



Expectations and Aspirations in Higher Education*

Executive Summary

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Summary

Context and Focus: While a large body of research has mapped out how participation in higher education varies across demographic groups, the decision to make such an investments reflects aspirations and expectations, the patterns of which have been much less studied. The over-arching focus of the project has hence been on higher education aspirations and expectations. The project had three strands, each focusing on a sub-question and each drawing on a different type of data source.

1. Aspirations about future study among children aged 10-15 and, in particular, the effect of changes in higher education tuition fees.
2. Expectations about post-graduation earnings among students embarking on higher education.
3. The role of international diversity for choices and performance in higher education.

This report brings together these findings.

Aspirations and the Effect of Tuition Fees: Our key research question in this part of the project was how aspirations towards higher education vary among students still in compulsory education and to what extent aspirations might be affected by to the cost of attending university.

Methodology: We used data from a youth questionnaire in Understanding Society, studying self-stated aspirations and preferences of children aged 10 to 15.¹ The main research focus was on the impact of the raising of the university tuition fees that was announced in December of 2010. To this end, we used

¹ Understanding Society is a study that captures important information every year about the social and economic circumstances and attitudes of people living in the UK. Building on the successful British Household Panel Survey, Understanding Society follows whole households and covers all ages allowing researchers to understand the life courses of the whole population over time; 40,000 UK households have contributed to the study from all areas of the UK. Understanding Society also collects additional health information from around 20,000 of the people who take part.

that the higher fees applied particularly to students from England. In contrast students from Scotland, Wales and Northern Ireland could benefit from lower fees by opting to study in their home countries. This asymmetry created a “natural experiment” with English students being the “treated group” and students from the remaining countries as “control groups”.

Findings: We showed that there is a substantial variation in aspirations by gender and socioeconomic background. Turning to the question of the impact of university tuition fees, the natural experiment generated by the 2010 tuition fee increase allowed us to test for whether the fee reform particularly affected the aspirations of the affected English students. As the students that we studied were still in the compulsory stages of their education, we explored their aspirations not only directly towards higher education but also towards the post-compulsory education path leading towards university studies and their aspirations towards getting a graduate job.

Our core findings can be summarized as follows:

- We provide descriptive statistics that teenage girls have higher aspirations than boys towards GCSEs, A-levels, and University but not towards graduate jobs. We also document that there are large differences in aspirations towards education by parental socio-economic status.
- Our results indicate that, on average and controlling for background factors, the tuition reform decreased A-levels and University aspirations of teenagers residing in England by 4.5 and 1.9 percentage points compared to those residing in the control groups (Scotland, Wales, and Northern Ireland). Considering that mean aspirations towards A-levels and University are 81% and 84%, the impact of the reform translates to a reduction of 5% and 2%, respectively. We do not find a statistical significant impact on Graduate Jobs Aspirations.

We perform these analyses by gender and socioeconomic background. We find that the reform had a larger negative impact on aspirations of teenage boys compared to teenage girls, substantially

increasing the gender gap. Similarly, we find that the reform increased the A-level aspiration gap between children from high- and low socio-economic background (while no statistically significant differences by socio-economic background of the impact of the reform on GCSE and university aspirations were found). The current work complements recent research that evaluates the effect of the tuition fee reform on eventual university enrollment by providing a distinct focus on the immediate impact on prospective students' own-perceived demand and planned effort to reach university.

Expectations at the Start of University Studies. Our main research question in this part of the project was to explore the variation in the future earnings expectations of students commencing their university studies. In particular we wanted to explore whether there were any clear biases in expectations, and if so for whom and in what dimension and direction.

Methodology: In order to study the expectations of young people entering higher education, we created a survey targeted at first year undergraduate students at Royal Holloway University of London in the 2015 and 2016 academic cohorts. To implement the survey we developed a smartphone application and an accompanying online platform. The survey, which was completed by little over 600 students (a response rate of about 10%) elicited expectations about study outcomes and earnings at around age 30. The survey was linked to administrative data providing further individual information. Measured earnings expectations were compared to observed earnings of current individuals aged around 30 in the LEO data (Longitudinal Education Outcomes, Department for Education) as reported by (DfE, 2018).

Findings: Our key findings were

- Most students' have realistic expectations about the average earnings of graduates. Moreover, variation in expectations across subjects are well in line with empirical earnings data. Female students have lower expected graduate earnings than male students.

- Overall students were also found to have an accurate expectation of the average earning of a non-graduate. About 3/4 of students -- both male and female -- expected a positive graduate premium, that is a higher average level of graduate earnings than non-graduate earnings.
- Male students were found to systematically expect their individual graduate earnings to be higher than the average among other males with the same degree subject. Female students more frequently expected their individual graduate earnings to be similar to the average among other females with the same degree subject.

There was no strong gradient in expected graduate earnings by socio-economic background conditional on degree subject, either when measured by the HE participation rate in the local area or by parental background.

Diversity in the Classroom: In this part of the project we move towards exploring how the environment encountered whilst at higher education itself affect subsequent choices and outcomes. In this project we selected one particular aspects of the university learning environment: the international diversity of student peers in the classroom. Given the UK's leading position as host country for international students, how the presence and concentration of international students affects the learning experience of both natives and the non-natives themselves is an important question. One key channel for such an effect is through direct social interaction. To capture this particular channel, use direct information on each student's native language as this allows us to measure not only the share of non-native speakers in a particular seminar group, but also the level of language diversity.

Methodology: Credible research designs need to tackle the perennial problem of students' self-selection into programmes and courses. To overcome this issue we use data on over 2,000 economics undergraduate students – about half of whom were not native English speakers – at Royal Holloway University of London who were randomly allocated to seminar groups in first and second year

compulsory courses. Classifying students as native and non-native (English speakers) by their country of birth, we study how the native v. non-native mix and the linguistic diversity in the class room affects outcomes and choices of both natives and non-natives.

Findings: We relate the share of non-natives and classroom diversity in the first instance to course outcome, but also to subsequent course choices, graduation outcomes, and post-graduation outcomes. In terms of course outcome (course grade and pass/fail) we find that the share of non-native speakers affects neither natives nor non-natives. Diversity however improves the course outcomes of non-natives. Similarly, there is no effect of non-native share and diversity on the subsequent study choices and outcomes of natives, but some evidence of an improvement for non-natives. Looking beyond graduation, a higher non-native share and greater diversity appears to encourage natives to undertake post-graduate studies.

An obvious caveat to the findings is of course that the sample is particular – from one subject at one higher education institution – which of course raises the question of the how generalizable results are. Nevertheless, overall the findings suggest that at the current level of internationalisation, there is no evidence of any negative effects of non-English speakers on the learning of native students, and that diversity improves the learning and integration on non-English students.

Conclusion: The findings from the project lend support to the view that young people are fairly well informed when it comes to their individual costs and benefits of investing in higher education. Even the study aspirations of children as young as 10-15 seem to be responsive to changes in the cost of attending higher education, while students just entering higher education appear to have largely realistic expectations about their likelihood of successfully completing their studies and their likely future earnings. In addition, in relation to the internationalisation of the UK higher education sector our

findings do not suggest any negative effect of non-English speakers on the learning of native English-speaking students.

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