From Opportunity to OFFA – who are the students receiving bursaries and what impact do they have on first year retention?

Neil Harrison, Senior Research Fellow, Bristol Centre for Research in Lifelong Learning and Education, University of the West of England – neil.harrison@uwe.ac.uk.


Context

The issue of the funding of higher education students in the United Kingdom has been a vexed question since the early 1960s (Anderson, 1960). Successive governments have tinkered with or completely overhauled the system in an attempt to balance agendas for economic growth and social justice with the cost to the public purse; a cost which has grown significantly as the size of the higher education sector has grown. The pendulum has swung from student grants and state benefits to student loans to the mixed economy of grants, loans and bursaries that has been in place in its current form since 2006 (DfES, 2003). Fifty years on and the issue of student finance remains politically contentious, being debated extensively in both the 2001 and 2005 general elections.

The current generation of government-sponsored financial support targeted at students from low income households has been in existence in one form or another since 2001. The Excellence Challenge report (DFEE, 2000) launched the Opportunity Bursary pilot scheme to assist younger students (aged under 21 on entry) living in certain areas perceived to be deprived and predominantly found in the larger urban areas. They were aimed to be a cornerstone of the ‘widening participation’ agenda, specifically to increase application rates and improve retention from socio-economic groups considered to be under-represented in higher education (NCIHE, 1997). The Opportunity Bursary provided £1,000 in the first year of study and £500 in subsequent years of study. They were administered by individual universities, who were provided with ringfenced funds to cover the costs.

The Opportunity Bursary scheme only lasted to three cohorts of students before being replaced by a more inclusive and nationally-administered Higher Education Grant. This offered mainstreamed support to all low income students regardless of where they lived. This approach itself only survived for two cohorts (2004 and 2005) before it was arguably subsumed into the Higher Education Maintenance Grant in 2006. Arguably, in that the latter was designed to effectively offset the cost of the £3,000 tuition fees that were introduced in that year, such that what was formerly an additional sum for lower income students over and above the remission of tuition fees was then rebranded into a means of meeting the higher fees. The net result was lower statutory funding for students from less affluent backgrounds.

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1 This paper will address student funding in England only. Different systems now operate in Scotland, Wales and Northern Ireland.
2006 did, however, also see a return to the concept of the university-administered bursary after a five year hiatus. Those universities that chose to implement the full £3,000 tuition fee (and this was nearly all), were required to provide a discretionary bursary scheme that met the approval of the newly formed Office for Fair Access (OFFA). Universities were required to provide a bursary of at least £300 to students below a certain income threshold, but they were expected to provide higher sums, although not all have done so. Universities were given broad discretion about which students could be targeted for bursaries, the markers used to identify them (e.g. income, ethnicity, academic performance) and the amount offered. This has led to an extremely complex and confusing pseudo-market in bursaries, with different criteria, target groups and bursary sizes in a confusing maelstrom of around 350 competing schemes (Harrison, Baxter & Hatt, 2007; McCaig & Adnett, 2009).

This paper seeks to compare and contrast the Opportunity Bursaries operating between 2001 and 2003 with the post-2006 bursaries. It draws on research undertaken into the efficacy of the Opportunity Bursaries in terms of student retention and success and, using recent data from a single institution, begins to examine whether the post-2006 bursaries will achieve their professed aims in terms of widening participation.

**Literature review**

Due to the temporary and small-scale nature of the Opportunity Bursary scheme, relatively little research has been published evaluating its impact and success. However, that which has been published suggests modest, but identifiable, positive outcomes. West et al (2006) found in their national study that the holders of Opportunity Bursaries had a first year retention rate of 2.6% higher than other students from low income households without a bursary. A five-year longitudinal study at a single university found similar results, with bursary holders having better retention rates (Hatt, Baxter & Harrison, 2003) and achieving better degree results (Harrison, Baxter & Hatt, 2007). We will return to these latter findings in more detail below.

Furthermore, Hatt et al (2005) and Harrison, Baxter & Hatt (2007) found that bursaries were associated with high levels of motivation and commitment, providing a form of positive attachment to the university that supported academic performance. Students who had been awarded Opportunity Bursaries reported that they felt that they were a signal that the university was supportive of students from their type of background. Interestingly, Harrison, Baxter & Hatt (2007) found that there was less evidence that the bursaries had a strong financial impact, with bursaries of different sizes appearing to yield comparable results.

Considering bursaries offered by universities more generally prior to 2006, Whitehead, Raffan & Deaney (2006) report that they have little impact on the educational choices made by students. It is known that students from non-traditional backgrounds will tend to prioritise local and familiar institutions (Reay, David & Ball, 2005), so it is perhaps unsurprising that relatively few students appear to choose their course of study based on additional financial support. The efficacy of bursaries as a recruitment tool must therefore be questioned. Even if they were successful, this result would beg the question of whether we would wish students to make important decisions on financial over educational criteria.
Methodology

This paper reports the interim findings of on-going research at a large teaching-intensive multi-site university in the southwest of England. The university has a mixture of selecting and recruiting courses, mainly with a vocational flavour, drawing students from across a wide ability range. The student intake is relatively diverse and broadly echoes that the demographic profile of the higher education sector as a whole.

The original research undertaken was a five-year longitudinal tracking study of the 2001 full-time young (i.e. under 21) UK undergraduate entry cohort. Background demographic data was collated from the university’s student records database, along with an identifier for those students who had been allocated an Opportunity Bursary or one the university’s own bursaries that were administered using similar criteria. After the first and fifth academic years (i.e. 2002 and 2006), the cohort’s progress was analysed both in terms of retention (both data points) and attainment in terms of degree classification (second data point only). Qualitative research was used in between the two data points to explore the experiences of the bursary holders, as well as a number of students from lower income background who had not applied for bursaries despite being eligible. 37 students were interviewed in a mixture of focus groups of up to four people and individual one-to-one sessions, both lasting for around an hour. The full results of the initial research were reported in Hatt, Baxter & Harrison (2003) and Harrison, Baxter & Hatt (2007).

A new phase of research has been started in 2009, using the equivalent 2008 entry cohort. The methodology is very similar, although the data available has altered somewhat in the intervening period. For example, in the initial phase, household income was inferred from tuition fee liability whereas in the second phase, it is inferred from the receipt of a post-2006 bursary, which is triggered at the sample university by the ‘residual’ income calculated by the Student Loans Company. This change makes direct comparison between the two cohorts slightly problematic; this will be returned to in more detail below. At the time of writing (summer 2009), the cohort has just completed its first academic year, equivalent to the first data point in the original study. Once again, a qualitative study is planned in the near future, although it has not yet been possible to initiate this.

Table 1: comparison of cohorts

<table>
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<tr>
<td><strong>Cohort size</strong></td>
<td>3,329</td>
<td>4,041</td>
</tr>
<tr>
<td><strong>Low income students</strong></td>
<td>944 (28%)</td>
<td>1,366 (34%)</td>
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<tr>
<td><strong>Students receiving bursaries</strong></td>
<td>332 (10%)</td>
<td>1,366 (34%)</td>
</tr>
<tr>
<td><strong>Bursary type</strong></td>
<td>Opportunity Bursary or similar university scheme</td>
<td>Post-2006 bursary</td>
</tr>
<tr>
<td><strong>Bursary amount</strong></td>
<td>Either £1,000 in first year and £500 in subsequent years or £300 in first year only</td>
<td>£1,000 per year</td>
</tr>
<tr>
<td><strong>Bursary administration</strong></td>
<td>By application</td>
<td>Automatically awarded</td>
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From Table 1 above comparing the two cohorts, the most obvious feature is an increase in 712 students. This appears to be due an overall growth in student numbers as the definitions used to construct the cohorts remained the same. With the overall cohort, the proportion of students identified as coming from low income households has increased from 28% to 34%. This is probably largely due to a definitional change. The definition of 'low income' for Cohort 1 was a gross household income of less than £20,000, equivalent to £25,000 at 2008 prices. The definition for Cohort 2 was 'residual' household income of less than £25,000. Residual income removes certain amounts to take into account different family circumstances, effectively raising the threshold to include more students.

In Cohort 2, all students from low income households were automatically awarded a bursary, whereas Cohort 1 students had to specifically apply, providing information about their parents’ income. As a result, only just over a third (35%) of students eligible for a bursary received one. The size of the Cohort 1 bursaries were effectively dependent on where the individual lived, with those in government target areas receiving the full Opportunity Bursary (around a quarter of the total) and those outside those areas been given a smaller bursary from the university. At £1,000 per year, the post-2006 bursaries were larger overall than those offered to Cohort 1 students.

Demographic data for both cohorts shows that female students and those from minority ethnic communities are significantly more likely to be awarded bursaries, as are students living near to the university. Additional data have become available for Cohort 2. Students have been allocated to the seven-point\(^2\) NS-SEC classification of social class used by the Office of National Statistics (ONS, 2009), derived from information provided on their application form. This was available for 77% of the cohort. Also, the student’s home postcode was matched against national databases to provide measures of neighbourhood deprivation (Index of Multiple Deprivation) and youth higher education participation rates (POLAR). These three measures (NS-SEC, IMD and POLAR) are vital to targeting current efforts to widen participation (HEFCE, 2007).

Table 2: comparison of bursary holder and whole cohort for Cohort 2

<table>
<thead>
<tr>
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<th>Bursary holders (n = 1,366)</th>
<th>Whole cohort (n = 4,041)</th>
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<tbody>
<tr>
<td>% from NS-SEC groups 4 to 7</td>
<td>33%</td>
<td>27%</td>
</tr>
<tr>
<td>% with no NS-SEC data</td>
<td>32%</td>
<td>23%</td>
</tr>
<tr>
<td>% from low participation areas (POLAR = 1 or 2)</td>
<td>32%</td>
<td>24%</td>
</tr>
<tr>
<td>% from high deprivation areas (IMD rank in bottom 40%)</td>
<td>28%</td>
<td>18%</td>
</tr>
</tbody>
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\(^2\) The NS-SEC classification defines seven groups, with a two-way division between higher (1 to 3) and lower (4 to 7) social class often being employed. The eighth group (containing the long-term unemployed and those who have never worked) is not used in this context.
As can be seen from Table 2, those receiving a bursary were more likely, on average, to be drawn from lower socio-economic groups and from areas with high deprivation and low university participation rate. In addition, Harrison & Hatt (in press) have shown that those students lacking NS-SEC data are disproportionately likely to be from workless and/or benefit-dependent families – these are also strongly represented among the bursary holders. However, it should be noted that the tendency for bursary holders to be drawn from the widening participation target groups and areas is not overwhelming, suggesting that there is a far from deterministic match between these variables and household income, which is used to calculate bursary eligibility. For example, two thirds of those in Cohort 2 receiving bursaries were actually drawn from the higher socio-economic groups (1 to 3). Expressed in a slightly different way, 1,091 students were classified in NS-SEC groups 4 to 7, but only 451 of these received a bursary; 41% of the total. This finding raises questions about the assumptions made about the income profile of different social groups and neighbourhoods, suggesting that it is more nuanced than sometimes imagined.

Findings

Detailed findings concerning Cohort 1 can be found in Hatt, Baxter & Harrison (2003) and Harrison, Baxter & Hatt (2007). In brief summary,

1. Bursary holders were significantly more likely to complete their first year than students from lower income backgrounds without bursaries and as likely as students from more affluent households.
2. Bursary holders were significantly more likely to complete their degree than other students (by the five year data point).
3. Bursary holders were significantly more likely to achieve a first or upper second class degree than other students (by the five year data point).
4. The size of bursary did not appear to have any measurable effect on retention or attainment; the Opportunity Bursary holders receiving £1,000 in the first year and £500 in subsequent years did not have different outcomes to those receiving just £300.

In addition, an unpublished regression model suggested that the positive impact of bursaries persisted once other factors were taken into account, with entry qualifications being the strongest predictor for retention and high attainment.

An unanswered methodological question remains concerning Cohort 1: given the self-selection bias of students having to actively apply for a bursary, were the improved outcomes due to the impact of being given a bursary or was it simply that the more talented, diligent or motivated students were more likely to complete an application? Certainly the qualitative research found that bursary holders tended to express high levels of academic motivation and commitment to their course, notably in relation to students from low income households who did not apply for a bursary. However, it was not possible to disentangle cause from effect without a control group. As we shall see, the new research with Cohort 2 does shed some new light on this question.

At the present time, the data that are available for Cohort 2 are those for first year retention. A census date of 31st July was used in common with Cohort 1, meaning that those students leaving due to academic failure are specifically not included (as these are only finalised in September at
the sample university). Table 3 presents a comparison between first year retention rates for Cohort 1 and Cohort 2:

**Table 3: comparison of first year retention rates**

<table>
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<tr>
<td>Low income with bursary</td>
<td>93.5% (n = 329)</td>
<td>94.4% (n = 1,366)</td>
</tr>
<tr>
<td>Low income without bursary</td>
<td>84.3% (n = 615)</td>
<td>n/a</td>
</tr>
<tr>
<td>Higher income (without bursary)</td>
<td>88.0% (n = 2,385)</td>
<td>86.5% (n = 2,675)</td>
</tr>
</tbody>
</table>

We find that the first year retention rates for Cohort 1 and Cohort 2 bursary holders are very similar at around 94%. The retention rate for students without a bursary is also strikingly similar at around 87%. This suggests, *prima facie*, that the post-2006 bursaries are associated with the same improvements in outcomes as the previous generation of Opportunity Bursaries. Furthermore, it is notable that the improved retention in Cohort 2, where all low income students were offered bursaries, is at the same level as for those applying for a bursary in Cohort 1. This suggests that it is the receipt of a bursary that provides positive outcomes rather than a self-selection bias among motivated students.

Before moving on to a discussion of these findings, it is important to remember the previous note that the threshold between ‘higher’ and ‘low’ income households moved between the two cohorts. It is not felt that this is likely to have made a significant difference to the results as higher incomes in Cohort 1 are associated generally with lower retention rates. If a shift in the threshold were to have an effect, it would, therefore, be more likely to have had the effect of lowering the retention rate for students from low income households in Cohort 2.

**Discussion**

From the findings presented above, it would appear that the pattern of outcomes established for Cohort 1 are being repeated for Cohort 2 and that the post-2006 bursaries are associated with improved student retention and success. This is, of course, a long way from establishing a causal relationship, although the persistence of the results across a lengthy time period does seem to indicate that bursaries may have a positive effect on the student experience.

There is a significant literature on first year withdrawal, positing a range of academic, social, financial and personal factors that may impact on a student’s decision to leave or remain. Many studies attempt to identify the most important reason or reasons for departures (e.g. Davies & Elias, 2003), but the more compelling studies (e.g. Bennett, 2003) stress the interconnectedness of various pushes and pulls on a student, while Harrison (2006) found that an absence of ‘attachment’ to the university or course appeared to be more often the cause of withdrawal than negative experiences.
A simplistic analysis might suggest that bursaries impact on outcomes on a purely financial level, providing students with greater security, reducing hardship and negating the need to take on excessive part-time work. However, there are two pieces of evidence that speak against this interpretation. The first is that the evidence from Cohort 1 is that the size of the bursary appears not to have any impact on the outcomes associated with it. The second is that the bursary holders from both cohorts, who were, by definition, from low income households, had stronger retention patterns than students from more affluent backgrounds. While a bursary might help to level the financial playing field, it is difficult to see how a relatively modest sum of money could provide an active advantage. From the qualitative data collected from Cohort 1, it is clear that the bursary holders do view the money as useful and that it does help to alleviate worries and the need to work. However, this cannot be the whole story.

As we have seen, the results from Cohort 2 would appear to eliminate a self-selection bias from consideration. This group were awarded their bursaries automatically without the need to self-identify as being eligible and without the need to complete a somewhat intrusive application process. Whereas there was concern in Cohort 1 that the outcomes could merely be associated with already motivated students who submitted an application, the fact that Cohort 2 appear to act similarly suggests that there is something about the receipt of a bursary that is connected with positive outcomes.

It has not yet been possible to establish that the possession of a bursary has a causal effect on outcomes. It is theoretically possible that bursaries are simply acting as a marker for one or more other factors that explain the higher rates of persistence and success. However, investigations to date have not revealed with any confidence what these factors might be. Students from lower income households tend overall to have poorer entry qualifications; a fair predictor for university success. Bursary holders in both cohorts were more likely than average to be female and drawn from a minority ethnic community, but these factors do not appear to have a strong predictive effect. They are almost certainly also more likely to have entered from a state school and such pupils do have better outcomes at university than those entering from independent schools once qualifications are controlled for (PFAP, 2009). More work is needed to understand the interaction of these factors with bursaries, although analysis of Cohort 1 suggested that Opportunity Bursaries did have a significant effect in a regression model, a conclusion supported by West et al (2006).

Drawing on the qualitative data from Cohort 1, one theme raised frequently by interviewees was the impact of receiving a bursary on their commitment and motivation. These students reported feeling validated by the bursary and that the university was demonstrating its commitment to them and other students from backgrounds like theirs. It can be hypothesised, therefore, that becoming a bursary holder helps to break down the feeling that university is ‘not for people like them’ that many students from non-traditional backgrounds report feeling (e.g. Thomas, 2002). This sense of reciprocal commitment then forms the foundation of an ‘attachment’ that may help to prevent withdrawal (Harrison, 2006). If this causal effect of bursaries can be demonstrated by subsequent research, it would mean that their role in higher education funding is quite different from the mainstream national support through grants and loans.

What has not been addressed by this study is the role of bursaries in building prospective students’ aspirations for higher education and in stimulating recruitment from particular groups of students (or for specific institutions). Other researchers (e.g. Whitehead, Raffan & Deaney, 2006) have found it questionable whether students from non-traditional backgrounds will make university
choices based on the bursaries offered. In particular, it has been a tenet of the ‘widening participation’ agenda that financial support for students from low income backgrounds needs to be simplified (Woodrow et al, 2002), yet the changes introduced in 2006 made it almost infinitely more complex, with a dazzling multiplicity of bursaries on offer. An exploration of this component of the post-2006 bursaries will form a future part of this study.

Conclusions

This paper has reported the outline findings from an on-going longitudinal study, comparing them with those from a previous study into a similar cohort from seven years previously. The overarching conclusion is that the new cohort of students appear to be responding to the post-2006 bursaries in a very similar way to the previous cohort responded to Opportunity Bursaries. In summary, this would mean that the post-2006 bursaries will be associated with better retention and completion rates and higher degree attainment.

We have seen that there are meaningful contrasts between the previous and new bursary schemes. Whereas Opportunity Bursaries had been offered to a tiny subset of students who fulfilled tight criteria about income and location, the post-2006 bursaries were designed to be offered on a much wider basis, with as many as one in three students finding themselves to be eligible. Also, while the Opportunity Bursaries were offered nationally with the same operational guidelines (even though they were awarded and administered by individual universities), each individual university now has scope to develop their own bursary schemes. This may mean that the findings from the sample university in this study are not replicated in other institutions. It also represents a shift from bursary as social justice vehicle to bursary as marketing tool. However, the tentative evidence in this paper is that there is something specific about the act of a university providing a bursary that is beyond the financial sum it represents. This may relate to reciprocity and the creation of a bond of commitment between university and student.

As yet, very little research about the efficacy of post-2006 bursaries has emerged. This paper has attempted to sketch out the findings from one university and more work is planned, in particular focusing on the role of bursaries in widening participation and recruitment. The nature of the hypothesised ‘attachment’ will also be probed in more detail. It is also intended that more work will be undertaken into understanding the factors influencing first year retention and, after the passage of another four years, degree attainment.

References:

Anderson, C. (1960) Grants to Students (also known as the Anderson Report), London: HMSO.


Harrison, N. & Hatt, S. (in press) Knowing the 'unknowns': investigating the students whose social class is not known at entry to higher education, accepted for publication in the *Journal of Further and Higher Education*.


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