

Nuffield Foundation
Institutional Aid for Students in Higher Education
in the UK and the USA
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Institutional Bursaries in the United States:
Lessons for the UK

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COLLEGE of EDUCATION

CENTER FOR THE STUDY OF HIGHER EDUCATION

Key characteristics of higher education in the U.S.

- 4,200 accredited institutions (40% public/60% private)
- 18.3 million students (74% public/26% private) – 6% of population
- 2.9 million degrees (1.5 million baccalaureate)
- Revenues: \$412 billion in 2005-06 – 3.1% of GDP
- Large gaps between rich/poor, and white/minority in:
 - Secondary school performance and graduation
 - College entry
 - College persistence
 - Degree attainment

due to *both* academic and financial barriers

Comparison of sticker price affordability

	Tuition	Median income	% of income
England	£3,200	£26,000	12%
U.S. – 2-year ave.	\$2,402	\$61,027	4
U.S. – 4-year public in-state ave.	6,585	61,027	11
U.S. – 4-year public out-state ave.	17,452	61,027	29
U.S. – 4-year private ave.	25,143	61,027	41

Sources and types of financial aid in the US

Sources

Types		Federal government	State governments	Higher education institutions	Private sources
	Grants & bursaries	X	X	X	X
	Loans	X	x	x	X
	Work study	x	x	x	
	Tuition tax credits	X	x		

Financial aid by type and source

All 2007-08 undergraduates, \$billions

Fees paid (incl. room & board)

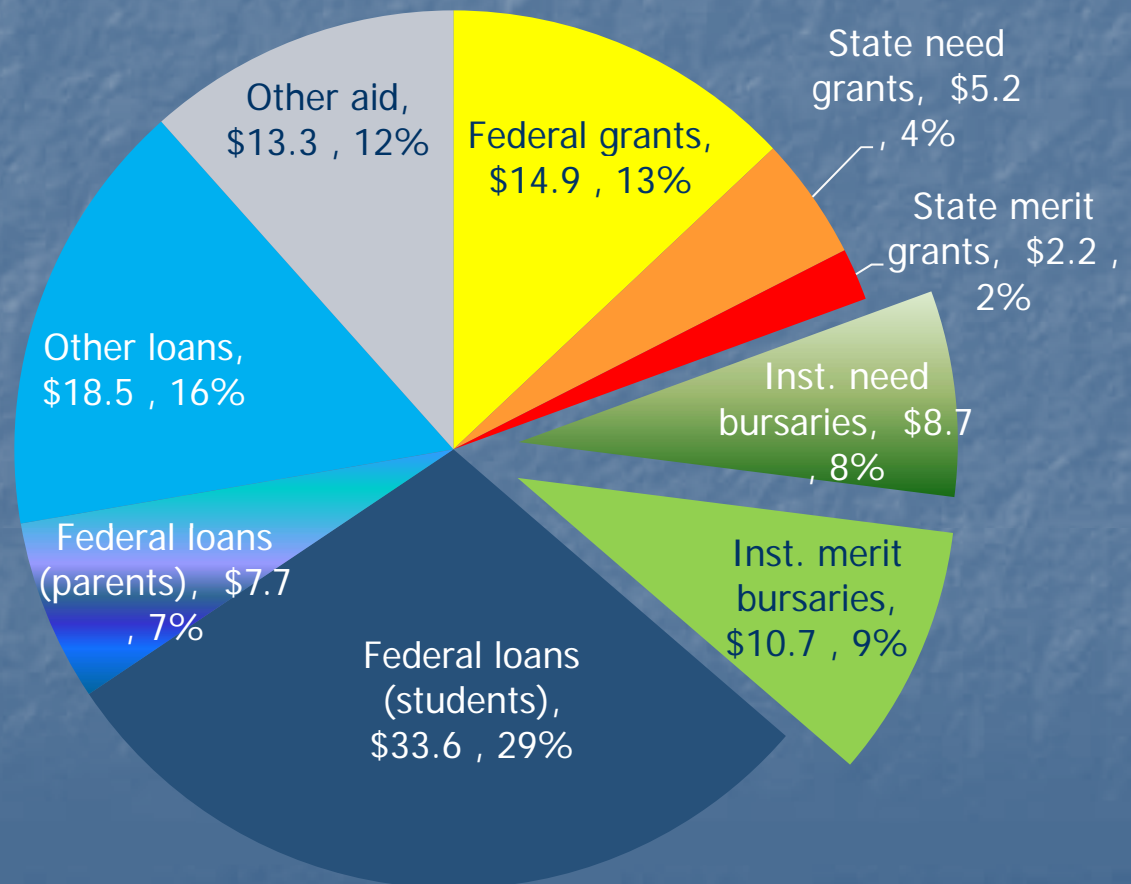
Total: \$270B

Mean: \$14,000

Financial aid

Total: \$115B

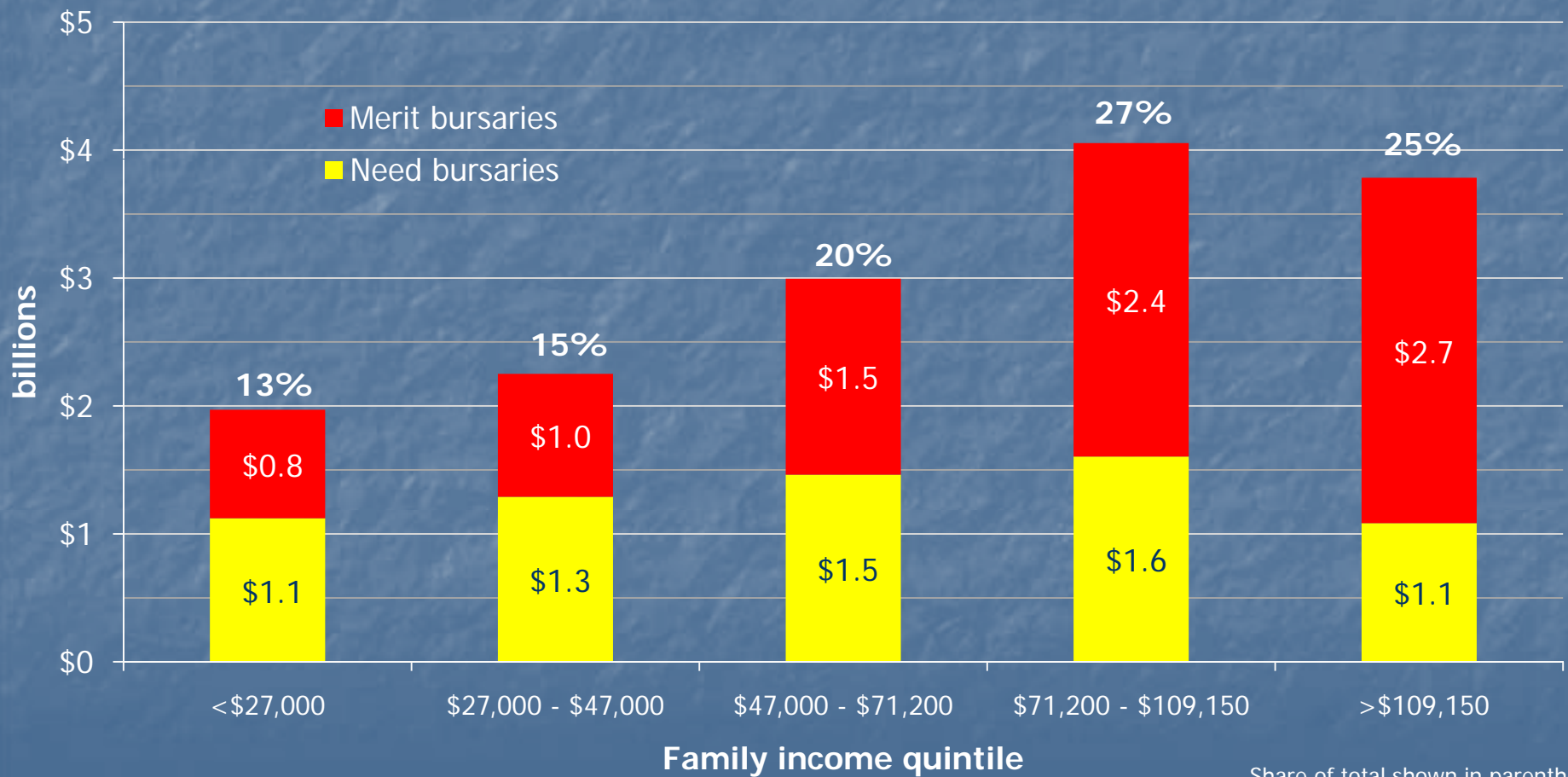
(42% of fees paid)



Students attending one institution

Who receives institutional bursaries?

Institutional bursaries awarded to undergraduates, 2007-08

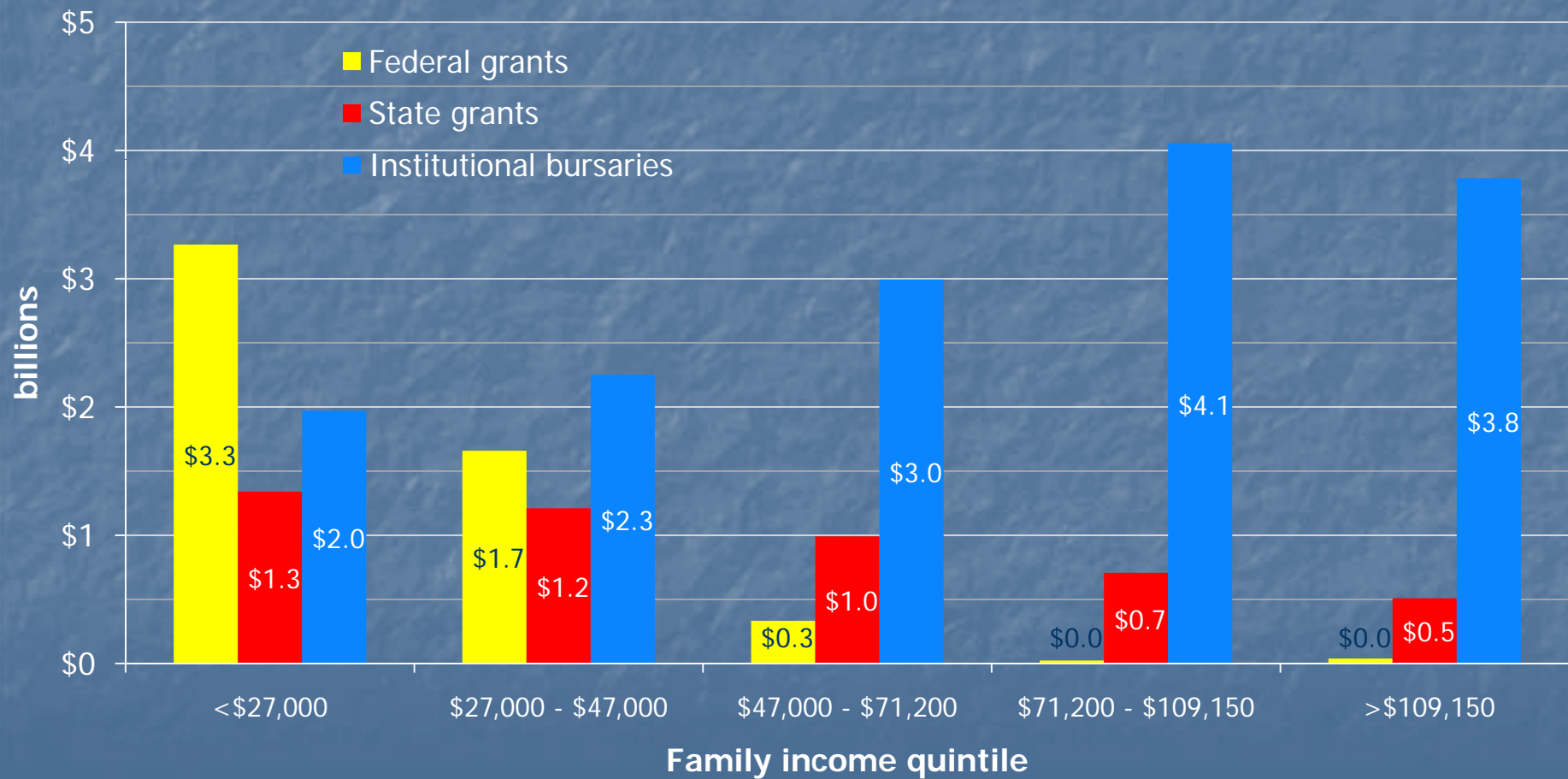


Students attending one institution, full-time

Share of total shown in parentheses

How are different sources of grant aid targeted?

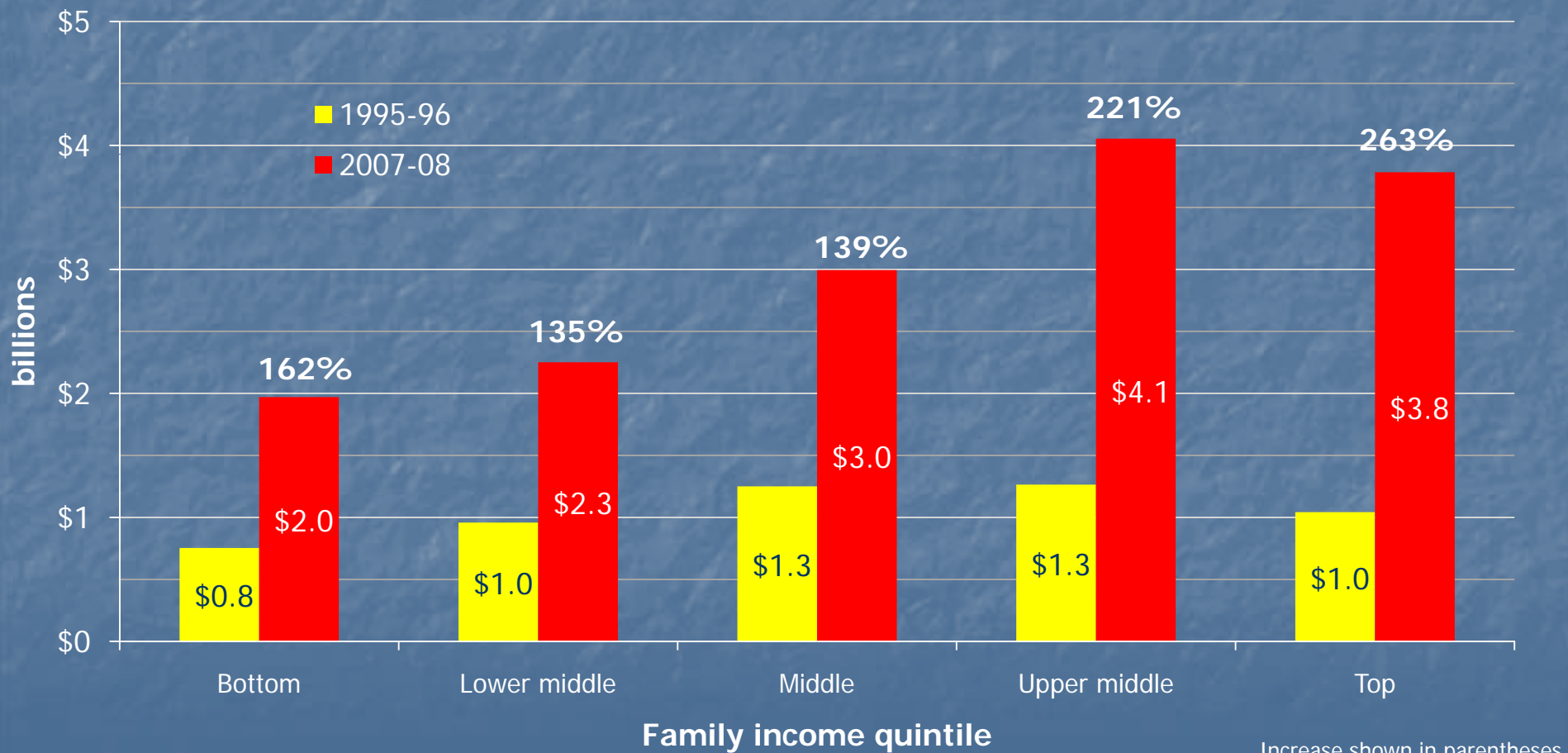
Grants and bursaries awarded to undergraduates, 2007-08



Students attending one institution, full-time

How have institutional bursaries changed?

Institutional bursaries awarded to undergraduates, 1995-96 & 2007-08



Students attending one institution, full-time

Increase shown in parentheses

Why have these trends occurred?

- Competitive pressures on higher education institutions
 - The drive to enroll “desirable” students
 - The influence of league tables, which use student quality as an important input
- Pressure from middle- and upper-income families for a piece of the financial aid pie
- Autonomy of institutions in establishing tuition fee and financial aid policies, with little regulatory oversight
- Public universities utilise merit aid more than private universities

Lessons for the UK?

- As bursaries grow, they will play an increasingly important role in determining access and choice for students
- Without *strong* regulatory oversight with statutory backing, universities will likely utilise bursaries for pursuing institutional, not state, interests
- Bursaries are the least-transparent part of the financial aid system in the US