



Department
for Education

Part-time maintenance loans policy

Equality Analysis

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Contents

Public sector equality duty	3
Section 1: About this loan	4
1.1 Context for the loan	4
Section 2: Equality Analysis	5
2.1 Overall Impact	5
2.2 Age	5
Age Cap	7
Minimum Intensity Requirement	7
2.3 Ethnicity	8
2.4 Gender	8
2.5 Disability	9
2.6 Other protected characteristics	10
Debt Aversion	11
Family Test	11
Annex A – Distance Learning	12

Public sector equality duty

1. Under the Equality Act 2010 (the Act), the Department for Education (DfE), as a public authority, is legally obliged to give due regard to its public sector equality duty when making policy decisions. The public sector equality duty is also known as the general equality duty.
2. DfE, as a public authority must, in the exercise of its functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
 - Advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - Foster good relations between people who share a protected characteristic and those who do not.
3. The public sector equality duty covers consideration of the following protected characteristics: age, disability, gender, gender reassignment, pregnancy and maternity, ethnicity and sexual orientation.
4. This equality analysis reviews evidence which was used for the Consultation Document of December 2016 as well as evidence that has been gathered since then, which has informed the new part-time maintenance loans scheme, in terms of its effect on all of the demographic characteristics protected under the Act.

Section 1: About this loan

1.1 Context for the loan

5. The undergraduate part-time maintenance loan is intended to contribute towards the costs of study for part-time students. The Government is introducing this loan to help support increased take-up of part-time study by providing greater access to finance to meet living costs for those who opt for this form of Higher Education. Government recognises the value of part-time study and this loan is being introduced to help arrest the decline in participation in part-time study. The loan will also help to promote parity between full-time and part-time undergraduate courses by reducing the differences in financial support available to part-time and full-time students. The introduction of the loan will benefit employers and the economy by enabling more people to develop their skills and/ or change career paths and therefore increasing the supply of workers with the high level skills needed to stimulate an innovation-led economy.

Section 2: Equality Analysis

2.1 Overall Impact

6. The introduction of the new part-time maintenance loan is likely to have a positive impact on people of all backgrounds. However, the extent to which individuals will benefit will vary based on how likely they are to take out the loan and how credit constrained people with similar characteristics have been in the past. Those who have been greatly affected by a lack of finance will stand to benefit the most.

The impact of the loan will be seen in three ways:

- a) through **an increase in participation** as people who are currently discouraged from studying part-time higher education courses due to financial barriers will have their concerns eased, through the availability of an income contingent source of finance. However, there is a lack of information on the demographics of these additional students;
- b) through **improved retention** - which is significantly lower for part-time students than for full-time¹ - as students will have access to greater finance which will reduce the risk of having to drop out due to unforeseen costs during the time they are studying for a part-time qualification;
- c) through **increased levels of attainment** as a reduction of financial pressures leaves some students able to reduce time spent working² - work being a feature of life for many part-time students - and allows them to focus more intensively and therefore more productively on their studies.

It is important to note that the loan is not anticipated to make individuals with any specific characteristics worse off. Three quarters of responses to the consultation also highlighted their belief that the policy would have a positive influence on widening participation. However, the extent to which individuals benefit will vary depending on their background characteristics. This variance is discussed in the following sections.

2.2 Age

7. Compared to those studying full time, part-time students tend to be older; 96% of part-time students are over 20, compared to 59% of full-time students. The relative difference is even greater when looking at those aged 30 or over, with 55% of total

¹ Analysis of the HESA Performance Indicators shows that in 2014/15, 7.1% of full-time first degree entrants from 2013/14 are were no longer in HE compared to 36.5% of part-time first degree entrants from 2012/13.

² Research by CHERI and London South Bank University for UUK and HEFCE

part-time students in this age group compared to just 7% of the full-time population.

Table 1: Student Age by Course Mode

Proportion of students who are:	Eligible ³ Part-time courses	All Part-time courses	Full-time
Age			
Under 20	4%	4%	41%
20-29	41%	38%	52%
30-39	26%	26%	4%
40-49	18%	20%	2%
50-59	8%	9%	1%
60 and over	3%	4%	0%
Total number:	187,220	247,865	972,330

Data source: 2014/15 Higher Education Statistics Agency (HESA) data

8. As Table 1 shows, part-time study is more popular amongst older students than full time study. This is likely to reflect the need to balance study with other commitments, such as work, or running a family or caring for adult dependants. In general, the financial commitments that an individual faces increase beyond early adulthood, with mortgage costs and other costs associated with raising a family rising as individuals become older. In light of these increased prior commitments, older groups are likely to benefit particularly from the further availability of finance for living costs for part-time study.
9. Evidence⁴ also highlights that mature students report facing both financial barriers and issues balancing paid work, family life and financial commitments, which can prevent participation on higher education courses. This supports the view that mature students will benefit from the introduction of the part-time maintenance loan, as it would make a contribution to existing financial commitments and

³ Eligible part-time courses are those that are at least 25% in intensity. All part-time courses additionally include part-time courses that are below 25% intensity.

⁴ 'Never Too Late To Learn', NUS, 2012

potentially reduce the amount of time a student has to dedicate to paid employment.

10. It is expected that the impact of introducing this product will be positive for both young and mature students. It will allow more individuals to access HE, which is likely in turn to lead to long term financial benefits for both individuals and the wider economy. It will create a genuine choice of options for students who might otherwise be drawn to choose either full-time study or no study because of the living costs required to fund education. Retention of students on courses may improve, as increased availability of finance can help to reduce drop out associated with issues from juggling study with other commitments⁵. Finally, attainment may also improve, due to an increase in retention and expected decrease in finance related stress that could have a negative impact on an individual's ability to study⁶.

Age Cap

11. The majority of consultation responses agreed that the age cap was an appropriate means to mitigate against the risk of low economic benefit and repayment of part-time student loans for this group. A minority of responses to the consultation did suggest that the age cap could discriminate against older learners, especially with the potential need to retrain given the increasing length of working lives. However, given the small affected population, 3% (5,600) of the eligible part-time course population as shown in Table 1, and the reduced economic benefit and likelihood of repayment, it is considered a proportionate criterion consistent with the wider student support portfolio.

Minimum Intensity Requirement

12. Another factor to consider is the impact of the minimum intensity requirement of 25%. As Table 1 above shows, 45% of students on eligible part-time courses (i.e. at a minimum of 25% intensity) are under 30 years old, compared to 42% on all part-time courses (i.e. including those studied below 25% intensity). The inclusion of part-time courses below 25% intensity is increasing the average age of students. This means that mature students are more likely, relative to younger students, to be studying part-time courses below 25% intensity.
13. This demonstrates a potential way in which mature students may benefit less; however, on balance we feel that the intensity requirement is a proportionate means to help achieve the policy's aims. The decision by mature students to study

⁵ 'Futuretrack: Part-time higher education students: The impact of part-time learning two years after graduation', HESCU, 2013

⁶ 'The Impact of Financial Stress on Academic Performance in College Economics Course', Bennett et al, 2015

at a lower intensity relative to younger students is also driven in part by existing financial barriers. Students generally choose to study part-time study to fit around existing commitments⁷, which the part-time maintenance loan can help to alleviate. Mature students may decide to move from courses below 25% intensity to those at a minimum 25% intensity in order to obtain the new finance product. Consultation responses also highlighted concerns that lower intensity courses could present administrative issues, such as ensuring courses are relative throughout the duration of study, as well as noting the continuity with the tuition fee product.

2.3 Ethnicity

14. As Table 2 below shows, black and minority ethnic (BME) students study on part-time courses in a higher proportion than would be expected purely based on their share of the general population. They are, however, less well represented on part-time courses than on full-time courses. There is also evidence⁸ from school and FE college leavers' survey data that BME students tend to be particularly restricted by financial barriers to higher education, and hold concerns over finance.

Table 2: Student Ethnicity by Course Mode

Academic year 2014/15	Eligible Part-time courses	Full-time	UK population
Non-white	18%	26%	15% ⁹
White	82%	74%	85%

Data source: 2014/15 Higher Education Statistics Agency (HESA) data

15. As a result, individuals from BME backgrounds are more likely on average to be positively affected by the introduction of the maintenance loan, leading to increases in participation and improved retention and attainment.

2.4 Gender

16. Women are well represented amongst those studying higher education, as Table 3 shows, and this is particularly the case in respect of part-time study with 59% of those on eligible part-time courses being women.

⁷ 'The power of part-time; Review of part-time and mature higher education', Universities UK, 2013

⁸ 'Review of widening participation research: addressing the barriers to participation in higher education', 2006

⁹ 2011 Census

Table 3: Student Gender by Course Mode

Academic year 2014/15	Eligible Part-time courses	Full-time	UK population
Female	59%	55%	51% ¹⁰

Data source: 2014/15 Higher Education Statistics Agency (HESA) data

17. In addition, research¹¹, which considered a range of evidence, including primary survey data and expert consultation, has found that women tend to be more likely than men to cite facing credit constraints, including meeting tuition and related study costs. Women also make up 90% of lone parents, another group known to face higher credit constraints.

18. Taken together, this suggests women are likely to benefit in particular from the policy, with increased participation, retention and attainment. This should feed through into better outcomes for women in the wider economy and labour market.

2.5 Disability

19. As Table 4 shows, the proportion of students studying part-time who are disabled is the same as those studying full-time. Students with disabilities are however under-represented compared to the proportion of people who declare a disability in the general population. This suggests that people with disabilities may benefit relatively less than those who are not disabled, although if financial barriers represent a greater barrier to disabled students, after accounting for the impact of Disabled Students' Allowance, this gap could narrow.

Table 4: Disabled Students by Course Mode

Academic year 2014/15	Eligible Part-time courses	Full-time courses	FE and Skills Participation ¹²	UK population
Reported disability	13%	13%	16%	16% ¹³

Data sources: For Eligible Part-time courses and Full-time courses: 2014/15 Higher Education Statistics Agency (HESA) data; For FE and Skills Participation: Further Education and skills: statistical first release, November 2015; For UK population: Family Resources Survey, June 2015.

¹⁰ 2011 Census

¹¹ Bright Blue: 'Going part-time': <http://www.brightblue.org.uk/images/goingparttimereport.pdf>

¹² Further Education and skills: statistical first release, November 2015

¹³ Family Resources Survey, June 2015

20. In response to the consultation document, some respondents highlighted that the banded intensity approach proposed may disadvantage disabled students, as set intensity levels may not reflect additional time required for them to complete the course. However, as other consultation responses identify, this could be mitigated through a carefully and clearly implemented banded approach, helping identify courses with appropriate levels of intensity.
21. Another view highlighted in responses was that, although there was strong support for means-testing, it would be important that receipt of the maintenance loan does not interfere with recipients' benefits, or disabled students' limited capability for work. This could potentially lead to financial disadvantage, discouraging take-up of the loan by disabled students, meaning they would benefit less relative to others.
22. In conclusion, it is likely that disabled students will not benefit as much as other students from the introduction of part-time loans, reflecting their lower participation in higher education. However, this will depend on the extent to which affordability currently represents a barrier to disabled students. Irrespective of the size of relative impact, the policy will benefit disabled students overall, as it provides access to affordable finance which is currently not available.

2.6 Other protected characteristics

23. HESA data relating to the protected characteristics of marriage and civil partnership¹⁴, gender reassignment, religion and sexual orientation has only been collected since 2012/13, on a voluntary basis. Non-response rates are high, meaning that it is not possible to use this data to give a statistically robust representation of these populations.
24. The introduction of the loan product is not expected to make any individual worse off as it provides additional funding if desired. The impact of the product is expected to be through improvements in participation, retention and attainment. In general, it is expected that individuals with protected characteristics, and those from disadvantaged backgrounds, should particularly benefit from the maintenance loan product.
25. Students with disabilities are relatively under represented on part-time, as well as on wider, full-time undergraduate courses, compared to the general population as well as further education and skills courses. Concerns were also raised regarding their ability, in some cases, to comply with minimum intensity banding. As such, it is not clear whether they will benefit as much as others from part-time loans. Some consultation responses also voiced concerns about an age cap restricting eligibility, although most agreed that it was a proportionate way of ensuring value for money for the taxpayer.

¹⁴ Marriage and Civil Partnership is a characteristic, protected under Equality Act 2010, but is not protected under the Public Sector Equality Duty

Debt Aversion

26. Student attitudes to debt vary, with BME, female, disadvantaged and mature individuals^{15,16} more likely to be debt averse. If so, this may reduce their take up of part-time loans and hence the extent to which they benefit from it. However, the experience of introducing loans for undergraduate students¹⁷ suggests this is likely to be small, with students more accepting of debt where it represents an investment in their education, coupled with the loans' income contingent repayment terms aiding affordability.

Family Test

27. The objective of the Family Test¹⁸ is to ensure an explicit family perspective to policy making, and to ensure that due consideration is given to potential impacts on family relationships and functioning.

28. The student finance package will be offered irrespective of family status. However, it will support families by supporting more people to study for a higher education and so improve their and their families' prospects. It should also help them by reducing the financial burden of studying, increasing their spare time and ability to play a full role in family life and improving relationship quality.

29. The 2011/12 Student Income and Expenditure Survey¹⁹ (SIES) (page 34) as seen in the table below, shows that part-time students are relatively more likely to be parents, married or part of a couple than full-time students.

Table 5: Course Mode by Student Family Type

Students in the 2011/12 SIES sample	Single	Married or living in a couple without children	Two adult family	One adult family
Full-time	86%	7%	4%	3%
Part-time	30%	26%	33%	12%

Data source: BIS research paper number 115, Student Income and Expenditure Survey, June 2013.

¹⁵ 'Does the fear of debt deter students from higher education?', Callender and Jackson (2013)

¹⁶ 'Attitudes to debt', Callender, UniversitiesUK (2003)

¹⁷ 'Attitudes to debt among indebted undergraduates: A cross-national exploratory factor analysis', Harrison et al (2015)

¹⁸ More information on the scope of the family test can be found on gov.uk

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/368894/family-test-guidance.pdf

¹⁹ BIS research paper number 115, Student Income and Expenditure Survey, June 2013,

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301467/bis-14-723-student-income-expenditure-survey-2011-12.pdf

Annex A – Distance Learning

We have analysed the equality impacts of introducing a maintenance loan for distance learners separately in Annex A as this population is different to those who we expect to take out the part-time maintenance loan.

From analysis of 14/15 HESA data, comparing the characteristics of part-time English domiciled undergraduate degree students who study by distance learning to those who study at an institution, we find that distance learners are:

- More likely to be female;
- More likely to be white;
- Older on average; and
- More likely to have a recorded disability.

The vast majority of all part-time undergraduate (91%) and degree level (95%) English distance learning students above 25% intensity occurs at the OU; for this reason it is used as a proxy for distance learners throughout HE datasets.

The impact of allowing both full and part-time distance learners access to the full maintenance loan rate (with a fixed rate percentage adjustment for distance learning regardless of mode of study) will likely be seen in three ways:

- Through a **switch in mode of study from part-time to full time**, as those discouraged from taking up full-time distance learning courses due to financial barriers will have their concerns eased, through the availability of a maintenance loan as a source of finance. 55% of OU and 43% of other part-time students said that available funding and support affected their decisions about studying according to evidence from SIES.
- through **improved retention**; two year drop-out rates are significantly lower for part-time students at other institutions (36.4%) than at the Open University (44.3%) - as students will have access to greater finance which will reduce the risk of having to drop out due to unforeseen costs during the time they are studying for a distance learning qualification;
- through **increased levels of attainment** as a reduction of financial pressures leaves some students able to reduce time spent working²⁰ - work being a feature of life for many part-time students - and allows them to focus more intensively and therefore more productively on their studies.

White students, female students, older students and those with a disability are more likely to benefit from extending the part-time maintenance loan to distance learners.

²⁰ Research by CHERI and London South Bank University for UUK and HEFCE



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