

Student Cost of Living Report

September 2022

National Union of Students

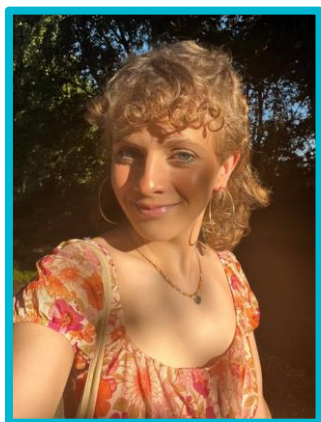
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Foreword



Chloe Field

**NUS Vice
President
(Higher
Education)**

As the cost-of-living crisis increasingly bites for everyone across the UK, the government must ensure that students are not left behind. During my short tenure as the Vice President for Higher Education, it has been overwhelming to see the sheer volume of heartbreaking stories we have heard from our members, many of whom are having to choose between going to class and feeding themselves and their families.

All too often, students are viewed as privileged young adults who can easily fall back on parental support or buy a few less drinks to ride out the cost-of-living crisis. This outdated and simplistic stereotype is doing real harm to us as a movement, who are as diverse as the population at large – our members range from traditional young university students, to apprentices, to single parents and beyond. Students across the country are buckling under the weight of soaring energy bills, rocketing rent prices, and mounting debt yet are often left out of existing government support including universal credit.

If the government and education system continues to fail us, thousands will be forced to quit education altogether in order to afford to live. We urgently need the government to inflation-proof student loans and maintenance loans, bring in legislation to control student rent to avoid a homelessness crisis, and provide additional funding to education providers to bolster hardship funds. In addition to specific

support, the government must ensure that students are no longer excluded from general interventions intended to alleviate the cost-of-living crisis such as energy grants and one-off payments to households. Without immediate intervention, our generation will be prevented from reaching their full potential and could be the first to be less educated than the generation before.

We also need to look towards the future. This is not a crisis which will end quickly nor is it only now that students are struggling. We need sustainable, long term solutions so that students can thrive in education, setting themselves up for the future. Rent was already sky high for students before inflation boomed. Our international students and friends were already seen as cash cows, propping up a broken market with their fees.

The burden does not fall exclusively on the shoulders of the government. Higher and further education institutions have a moral and a financial duty to step up and do more to assist their students at this difficult time including increasing their hardship funds, reducing tuition fees, and providing food support and financial advice.

Students and apprentices are at breaking point, it is terrifying to think what sacrifices will be made this winter unless immediate support is provided by the government and education institutions.

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Nick Hillman
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To those outside the higher education sector, it must seem as if the biggest issue facing students is the level of tuition fees for full-time undergraduates in England. This has been debated endlessly for years, ever since fees were first reintroduced almost 25 years ago. It dominates the media coverage and political discourse about higher education.

There is a reasonable debate to be had over whether the high-fees system in England and Wales is better or worse than the no-fees system in Scotland or the low-fees system in Northern Ireland. But the evidence is overwhelming that the most urgent and pressing issue for students in 2022 is not fees. It is day-to-day living costs.

The amount of money you have access to right now determines if you can afford this month's rent, this week's travel costs or tonight's supper. It can be impossible to feel a full sense of belonging at your educational institution if you cannot afford the right course materials or the joining fee for a society focused on your passion.

When HEPI and Advance HE recently asked 10,000 undergraduate students which costs are of 'most concern', a majority chose 'Cost of living while at university' – and that was before the current energy crisis. This new report from the NUS adds a new level of understanding to the issue, as it includes qualitative evidence and covers postgraduates too.

So I congratulate and thank the NUS for putting their resources into publicising what is undoubtedly the current number one issue for the student body as a whole.

Sadly, to date the Government at Westminster has largely ignored students when it comes to tackling the cost-of-living crisis, with – for example – English maintenance loans going up by just over 2% while inflation surges past 10%.

Three things need to happen right now in my view. First, Whitehall needs to investigate urgently just how big the shortfall in students' income is in the new academic year of 2022/23 – especially for students from disadvantaged backgrounds, for students with higher needs, such as disabled students, and for students living in more expensive cities.

The official and incredibly detailed *Student Income and Expenditure Survey (SIES)*, which has been running for decades, should be our guide here. But it has not happened since 2014/15 and the latest wave seems to have been endlessly delayed by COVID. The cost-of-living crisis for students cannot wait. We need a quick official stop-gap alternative to the detailed *SIES* that quantifies the current gap between students' income and expenditure.

Secondly, we need to provide help to fill that gap. In the short term, that is likely to mean boosting hardship funding, as suggested in the pages that follow. In the longer term, we need a big conversation aimed at determining what the right level of financial support for students is before ensuring this is delivered to all.

At the moment, the size of each year's undergraduate maintenance package is a

political decision. In Whitehall, it often seems to be the least that policymakers feel they can get away with, rather than the result of careful thought about the minimum income students need in order to live safely and to gain the full benefits of their higher education.

There is a particular challenge at the Master's level. In England, for example, there is one loan sum (around £12,000) available to cover tuition and maintenance and this can be entirely swallowed up by tuition costs, leaving literally nothing at all for living costs. The arrangements are different elsewhere in the UK – for example, they are more generous in Wales but less generous in Northern Ireland.

Measures to help students fill the gap between their needs and their income should include ensuring parents know what, if anything, is expected of them. In Wales, there is less expectation on parents to contribute but in England, for example, maintenance loans are aggressively means-tested, with households on more than £25,000 a year expected to contribute. Parents need to know this in advance, so that they can plan ahead for these extra costs.

Thirdly, we need to consider now how much worse life will be for less well-off students if the recession predicted by the Bank of England arrives, and then decide what additional temporary support may be needed. If, for example, it becomes much harder to find a few hours of paid employment each week, that will be the difference between staying the course and dropping out for some students.

The mantra from Ministers in recent years has been that 'getting on' – completing your course and finding secure work afterwards – is just as important as 'getting in'. But getting on depends upon the level of financial support and the ability to 'live well' – not luxuriously or even comfortably, but safely and in such a way that supports students' physical and mental health needs.

There is one area where my views differ from those of the NUS, as I am not convinced interventions like rent controls are wise. We are

already seeing in London that this type of intervention can lead quite quickly to a shortage of appropriate accommodation.

However, we do need a clearer line of sight between all those who provide students with accommodation on the one hand and those in power overseeing student accommodation on the other – such as the Department for Levelling Up, Housing and Communities, those to whom power has been devolved regionally and local councils.

Above all, the cost-of-living crisis for students, just like the overall cost-of-living crisis, needs a concerted and united response. Otherwise, students will continue to fall through the cracks, which will leave them feeling individually bitter and also block them from collectively making their full contribution to the future of our society.

For over a decade, the politicians in charge have told us we must live within our means as a country. So now is the time to make it more feasible for all students – the taxpayers of tomorrow – to live within the means available to them.

Nick Hillman is the Director of the Higher Education Policy Institute (www.hepi.ac.uk)

Introduction

This report has been prepared by the National Union of Students (NUS) to bring together our own research, conducted by independent think tanks and pressure groups in order to inform policy-makers about the impact of the current economic crisis on learners and students and to call for urgent action to support our members.

As a union, NUS regularly engages with our members to understand their concerns and needs. This report builds on polling undertaken by NUS. A total of 3417 students and apprentices were consulted via an online survey. The survey was promoted via NUS emails and our partners at OneVoice. The survey took around 10 minutes to complete and was in the field from June 2022.

We also shared an open callout for students to share their stories with us. This is the source of quotes, case-studies and personal stories contained in this report, which illustrate how the macro issue is impacting individual students, learners and their families.

We are grateful to HEPI for their support in this report and to all of the students and learners who gave their time to us, to HEPI, to Save the Student! and the other research organisations whose work is built on here.

Students and learners are facing a devastating set of economic circumstances that are impacting their health, their wellbeing and their ability to study. If we do not act to protect and support students and learners then the long-term effects of this crisis will negatively impact them, their families and society as a whole for years to come. In this report we seek to give students and learners a voice and to urge government and learning institutions to come together to mitigate the impact of this emergency. Students and learners deserve and desperately need protection and support.

Section 1: Feeling the Pinch

Students on the brink

"I am over £1,000 in arrears on my rent, over £1,000 in arrears on council tax and I am having to use food banks. I am in touch with my local Citizens Advice, my mental health is really suffering. I want to be a nurse but I am getting no financial help."

- a nursing student in the Scottish Highlands,

With inflation running at above 10 per cent, energy bills doubling at a quarterly rate and interest rates predicted to rise to four per cent over the next twelve months there is no doubt that Britain is experiencing a profound cost-of-living crisis¹. This crisis affects us all, but it does not affect us all equally. As the Institute for Government observed in its summary of the existing evidence on the impact of inflation:

'Poorer households are currently experiencing higher inflation – on average – than better-off households. The Institute for Fiscal Studies estimated – based on the share of budgets spent on different broad product groups – the annual inflation rate for the poorest 10% of households to be 10.9% in April.[19] By contrast, the richest 10% of households had the lowest rate of inflation, at 7.9%. This is because energy costs – the major driver of recent inflation – makes up a greater proportion of household budgets for low-income households.'²

The National Union of Students represents some of the lowest-income people living in Britain today. Students – be they in full or part time Higher Education, in Further Education or

studying for an Apprenticeship – disproportionately live on fixed incomes or have limitations placed on their ability to increase their earnings, because of the time demands of studying. They are also exposed to a range of exacerbating and intersectional factors that increase their vulnerability to cost-of-living shocks. NUS' Student Cost of Living Survey 2022 shows students themselves believe running their homes to be the number one source of pressure on their finances, with four out of five students seeing these costs increase since the start of 2022³.

The value of student maintenance loans and apprenticeship income has not kept pace with the volatility that we are witnessing in the economy. As the **House of Commons Library** found in a recent research note:

*'Higher inflation than originally forecast in 2022/23 means there will be a real cut of 7% in maximum support levels. The real terms cut in the two years to 2022/23 is even larger at just over 11% if inflation at the mid-point of the academic year is used for these calculations.'*⁴

This creates a pernicious impact on students – particularly those students from more economically-disadvantaged backgrounds, who are more likely to receive (and depend upon) the maximum maintenance loan to fund their basic living costs during their period of study.

The way that students live creates additional pressures on their finances, too. Students make up a significant proportion of individuals and households living in the private rental sector (PRS) at a time when, according to property consultancy Savills:

*'Elevated student numbers will create enormous pressure on university accommodation. The demand is also coming at a time when supply of rental stock in the wider private rented sector (PRS), e.g. HMOs, is becoming increasingly constrained.'*⁵

This is creating a housing market where rent is rising at a time when incomes are static – falling, in real terms – creating additional challenges in affording the basic cost-of-living, felt keenly by tens of thousands of students.

The routes to support available to much of the non-student population – via government grants and the welfare system – are often unavailable to those who are studying in HE or FE as they are ineligible for basic income support such as Universal Credit.

The NUS' Cost of Living Survey 2022 found the cost of housing as the number one pressure on finances for a third of students⁶. Save the Student!'s Student Accommodation Survey 2022 similarly found 53 per cent of students who pay rent said they have struggled to keep up with the cost of it. This includes 11 per cent who found paying rent a constant struggle, and 42 per cent who said they struggle from time to time.⁷ Rent pressures were found to vary by geography, with London and Scotland having the highest rents at c.£180 a week, and Northern Ireland lowest at an average of £99 per week.

Energy prices were then earmarked by Save the Student! as forcing the most dramatic rise in living costs. 18 per cent of students surveyed said they have seen their energy supplier go bust upon the survey's completion in February 2022 and three in five had their bills increase⁸. NUS' Student Cost of Living Survey 2022 meanwhile had only 12 per cent agree that their student loan or bursary covered the cost of their energy bills. The Joseph Rowntree Foundation's report 'From pandemic to cost of living crisis: low-income households in challenging times' also described increases in energy bills as a central theme affecting finances.⁹

Less significant but still notable causes raised in the evidence surveyed in this report were the costs of travelling, food and 'learning' – described by NUS' Student Cost of Living Survey as books, other learning resources, or tools and equipment for apprentices.¹⁰ While HEPI's Student Academic Experience Survey 2022 did not detail exactly how far these last three have risen since their 2021 survey, they noted that, when grouped together, they made for a significant enough concern since previous surveys to be included amongst cost-of-living and cost of fees as a key financial pressure for students, with 8 per cent of respondents detailing them as their main cost of concern.¹¹

As costs have risen, students surveyed by NUS also expressed concern that wages have remained stagnant by comparison¹². This is backed up by the Resolution Foundation's long-term look at wage patterns in the UK, which finds average wages are no higher in 2022 than they were before the 2008 financial crisis, representing an average wage loss of £9,200 per year.¹³

These factors – fixed, declining incomes and support, costs rising faster than for the population at large and ineligibility for many of the additional sources of support available to the wider population – are creating a perfect storm for students. People who are studying are being left to face spiralling living costs on fixed incomes and with extremely limited means of securing additional income for themselves due to the time-constraints imposed by study.

Why it matters

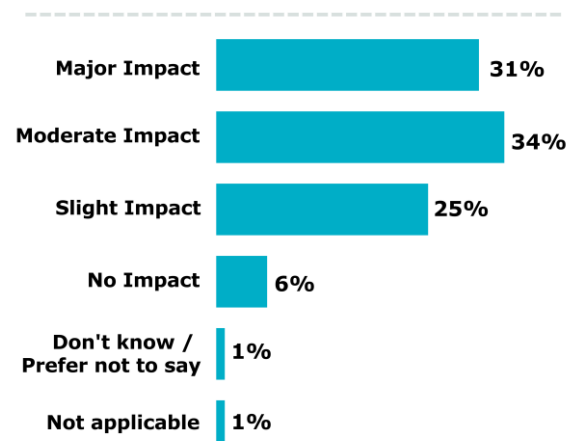
The evidence reviewed provided a picture of both the adverse effects on students of the cost-of-living crisis, and the knock-on scarring effect on wider society caused by a failing educational system. The impact of this crisis on students is both an immediate social justice issue and a long-term problem for our national productivity and affluence. Students today are experiencing a dramatic downturn in their quality of life and their ability to study effectively, due to economic events completely

beyond their control. That downturn – if left ameliorated and unresolved – will not only destroy lives today but create a scarring effect long into the future for both the individuals concerned and wider society.

Among students themselves, declining mental health was the most widely reported impact of the crisis. This in turn was found to form a vicious spiral with negative impacts on learning, eating, physical health, socialising, travel, living conditions and luxury items. These impacts were by no means uniform, but as shown below, were spread unevenly among different demographics, geographies, and student types.

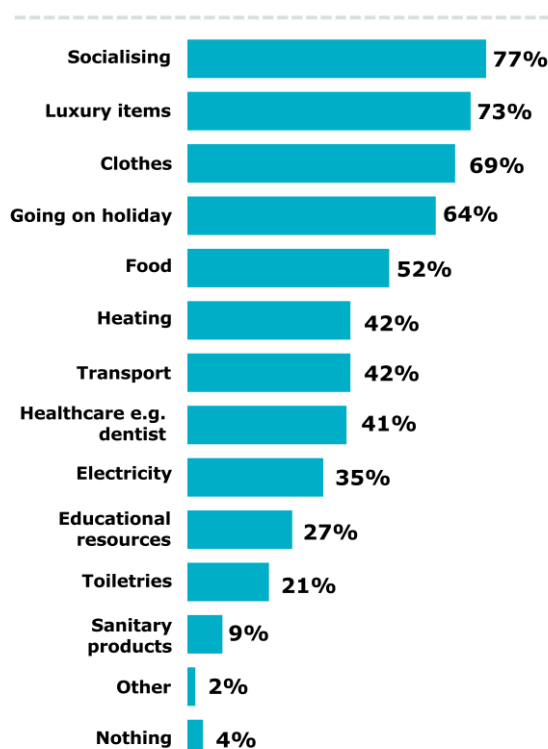
NUS' Student Cost of Living Survey had 92 per cent of surveyed students say the cost-of-living crisis had an impact on their mental health, with 31 per cent categorising this as a 'major impact'. Within this, the crisis was detailed as adding to anxiety and depression and leading to a lack of sleep and proper eating. These impacts were more keenly felt among those above 23 years of age, those living in rented accommodation, women, nonbinary, and disabled persons, as well as parents and carers¹⁴. Save the Student! enquired about the effects of accommodation costs on health more generally (without making a distinction between mental and physical) and found 62 per cent of their respondents said their health suffered as a result of worries over the cost-of-living¹⁵. Compounding the mental health issues caused by worry, students surveyed by NUS also reported cutting down on downtime, with the four biggest savings areas being socialising, luxury items, clothes and holidays.¹⁶

Impact of cost of living crisis on mental health



NUS' Survey also highlighted the ways the crisis has led to diminished physical health outcomes, including 52 per cent of students surveyed cutting back on food, 42 per cent on heating, and 41 per cent on healthcare. Of the first of these, students who identified as disabled or estranged, and students on a lower income were more likely to be affected. Of the second, it was students who identified as disabled, female, and students aged 30-plus and students living in rented accommodation most likely to be affected.

What students are cutting back on



Alongside worsening mental and physical health, the evidence also shows the cost-of-living crisis has negatively affected students' ability to study. Save the Student! found 40 per cent of students reported their studying suffered, and NUS' own survey found 27 per cent of respondents had cut back in some way on educational resources¹⁷. A smaller but growing impact of the cost-of-living crisis has been students dropping out of higher education altogether. HEPI's Student Academic Experience Survey found that while 4 per cent of students who considered dropping out of university due to financial reasons in the

survey's 2021 equivalent, this number had risen to 6 per cent by 2022¹⁸. Quacquarelli Symonds' International Student Survey 2022 also warned of the effect of increased cost-of-living on international student numbers, with 33 per cent of students regarding it as important when choosing a country to study in.¹⁹

These impacts have long-term ramifications both for students' earning potential, productivity, and for the wider economy. UCL's Centre for Education Policy and Equalising Opportunities have taken evidence from previous recessions to show those students who leave full-time education during what they term 'difficult economic times' are less likely to find a job for over 10 years and receive a 'wage penalty' of 6-14 per cent over the remainder of their careers. The UCL briefing further found that these scarring effects often carry on to the next generation, affecting the education and earning potential of their children. These impacts are most keenly felt by those who identify as male, and those from lower income areas and backgrounds.²⁰

The importance of remaining in education has also been highlighted by the UK Commission for Employment and Skills, which after analysis of previous recessions found in 2014 that a Level 2 Apprenticeship adds a net value of between £48,000 and £74,000 to lifetime earnings, and a Level 3 Apprenticeship between £77,000 and £117,000. Further than this, skills gaps in the UK that have been exacerbated by incomplete or low-levels of education were found to contribute to what was described as a 'long tail of low performing firms, operating in markets characterised by limited competition, [with] a workforce characterised by general weaknesses in important skill areas.'²¹ A more recent House of Commons Library Briefing on Coronavirus: Economic Impact also flagged a loss of workplace skills as a key long-term effect of the pandemic – likely to be worsened by the declining value of degrees and apprenticeships.²² As such, alongside failing a generation of students, the negative impact on education outcomes due to the high cost-of-

living leads to worse value for money on government education subsidies, and a wider national economic and productivity loss.

What we need

The Government's response so far to the impact of the cost-of-living crisis on the wider population has been widely criticised as too limited and too late to provide the level of assistance required.

For students, it has been non-existent. This is neither fair, sustainable nor prudent. It is the students struggling to study today who will be the backbone of our national recovery tomorrow. Allowing them to suffer without intervention or support is a recipe for increased mental distress, higher drop-out rates and reduced skills in the wider population.

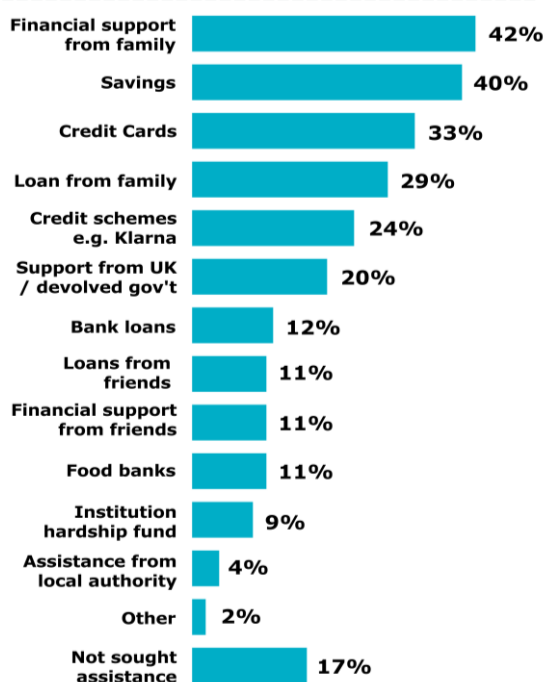
Students need the Government to recognise their unique vulnerability to the economic shock that we are collectively experiencing and bring forward proposals to help support students and apprentices through the cost-of-living crisis. In the conclusion to this report, we outline some of the interventions that NUS – working with students through polling and our democratic processes – have identified. But most important of all is that the Government and HE and FE institutions recognise the issue and listen to those affected. Otherwise, this perfect storm will reap a terrible toll on individual students, on our wider HE and FE ecosystem and on our economic resilience as a country.

Section 2: Making sacrifices

As the cost-of-living crisis grows in magnitude, impacting disproportionately on students, NUS members are reporting on the trade-offs and sacrifices they are finding themselves compelled to make. These sacrifices are not merely detrimental to students' material and mental wellbeing, they are also having a profound effect on their ability to study effectively and to acquire the knowledge and experience that they need in order to progress through their chosen post-school educational route.

The NUS' Cost of Living Survey 2022 found that a significant proportion of the student population is finding themselves exposed to the risk of significant debt on top of their student loans. 33 per cent of students reported relying on credit cards to support them with everyday expenses, whilst 24 per cent of students have turned to non-traditional credit such as Klarna.²³ This came as little surprise, given that 29 per cent of student's report having less than £50 a month to live off after covering rent and energy bills.²⁴

Assistance / Support sought during cost of living crisis



When students' incomes are insufficient to meet the basics costs of living, that leaves them with a series of difficult and negative choices – between borrowing to get by, with the risks that incurs over time, or cutting back on essentials such as food, energy and travel to and from their learning institution.

Our focus groups with students highlight the issues that spring from rapidly escalating costs, fixed incomes and the trade-offs that this trap can demand.

"I've started missing class and working way more than part-time just to be able to get by. I do a full-time course - and a masters degree is pretty intense - yet I've had to prioritise my job at a pub as I need to make money."

A postgraduate student who struggles to afford the commute to class

"We don't get to attend our courses due to needing to work to pay the bills and eat, which means we are less likely to pass. We have less time to study because we have to work which causes stress and panic when we don't reach deadlines but then more stress when we can't pay the bills."

University Student in Wales

"I am a student nurse. The bursary amounts to £430 per month this is expected to cover all travel to placements and all other living costs whilst working 37.5 hours per week on placement. I am having to work up to 60 hours per week or more when on placement as the bursary just about covers fuel costs. This is leaving many myself included wondering if they can continue with the course. As it stands I may have no choice but to drop out."

Student Nurse in Northern Ireland

"It's affecting how I cope each month I can't afford travel to work I can't afford much food and I'm struggling every month to cope my wage only lasts me around 2 weeks then the rest of the month I either have to lend money or go without."

College Student in the North of England

"Since the prices have been continuously rising, I've had to take on more and more hours at work. I now work more than full time hours and have 2 jobs whilst trying to complete my degree at the same time."

University Student in Yorkshire

There can be no doubt that the cost-of-living crisis will have an impact on student pass rates and on drop-out rates – and in each case, the negative effects will fall disproportionately on those who are from low-income backgrounds or who are economically vulnerable for one reason or another.

We know that disadvantaged entrants have higher drop-out rates than expected after accounting for factors such as age, subject studied, and entry qualifications. 9.7 per cent of disadvantaged full-time first-degree UK-domiciled entrants in 2016/17 for instance were no longer in HE the following year, compared with 5.3 per cent of advantaged entrants.²⁵ There is evidence to suggest that this disparity will grow as overall levels of financial-circumstance related dropouts grow in the face of the cost-of-living crisis. Research from HEPI has shown a marked increase in the proportion of students who have actively considered dropping out of higher education due to financial difficulties – in the year from 2021 to 2022, the number reporting such a consideration grew from 4 per cent to 6 per cent.²⁶

We can see from both the qualitative and the quantitative evidence summarised above that the cost-of-living crisis is having a detrimental impact upon student experience and attainment because of the choices being forced on students by economic circumstance. Students are being prevented from accessing education due to the rising cost of fuel and the need to take on additional work to supplement their incomes. Students are being pushed into debt in order to afford the basics of day-to-day life. Students are being forced to drop-out altogether.

These impacts, taken at scale, create both a social justice and a future-prosperity problem for the UK. Students are being forced to choose between eating, heating and studying. As a result, they are suffering in the immediate term and are not securing the outcomes from further and higher education that they need to thrive and to contribute. This is holding them back now and will hold us all back in the future.

Section 3: Entrenching inequality

“As a single parent mature full time student that is classed as disabled, I rely on government support to supplement part time work and being a student. Due to receipt of maintenance loan, I receive no universal credit payment during term time and have to make ends meet by supplementing with part time work. Due to the cost of living increase, my bills have almost tripled and I am left with zero additional finance.”

Mature University Student in East Anglia

The evidence summarised in the above two sections demonstrates that as a section of the population, students are particularly vulnerable to the effects of the cost-of-living crisis. They are under-resourced to cope with the rising cost-of-living and the impact of this economic crisis on students will be materially adverse to them and to society as a whole. But within the student population there are demographics who suffer enhanced disadvantages that compound the detriment to them. The groups of students most adversely affected are those which have often had the most difficult route into further or higher education – and/or people from groups that continue to be disproportionately under-represented in further and higher education.

There is a real danger of the (inadequate) progress that has been made in widening participation in further and higher education being lost and of access retreating. Our qualitative and quantitative research with students demonstrates that the issues affecting the wider student population become more

acute for students who live with a disability, are parents or carers, are estranged from their family or who come from socio-economically disadvantaged backgrounds.

For example, our research shows that students and learners in debt are more likely to be less ‘typical’ students – tending to be older, more likely to be studying part-time students, to be parents or carers, estranged from their parents or from lower socio-economic backgrounds. Once again, it is those students who are least well represented within the student population, who face the most significant barriers to access and who are least typical who are experiencing the most compounded impact when it comes to long-term financial vulnerability. This disproportionately increases the likelihood of these students having to interrupt or abandon their further or higher education due to financial circumstances – further entrenching inequalities that are already stark and damaging in our system.

Other such disparities emerge from our research – pointing to a worrying set of interlocking vulnerabilities. For example:

- **Trans and non-binary students**, as well as students of colour are more likely to have less than £500 a month in income.
- **Parents and carers** are more likely to report extreme concern about their ability to get by financially than other students.
- Food bank usage is more likely among **mature students**, those in further education, **disabled students**, and **students from lower socio-economic backgrounds**
- **Parents and carers** are more likely to have sought assistance from a number of sources including credit schemes and credit cards.

Through focus groups, we heard from students from a range of backgrounds about how the cost-of-living crisis is exacerbating pre-existing inequalities and barriers to participation.

"I have M.E. and have found that these trips, or having to visit several food shops to try and find the best food prices for different things is hugely exacerbating my fatigue and pain which then means by an evening I am too exhausted to read. This week for the first time I had to choose between putting petrol in my car and buying a core textbook that is not available as an eBook through the library and I need for my dissertation."

Mature University Student in Yorkshire

"Coming from a poor family background, I want to go to University to improve my chances of having a career to support myself and my family, but the high cost of living is exacerbating my mental health and ruining my hope of a life where I can breathe easier."

Access to University Student in Northern Ireland

"Being a second generation immigrant, it was drilled into us that education is key to a better life, I am losing hope in that."

Apprentice in the South of England

"As a mature student I feel that I am excluded from accessing all student finance available to others."

Mature University Student in Warwickshire

"I am a single mother with 3 children. The cost of living crisis is affecting me financially, emotionally and mentally."

University Student in the West Midlands

As a sector, and a society, we have determined that widening participation and access to further and higher education is a social good in and of itself. Ensuring that every part of society has the opportunity to learn, to strive and to thrive is part of the mission of further and higher education and is fundamental to establishing the underpinning of a more prosperous and equal society. The worrying trends that emerge through our research – listening to students and learners who come to further and higher education with existing vulnerabilities and/or disadvantages – make it clear that without action, the cost-of-living crisis will drive down participation amongst those groups who have historically been excluded.

The wider student population deserves and requires targeted, tailored and proactive support in order to continue to study through this crisis. But within that population there are groups who will need more help, more urgently still. Unless government and the sector takes action, further and higher education will become closed once again to all but the most 'typical' and privileged.

Section 4: A new deal for students

It is clear that the cost-of-living crisis is having – and will continue to have – a specific, widespread and profoundly negative impact on the UK's student population. It is pushing students and learners into debt, undermining study and causing increased rates of drop-out. It is having a material impact on the wellbeing of students and learners that is likely to scar their life chances long into the future. Students and learners are particularly vulnerable to the impact of this economic emergency because their incomes are often fixed or highly inflexible and because they are less likely to have assets such as savings than the wider population and are more exposed to some cost-of-living increases (such as rent). They are also – to varying degrees – ineligible for much of the support being currently offered to, or proposed for, other socio-economically disadvantaged groups. The suffering of students is a social justice issue in itself, but it is also a long-term problem for our wider society; students and learners whose study is detrimentally impacted at this time will be less well-equipped to contribute to our recovery and our future prosperity.

Despite all of this, students and learners have been generally left out of the policy conversation and the policy response thus far. In early June 2022, in a press release entitled 'How we are continuing to support students who are struggling at university', the UK Government announced the creation of a new Student Support Champion to advise universities on supporting students who may be struggling and at risk of dropping out. They will advise universities on how they can better monitor the student population, including through technologies such as Customer Relationship Management systems.²⁷ Despite this, the last proposed changes to student loans, grants and allowances for 2022/23 came from the Government in November 2021 and raised the maximum loans for living costs, maintenance grants, dependents' grants, and disabled students' allowance for eligible full-

time undergraduate and postgraduate students by just 2.3%.²⁸

Students tell us – overwhelmingly – that neither higher education providers, nor government, are viewed by students as providing enough support. Only 8 per cent of students and 18 per cent of apprentices surveyed by us agreed the Government were providing enough support, with 15 per cent and 26 per cent respectively agreeing the same about higher education institutions.²⁹

Save the Student! have even expressed concern that students would even be worse off due to government support schemes around energy inflation. They argued that, to begin with, students miss out on council tax rebate for bands A-D as they do not pay council tax – equating to missing out on £40m of support. On top of this, the £200 bills credit in October could in fact cost students money, as for those 92% of students in university halls that have bills included, as well as the 86% in private halls, the bills credit won't benefit them, but many will still need to pay it back. Save the Student! therefore estimate that, overall, current undergraduate students will end up paying around £60 million more than they'll save through the £200 credit scheme.³⁰

This is a profound failure of our politics. We need, urgently, to bring students and learners into discussions about how we mitigate the impact of record-high inflation. At the very least, students and learners deserve a seat around the table and for their voices to be heard. The NUS' role is to organise our members and to fight for their rights and interests and we do this by listening to them and by amplifying their voices. As the polling and qualitative research in this report demonstrates, students and learners are at breaking point. They need help, from government and from the institutions to which they belong. On the basis of what they have told us and of our own policy development we

are calling for a new deal for students – a package of immediate measures that will help to blunt the potentially life-changing impact of this crisis.

Unless government, further and higher education institutions work together to implement these interventions the economic shock we are all experiencing will permanently blight today's learners' and students' lives and will hinder our country's ability to rebuild and recover.

What we need from government

A response to the specific needs of the student and learner community from government is needed urgently to mitigate the immediate crisis and to reduce the long-term scarring effect of the crisis.

- Make all interventions student inclusive:** All forthcoming government interventions to provide support and relief to the cost-of-living crisis – such as energy grants and one-off payments – must be stress tested to ensure that students and learners are not being excluded arbitrarily from support because of ineligibility criteria fixed to other considerations.
- Reform the Universal Credit system.** Government must also look at what can be done to change the interface between the student loan/bursary system and the Universal Credit system to ensure fair access for students. They should particularly look at the impact of this on further education students and student parents
- Cap student rent:** Students in the private rental sector face spiralling costs as landlords put up rents as a response to growing demand in the market and as a means to pass on the inflationary pressure that they face. Government must implement controls on rent increases for students to avoid creating a homelessness crisis in the student population.
- Fund the education sector to deliver improved hardship funds** Government should provide additional ringfenced funding to further and higher education providers to support increased discretionary student support such as hardship funds. It is essential that this top-up funding is expanded to include providers who are not registered with the Office for Students, to avoid a repeat of some of the issues with Covid-19 support. Government should also create a Participation Emergency Grant Fund, to provide one-off support grants targeted at the most vulnerable groups of students.
- Inflation-proof student support:** The real value of student support – for example, maintenance loans, postgraduate stipends and available bursaries – is falling as inflation soars. It is vital that government pegs student support to inflation so that students can afford the bare necessities they need to allow them to live and study.
- Adjust maintenance loan thresholds:** As the real value of families' income depletes, this must be reflected in the thresholds at which a student becomes eligible for higher levels of maintenance support.

What we need from institutions

Protecting the welfare and wellbeing of learners and students is not a responsibility that falls solely to Government. Further and higher education institutions have a role to play, too.³¹

- **Ensure hardship funds are accessible:** Students used NUS' Cost of Living survey to call for HE institutions to improve bursaries and/or hardship funds for those students most in need. These can take the form of regular discretionary payments to those students most in need, and need to be as simple to access as possible. They must explicitly welcome applications from international students.
- **Provide food support:** As food costs spiral, HE providers can ensure students are still able to eat through making food on campus as cheap as possible, and giving 'no questions asked' food vouchers
- **Provide accommodation support:** HE providers should cap student rent where possible, increase the number of affordable rooms available, and look to provide rental support for those students unable to secure a place in halls.
- **Provide higher apprentice wages:** Institutions hiring apprentices should increase their pay in line with the living wage.
- **Provide travel subsidies:** Apprentices used NUS' Cost of Living survey to call for travel subsidies to be introduced in some instances, and in others to rise in line with inflation, especially where apprentices have no option but to travel to their place of work.
- **Tailor support from careers services:** HE institutions' careers services should provide specialist support to help students who want or need to work to supplement their living costs.

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