

When readers of *IMHE-Info* were surveyed about their expectations of the newsletter one of the things they asked to see more of was short reviews or updates on research and policy in higher education (for more information: www.oecd.org/edu/imheinfosurvey). For a trial period we have therefore agreed with CHERI, the Centre for Higher Education Research and Information (CHERI) of the UK Open University (an IMHE member) to reproduce some items from the *Higher Education Digest* which is published by CHERI three times a year.

The *Digest* aims to provide an effective means of helping academics, administrators and managers in higher education to keep up to date and informed about important publications and other significant developments and issues that affect higher education in the UK and internationally

IMPACT OF VARIABLE TUITION FEES

Variable Tuition Fees in England: Assessing the Impact on Students and Higher Education Institutions - A First Report, Brian Ramsden and Nigel Brown, 2007, 48p, ISBN 1 84036 146 8, £10.00, Universities UK, Woburn House, 20 Tavistock Square, London WC1H 9HQ, tel: +44 (0)20 7419 4111, fax: +44 (0)20 7388 8649.

This is the first in what is intended to be a series of annual publications by Universities UK which will examine the effects of the new variable fees arrangements for UK and EU domiciled full-time undergraduate students attending higher education institutions funded by the Higher Education Funding Council for England. The purpose of the report is to provide a baseline for considering the effects of the changes introduced in England in the autumn of 2006. It brings together information from a range of publicly accessible sources (the Universities and Colleges Admissions Service, the Higher Education Statistics Agency, the Government's Actuary's Department, the Office for Fair Access) and the institutions themselves about the demand for higher education, the nature of the student body, the fees and bursary arrangements and the financial situation of institutions. While the main focus of the report is on England, some statistics have also been presented for the other countries of the UK in order to provide a basis for comparative analysis. The report also provides a baseline for measuring any impact of the changes to full-time undergraduate fees on the demand for part-time higher education.

The report highlights three contextual issues which should be borne in mind when considering the findings. Firstly, the balance between supply and demand has narrowed substantially during the period from 1995-2004, in that while the number of applicants for full-time undergraduate places through the UCAS system has increased, the proportion of applicants being accepted has increased by a greater degree, although there is considerable variability by subject. Secondly, the demand for higher education depends partly upon the number of individuals within the population who might benefit from higher education and is dependent to a considerable extent on the

output of qualified leavers from secondary education. Thirdly, there is a significant minority of applicants who fall outside the UCAS system and are directly admitted to a university. It is understood that these students constitute around 15 per cent of full-time undergraduate entrants.

Overall, the report shows an upward trend in numbers of applicants and acceptances between 2004 and 2006. The key findings are:

- while the demand for higher education showed some fluctuation over the period 2004-2006, across the two years institutions experienced a median increase of 10 per cent in the level of applicants compared to 2004;
- comparing 2006 with 2004 showed a 4.2 per cent increase in applicants and a 3.5 per cent rise in acceptances;
- part-time undergraduate enrolments fell between 2003/04 and 2004/05 with a fall of over 5 per cent in those entering part-time first degree programmes;
- in 2006/07 there was no evidence of a link between the change in the level of applications for full-time undergraduate places by institution and the relative generosity of their proposed student support arrangements;
- there is wide variation in the bursary and scholarship schemes being established by institutions;
- between 2002 and 2005 the proportion of acceptances through UCAS from lower socio-economic groups and minority ethnic groups was stable;
- there was a wide variation in the change in first year enrolments by subject area between 2003/04 and 2004/05. Enrolments in computer science and business studies fell significantly while enrolments in creative arts and design and professional areas such as nursing, teaching and social work showed significant increases;
- in terms of its contribution to total institutional revenues, the present level of income from full-time undergraduate fees varies considerably by institution. Some institutions are a lot less dependent on this income than others.

TARLA SHAH

THE VALUE OF A DEGREE

The Economic Benefits of a Degree, PriceWaterhouseCoopers, 2007, 13p, ISBN 1 84036 148 4, Universities UK, Woburn House, 20 Tavistock Square, London, WC1H 9HQ, tel: + 44 (0) 20 7419 41111, fax: + 44 (0) 20 7388 8649; Email: info@UniversitiesUk.ac.uk.

This publication is part of a new series of research reports that Universities UK has commissioned in support of their policy development function and which aims to disseminate research results in an accessible format.

There is a continuing debate about the economic benefits of a degree and the introduction of variable tuition fees for full-time undergraduate courses of up to £3,000 in England in 2006 has fuelled the debate even more. This report reviews recent research, mostly published after 2000, on the rates of return for an undergraduate qualification (and some postgraduate qualifications) and focuses on 'some of the estimates of the value of attaining higher education qualifications which take into account individual characteristics'.

The report finds that over a working life, an individual with an undergraduate qualification can expect to earn 20-25 per cent more than an equivalent person with one or two A levels. This equates to a gross additional lifetime earning of a 'representative' degree over and above two or more A-levels of £160,000 (when income and employment effects are combined). Average additional lifetime earnings benefits of postgraduate qualifications are estimated to be

£70,000 - £80,000 for a postgraduate degree; £30,000 - £40,000 for a postgraduate certificate; £35,000 - £45,000 for a HNC/HND and £5,000 - £15,000 for a diploma in higher education.

In spite of the expansion of higher education since the 1980s, there has been no erosion of the 'graduate premium'. However, the report continues, the economic returns of a qualification are heavily dependent on variables such as subject studied, qualification type and the age at which the qualification is attained. For instance, the lifetime earning premium for a 'medicine and dentistry' qualification is £340,000; that for 'humanities' subjects is £51,549 and for 'arts' subjects £34,949. Men from lower socio-economic groups and families on lower incomes do especially well if they attain a degree.

Women do relatively well irrespective of their family backgrounds or financial circumstances.

With regard to the effect of variable tuition fees on the rates of return, the report concludes that, prior to their introduction, the average rate of return to the individual associated with an undergraduate qualification was approximately 12.1 per cent per annum. This is estimated to increase to 13.2 per cent once tuition fees and the new student finance package are taken into consideration. This phenomenon can be explained by the fact that tuition fee repayments take place many years in the future whereas the benefits of grants and subsidies are immediate.

ANNA SCESA

ATTAINMENT OF MINORITY ETHNIC STUDENTS

Ethnicity and Degree Attainment, S Broecke and T Nicholls, Department for Education and Skills, 2007, 24p, www.dfes.gov.uk/research/data/uploadfiles/RW92.pdf

Previous research shows that while the participation of students from minority ethnic background in higher education is higher than those from white backgrounds, the degree attainment of those who finished a first degree programme is noticeably lower than that of white students.

This report is based on a study which addresses the gap in research in this area. This is to say that, although it has been suggested that differences in attainment between different ethnic groups cannot be explained by age, prior attainment or subject of study, no large scale analysis has been undertaken of recent cohorts taking into account the wide range of factors which influence the differences in attainment of students.

The study selected 65,000 qualifiers from the 2004/05 HESA data to include English-domiciled undergraduate qualifiers who started their course of study in 2002/03. Using a Partial Proportional Odds Model to predict the chance of obtaining a certain degree class based on a numbers of factors, the study compared the chances that different groups of students have of obtaining a certain class of degree. The variables included to predict higher education attainments are: prior attainments, subject of study, age, gender, disability, deprivation, type of higher education institution attended, type of level 3 qualification, mode of study, term-time accommodation, and ethnicity. Those variables not included are: type

of prior institution attended, term-time work, parental income and other parental attributes, and English as an additional language.

The analysis shows that even after controlling for those variables above, the attainment gap remains, though reduced, for students from minority ethnic background, particularly those from Black Caribbean, Black African and Chinese backgrounds. The report suggests that as attaining a higher degree becomes a key factor in the labour market, there is an enormous effect caused by this attainment gap in relation to minority ethnic students.

However, the report also argues that the findings do not automatically suggest that there are factors which disadvantage black and minority ethnic students within the higher education system. This is because there are a number of variables which could not be controlled for in this study, but could impact on the performance of these students, such as English as an additional language or prior institution attended. It is also because the analysis was performed on qualifiers only and if more black and minority ethnic students have a higher drop-out potential than white counterparts, this would explain part of the attainment gap further.

The report concludes that if all these variables are controlled for, it is reasonable to assume that the attainment gap would have been further reduced. However, it concludes that it is difficult to judge how far the gap would be reduced or whether the gap would have been eliminated entirely.

MAKI KIMURA