, food and socialising tends to be a big task and some students do struggle with making ends meet. In their first year they talk a lot about the issues around finance especially the occasional or continued misjudgement of the size of the budget and the stress in case they need extra funds. The size of the budget they handle prior to their first year tends to be a few hundred pounds maximum; this suddenly grows to figures in the thousands when arriving to University and receiving their student loans.

The first year in halls does not necessarily facilitate keeping maintenance spending down; most students are not used to making food for themselves and there are no cheaper big supermarkets around the area. Additionally, spending on socialising is a huge factor, with 'nights out' amounting to huge sums especially in the first semester. Although the intensity of going out decreases with feeling less pressure to make friends during the second semester, most students still spend quite a lot on this aspect of the student life: they refer to their grades from their first year not counting towards their final degree outcome. As suggested by NR31 in the second year interview, this aspect has been crucial for him so far in his studies.

> I don't believe in cutting back on alcohol, I think it is against my personality. I am being stupid there... I mean because you can always find money if someone says lets go to the pub, you can always find money. Whereas like: can I afford that sandwich even though it is £2 and going to the pub might cost £10... (NR31, NFW, 2\(^{nd}\) yr)

Quite a few students suggested that their (lack of) budgeting is fairly similar to the first year. Some of it is the inability to resist purchases they can afford, but even they consider luxury items.

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\(^8\) The calculation for Table 2 the figure used was £80 per week for private sector rent for the second year.
I: Do you ask [your parents] for support sometimes or...?
M: I did over Christmas but that was just because of my stupid money spending because I was spending a lot.
I: I remember this [from] last year: it was because of gigs.
M: Oh did I say it last year as well?
I: Yes.
M: I said it last year as well, no I haven’t changed. (NR10, NFW, 2nd yr)

Last year I spent quite a bit and I was just like oh... but I got better in the second semester. And I came to uni this term, this year, and I discovered that break ups are very expensive. The first time [former boyfriend] broke up with me, I went to Meadowhall. I spent a lot of money. The second time he broke up with me, I went to Meadowhall and I spent a lot of money. I basically have a whole new wardrobe since... (NR34, NFW, 2nd yr)

Some students suggested that they have found ways of budgeting a little bit better. Beyond gaining extra funds via their part-time jobs, this is by cooking their own food and generally, being wiser with their spending.

It’s like I don’t really eat out a lot, I have food in and I make food for like lunch. So I eat out sometimes and, but I kind of like make sure I don’t go silly. Like, I don’t really go out drinking a lot. Or I’ll do it for like people’s birthdays and events. Like, I don’t really buy a lot of things like clothes. I’m quite a charity shop fan, so most of my clothes I buy are quite cheap. It’s just like, if I spend like a lot of money, like I just have a quiet weekend and not spend too much. (NR39, NFW, 2nd yr)

A specifically second year problem is around trying to save money on bills whilst negotiating this with the housemates. A good example is heating: some of the bad quality student housing lacks good insulation and attempts to save on bills goes counter to the need to have a sufficiently warm room.

Most students experience a lot of change in terms of socialising as well: first, in terms of the quantity with going out less and second, regarding the quality in being more selective in where and when to go out. The socialising tends to quieten down along with the course duties gaining a higher importance: most students suggested that instead of the weekly 2-3 they go out 1-2 times. Some students said that due to feeling high pressure from the grades being counted towards their degree outcomes they have not gone out at all. In terms of establishing the difference between first and second year socialising, most suggested that there is a higher level of diversity in what they do.

During the first year most social events were geared towards a high level of alcohol consumption and attending a student night at the Students Union or in the City Centre. Comparatively, second years seem to be more selective. They go out to the same places less regularly and they find spots that are beyond the first year student bubble, venturing out to other areas of Sheffield (Cheeseman, 2010). Moreover, they find cheaper options of having a
sociable evening with friends: going for a few drinks to the local pub, cooking food together at home or movie nights are now considered to be more important. It is likely that the perception of these events changed, rather than their regularity: whereas the first year meant having ‘fun’ at near-compulsory nights out, the second year socialising is spent with the ‘real’ friends in varied environments.

Commuter students in the sample tended to be more disengaged during their first year, not wanting to participate in the night-time economy. Most suggested that their local friendship groups make up for the lack of engagement with course mates, who seemed to be very busy with making friends in their respective halls. This remains the case for mature students especially with caring responsibilities: they are more likely to be disengaged and to have difficulties in integrating to the university life. Some younger commuter students found meaningful ways of engaging for their second year: they joined extracurricular activities, made friends with more course mates and seem to feel more comfortable with spending time at university outside of the bare minimum of lectures and seminars.
Spending on their studies in second year
Expenditure related to their studies during the first year related mainly to purchasing necessary equipment, such as laptops and books; little else directly linked to their university career has been mentioned. The second year interviews show a more diverse picture: beyond purchasing the necessary equipment, a lot of students spend on activities not strictly related to their studies. Some attend summer schools and internships to have a chance to travel whilst acknowledging that in the meantime they might be enhancing generic skills and their independence. Others are involved in extracurricular activities at the University or in the wider community, spending time and money with those groups.

When comparing the pattern of activities in the first and the second year, there seems to be an ‘equalising’ effect of the later stage of studies. Although the higher level of financial support during the first year seemed to spare taking up part-time jobs for a high ratio of FW students, it was students with the least family support who took up the most demanding jobs. By the second year most students will have had a part-time job, showing less of a division by family background.

Extracurricular activities in the first year seem to attract young middle-class students at a higher rate; this is especially true for more costly sports as horse-riding or cricket. In a university context these sports are harder to get started with in case a student has not had a background in practicing it. The interview data confirms some of Cheeseman’s (2010) points in that the first year socialising can be disengaging due to the focus on alcohol and clubbing. During the second year, however, quite a few of the formerly disengaged students who tend to be from poorer backgrounds find some form of extracurricular activity they can engage with. This is true for activities both related and unrelated to their studies. The role of extracurricular activities in engaging students with the university more broadly is crucial in feelings of belonging and thus student success.

As suggested in the first year report, mature students with caring responsibilities tend to have much higher pressures both on their budgets and their time that can be devoted to the University. This also means very little opportunities and drivers for them to take part. Both student parents participate in local community organisations along with their part-time jobs and family responsibilities.
Money management and financial independence

The previous two sections on the income and the expenditure side of the student budget alluded to a crucial aspect of university life: becoming financially independent – in most cases for the first time. A number of students mentioned that the scale of the money they have to handle is drastically different from what they were used to. They tended to ‘blame’ the difference in scale for budgeting errors and overspending, and as such, running out of money before the next loan instalment comes in. NR34’s thoughts in her second year show precisely this problem; according to her, things have not changed for the better in the second year either.

(...) My granddad used to give me a bit and then when I got to A Level, I got a £50 allowance once a month and that, I had to be careful with that ‘cause £50 goes nowhere. But then suddenly, I came to uni and I’d just earned £3,000 over the summer before and I was suddenly getting given £3,000 and I’ve kind of got into like this little vicious cycle of thinking I can do anything ‘cause I’ve had more money than I’ve ever had before. (NR34, NFW, 2nd yr)

She continues to explain how the issues around the scale of the budget and the necessary family support also mean that her financial independence is questionable, not ‘real’; she is still hugely dependent on her parents paying her accommodation and giving her additional financial support throughout the academic year:

F: [The amount of money and not being able to handle the budget] It’s bad. It’s really bad because I’m just like when I really grow up and I have to pay the rent as well...
I: When you ‘really grow up’?
F: I wouldn’t say we were adults. I wouldn’t say we were grown up at uni, especially not me. Like I’m not independent. I’m ‘independent’ like in inverted commas, [but not to] a serious degree. ‘cause I [can] just run home. (NR34, NFW, 2nd yr)

As suggested in the income section detailing maintenance loans and grants, the system is set up so that supposedly independent adults gain state support based on two other adults’ income up till the age of 25. Such system also assumes that all families (above a certain income threshold) are willing and able to contribute to the university studies of their offspring. This structural lack of independence and agency on behalf of the student might be the reason why certain parents find it appropriate to take the loan (and grant) from their child and send it back in monthly instalments to support them budget better. Other parents support their offspring with financial advice, such as helping to calculate their budgets for the different academic years.

The picture, again, is profoundly different for those students who have caring responsibilities. In both such cases in our cohort the families make up the budget from multiple sources, such as part-time work by the student, their partner if present, child benefit, financial support and student loans. One of these students mentioned that her family budget is heavily dependent on overdrafts and other forms of private credit. The issues around making ends meet for families like hers is exacerbated by pressures on time that
needs to be divided up between the part-time roles, household tasks, studying with the children and other family commitments.

Pressure points throughout the year
The loan and grant instalments are transferred to students in September, January and April. September means elevated pressures on the budget due to the start of the academic year: needing to purchase household items, pay for equipment and memberships for their studies, and socialising. Most students mentioned that they might ask for support from their family due to the mismatch between the loan instalment timing and the financial timeline of student life:

(...) it usually comes to a time when I’m having to pay for a rent instalment, so I’ll ask for money then, but other than that [my father] doesn’t need to help me out. ‘Cause I’ve got the loan and grant and the bursary to use, so I don’t need to use his money. (NR38, FW, 2nd yr)

The pacing and size of the loan instalments suggest that two summer months are not intended to be covered by the state support. To deal with such pressure most students move back to their parents for that time along with carefully budgeting for July and August and/or getting a summer job to cover maintenance.

Finance in the future
To further investigate the role of finance in planning the post-degree life, second year students were asked about their plans for the future shown in Table 5. Note that it is only 7 students who are thinking about getting a job straight away after they graduated with their BA programmes.

<table>
<thead>
<tr>
<th>Teacher training/ NHS funded masters</th>
<th>Funding needed for Masters/Training</th>
<th>MEng/Medical/ Year abroad/ Changed course</th>
<th>Not on longer degree &amp; not planning PGT/PGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FW</td>
<td>5 (+2)</td>
<td>2 (+1)</td>
<td>5</td>
</tr>
<tr>
<td>NFW</td>
<td>3</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>9</td>
<td>14</td>
</tr>
</tbody>
</table>

A further 14 students are either on Masters in Engineering programmes (or were thinking about transferring into those), or on longer Bachelor degrees with a year abroad, or doing a longer degree in Medicine, or changed their course. 10 students are thinking about applying for a Masters programme via the NHS or via teacher training initiatives; these students may or may not stay in Sheffield for those postgraduate qualifications. Most of these students have taken important steps towards realising their plans: they have enquired regarding entry requirements, financial provision and sought out work experience opportunities.
Interestingly, 9 students mentioned that they were thinking about a potential taught Masters (in some cases a PhD as well) – these students are predominantly studying for social science or arts and humanities degrees. A number of them mentioned planning to apply for the newly introduced scholarships or loans to do their Masters, and some have started to think of the budgeting for the future.

Because I can comfortably, with my parents paying for my accommodation, I can comfortably afford to live like really happily, like food, everything like that, but it’s just the extra things, if there’s anything extra that you need, and next year I worry because with applied Masters, there’s going to be travel costs, there’s going to be like application costs, ’cause you have to pay like per application, don’t you, something like that? You probably know better than I do, but it’s... so next year, I think it’s going to be tricky. (NR 1, NFW)

This suggests that there is a high demand for further studies at least whilst students are still a while away from having to make decisions. If such trends are nationwide, they might have a profound impact on university finances and the proposed postgraduate student loan system. The third year interviews will uncover the actual applications and some of the pathways of students.
Conclusions – student perspectives on finance

This report builds on two years’ worth of data from the Sheffield Student 2013 tracking project. It shows that the second cohort of undergraduate students who pay the higher fees introduced in 2012 tend to be resigned to indebtedness which is juxtaposed with their parent’s fear of debt. As very few families could afford to pay for the fees up-front, nearly all students in our cohort are accumulating substantial amount of tuition fee and maintenance loan debt over the course of their studies at Sheffield. As suggested in the first year report, students justify this level of debt with two main narratives. Either expressing anxiety but being hopeful that the system as a whole will function well for them and other students of a much larger cohort; or being angry about the fee change but having to resign to taking the full amount of loan to get to and through university (Hordósy, 2015a). As the novelty of the loan wears off for the second year, the day to day financial worries of maintenance take a much higher priority.

Familial support⁹ is taken for granted by the system: students from better off backgrounds do not get sufficient funds from the state to cover their basic costs. This raises some questions around the independence of these students in terms of their own finances and in some cases invokes higher levels of financial micro-management by parents. On the other end of the spectrum are students whose families cannot afford to support them at all; for them the sum of the loan, grant and bursary as well as further financial support seems to produce a manageable budget. The highest level of loan, grant and financial support help to level the playing field by alleviating current financial pressures; these are precisely the students who cannot fall back on a familial safety net of funding.

However, the loans and grants are recalculated on a yearly basis by the Students Loan Company, potentially resulting in a very different budgetary situation to the student for subsequent academic years. There is indication in our data that even substantial (positive) changes in family income do not necessarily trickle down to the student as additional parental support, leaving huge gaps in funds for the student.

Financial support provided to students seems to make a positive contribution to the student experience of those who gain little or no input from their families. There is some indication that poorer students who tend to be from non-traditional backgrounds can afford a better quality student life than they expected: most crucially, they do not have to take up part-time jobs to sustain themselves. Thus they have the time and money to participate in extracurricular activities as well; it seems that by engaging with the broader university context these students can develop a sense of belonging crucial to have a positive student experience. This is similar to the findings of Harrison et al. (2015) and provides some contextual understanding additional to Bowes et al. (2016).

⁹ Note that although the usual cut-off point to distinguish between young and mature students is 21 years, for the loan system this is 25 years.
The student funding system is hugely complex and seemingly in constant change both within cohorts due to re-calculation of budgets, and over time due to constant policy shifts. This makes providing good quality and reliable information and guidance to students quite a challenge.

Part-time work becomes more important for the second year as more students take up jobs. Mostly this is to gain some level of work experience and enhance their CVs; however, a small minority of students has to make up for the lack of familial and statutory support. A number of stories from students taking on much more hours in precarious work conditions seemed to have had detrimental effect on their studies. Students who gained their jobs via the University were in much better positions to those who worked in catering or retail outside the institution’s oversight. Jobs via the University are more flexible, take student’s timetables and duties into account, and tend to provide a decent salary as well.

Our data suggests that students are thinking about their future pathways in detail during their second year of studies, with quite a high ratio of the interviewees thinking about Masters programmes. Numerous students have mentioned the University’s scholarships for postgraduate studies as a potential source they will apply for. The third year interviews will follow up these aspects and whether the plans for future studies materialise.
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