

# **Review of the Student Grant Scheme**

## **Final Report**

03 February 2022

# Contents

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	<i>Page</i>
Executive Summary	i
<b>1 Introduction and Background</b>	<b>1</b>
1.1 Introduction	1
1.2 Background and Context	1
1.3 Issues and Objectives of the Review	1
1.4 Methodology	2
1.5 Structure of Report	6
1.6 Acknowledgements and Disclaimer	6
<b>2 Student Grant Scheme Overview and Trends</b>	<b>7</b>
2.1 Introduction	7
2.2 Overview of Grants Awarded	7
2.3 Eligibility Rules for Student Grant Scheme	10
2.4 Other Supports	12
2.5 Summary of Key Findings	16
<b>3 Real Costs of Attending Further and Higher Education</b>	<b>17</b>
3.1 Introduction	17
3.2 Cost of Attending Further and Higher Education	17
3.3 Comparison to Other Cost Estimates	19
3.4 Change in Student Costs 2011-2021	21
3.5 International Comparison	23
3.6 Summary of Key Findings	24
<b>4 Supports Available in Other Jurisdictions</b>	<b>25</b>
4.1 Introduction	25
4.2 Overall Higher Education Participation Rate	25
4.3 Tuition Fees	26
4.4 Maintenance Support	28
4.5 Support for FET/Vocational Training	30
4.6 Summary of Key Findings	33
<b>5 Maintenance Grant</b>	<b>35</b>
5.1 Introduction	35
5.2 Maintenance Grant - Undergraduates	35
5.3 Maintenance Grant – Postgraduates	39
5.4 Term Time Employment	41
5.5 Financial Difficulties During Term Time	44
5.6 Summary of Key Findings	46
<b>6 Income Thresholds</b>	<b>48</b>
6.1 Introduction	48
6.2 Threshold Levels	48
6.3 Deprivation Index	51
6.4 Inflation and Income Thresholds	58
6.5 Summary of Key Findings	59

# Contents

---

	<i>Page</i>
<b>7 Eligibility Criteria</b>	<b>61</b>
7.1 Introduction	61
7.2 Course Definition	61
7.3 Part-time/Blended/Online Provision	62
7.4 Other Household Dependents	66
7.5 Adjacency/Non-adjacency	69
7.6 Other Eligibility Criteria	72
7.7 Summary of Key Findings	73
<b>8 Supports to Further Education and Training learners</b>	<b>75</b>
8.1 Introduction	75
8.2 Overview of Funding Supports	75
8.3 Summary of Findings	83
<b>9 Conclusions and Recommendations</b>	<b>85</b>
9.1 Introduction	85
9.2 Conclusions	85
9.3 Recommendations on Future Policy Initiatives	90

---

## Tables, Figures & Boxes

Page

Table 1.1 Respondents to Student Survey	4
Table 1.2: Location of Educational Institution Where Respondent is Studying	4
Table 1.3: Consultation Submissions from Organisations	5
Table 2.1: Percentage of Respondents Stating That They Receive Grant Support to Attend College by Whether They Are Currently Receiving a SUSI Grant	13
Table 2.2: Family/Household Annual Gross Income of Respondents	14
Table 2.3: Age Breakdown of Undergrads and Postgrads	15
Table 3.1: Estimated Cost of Attending Further and Higher Education	17
Table 3.2: Estimated Cost of Attending Further and Higher Education (income <€30,000)	18
Table 3.3: Cost of Living for NUI Galway Undergraduates, 2019-2020	20
Table 3.4: Cost of Living for DCU Undergraduates, 2020-2021	20
Table 4.1 Percentage of Full-time Undergraduate Students Taking Out Maintenance Loans	29
Table 4.2: Monthly Student Grant Levels in the Netherlands, 2021	31
Table 5.1: Annual Maintenance Grant Award Rates 2021/22, Undergraduates	36
Table 5.2: Monthly Expenditure and Maintenance Grant Contribution	37
Table 5.3: Annual Maintenance Grant Award Special Rates for Postgraduates, 2021-22	40
Table 5.4: Term Time Weekly Hours Respondents Would Expect to Work Were it Not for the Pandemic	42
Table 6.1: Student Grant Scheme Income Thresholds - Undergraduates	48
Table 6.2: Student Grant Scheme Income Thresholds - Postgraduates	49
Table 6.3: Distribution of Eircode Regions by Level of Absolute and Relative Poverty	52
Table 6.4: Socio-Economic Distribution of Enrolments to HEIs in 2018-19	54
Table 6.5: Deprivation Score of Full-time Enrolments to HEIs in 2018-19	54
Table 6.6: Allocation of Adjacent Awards in Urban Areas by Level of Deprivation	56
Table 6.7: Allocation of Non-Adjacent Awards in Rural Areas by Level of Deprivation	57
Table 6.8: Current Inflation Forecasts for Ireland	59
Table 7.1: Respondents' Views on Whether They Would Have Studied on a Part-Time Basis Instead of Full-time if They had Been Allowed to Receive Grant Support	64
Table 7.2: Experience of Mature Student regarding on-campus or distance learning	65
Table 7.3: Annual Maintenance Grant Award Rates 2021-22 by Number of Dependent Children	67
Table 7.4: Estimated Cost of Raising Each Additional Child by Level of Education	69
Table 7.5: Percentage of SUSI Recipients Experiencing Financial Difficulties by Distance from Normal Residence	71
Table 8.1: FET Beneficiaries and New Entrants, 2014-2020	75
Table 8.2: Government Funding of Selected FET Programmes/Financial Support (€ Million)	77
Table 8.3: Number of Beneficiaries on Selected FET Programmes/Financial Support	78
Table 8.4: Summary of Information on Selected FET Financial Support Schemes	78
Table 8.5: Weekly Training FET Allowance Rates Summary	81
Table 9.1: Exchequer Cost for Increasing Scheme Maintenance Grants for Undergraduates (€m)	93
Table 9.2: Cost of Uniform Increase in Income Threshold	95
Table 9.3: Exchequer Cost for Extending Scheme Funding for Part-time Study	97

Figure 1.1: Methodological Approach	3
Figure 2.1: SUSI Grants Awarded by Academic Year	7
Figure 2.2: Numbers on Live Register	8
Figure 2.3: Annual Cost of Student Grant Scheme	9
Figure 2.4: Type of SUSI Grant Awarded	10
Figure 2.5: Percentage of Undergraduates and Postgraduates in Receipt of Certain Grants	12
Figure 2.6: Number of Students and Cost of Student Assistance Fund	15
Figure 3.1: Breakdown of Expenditures (All Undergraduates)	18
Figure 3.2: Selected Student Comments on Living Costs	19
Figure 3.3: Percentage Change in Cost of Living	22
Figure 3.4: Average Rental Cost for Apartment by Region (2007-2021)	23
Figure 3.5: Monthly Expenditure of the Median Student	24
Figure 4.1: Population aged 30-34 with Tertiary Educational Attainment, 2019	25
Figure 4.2: Percentage of Undergraduate Full-time Home Students Paying Annual Fees Above €100, 2019/20	27
Figure 4.3: Percentage of Undergraduate Full-time Home Students Receiving Universal or Need-based Grants, 2019/20	28
Figure 5.1: Special Rate Award vs Estimated Cost of Living	37
Figure 5.2: Percentage of Expenditures Covered by Student Grant Scheme (Undergraduates)	38
Figure 5.3: Percentage Monthly Living Costs Covered by Public Support	38
Figure 5.4: Recipients on Whether They Would Have Pursued Studies Without Grant	39
Figure 5.5: Percentage of Expenditures Covered by Student Grant Scheme (Postgraduates)	41
Figure 5.6: Percentage of Students Who Would be in Term Time Employment	42
Figure 5.7: Selected Student Comments on Working and Studying	43
Figure 5.8: Negative Impacts of Employment Responsibilities on Studies	43
Figure 5.9: Difficulties Experienced in the Current Term	45
Figure 5.10: Difficulties Experienced in the Current Term	46
Figure 6.1: Impact of Grant Increase (Views of Undergraduates)	49
Figure 6.2: Notional Impact of Excess Holiday Earnings	50
Figure 6.3: Number of Grants as a Percentage of Persons Aged 13-17 in 2016 and Relative Poverty Index (Eircode Regions)	53
Figure 6.4: Number of Grants in 2020-21 as Percentage of Persons Aged 13-17 in 2016 and Absolute HP Deprivation Index (Eircode Regions)	55
Figure 6.5: Number of Adjacent Grants in 2020-21 as Percentage of Persons Aged 13-17 in 2016 and Absolute HP Deprivation Index (Urban Eircode Regions)	56
Figure 6.6: Number of Non-Adjacent Grants in 2020-21 as Percentage of Persons Aged 13-17 in 2016 and Absolute HP Deprivation Index (Rural Eircode Regions)	57
Figure 6.7: Average Hourly Earnings, All Employees, 2011-2021	58
Figure 7.1: Respondents by Education Status	62

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## Tables, Figures & Boxes

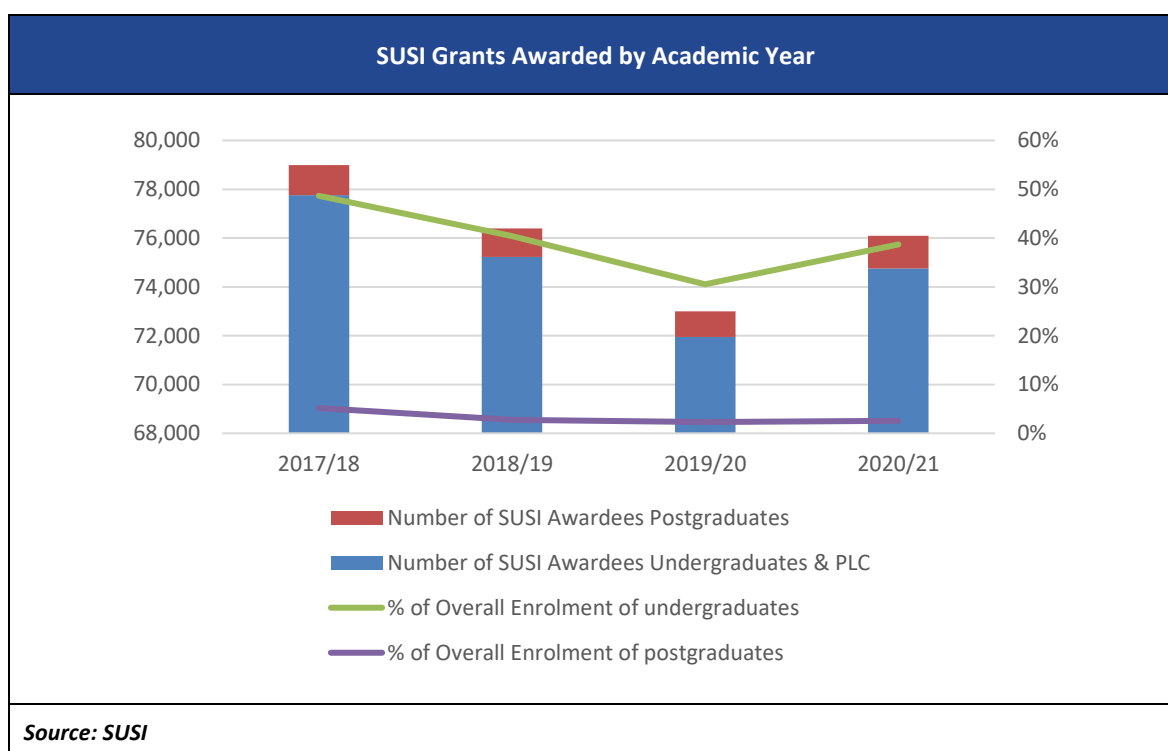
*Page*

Figure 7.2: Breakdown of Responses on Willingness to Consider Part-time Study Based on Age	64
Figure 7.3: Views of mature students on the suitability of different learning options	65
Figure 7.4: Number of Children Per Family	68
Figure 7.5: Number of Recipients of Adjacent Rate Versus Non-adjacent Rate	70
Figure 7.6: Distance Between Respondent's Normal Residence and College	70
Figure 7.7: Selected Student Comments on Eligibility Criteria	71
Figure 9.1: Key Conclusions from Study	86
Figure 9.2: Recommendations on Future Policy Initiatives	91

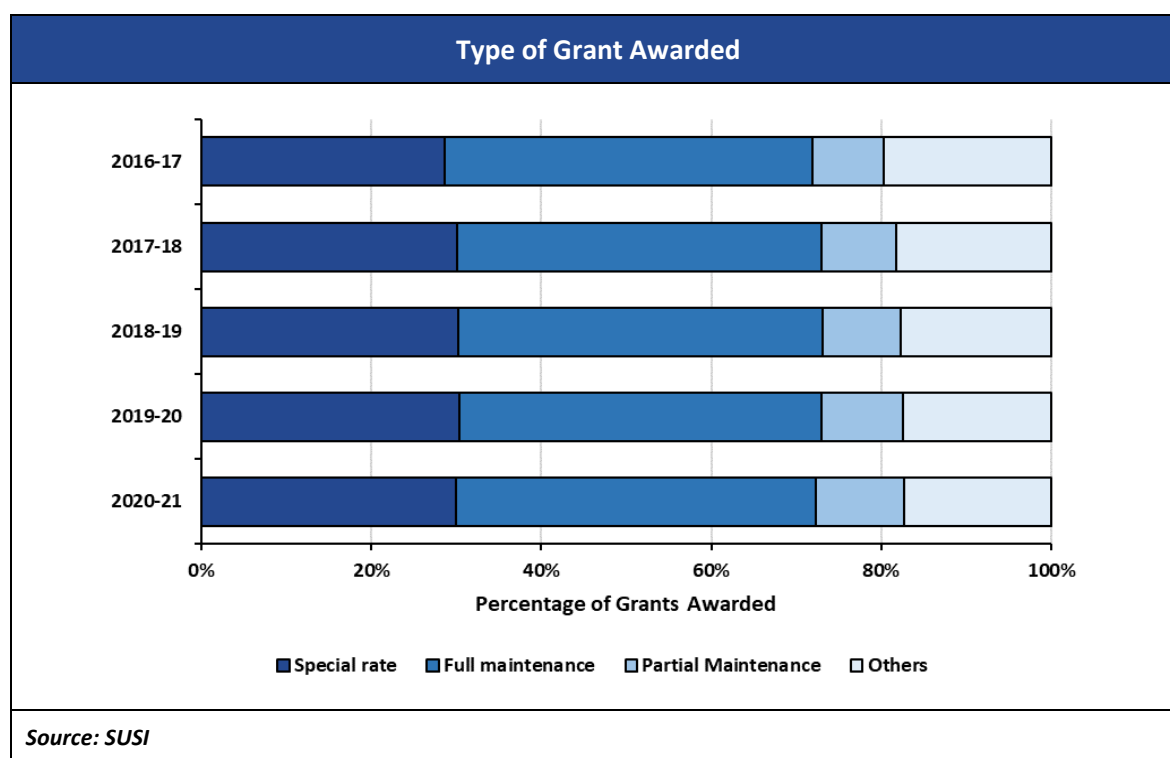
## Executive Summary

### Overview and Trends

The Student Grant Scheme is the main financial support scheme for students studying in approved full-time third-level courses in Ireland covering both further and higher education. The Student Grant Scheme supports around 75,000 students every year. In the academic year 2020-21, 76,087 students were recipients of the scheme. Of these, 74,755 (98%) were undergraduate students, with 1,332 postgraduates receiving financial support under the scheme. There was a gradual fall in numbers up to the 2019-20 academic year, which can be explained in part due to Ireland's improved economic situation, which would have impacted eligibility for students receiving support under the Student Grant Scheme. Around 40% of all undergraduates receive a SUSI award, though only 2-3% of enrolled postgraduates do. In 2019-20, the total cost of the scheme to the Exchequer was €334 million. In addition to supporting students attending higher education, the Student Grant Scheme is also open to students attending PLC courses in FET colleges, with over 7,000 qualifying each year. Also relevant is the vision and targets as set out in the National Plan for Equity of Access to Higher Education (2015-2019) which aims to ensure that the student body entering, participating in and completing higher education at all levels reflects the diversity and social mix of Ireland's population. A new National Access Plan covering the period 2022-26 is currently being prepared.



The types of awards granted on the scheme have been relatively stable over the last five years. The composition has generally been around 30% in receipt of the special rate; around 40% in receipt of the full maintenance grant; around 10% in receipt of partial maintenance support; and roughly 20% in receipt of some other support. This is illustrated in the next figure.



There are other supports for students attending higher education in Ireland, most notably the Free Fees Initiative<sup>1</sup> from which an estimated 88% of undergraduate students benefit<sup>2</sup>. Also important for some students is the Back to Education Allowance (BTEA). In addition, the Student Assistance Fund (SAF) supports around one in eight higher education students. Grant recipients are more likely than non-recipients to need additional financial support through the Student Assistance Fund, with 18% and 22% of undergraduates and postgraduates who receive a grant also being supported by the Student Assistance Fund, respectively.

### Cost of Attending Further and Higher Education

The estimated monthly cost of attending higher education for undergraduates is €1,229, or €11,064 for the full academic year. This is illustrated overleaf. This is approximately 10% higher than the costs reported by FET students, though postgraduate students' expenditure is around 20% higher than undergraduate respondents due to higher 'fees and other costs'. Accommodation is the largest single cost facing students, accounting for around 32% of a student's monthly expenditure. Fees and food make up the next largest cost commitments, at 15% and 14% respectively. Expenditure is lower for SUSI undergraduate and postgraduate recipients, though this in part is due to lower average expenditure on 'fees and other costs'. When 'fees and other costs' are removed, undergraduate SUSI recipients still spend 8.5% less than all undergraduate students, though there is only a small (1.3%) difference in postgraduate spending. The results of the Indecon survey conducted for this study are in line with other recent survey estimates of students' costs and expenditures.

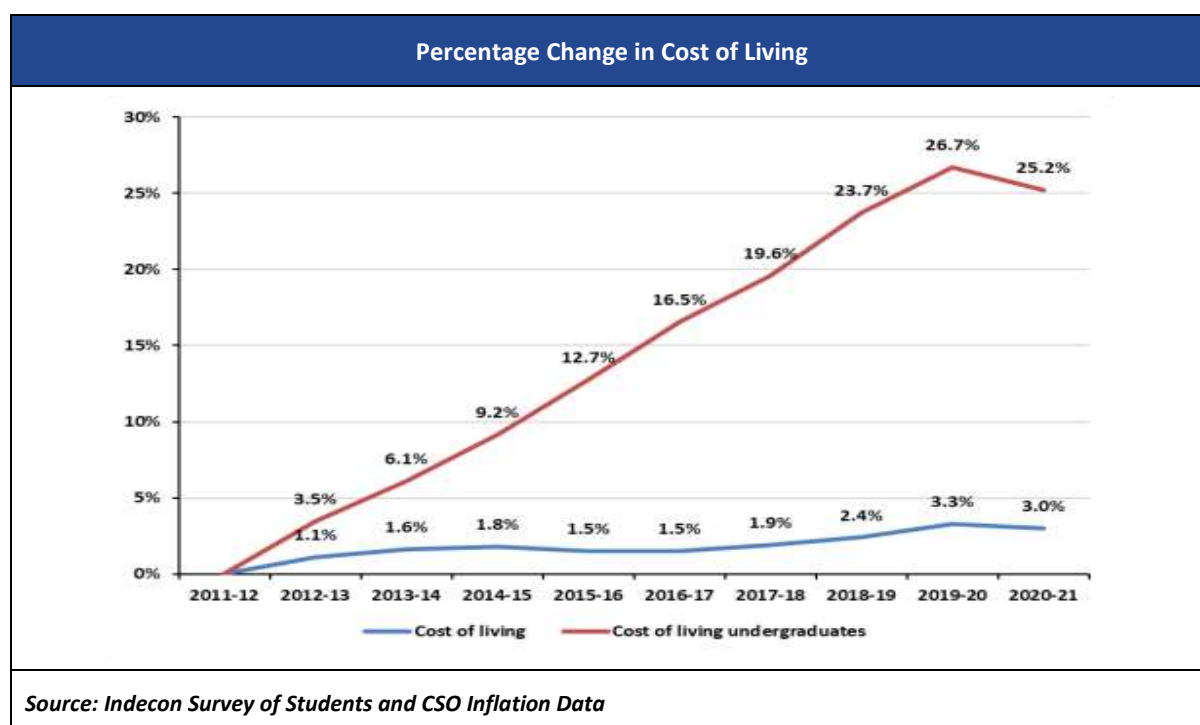
<sup>1</sup> Under the terms of the Free Fees Scheme, the Irish Exchequer pays tuition fees for qualifying students registered on full-time undergraduate programmes approved under the scheme at Levels 6, 7 and 8 of the NFQ. Students are still liable for the Student Contribution Charge.

<sup>2</sup> 146,000 students benefited from the Free Fees Initiative in 2020-21 (<https://www.oireachtas.ie/en/debates/question/2021-09-21/section/389/>), equivalent to 88% of the total number of full-time undergraduates (165,946) as estimated by the HEA (<https://hea.ie/statistics/data-for-download-and-visualisations/data-for-download/2020-21-enrolment-data-for-download/>)

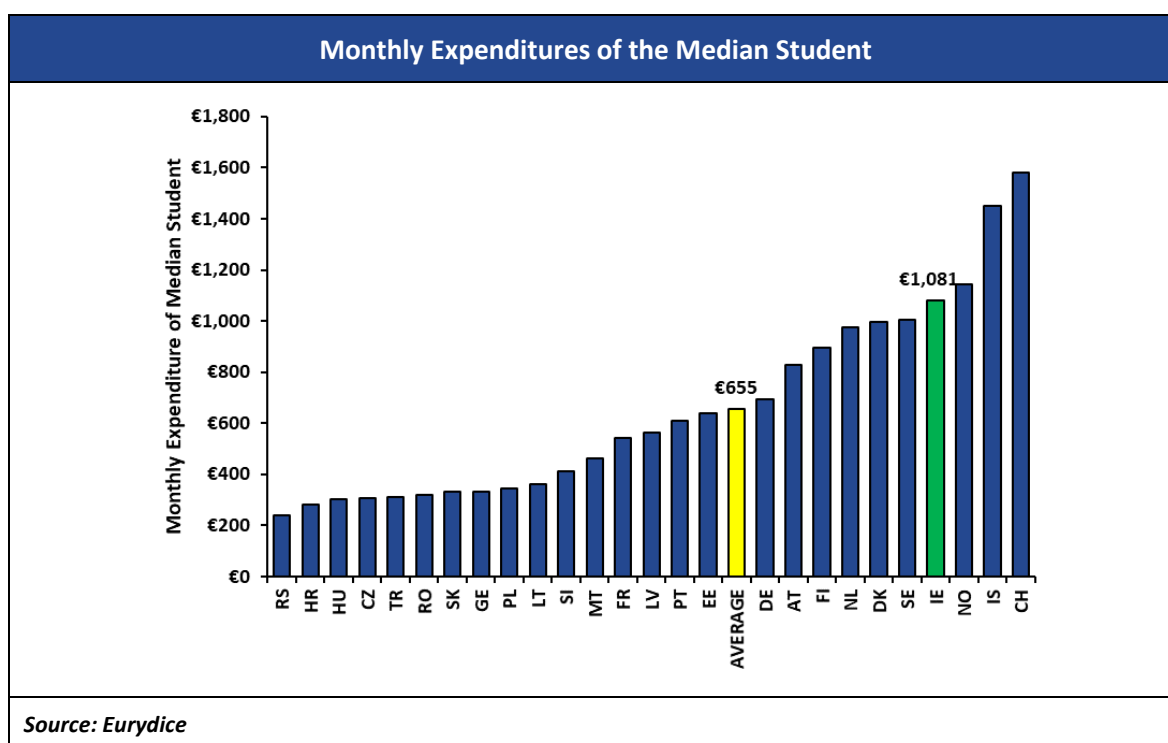


Estimated Cost of Attending Further and Higher Education					
	Undergraduates		Postgraduates		Further Education and Training
ALL INCOME LEVELS	All	SUSI	All	SUSI	
Monthly average	€1,229	€1,163	€1,492	€1,440	€1,112
9-month year	€11,064	€10,465	€13,427	€12,956	€10,004
INCOMES <€30,000	All	SUSI	All	SUSI	FET
Monthly average	€1,204	€1,161	€1,610	€1,411	€1,136
9-month year	€10,836	€10,445	€14,492	€12,702	€10,228
<i>Source: Indecon Survey of Students</i>					

While the overall cost of living for the general population has been broadly static, the cost of living for students has increased by over 25% since 2011. This divergence can be seen in the figure below. Most of this difference can be accounted for by increases in rent costs which are a larger share of students' expenditures. Students in receipt of the Housing Assistance Payment would face a lower cost of living than those who do not but who need to rent (see Figure 5.2 for a discussion).



Irish students face relatively high monthly expenditures when compared to other European countries, which reflects the relatively high cost of living in Ireland. This is illustrated in the figure overleaf.

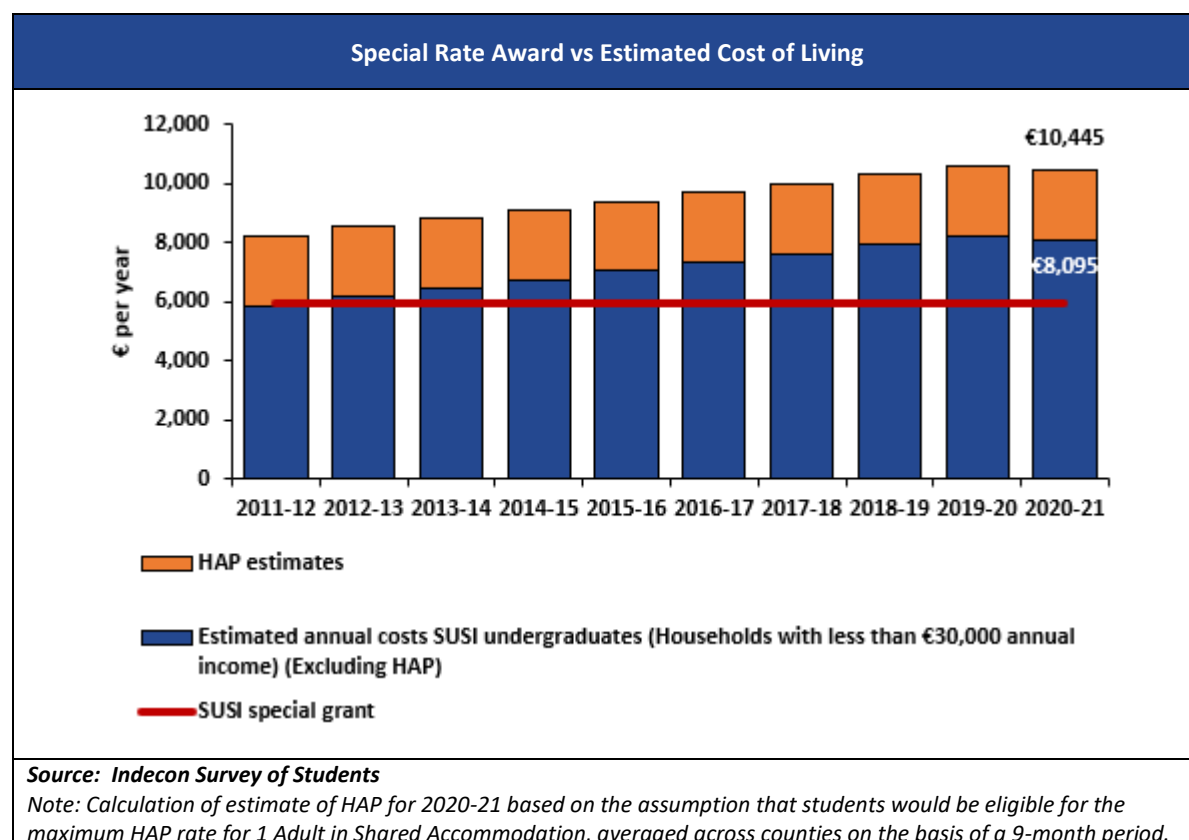


### Maintenance Grant

The Student Grant Scheme contains a number of qualifying thresholds for various grant values. The maintenance grant rates awarded under the Student Grant Scheme vary based on: family income; eligibility for social assistance payments; distance from the place of study; the number of dependent children; and the number of additional people in college. Eligibility by income is tapered to lower levels of maintenance (75%, 50% and 25%) to ensure there is not a 'cliff edge' of eligibility once a certain income level is reached. These gradations allow students just over a threshold margin to remain in receipt of a grant, albeit at a reduced rate that reflects their relative income compared to other applicants. Since the 2017/18 academic year, postgraduate students who meet all of the qualifying conditions for the special rate of grant under the Student Grant Scheme are eligible for a maintenance grant of up to €5,915; Qualifying postgraduate students may also be eligible to have their tuition fees paid up to a maximum fee limit of €6,270.

Annual Maintenance Grant Award Rates 2021/22, Undergraduates		
	Adjacent Rate	Non-Adjacent Rate
Special Rate	€2,375	€5,915
100% Rate of Maintenance	€1,215	€3,025
75% Rate of Maintenance	€910	€2,270
50% Rate of Maintenance	€605	€1,515
25% Rate of Maintenance	€305	€755
<i>Source: SUSI</i>		

The special rate is awarded to those who are eligible for a qualifying social welfare payment amongst other criteria. Many of these students would also be eligible for the Housing Assistance Payment Scheme and, where such students qualify, the net cost of living for these students would be lower. Indecon estimates that the special rate was sufficient in 2011-12 to meet an average student's living costs if they had been eligible to the equivalent of the HAP scheme payment. However, even for students in receipt of the HAP payment in 2020/21, the SUSI special rate grant would not be sufficient to meet their costs of living. This is shown in the figure below.



Awardees report that maintenance grants cover 36% of undergraduates' and 29% of postgraduates' expenditures. Separate evidence presented in the main report also indicates that a large majority (81%) of SUSI undergraduate and postgraduate recipients report they would have been unlikely to have pursued studies without grant support.

Monthly expenditure and maintenance grant contribution		
	Undergraduates	Postgraduates
Average % reported by awardees, covered by Student Grant Scheme	35.7%	28.6%

**Source: Indecon Survey of Students**

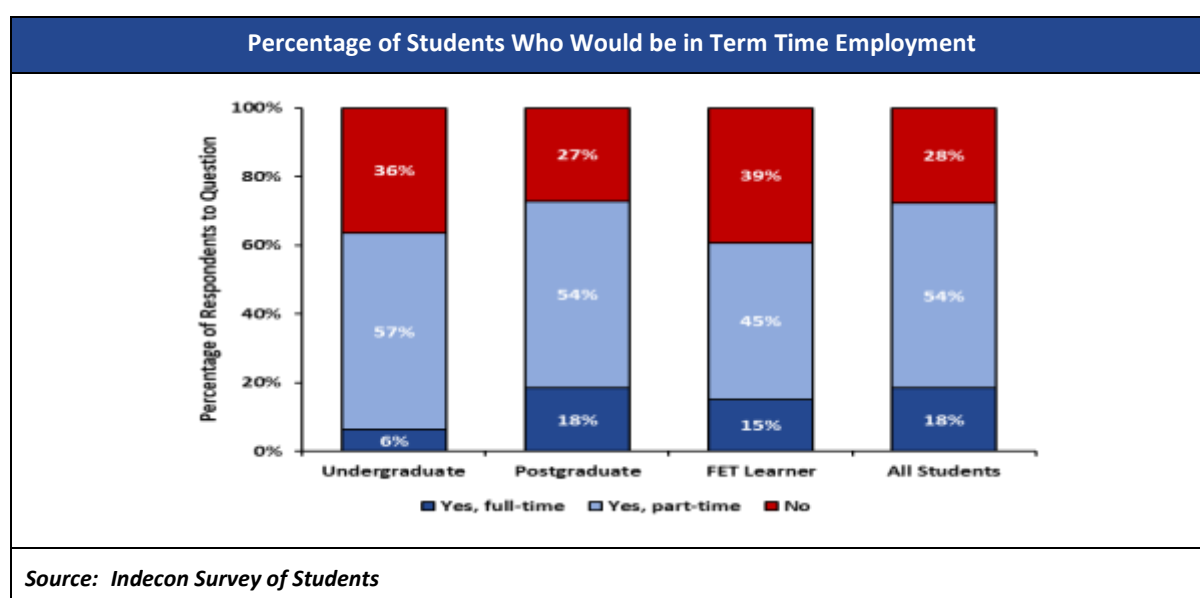
As with undergraduate supports, postgraduate supports also come in the form of maintenance and fee supports. In order to qualify for the special rate of maintenance grant under the Student Grant Scheme, postgraduate students must have a total reckonable household income that does not exceed €24,500. This income must include one of the long-term eligible payments which also qualifies the recipient for the special rate. The current postgraduate fee grant is €3,500, and the fee income threshold is €54,240. Both of these were increased

significantly in Budget 2021. Applicants who are eligible for a Postgraduate Fee Contribution of €3,500 are not entitled to a maintenance grant. Postgraduate students whose income is below the special rate threshold but who are in receipt of BTEA can receive fee support of up to €6,270.

Annual Maintenance Grant Award Special Rates 2021-22, Postgraduates		
<b>Qualifying Criteria:</b>	Total reckonable household income must not exceed €24,500. Students must qualify for special rate of Postgraduate Fee Grant and must be receiving an eligible welfare payment	
<b>Rate</b>	<b>Adjacent Rate (less than 45km)</b>	<b>No Adjacent Rate (45km or more)</b>
	€2,375	€5,915
<i>Source: Statutory Instrument Number 131 of 2021 – Student Grant Scheme 2021</i>		

### Term Time Employment

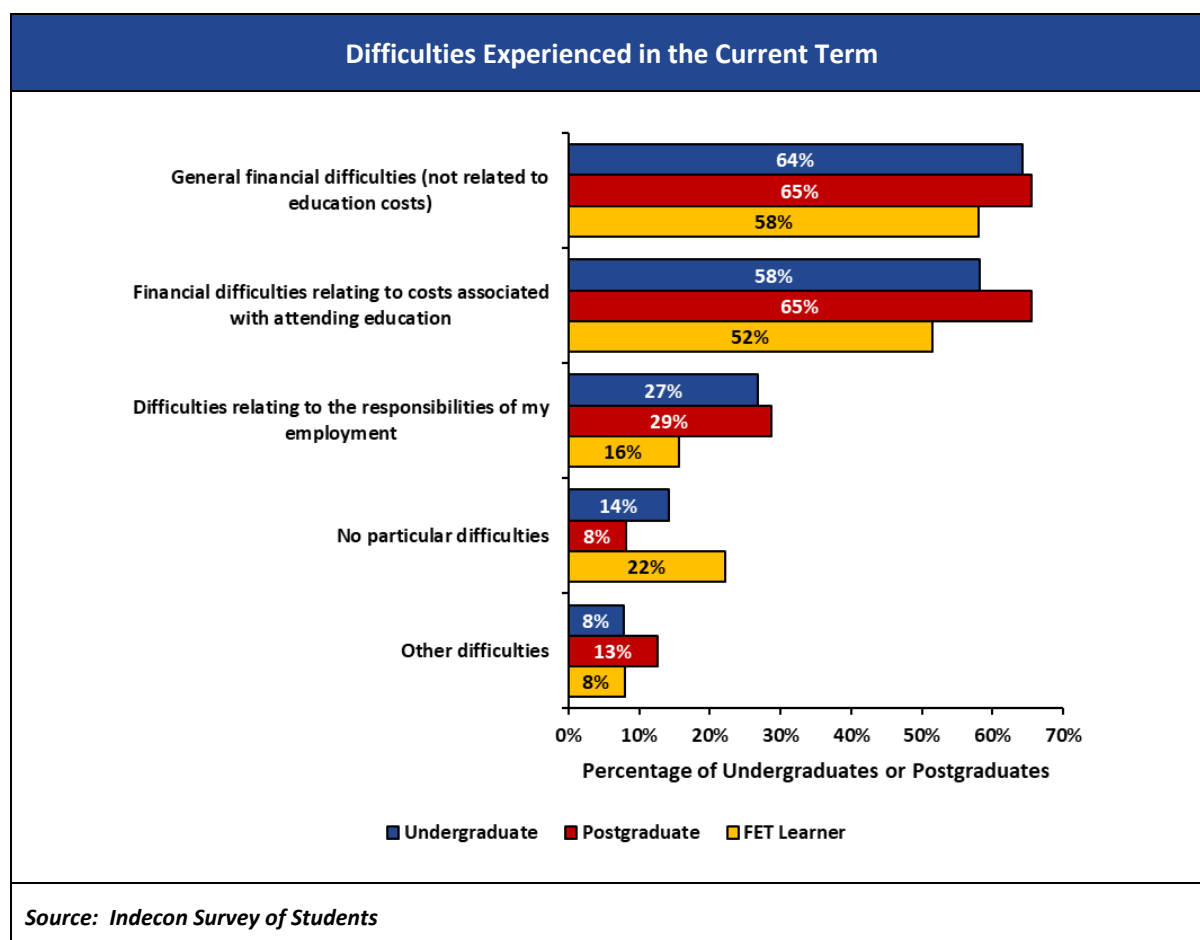
Employment during term time is an important source of income for many students. Indecon's survey of students asked, had it not been for the pandemic, if they would have expected to be working during term time.<sup>3</sup> The figure below shows that more than half of respondents indicated that they would normally work either part-time or full-time while studying. The typical student would ordinarily expect to work around 20 hours a week during term time. Twenty-six per cent of undergraduates and 33% of postgraduate respondents indicated that employment responsibilities negatively impacted their focus on their course significantly. During the COVID-19 pandemic, students were eligible for the PUP payment. A number of studies referenced in the main report indicated there can be an impact on a student's studies, and their ability to complete their course, when they worked in excess of 9-19 hours per week.



<sup>3</sup> Studies completed prior to the pandemic also assessed the extent of student working. For example, HEA research shows that full-time students spend on average almost 19 hours per week in employment. See: <https://hea.ie/assets/uploads/2018/01/HEA-Eurostudent-Survey.pdf>

### Financial Difficulties During Term Time

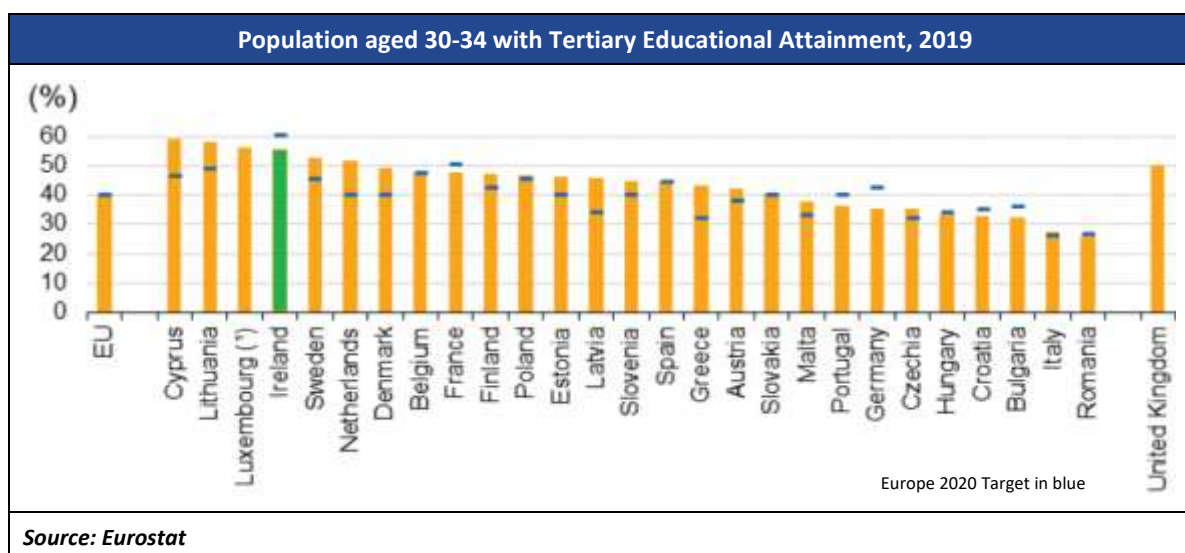
Many studies have shown high levels of financial difficulties reported by students. In the Indecon survey of students, general financial difficulties were reported as being widespread across undergraduate (64%), postgraduate (65%) and FET (58%) learners. Recipients of grants were more likely to report general financial difficulties than other students, though less likely to report financial difficulties related to costs associated with education.



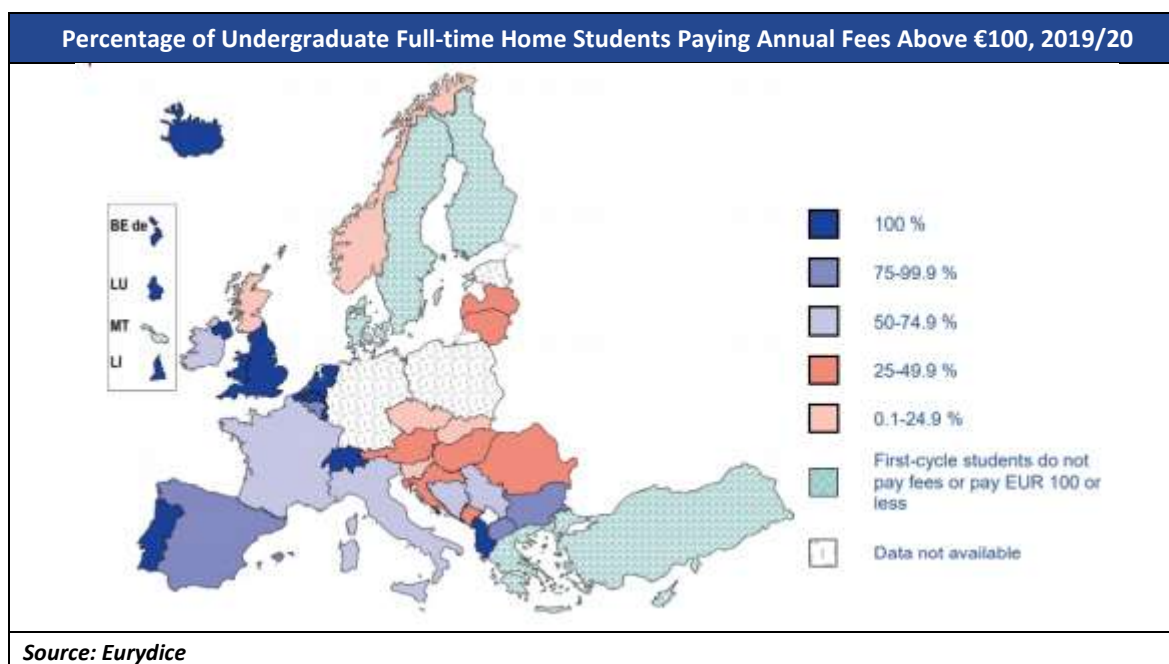
### International Comparison

In Europe, there has been an increase in the percentage of the population who has obtained a third-level qualification over the last decade, though Ireland retains one of the highest rates which is indicative of a largely accessible system. Estimated rates of higher education in Ireland have grown substantially and steadily over the past 40 years, from just 20% in 1980, to 36% in 1992, to 52% in 2011, and to 55% in 2018. Over 50% of the 30–34-year-old age category in Ireland now holds a tertiary degree, compared to a 40% average in Europe.<sup>4</sup>

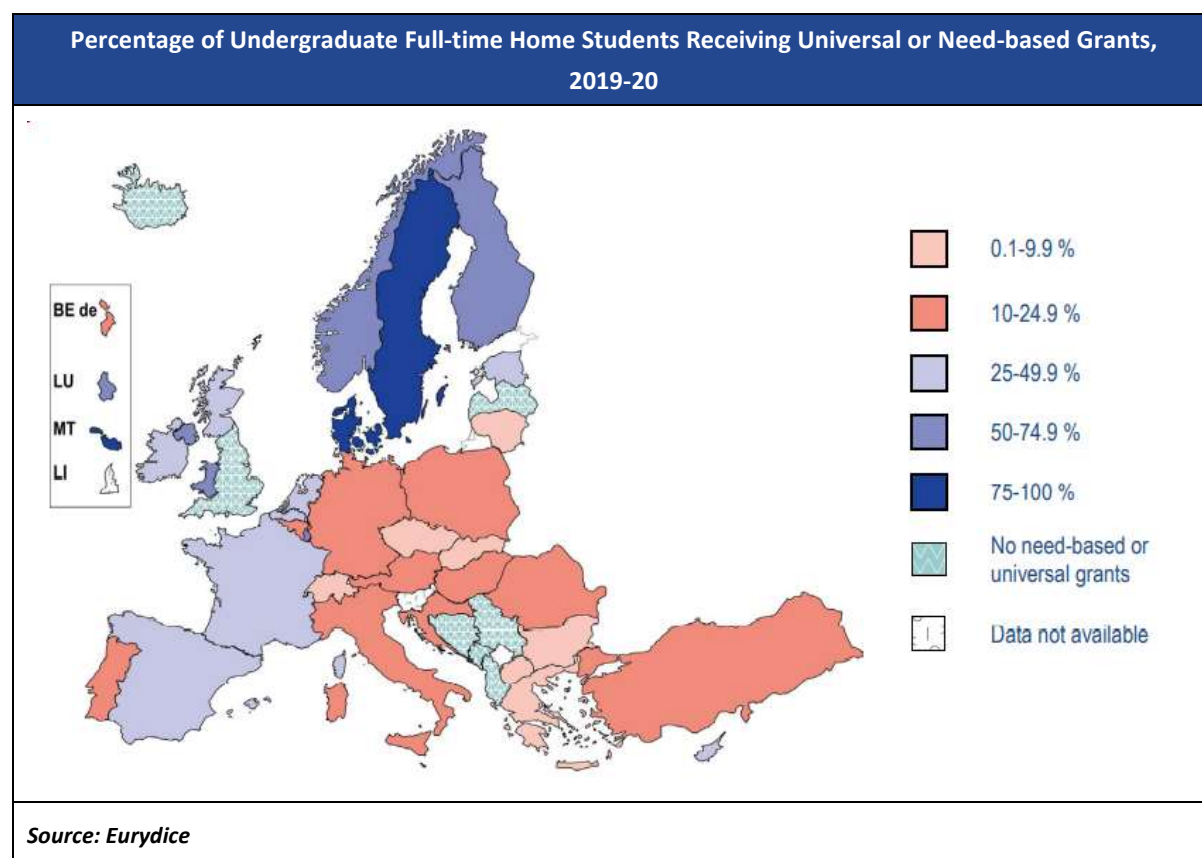
<sup>4</sup> Commission Staff Working Document Accompanying the document Communication from Commission to the European Parliament, Council, European Economic and Social Committee and the Committee of Regions on achieving the EEA by 2025 SWD (2020) 212 final



A range of approaches to support students in meeting the cost of tuition fees applies in European countries. Of the 43 higher education systems in Europe reviewed, there are seven where full-time home/domestic students pay very low or no fees in undergraduate programmes, including in a number of Scandinavian countries where taxation and levels of social protection are higher. A further 12 higher education systems see all first-cycle students pay fees, while the remaining 24 systems (including Ireland) comprise a mix of fee-paying and non-fee-paying students. Scotland, Austria and Sweden offer essentially free fees, while Northern Ireland, Wales and England offer loans to cover the entire tuition fee. In some cases, intermediary bodies (such as SUSI) are established to manage the grant application process; a practice more common in English-speaking countries. There is a more varied approach concerning part-time fees.



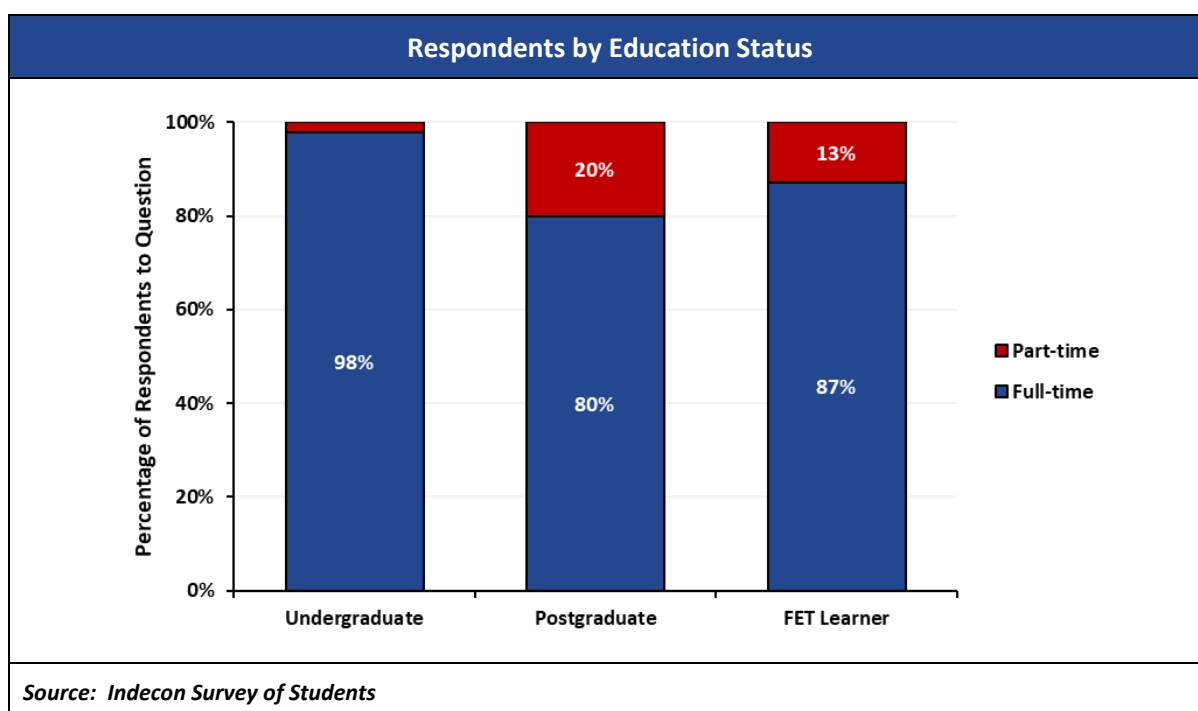
Ireland is among 12 countries which only provide supporting grants, but not publicly subsidised loans. For those countries providing both grants and loans, most systems treat them as two separate support mechanisms, though there are examples in Europe where the two forms of support are linked. For example, in Norway, the support is initially provided as a loan. Forty percent of the loan may be converted to a public grant for students who live away from home and pass their exams, but the level of grant is subject to a means test. The next figure indicates the percentage of undergraduates who receive grants. There are many examples across Europe of student support schemes that support both vocational (FET) and higher education (HE), though in some countries these supports are operated independently.



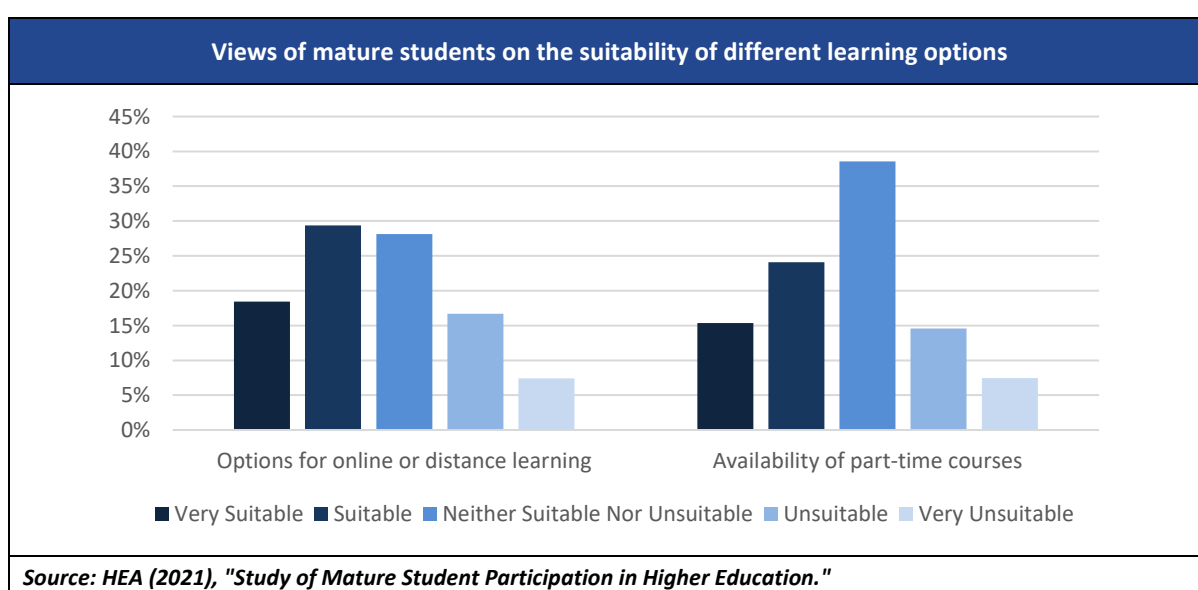
### Course Definition

Undergraduate courses approved for funding under the Student Grant Scheme must be full-time and lead to a major education and training award at Level 6 or higher on the National Framework of Qualifications (NFQ) or equivalent. As specified in the Student Support Regulations, they must also be provided in a University, Institute of Technology or other Higher Education Institution, e.g., College of Education. An approved course in general must be a minimum duration of at least one year for PLC, two years for undergraduate, and one year for postgraduate. However, for many direct entry undergraduate courses, a one-year minimum applies.<sup>5</sup> A large majority of students currently studying in Ireland do so on a full-time basis. Ninety-eight per cent of undergraduate respondents to Indecon's survey of students were full-time, while a large majority of postgraduate (80%) and PLC learners (87%) were also studying on a full-time basis. This is shown overleaf.

<sup>5</sup> <https://susi.ie/undergraduate-student/approved-institutionscourses-for-undergraduate-students/>



The availability of other education options that fit the needs of learners, such as blended or on-line delivery, may impact on participation and student success. Higher education in Ireland has traditionally been focussed on on-campus education delivered in real time and in person. However, recent reforms following the Covid-19 pandemic have seen many higher education institutions in Ireland put in place facilities for delivering content online and via blended learning. A survey of mature students in Ireland (completed before COVID) showed that options for online or distance learning were viewed as being unsuitable or very unsuitable by one in four respondents collectively, while the equivalent proportion for availability of part-time courses was 22%.





There appears to be a significant unmet demand for part-time learning among students. According to Indecon's survey, 47% of postgraduate and 25% of undergraduate students said they would have, or might have, studied part-time if given the option and remaining eligible for financial support. Older (25+) undergraduate students were more likely to have considered a part-time option, with more than one in three saying they would have considered studying part-time. This compares to 23% for younger students. The current National Plan for Equity of Access to Higher Education (2015-2019) targets increased participation in part-time and flexible higher education. It also specifically targets people disadvantaged by socio-economic barriers, mature students, students with a disability, and members of the Travelling community. Among and across the national target groups there are also sub-groups that experience difficulties participating in higher education and who require particular support, including access to part-time education.<sup>6</sup> These include lone parents, teen parents, and some people from ethnic minorities. As highlighted in Section 1, Indecon has received and carefully evaluated insightful submissions from stakeholder organisations which have highlighted the challenges faced by some of these groups.

Respondents' Views on Whether They Would Have Studied on a Part-Time Basis Instead of Full-Time if They had Been Allowed to Receive Grant Support		
	Undergraduate	Postgraduate
Yes	12%	27%
Maybe	13%	20%
No, change in SUSI criteria would have made no difference	30%	22%
I'm not sure my course is offered on a part-time basis	43%	28%
N/A (I am not studying full-time)	1%	3%
<b>Source: Indecon Survey of Students. Percentages may not add up to 100% because of rounding.</b>		

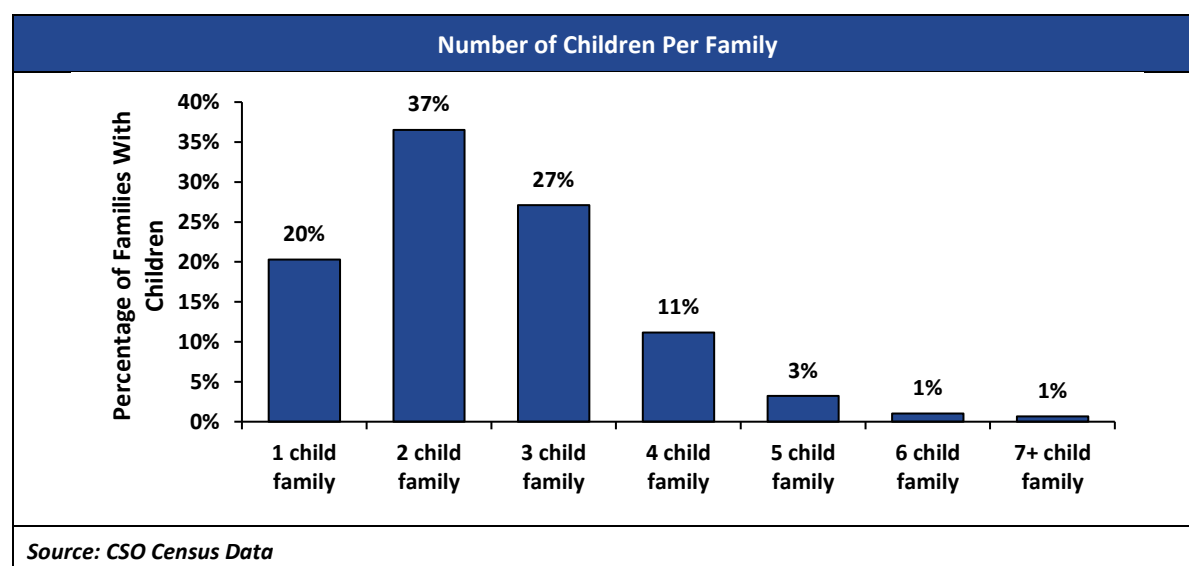
Extending financial support through the Student Grant Scheme beyond the current definition of full-time study would need to consider a range of issues. These would include the extent to which both fees and maintenance should be supported, and the current operation of the Free Fees Initiative which is limited to full time undergraduate courses. The issue of potentially expanding part-time delivery of tertiary education in Ireland is complex. Significant planning would need to be conducted at both national and institutional level. In particular, an understanding of what constitutes part-time, blended and other forms of learning, would need to be established at a national level to guide policy and enable implementation. Further, individual educational institutions would need to plan if they were to expand their part-time education options or introduce additional blended or online learning.

### Other Household Dependents

The income thresholds for eligibility for different levels of Student Grant Scheme support depends on: (a) the number of dependent children in the family; and (b) the number of additional persons in college. There are three categories for the number of dependent children: (a) fewer than four dependent children; (b) between four and seven dependent children; and (c) eight or more dependent children. This measure expands the number of

<sup>6</sup> HEA (2021) "Study of Mature Student Participation in Higher Education".

households eligible for grants, but does not create additional income for families who are already in receipt of the special rate or the 100% maintenance rate. The age distribution of Irish families set out below shows that the large majority of Irish households have between one and three children, while there are very few families with seven or more children.<sup>7</sup> This suggests that the current criteria of the number of dependent children per family is not a very efficient means to target support.



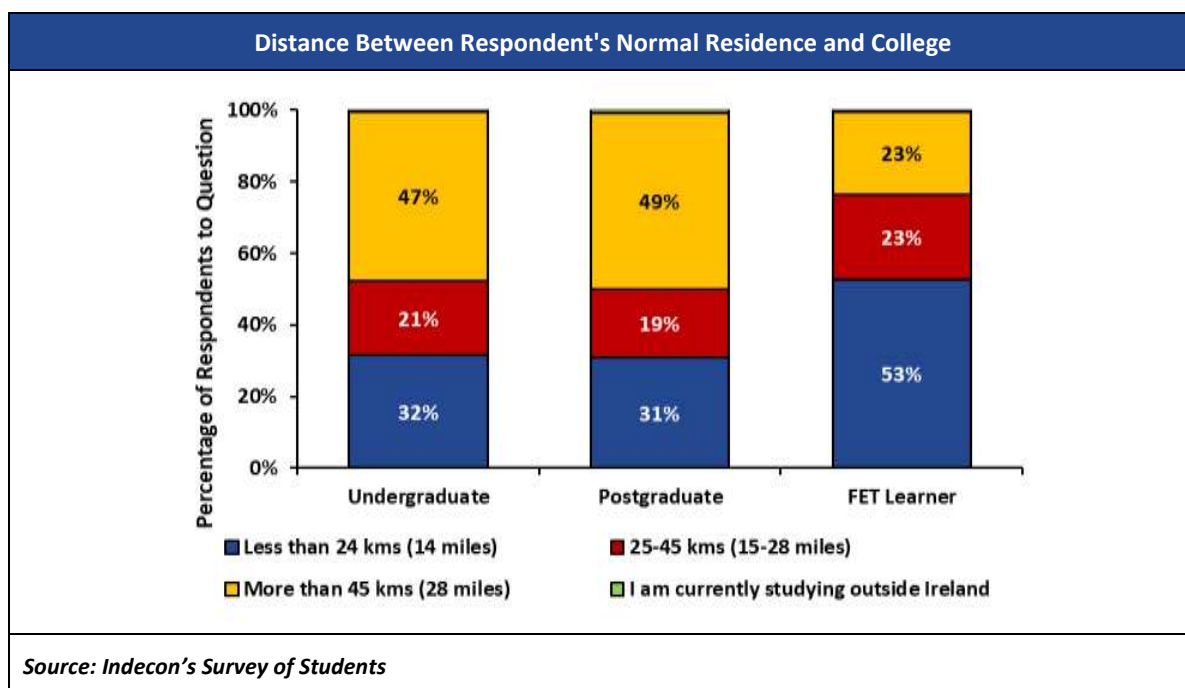
As already noted, the grant criteria also allow for an increase in the income threshold based on the number of additional persons in college. This raising of income thresholds will increase the number of families eligible for support and may increase the eligible grant for those that already receive one, though families with an income under €39,875 (based on academic year 2021-2022) do not receive an additional grant based on the number of dependent children or persons attending college. The costs of attending further or higher education are significantly higher than for primary or secondary level, which suggests that retaining within the scheme some level of adjustment for the number of people attending college may be merited.

### Adjacency/Non-adjacency

Adjacency refers to the distance between the shortest, most direct route from the student's normal residence to their college. Students who are eligible for a maintenance grant are paid at either the lower adjacent rate when the college is under 45km from the normal residence, or the higher non-adjacent rate when it is 45km or more away. Under the 45km criterion, the proportion who are eligible for SUSI support dropped to around half of all students from 77% in 2011.<sup>8</sup> Indecon's survey of students indicates that FET learners generally live closer to their place of study than undergraduate and postgraduate learners in higher education, as shown overleaf.

<sup>7</sup> CSO Census figures only identify those families with seven or more children.

<sup>8</sup> [http://usi.ie/wp-content/uploads/2019/06/Pre-Budget-Submission\\_compressed.pdf](http://usi.ie/wp-content/uploads/2019/06/Pre-Budget-Submission_compressed.pdf)



Students whose normal residence is further from college (>25km) report greater financial difficulties compared to students whose normal residence is closer (<24km). This may be a reflection of the rise in rents witnessed in Ireland over the last decade, and differences in commute times/costs.

Percentage SUSI Recipients Experiencing Financial Difficulties			
	< 24km	25-45km	>= 45km
Financial difficulty due to education	44.0%	52.2%	60.0%
Other financial difficulties	67.1%	70.4%	65.2%
<b>Any financial difficulty</b>	<b>77.4%</b>	<b>84.6%</b>	<b>84.2%</b>

*Source: Indecon Survey of Students*

### Link between Student Grant Scheme and Deprivation

Previous research has shown that those coming from more affluent areas may be more likely to apply and attend higher education institutions (HEIs). Research conducted by the Higher Education Authority (HEA) in this area found that 61% of all enrolments in HEIs in 2018-19 came from areas which were more affluent than average. This research also indicated that students attending Institutes of Technology<sup>9</sup> were far more likely to come from relatively deprived areas.<sup>10</sup> The proportion of students from relatively affluent areas increases to over two-thirds of enrolments in postgraduate courses.

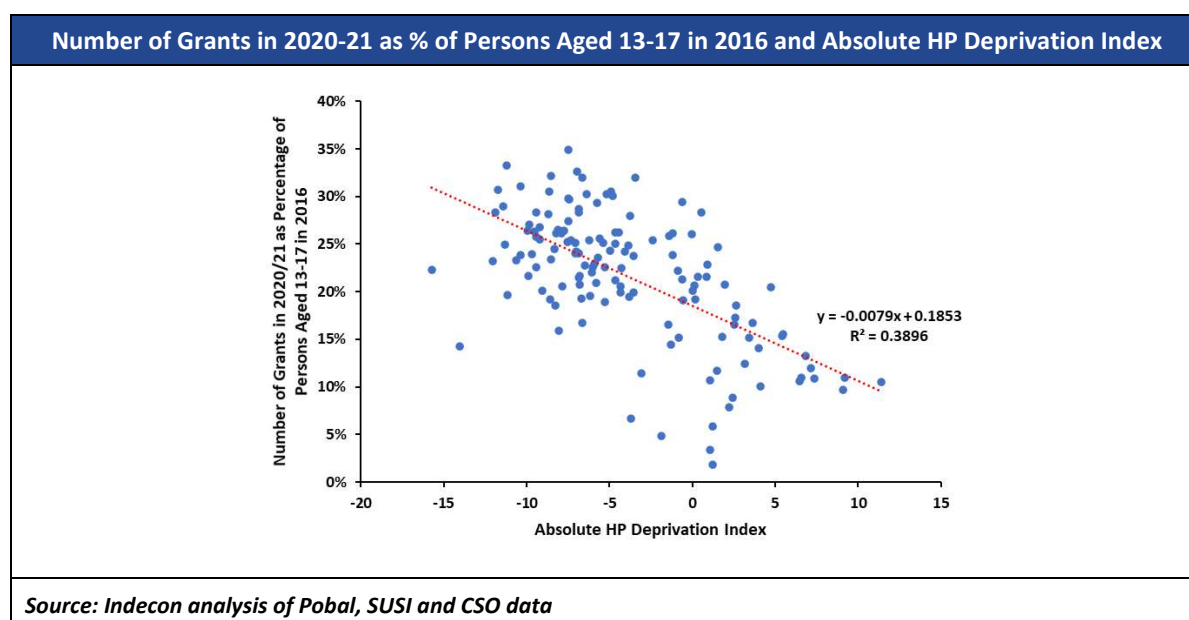
<sup>9</sup> Since the completion of this study, a number of these institutions have been merged to form Technological Universities.

<sup>10</sup> <https://hea.ie/2020/12/07/new-hea-data-provides-in-depth-insight-into-the-socio-economic-profile-of-our-universities-and-institutes-of-technology/>.

Socio-Economic Distribution of Enrolments to HEIs in 2018/19					
Deprivation Index Score	Undergraduate		Postgraduate		All enrolments
	Full-time	Part-time	Full-time	Part-time	
Disadvantaged (-10 and below)	10%	11%	8%	6%	10%
Marginally below average (-10 to 0)	30%	29%	26%	23%	29%
Marginally above average (0 to 10)	41%	41%	42%	42%	41%
Affluent (10 +)	18%	19%	25%	29%	20%

**Source: Indecon presentation of HEA data**  
**Note: Figures may not add to 100% due to rounding**

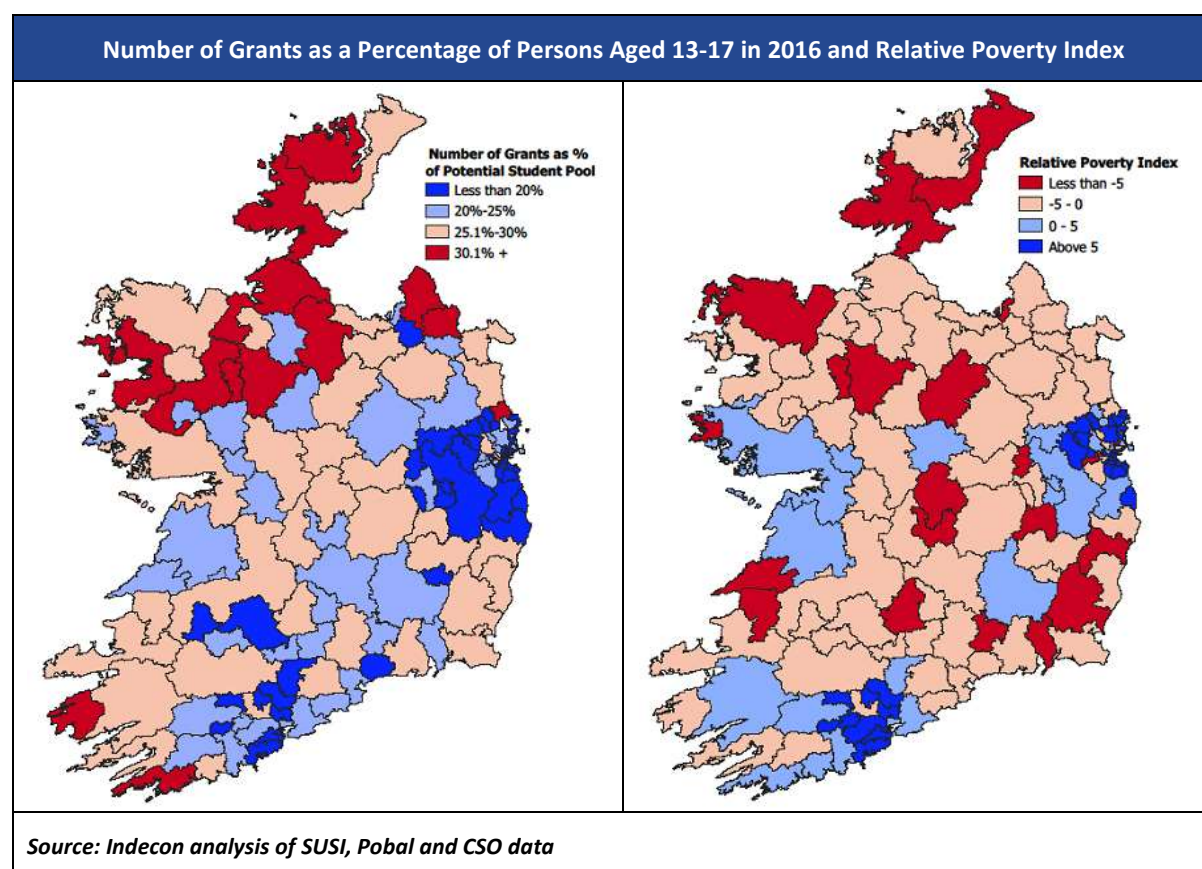
As part of this study, Indecon conducted novel research which linked data on the number of SUSI recipients in a geographical area with measures of deprivation. The aim of the research was to show how well awards are targeted at those of greatest need.<sup>11</sup> While the previous HEA research indicated a much stronger likelihood of those living in more affluent areas enrolling in HEIs, research conducted by Indecon indicates that SUSI assistance promotes attendance at higher education within areas of relative deprivation. While the HEA study suggests that only 39% of HEI enrolments are by students from areas of relative deprivation, 66% of recipients of student grants were from these areas.<sup>12</sup>



<sup>11</sup> It should be noted that this is a partial analysis which seeks to examine a correlation between the number of SUSI recipients and measures of deprivation. A full analysis which seeks to understand the causative impact of SUSI grants would require individual level data which captures a much broader set of social and economic characteristics.

<sup>12</sup> Caution should be exercised in comparing two studies using data from different time periods, and with different levels of granularity of data.

The following figure represents the relative poverty index of the different regions, as well the number of grants as a percentage of the potential student population. The more affluent areas (darker blue on the right) tend to have fewer grants as a percentage of the potential student pool (darker blue on the left), indicating that SUSI appears to be targeting areas of higher deprivation. The opposite is the case for the more disadvantaged areas. What is notable is that in many areas near cities, for example in the counties surrounding Dublin, the number of grants is relatively low compared to the poverty index score. Separately, Indecon's analysis indicates that payments that are linked to social welfare payments (i.e., special rate grants and fees for BTEA students) show the strongest correlation with areas of poverty. It should be noted that certain sub-regions within Dublin and in other parts of the country are also associated with particularly acute social disadvantage.



### Inflation and Income Thresholds

Inflation has the effect of reducing the real purchasing power of wages. In Ireland, inflation has been very subdued over the last decade, with the result that income increases have largely reflected increased earning power rather than rises in prices. However, published forecasts indicate a general expectation that inflation in Ireland is likely to rise in the short to medium term, to the ECB's target rate of 2% per annum. Unless income thresholds and grant rates are adjusted accordingly, a return of inflation will gradually erode both eligibility for, and real purchasing power of, student grants.

## Supports to Further Education and Training learners

Further Education and Training (FET) provides a wide variety of life-long, flexible and inclusive education options to anyone over 16 years of age, including school leavers; lifelong learners; employees looking to upskill; the unemployed; and marginalised people who want to re-engage in education, while also supporting employers and communities. This includes part- and full-time courses, face-to-face classes, and blended and online learning options at levels 1-6 on the National Framework of Qualifications. The number of beneficiaries taking part in FET programmes annually is in the region of 300,000. There are a number of funding supports/programmes to give FET learners financial assistance to participate in their education, although only FET learners on PLC courses can access Student Grant Scheme financing from SUSI.

There are a range of supports for FET learners. While the Student Grant Scheme itself only covers maintenance for PLC students, the €200 annual fee is waived by ETBs for all student grant recipients and in certain other circumstances (e.g., medical card holder). As part of Budget 2022, it was announced that the €200 annual fee would be abolished from the start of the 2022-23 academic year. The maintenance grant rates are the same as for undergraduate higher education students. Other programmes in the FET sector may provide financial supports to learners including the Vocational Training and Opportunities Scheme (VTOS); Specific Skills Training; traineeships; and the Back to Education Initiative. The table below shows the number of beneficiaries of the various schemes compared to the number on the Student Grant Scheme between 2018 and 2020. The total number of students supported by the Student Grant Scheme is of a similar magnitude to the students supported by the programmes/supports listed.

Number of Beneficiaries on Selected FET Programmes/Financial Support			
	2018	2019	2020
Student Grant Scheme (PLC only)	7,787	7,405	-
Apprenticeships	12,464	14,677	16,484*
Vocational Training and Opportunities Scheme	6,778	6,321	7,568*
Specific Skills Training	10,456	9,355	9,208*
Traineeships	4,627	5,530	6,325*
Back to Education Allowance**	8,816	6,976	6,048
Back to Education Initiative	35,413	36,163	34,023*
Part-time Education Option	N.A.	N.A.	N.A.
<b>Total (ex- Student Grant Scheme)<sup>88</sup></b>	<b>78,554</b>	<b>79,022</b>	<b>79,656</b>
<b>Source: SOLAS FET Planning Reports, Department of Education Annual Reports and CSO PxStat table LRM14.</b>			
Notes *Projected beneficiaries for 2020. **Social Welfare Annual Services Reports			

## Conclusions

A summary of Indecon's conclusions from our detailed evaluation of the Student Grant Scheme is shown in the next table.

Key Conclusions from Study	
1.	The Student Grant Scheme is the main financial support scheme for students studying in further and higher education in Ireland
2.	Ireland has achieved high levels of participation in further and higher education
3.	Cost of living for students has increased by 25% due to higher rents
4.	The Student Grant Scheme covers one-third of undergraduates' and 29% of postgraduates' expenditures
5.	Large majority of recipients unlikely to have pursued studies without scheme grant support
6.	The need to work can impact a student's studies. For this reason, a limit is placed on holiday earnings deductions under the scheme
7.	Many courses of a duration of 1 year or more are eligible for scheme support
8.	Significant minority of students would have considered studying part-time if grants were available
9.	Students whose normal residence is far from college report greater financial difficulties
10.	Financial supports in FET largely built around social welfare entitlements
11.	Many European student support schemes cover both FET and higher education
12.	The SUSI scheme is complex and many find it difficult to understand
13.	Student support systems across Europe are highly varied
Source: Indecon	

## Recommendations

We set out below some key policy recommendations on future initiatives to support access to further and higher education. These recommendations were developed in the context of the report aimed at providing a long-term sustainable funding model for higher education in Ireland. In all of the areas identified, action should be undertaken as soon as feasible. For example, while completion of some of the recommendations may only be feasible in the medium or longer term, improvements should be implemented in the short term where possible.

Recommendations on Future Policy Initiatives		
#	Recommendation	Timescale to completion
1	Increase student maintenance grant rate levels targeting those most in need	Medium-long term
2	Adjustments should be made to adjacency criteria	Short-medium term
3	Adjust income thresholds to account for inflation	Ongoing
4	Extend supports to more flexible forms of learning including blended/online and part-time	Long term
5	Develop an integrated student support system covering FET and HE	Long term
6	Further extend supports to low-income postgraduate students	Medium term
7	Develop and implement a comprehensive data plan for further and higher education in Ireland	Long term
8	Targeted communication aimed at NAP groups	Short term
Source: Indecon		



# 1 Introduction and Background

## 1.1 Introduction

Indecon International Economic Consultants ('Indecon') was appointed by the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) to undertake a comprehensive research study to review Ireland's Student Grant Scheme, and to address the current trends, challenges, supporting structures and policy recommendations with regards to the scheme. Also relevant is the vision and targets as set out in the National Plan for Equity of Access to Higher Education (2015-2021) which aims to ensure that the student body entering, participating in and completing higher education at all levels reflects the diversity and social mix of Ireland's population. A new National Access Plan covering the period 2022-26 is currently being prepared.<sup>13</sup>

## 1.2 Background and Context

The Student Grant Scheme (or SUSI grant scheme) is the primary financial support mechanism for students studying in Ireland and abroad. Student grants can cover both maintenance costs and educational fees. The former aids students in covering their living costs during their studies, while the latter pays the student's contribution to tuition fees. In the 2019-20 academic year, SUSI processed around 96,000 applications, of which 76,000 (around 80%) qualified for grant support.

Since 2012, following the Student Support Act 2011, the City of Dublin Education and Training Board has operated as the centralised student grant awarding authority for student grants. Prior to this legislative reform, 66 different awarding authorities administered student grants. The Student Grant Scheme sets out the requirements for a student to receive financial assistance in the form of SUSI grants. Broadly speaking, grant assistance is provided to students who are in attendance of an approved course in an approved institution, while also satisfying certain criteria related to nationality, residency, academic attainment and means.

## 1.3 Issues and Objectives of the Review

The aim of this study is to conduct comprehensive research on the current grant scheme eligibility criteria, the maintenance grant support, the potential impact of increasing the grant values and/or making adjustments to the income thresholds and the impact and associated costs arising from widening the supports to include part-time provision. The specific issues to be addressed in this review are outlined in the terms of reference, as set out below:

- ❑ To review the eligibility criteria. As part of reviewing the approved course criteria, the review should explore the impact and likely longer-term impact of expanding the current definition of an approved course and the associated costs if the scheme was to include blended/online and part-time provision.

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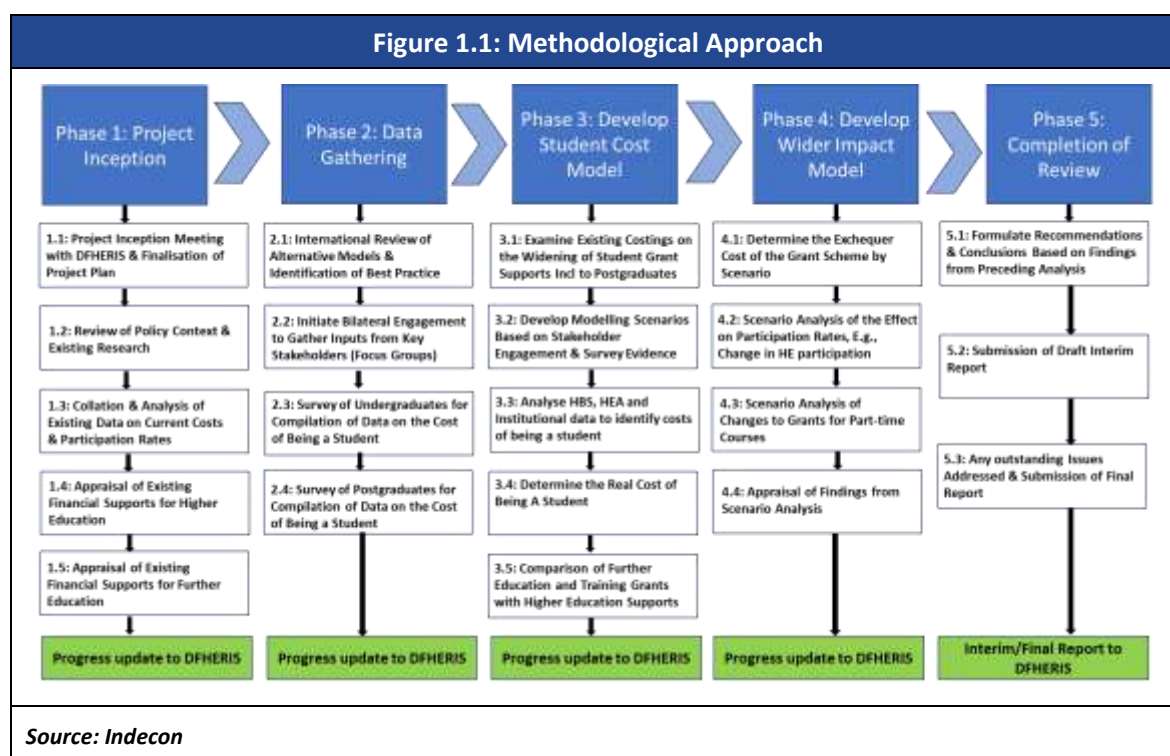
<sup>13</sup> A consultation exercise to inform the next National Access Plan was initiated in April 2021 by the HEA.



- ❑ To review the current income thresholds. The Student Grant Scheme provides for different levels of income thresholds for grant support including where families have: (i) fewer than four dependent children; (ii) between four and seven dependent children; and (iii) eight or more dependent children. The review should investigate the impact of any changes to income thresholds whilst acknowledging the cost implications for the Exchequer.
- ❑ To review the current maintenance grant which is a contribution made towards a student's day-to-day living expenses and is paid in nine monthly instalments.
- ❑ To review the current adjacent/non-adjacent rates of grant and cost implications of making any changes to the present rates.
- ❑ To identify and reflect on the current support measures in other jurisdictions and benchmark the student grant system in Ireland against other EU states.
- ❑ To ensure that the aforementioned eligibility criteria are explored in the context of the fact that the Programme for Government also undertakes to provide a long-term sustainable funding model for higher education and research on this topic is already underway.
- ❑ To consider current supports available to Further Education and Training (FET) learners undertaking traineeships, apprenticeships and Levels 5 and 6 programmes (i.e., courses that are not PLC courses) with a view to exploring whether a common cross-FET student financial support system can be incorporated into the Student Grant Scheme.
- ❑ To consider current supports for postgraduate students and explore the impact of extending these supports to include maintenance grants at the same level as the current undergraduate supports.
- ❑ To invite contributions from stakeholders in the student grant system via a formal submission process and consider these submissions in the context of the parameters of the Programme for Government commitments and the Terms of Reference of this review.
- ❑ To objectively determine the real cost of attending further education and the real cost of attending higher education in the State and determine what proportion of the cost is met by the student grant system in Ireland.
- ❑ To translate the research findings from the above Terms of Reference into recommendations on future policy initiatives to support access to further and higher education. All recommendations will need to be detailed, well developed, targeted and costed.

## 1.4 Methodology

Indecon has applied a rigorous methodological approach to delivering on the key evaluation requirements set out in the Terms of Reference. A summary description of this approach is presented in the next figure, which highlights the phases and work tasks undertaken during the evaluation process. The approach involved extensive stakeholder engagement both directly with key representative bodies and via new empirical survey research of undergraduates, postgraduates and FET learners. We also accessed and reviewed various key datasets from the HEA, SUSI, the CSO, OECD and others. An additional important element of our approach was a review and analysis of international practice with respect to student financial support in further and higher education.



We set out below some additional details regarding aspects of the methodological programme.

### Student Survey

A survey of undergraduate, postgraduate and FET students was carried out to assess students' experiences in accessing the Student Grant Scheme, and the actual cost of attending further or higher education. The questions in the survey concerned income sources, expenditures, and suggestions on improvements to the current scheme. The survey ran from 23 April to 6 June 2021, with over 9,000 responses collected from HE and FET learners, of which:

- ❑ 7,426 were undergraduates, representing 81.8% of survey respondents.
- ❑ 660 respondents were postgraduates and 742 were FET learners, both representing around 8% of total respondents.
- ❑ Of those undergraduates who responded to the survey, 62% were SUSI recipients.
- ❑ Of those postgraduates who responded to the survey, 35% were SUSI recipients.

This information is also shown in Table 1.1 overleaf.

Table 1.1: Respondents to Student Survey				
	Undergraduate	Postgraduate	FET	Total
SUSI Recipient	4,629	234		4,863
Not a SUSI Recipient	1,916	311		2,227
Did not indicate whether or not they were a SUSI recipient	881	115		996
Total	7,426	660	742	8,828
Source: Indecon				
Note: A further 210 indicated that they were not an undergraduate, postgraduate or FET student.				

In terms of the geographical distribution of survey respondents, Table 1.2 below shows the breakdown in the location of the educational institution where survey respondents were studying. While the number of responses from Dublin-based students was highest, there is a strong regional spread of respondents which ensures that the survey can be considered representative.

Table 1.2: Location of Educational Institution Where Respondent is Studying			
County	Undergraduate	Postgraduate	FET Learner
Dublin	34.5%	24.9%	12.0%
Galway	14.8%	16.8%	22.6%
Cork	11.9%	19.7%	16.0%
Limerick	11.3%	8.9%	4.1%
Waterford	10.0%	7.4%	6.5%
Carlow	3.5%	5.4%	1.4%
Sligo	3.0%	4.8%	7.1%
Kildare	2.1%	3.7%	0.0%
Other Counties	8.8%	8.5%	30.4%
Source: Indecon			

### Consultation Programme

As part of the study, stakeholders were invited to provide input on any aspect of the Terms of Reference for the study. This process represented an opportunity for individuals and organisations to provide additional data and research, or other inputs and perspectives. The public invitation for submissions ran from 12 March to 16 April 2021. In response to this call, Indecon received 283 submissions, including a number of responses from students and other individuals. A list of organisations that submitted a formal submission is shown below in Table 1.3.

Table 1.3: Consultation Submissions from Organisations			
<ul style="list-style-type: none"> <li>– AHEAD</li> <li>– AkiDwa</li> <li>– AONTAS</li> <li>– BC Partnership</li> <li>– BCFE</li> <li>– Carol Nolan, TD</li> <li>– Citizens Information Board</li> <li>– Cork ETB</li> <li>– Dublin City Community Cooperative</li> <li>– DCU</li> <li>– DFI</li> <li>– Dublin Northwestern Partnership</li> <li>– Education Futures</li> </ul>	<ul style="list-style-type: none"> <li>– ETBI</li> <li>– Family Carers Ireland</li> <li>– Griffith College</li> <li>– Griffith College SU</li> <li>– HEA</li> <li>– HECA</li> <li>– Hibernia College</li> <li>– ILMI</li> <li>– Irish Aftercare Network</li> <li>– Irish Refugee Council</li> <li>– IT Carlow</li> <li>– IT Sligo</li> <li>– Kerry ETB</li> <li>– Kinship Care</li> <li>– Labour Youth</li> </ul>	<ul style="list-style-type: none"> <li>– TCD Provost</li> <li>– MABS</li> <li>– MAEGS</li> <li>– Maynooth Access Programme</li> <li>– MISU</li> <li>– MRCI</li> <li>– MSI</li> <li>– MTU</li> <li>– NALA</li> <li>– NASC</li> <li>– NCAD</li> <li>– NCI</li> <li>– NLN</li> <li>– NUI</li> <li>– NUI Students Union</li> <li>– One Family</li> <li>– Pavee Point</li> </ul>	<ul style="list-style-type: none"> <li>– RCSI</li> <li>– Senator Alice-Mary Higgins</li> <li>– SGAB</li> <li>– Sinn Fein</li> <li>– Social Democrats</li> <li>– Society of Saint Vincent de Paul</li> <li>– TAP</li> <li>– TCD Students Union</li> <li>– TREOIR</li> <li>– TUD</li> <li>– UCC</li> <li>– UCD</li> <li>– UCD Students Union</li> <li>– USI</li> </ul>
Source: Indecon			

### Data Sources

In addition to the extensive consultation process and survey analysis, Indecon also utilised various datasets to facilitate the study. These included data from the following sources:

- SUSI;
- Central Statistics Office;
- Department of Further and Higher Education;
- High Education Authority; and
- POBAL Deprivation Index data.

### **Deprivation Research**

Indecon conducted novel analysis assessing the link between recipients of SUSI grants and measures of deprivation. This required linking data on take-up of SUSI grants on a geographic basis and the Pobal HP Deprivation Index, which measures the relative affluence or disadvantage of a particular geographical area using data compiled from various censuses. The resulting analysis is used to assess the extent to which SUSI grants appear to be directed at the least affluent areas of the country.

## **1.5 Structure of Report**

The remainder of this report is structured as follows:

- ❑ Chapter 2 provides an overview of current trends with the Student Grant Scheme;
- ❑ Chapter 3 analyses the real costs of attending Further and Higher Education in Ireland;
- ❑ Chapter 4 details and evaluates student loans and grants systems in other jurisdictions across Europe;
- ❑ Chapter 5 provides a review of the structure for the current maintenance grant system;
- ❑ Chapter 6 reviews the current system of income thresholds;
- ❑ Chapter 7 outlines the various eligibility criteria for support;
- ❑ Chapter 8 looks at the supports which are available to Further Education and Training learners; and
- ❑ Chapter 9 outlines the conclusions and recommendations for future policy initiatives for the Scheme.

## **1.6 Acknowledgements and Disclaimer**

Indecon would like to acknowledge the valuable inputs provided by the Department of Further and Higher Education, as well as other members of the Steering Committee, and other stakeholders who provided submissions and participated in Indecon's primary research. In particular, we would like to thank Enda Hughes, Niamh Desmond, Kathryn Coleman, Eddie Quinn, Geraldine Martin, Carol Flynn, Caoimhe Hope, Dean Mooney and Stacey Cannon of the Department of Further and Higher Education, Research, Innovation and Science; Aideen Mooney and Saidhbhin Hardiman of the Department of Social Protection; Christy Duffy, Philip Connolly, Russell Bowes and Vincent Downey (SUSI); John O'Connor (Technological University Dublin); Caitriona Ryan and Neil McDermott (Higher Education Authority); Sean O'Reilly (Technological Higher Education Association); Róisín Doherty (SOLAS); Nora Trench Bowles (Irish University Association); and Lorna Fitzpatrick and Bukky Adebawale (Union of Students in Ireland). The usual disclaimer applies and responsibility for the analysis and findings in this independent report remains the sole responsibility of Indecon.

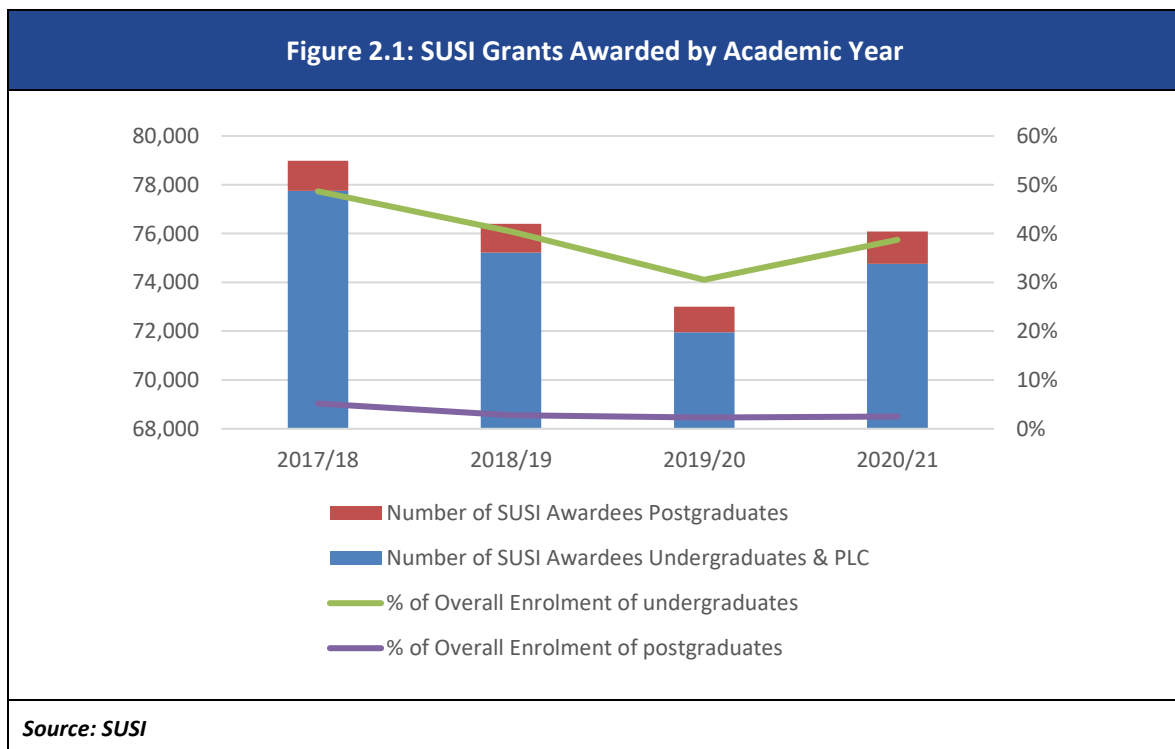
## 2 Student Grant Scheme Overview and Trends

### 2.1 Introduction

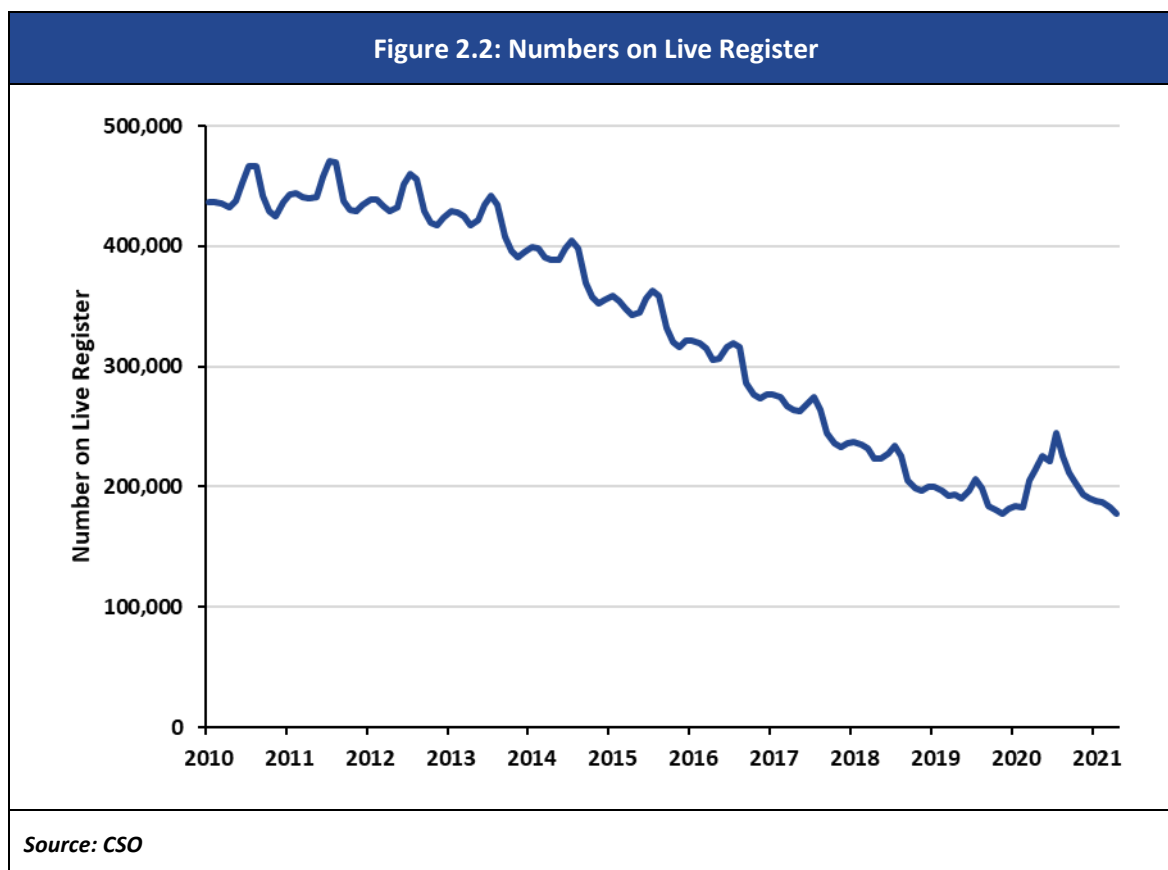
This chapter presents an overview of recent trends relating to the Student Grant Scheme, including its allocation, cost of funding, and a breakdown in relation to other grant supports received.

### 2.2 Overview of Grants Awarded

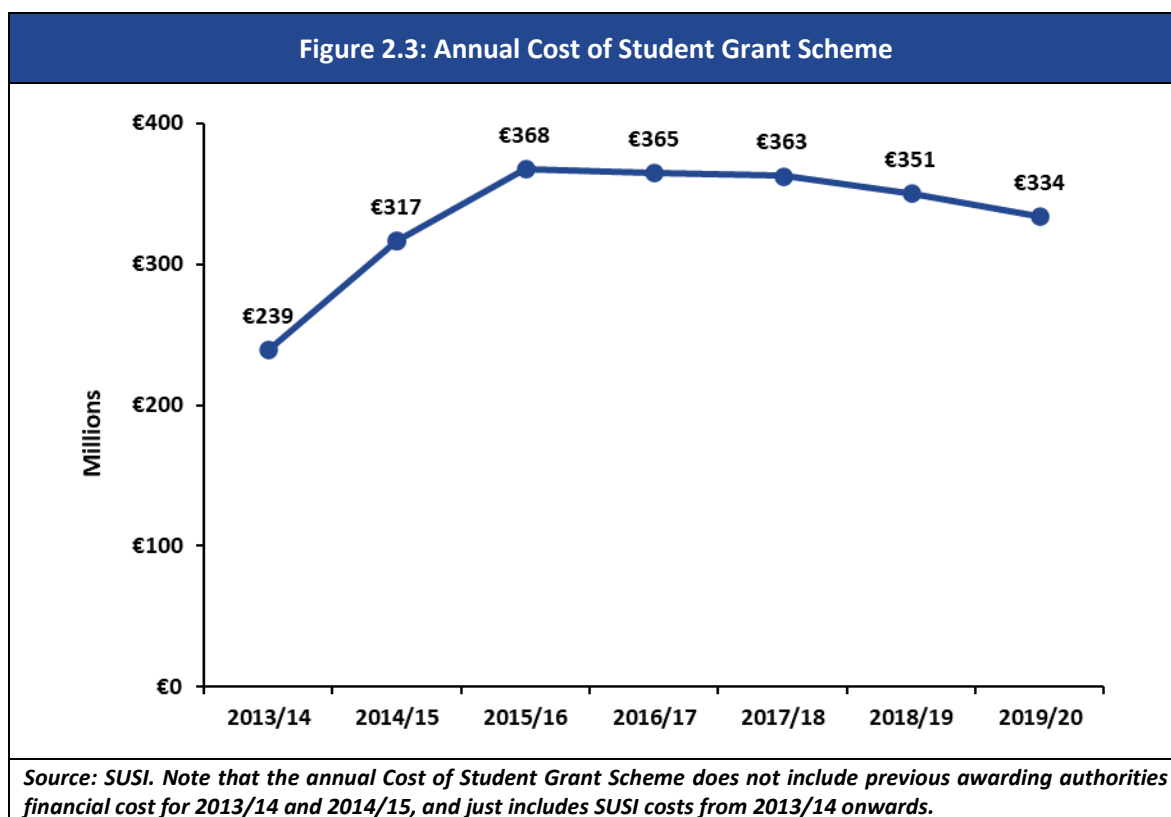
The Student Grant Scheme is the main financial support scheme for students studying in approved full-time third-level courses covering both further and higher education. Figure 2.1 shows the number of grants awarded by academic year, for both undergraduates and postgraduates. The scheme supports, on average, 75,000 students every year. In the academic year 2020-21, 76,087 students were recipients of the scheme. Of these, 74,755 (98%) were undergraduate/PLC students, with 1,332 postgraduates receiving financial support under the scheme. These 2019-20 figures are the lowest in the last five years, being around 6,000 total fewer students than in the 2017-18 academic year. Around 40% of all undergraduates receive a SUSI award, though only 2-3% of enrolled postgraduates do.



This gradual fall in numbers up to the 2019-20 academic year can be explained in part due to Ireland's improved economic situation, which would have impacted eligibility for students receiving the Student Grant Scheme. Figure 2.2 provides a sense of this improved economic context, showing the gradual decline over time of the numbers on the Live Register. There was a marked increase in the numbers on the Live Register in 2020 as the economic and social lockdowns in response to the COVID-19 pandemic were introduced.

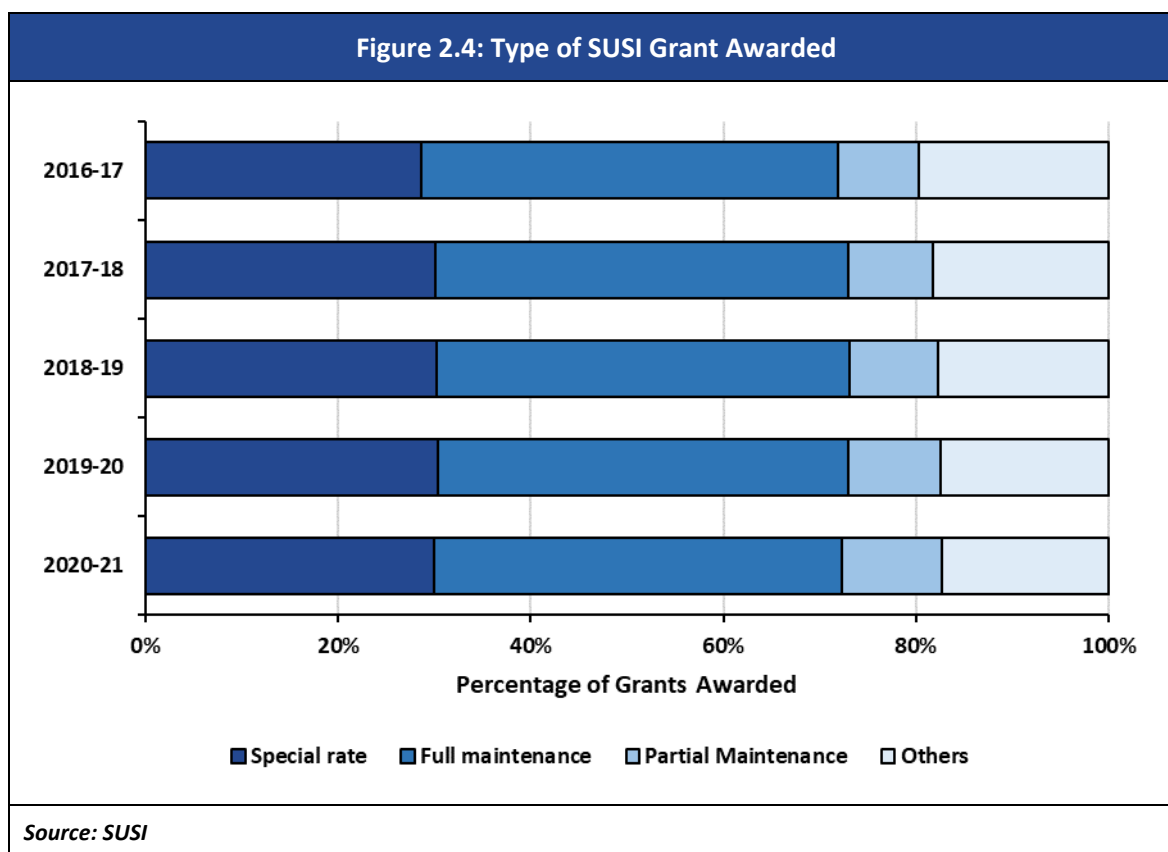


The cost to the Exchequer of the Student Grant Scheme follows the number of grants awarded. Figure 2.3 illustrates the total cost to the Exchequer from the 2013-14 academic year to 2019-20. In 2019-20 the total cost was €334 million.



The types of awards granted on the scheme have been relatively stable over the last five years. Figure 2.4 shows the breakdown in the type of grants awarded on the scheme. The composition has generally seen around 30% in receipt of the special rate; around 40% in receipt of the full maintenance grant; around 10% in receipt of partial maintenance support; and roughly 20% in receipt of some other support.





## 2.3 Eligibility Rules for Student Grant Scheme

SUSI administers funding in line with the legislation as set out in the Student Support Act 2011, the Student Grant Scheme 2021 and Student Support Regulations 2021.<sup>14</sup> The Student Support Act 2011<sup>15</sup> requires that courses have to be provided by an “approved institution”. These are specifically classified under Schedule 7 of the Act, as being:

- ☐ Universities as per Section 4 of the Universities Act 1997;
- ☐ Institutes of Technology as per Section 3 of the Regional Technical Colleges Act 1992 and the Institutes of Technology Acts 1992 to 2006;
- ☐ A technological university within the meaning of the Technological Universities Act 2018<sup>16</sup>
- ☐ Dublin Institute of Technology;

<sup>14</sup> <https://susi.ie/about-us/>

<sup>15</sup> Student Support Act 2011 – <http://www.irishstatutebook.ie/eli/2011/act/4/enacted/en/html>

<sup>16</sup> TU Dublin was established in 2019 from DIT, ITB and IT Tallaght. Munster Technological University was established on 1<sup>st</sup> January 2021 from Cork IT and IT Tralee and Technological University of the Shannon: Midlands and Midwest was established on 1 October 2021 from Athlone IT and Limerick IT.

- ❑ Educational institutions providing courses of education and training known as Post-Leaving Certificate courses;
- ❑ Public educational institutions providing higher education and training in the other EU Member States and the UK;<sup>17</sup> and
- ❑ Educational institutions the Minister prescribes for inclusion as an approved institution.

The 2011 Act defines an approved course as that which:

- ❑ Is provided by an approved institution of the type listed above;
- ❑ Requires full-time attendance by a student; and
- ❑ Is prescribed as an approved course.

However, this Act is also complemented by the Student Grant Scheme 2021 Statutory Instrument<sup>18</sup> which provides the legislation for this distribution of the Student Support Grant in 2021. This is also underpinned by the Student Support Regulations 2021,<sup>19</sup> which further defines the length of duration of courses in order to be approved for Student Grant Scheme Funding as follows:

- ❑ Post-Leaving Certificate: PLC courses have to be at least one year in duration and lead to an award no lower than Level 5 on the NFQ to be eligible for funding.
- ❑ Undergraduate Course: Those courses that lead to a major higher education and training award at Level 6 (Higher Certificate), Level 7 (Ordinary Bachelor Degree) or Level 8 (Honours Bachelor Degree) on the NFQ, or equivalent awards, other than PLC courses. These courses must last at least two years and must take place in either a university, a technological university, an institute of technology as per the Student Support Act 2011, or a public higher educational institution in another EU member state.
- ❑ Postgraduate Course: postgraduate courses have to be at least one year in duration and lead to a major higher education and training award at NFQ Level 8 (Higher Diploma), Level 9 (Postgraduate Diploma, Master Degree) and/or Level 10 (Doctoral Degree) to be eligible for funding.

The maintenance grant is the only funding available to eligible undergraduate students pursuing approved courses outside the Irish State. The fee grant is not available to students studying outside the State. For those studying outside the State, the maintenance grant funding is available for undergraduate study only. The only exception to this is for students attending postgraduate courses in four approved institutions in Northern Ireland.

<sup>17</sup> The Student Grant Scheme was amended by means of a Statutory Instrument to maintain the status quo for students studying in the UK post-Brexit.

<sup>18</sup> Statutory Instrument Number 131 of 2021 – Student Grant Scheme 2021.

<https://www.gov.ie/pdf/?file=https://assets.gov.ie/132196/5e52f1b2-84c7-4f1f-8a86-c76990554dad.pdf#page=null>

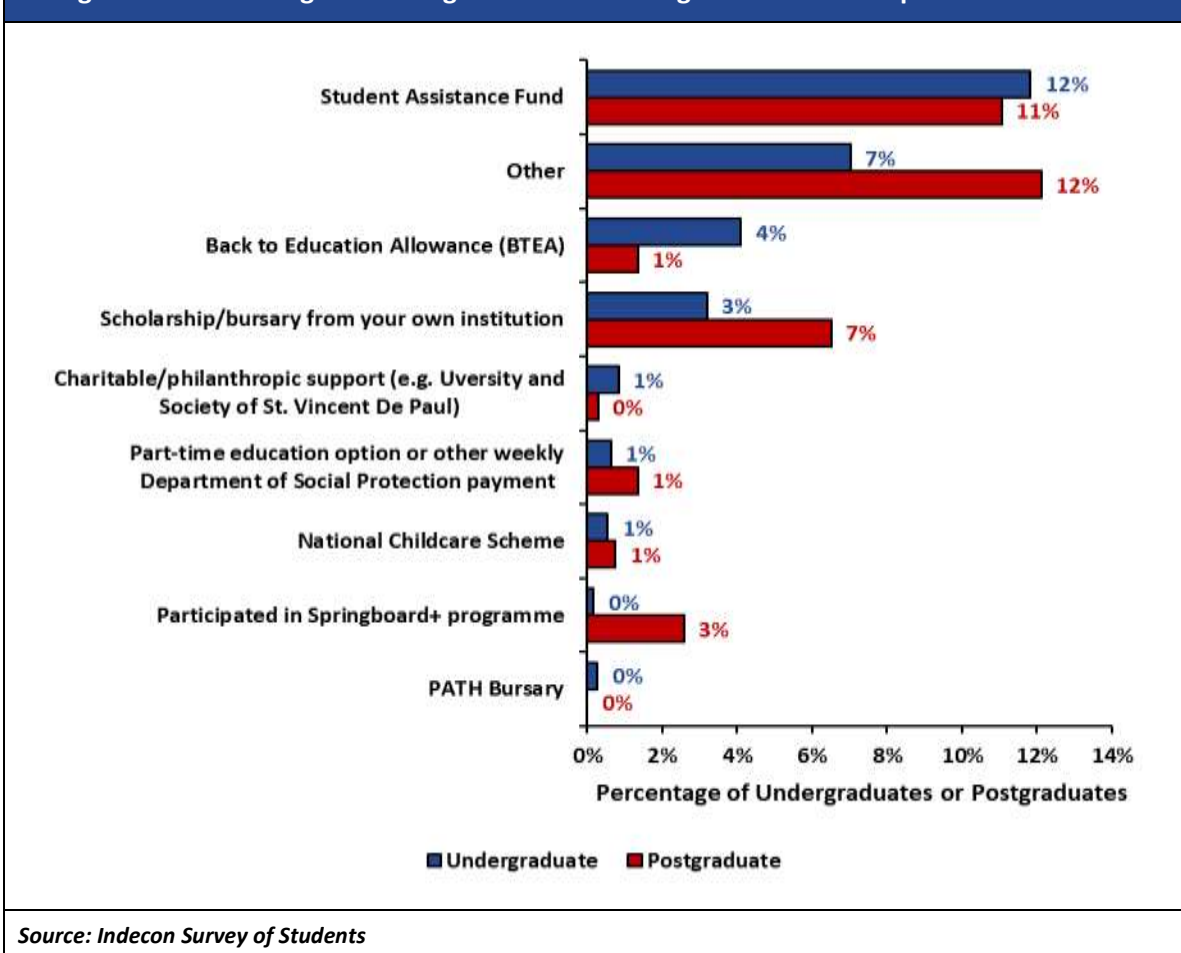
<sup>19</sup> Statutory Instrument number 132 of 2021 - Student Support Regulations 2021.

<http://www.irishstatutebook.ie/eli/2021/si/132/made/en/print>

## 2.4 Other Supports

There are other supports for students attending higher education in Ireland, most notably the Free Fees Initiative which an estimated 88% of undergraduate students benefit<sup>20</sup> from but do not have to apply for, and the BTEA. In addition, the Student Assistance Fund supports around one in eight students in higher education. Far fewer students earn support from other means as shown in Figure 2.5. The main exception to this is the 7% of postgraduates who say they are in receipt of some sort of scholarship or bursary from their own HEI to help fund their studies.

**Figure 2.5: Percentage of Undergraduates and Postgraduates in Receipt of Certain Grants**



<sup>20</sup> 146,000 students benefited from the Free Fees Initiative in 2020-21 (<https://www.oireachtas.ie/en/debates/question/2021-09-21/section/389/>), equivalent to 88% of the total number of full-time undergraduates (165,946) as estimated by the HEA (<https://hea.ie/statistics/data-for-download-and-visualisations/data-for-download/2020-21-enrolment-data-for-download/>)

Grant recipients are more likely than non-recipients to need additional support through the Student Assistance Fund, with 18% and 22% of undergraduates and postgraduates, respectively, who receive a grant also being supported by the Student Assistance Fund. As such, any move to improve grant rates for existing SUSI grant holders/recipients is likely to have some beneficial impact on around 70% of those who currently receive the Student Assistance Fund, though most if not all of these may need to continue to get support from the Student Assistance Fund

Around one in five undergraduates who are not in receipt of a grant receive some other form of financial support. This is shown in Table 2.1. In addition, the 1916 Bursary Fund enables the award of bursaries of €5,000 per academic year to 1,200 of the most socio-economically disadvantaged students (a minimum of 200 new bursaries per year) from the National Access Plan target groups accessing higher education for the first time.

Table 2.1: Percentage of Respondents Stating That They Receive Grant Support to Attend College by Whether They Are Currently Receiving a SUSI Grant				
Type of Grant Support	Undergraduate		Postgraduate	
	Receiving SUSI Grant	Not Receiving SUSI Grant	Receiving SUSI Grant	Not Receiving SUSI Grant
Student Assistance Fund	16%	7%	21%	8%
Other	8%	18%	12%	17%
Back to Education Allowance (BTEA)	5%	4%	1%	2%
Scholarship/bursary from own institution	4%	2%	3%	12%
Charitable/philanthropic support	1%	1%	0%	0%
Part-time education option or other weekly Department of Social Protection payment	1%	1%	3%	1%
National Childcare Scheme	1%	0%	0%	1%
Participated in Springboard+ programme	0%	1%	0%	5%
Source: Indecon Survey of Students				

There has been a general increase in the number of students availing of the Student Assistance Fund since 2008-09, as depicted in Figure 2.6. The number of recipients of this fund was around 14,000 in the 2019-20 academic year; almost double the 2008-09 level. The annual Budget allocation for the Student Assistance fund increased to circa €10 million in 2019-20 but this was increased again in 2020 by €8.1m in response to the COVID19 pandemic and in recognition of the hardship students

faced due to lack of employment opportunities. The Student Assistance Fund aims to assist students who might otherwise be unable to continue their third level studies due to their financial circumstances.

There are no legislative criteria for the Student Assistance Fund, with flexibility for access officers in individual institutions to determine the student's financial need on a case-by-case basis, though there are guidelines on how it has to be administered and not everyone can avail of it. Indecon's stakeholder consultation indicated that this provided an important element of flexibility for those cases which did not meet the requirements as set out in the Student Grant Scheme.

Of those students who received the Student Assistance Fund (as either an undergraduate or postgraduate) but not SUSI, a large number were on a relatively low income. This indicates that lack of receipt of the SUSI grant may for many students be due to reasons other than income eligibility, and as such, the raising of income thresholds is unlikely to address issues of financial distress for many students.

Table 2.2: Family/Household Annual Gross Income of Respondents		
	Undergrad and Postgrad on SAF but not SUSI	All respondents
Less than €20,000	30.5%	31.5%
€20,001 - €30,000	18.5%	26.3%
€30,001 - €40,000	13.9%	15.7%
€40,001 - €50,000	15.2%	10.0%
€50,001 - €60,000	11.3%	6.6%
€60,001 - €70,000	9.3%	4.3%
€70,001 - €80,000	0.7%	2.3%
€80,001 +	0.7%	3.2%
<i>Source: Indecon analysis of survey</i>		

Those students who did not receive financial support under the Student Grant Scheme but received SAF support tended to be older than the overall student body, with only half under age 25, compared to 77% of the overall sample of undergraduates and postgraduates. Further, 6% of this cohort had a family home overseas. A 2017 review of the SAF by the HEA recommended the collection of additional student profile data collected from HEIs, as the existing data on the use of the fund was limited.

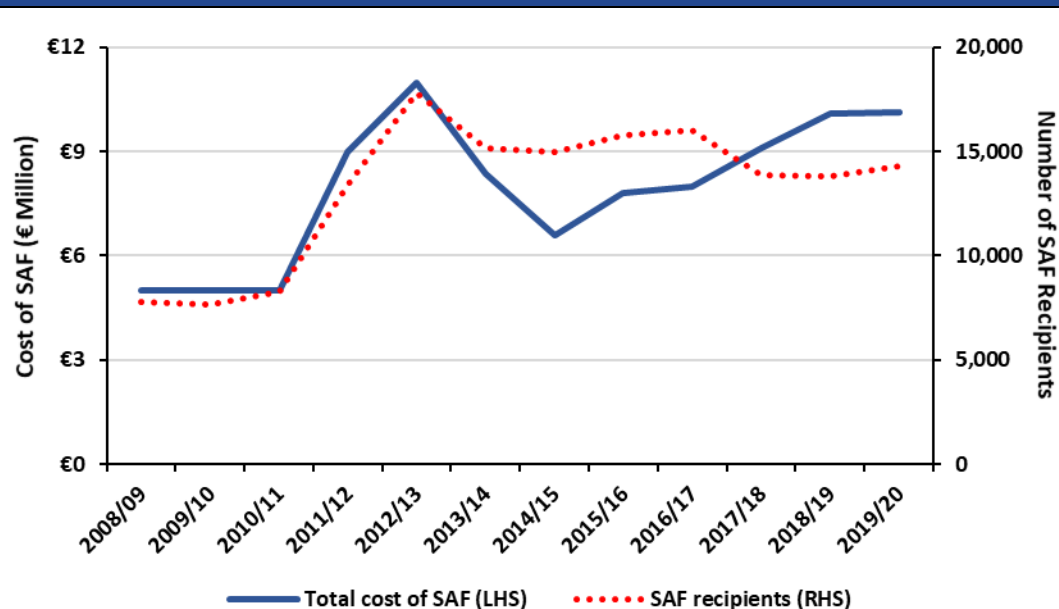
Table 2.3: Age Breakdown of Undergrads and Postgrads

Age	Undergrad and Postgrad on SAF but not SUSI	All Undergrad and Postgrad
Under 25	50.6%	76.8%
25-34	29.7%	12.0%
35-44	13.9%	6.1%
45 and over	5.7%	5.0%

*Source: Indecon analysis of survey*

The number of students in receipt of the Student Assistance Fund and the overall cost of the fund are illustrated below.

Figure 2.6: Number of Students and Cost of Student Assistance Fund



*Source: Department of Further and Higher Education*

## 2.5 Summary of Key Findings

This section presents an overview of recent trends relating to the Student Grant Scheme. The key findings of the section are as follows:

- ❑ The Student Grant Scheme supports, on average, 75,000 students every year, of which in the 2020-21 academic year 98% were undergraduate/PLC students, with the remainder being postgraduates.
- ❑ There are other supports for students attending Higher Education in Ireland, most notably the Free Fees Initiative which many students benefit from but do not have to apply for, and the BTEA. In addition, one in eight students report having benefited from the Student Assistance Fund.
- ❑ Around 7% of postgraduates say they are in receipt of some sort of scholarship or bursary from their own HEI to help fund their studies.

### 3 Real Costs of Attending Further and Higher Education

#### 3.1 Introduction

A number of studies have identified cost as a major barrier to higher education for many potential students. In this section, we review the cost of attending both further and higher education and compare this cost with other recent studies on student costs and expenditures. This is based on Indecon's survey of undergraduate and postgraduate students conducted between April and June 2021. We also estimate the average annual change in student costs over the last decade and compare the costs of being a student in Ireland with other European countries.

#### 3.2 Cost of Attending Further and Higher Education

The estimated total monthly cost of attending education for undergraduates based on this survey was €1,229, or €11,064 for the full academic year. This is shown in Table 3.1 below. This is approximately 10% higher than the costs reported by FET students, though postgraduate students' expenditure is around 20% higher than undergraduate respondents' due to higher 'fees and other costs'. Expenditure is lower for SUSI recipients, though this in part is due to lower average expenditure on 'fees and other costs'. When 'fees and other costs' are removed, undergraduate SUSI recipients still spend 8.5% less than all undergraduate students, though there is only a small (1.3%) difference in postgraduate spending. These results are also reflected among postgraduates. It should be noted that some of these students may be eligible for the Housing Assistance Payment Scheme and, as such, the net cost of living for individual students may differ significantly from the figures shown below.

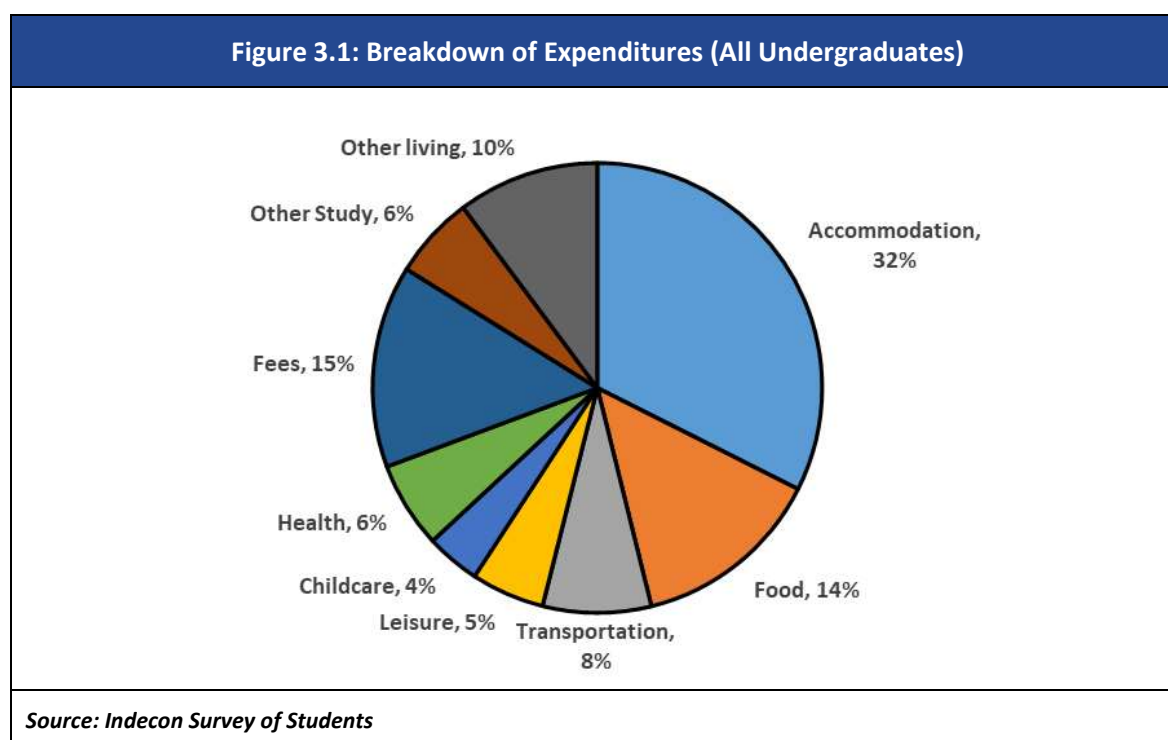
Table 3.1: Estimated Cost of Attending Further and Higher Education					
	Undergraduates		Postgraduates		Further Education and Training Learners
	All	SUSI	All	SUSI	
Accommodation	€399	€404	€418	€419	€286
Food	€168	€170	€203	€198	€161
Transportation	€96	€95	€99	€99	€85
Leisure	€65	€65	€60	€58	€60
Childcare	€48	€48	€56	€45	€73
Health	€76	€68	€78	€83	€66
Fees & other costs	€377	€313	€578	€538	€380
<b>Total monthly</b>	<b>€1,229</b>	<b>€1,163</b>	<b>€1,492</b>	<b>€1,440</b>	<b>€1,112</b>
<b>9-month year</b>	<b>€11,064</b>	<b>€10,465</b>	<b>€13,427</b>	<b>€12,956</b>	<b>€10,004</b>
Source: Indecon Survey of Students					



The above table reflects expenditure for all students. The table below reports a similar analysis, though focused on lower income (€<30,000) households. The cost of living is slightly lower for this cohort compared to the overall population of for all students.

Table 3.2: Estimated Cost of Attending Further and Higher Education (income <€30,000)					
	Undergraduates		Postgraduates		Further Education and Training Learners
	All	SUSI	All	SUSI	
Total monthly	€1,204	€1,161	€1,610	€1,411	€1,136
9-month year	€10,836	€10,445	€14,492	€12,702	€10,228
Source: Indecon Survey of Students					

Accommodation is the largest single cost facing students, accounting for around 32% of a student's monthly expenditure. Fees and food make up the next largest cost commitments, at 15% and 14% respectively. This is illustrated in Figure 3.1 below.



A wide range of views were expressed by students which reflect the quantified results presented. The findings are also reflected in the figure below which reports student comments on living costs.

Figure 3.2: Selected Student Comments on Living Costs
<p><i>"The grant money should be increased as the cost of everything has gone up."</i></p> <p><i>"It would be helpful to increase the monthly maintenance grant as it doesn't even cover my monthly bus fares into college."</i></p> <p><i>"Rents have risen exponentially since I started my undergrad and SUSI hasn't budged. I've been under increased financial strain every year since; this has to change."</i></p>
<p><b>Source: Indecon Survey of Students</b></p>

### 3.3 Comparison to Other Cost Estimates

The results of the Indecon survey conducted for this study are in line with other recent estimates of student costs and expenditures. Table 3.3 and Table 3.4 show cost of living estimates for NUIG undergraduates (2019-20) and DCU undergraduates (2020-21), respectively. The annual estimated cost for a student attending NUIG amounted to €10,395, approximately 6% lower than Indecon's estimate for all undergraduates of €11,064. The equivalent figure for DCU (for students living away from home) is €13,005, but this is to be expected given the higher relative costs facing students studying in Dublin. For students living at home with parents, this figure is greatly reduced to €5,594. A 2019 study from TU Dublin estimated living costs at more than €11,000, and beyond Student Grant Scheme allowances, which again are in line with the estimates from Indecon's survey.<sup>21</sup> In terms of cost breakdown, NUIG estimates that 47% is attributable to accommodation, which is similar to the figure reported for DCU.

<sup>21</sup> <https://www.tudublin.ie/for-students/student-life/cost-of-living-guide/>

Table 3.3: Cost of Living for NUI Galway Undergraduates, 2019-2020	
Rent	€540
Bills	€90
Food	€220
Clothes/Laundry	€50
Books and other study material	€40
Recreation	€160
Travel	€40
Heating	€15
<b>Monthly total</b>	<b>€1,155</b>
<b>Academic year</b>	<b>€10,395</b>
<i>Source: NUI Galway</i>	

The estimated costs for DCU students are shown in Table 3.4.

Table 3.4: Cost of Living for DCU Undergraduates, 2020-2021		
	Home	Away
Accommodation	€-	€666
Daily transport	€170	€108
Weekend transport	€47	€83
Heating/Energy	€ -	€56
Food	€196	€220
Internet and phone	€24	€51
Medication	€24	€24
College Materials/Books	€47	€47
Other bills	€-	€32
Leisure	€158	€158
<b>Monthly total</b>	<b>€666</b>	<b>€1,445</b>
<b>Total academic year + deposits</b>	<b>€5,594</b>	<b>€13,005</b>
<i>Source: DCU</i>		

### 3.4 Change in Student Costs 2011-2021

In this section, we investigate changes in the cost of being a student over the last decade. The overall cost of living for the general population as measured by the HICP (Harmonised Indices of Consumer Prices) has been broadly static, but this is not necessarily the case for groups of the population who may have different expenditure patterns compared to the average household. To estimate changes in student costs, Indecon developed an Index of Student Expenditure, based on the following two steps:

**Step 1:** The typical expenditure patterns of students were estimated from the survey of students.

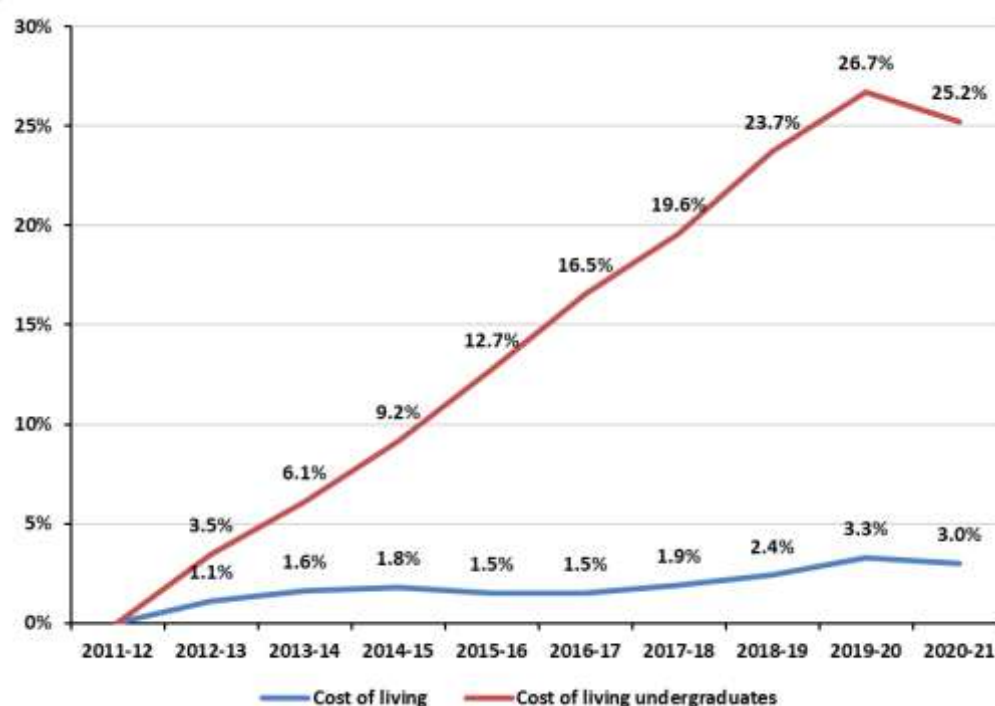
**Step 2:** Sub-indices of inflation (e.g., changes in the cost of rent, education and other expenditures) as calculated by the CSO were then applied to the average student's consumption 'basket', to produce an index of student costs.

The results show that the cost of living for students has increased by over 25%, at a time when cumulative inflation in the broader economy was just 3%. Most of this difference can be accounted for by increases in rent costs which are a larger share of students' expenditure as shown in Table 3.3. This is consistent with feedback received by Indecon during the consultation process which indicated that many students were finding it increasingly difficult to cover their costs, particularly in terms of rent. The Student Contribution was introduced in 2011-12, and been €3,000 since the 2014-15 academic term.<sup>22</sup>

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<sup>22</sup> <https://www.oireachtas.ie/en/debates/question/2020-07-28/455/>

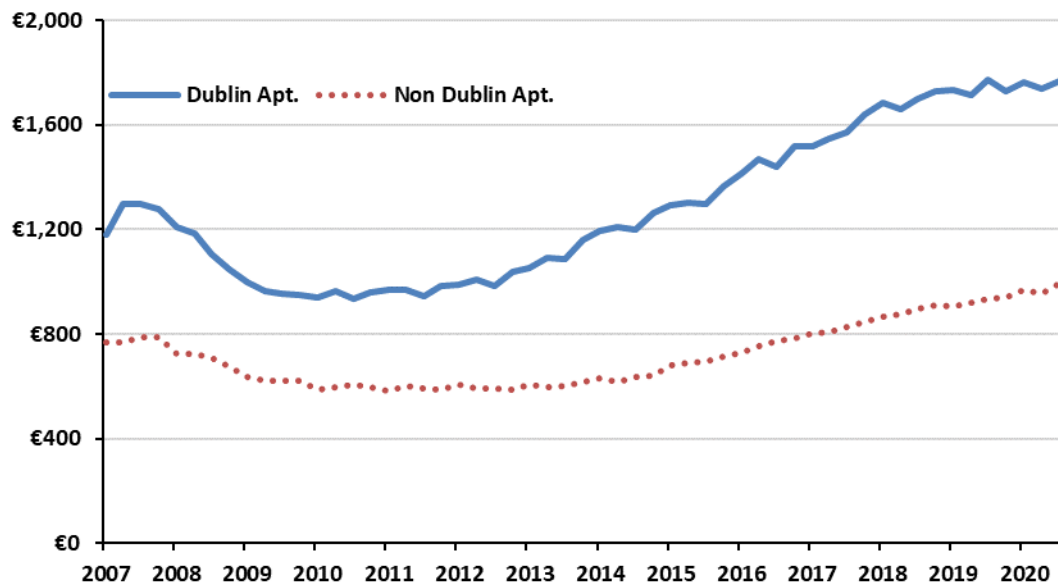
Figure 3.3: Percentage Change in Cost of Living



Source: Indecon Survey of Students and CSO Inflation Data

In terms of rental inflation, figures from the Residential Tenancies Board show that the cost of renting an apartment is 78% higher in Dublin compared to outside of Dublin. This is shown in Figure 3.4. The rate of increase over the last ten years has been 89% in Dublin (adding €835 to the rental cost per month in absolute terms), compared with 64% nationally (€388 in absolute terms).

Figure 3.4: Average Rental Cost for Apartment by Region (2007-2021)

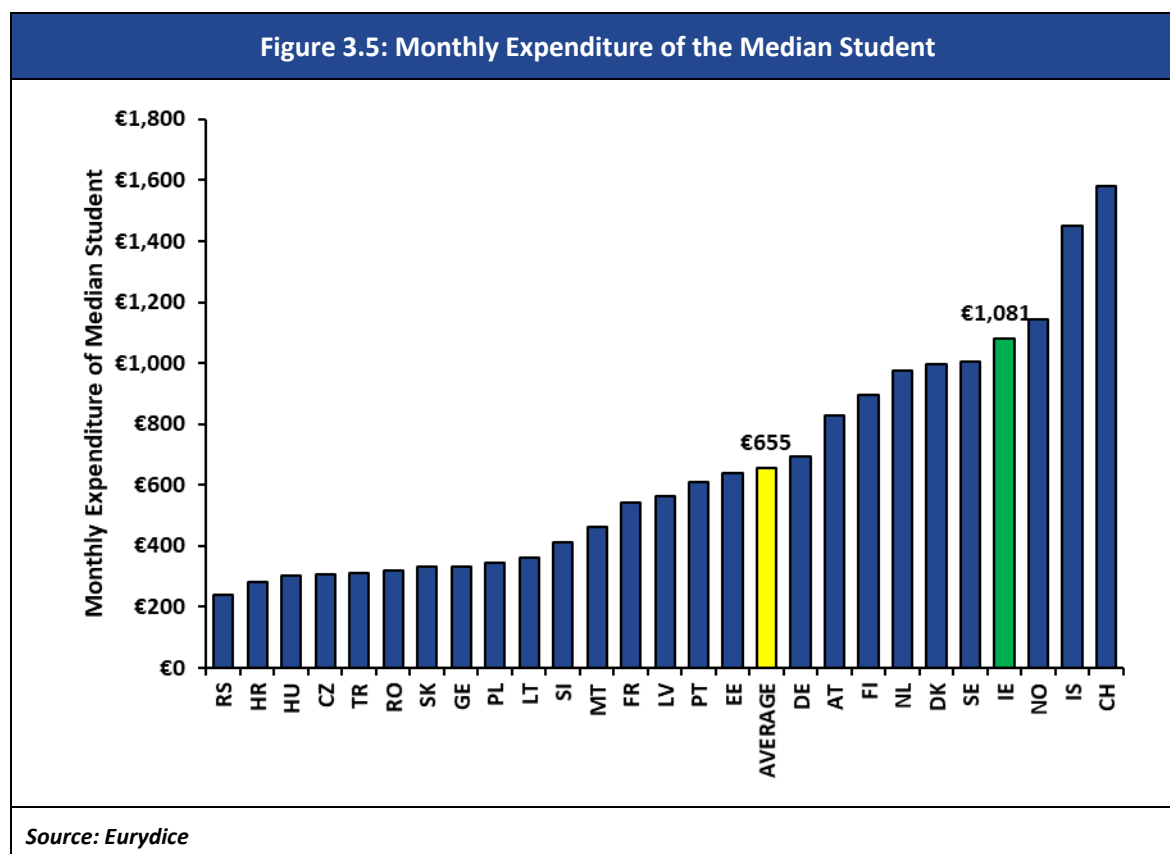


Source: Residential Tenancies Board

### 3.5 International Comparison

Finally, we place the real cost of further and higher education to Irish students in the wider EU context, by comparing the monthly expenditures of the median student for EU countries. As shown in Figure 3.5, Irish students have the fourth highest expenditure in the EU, reflecting the relatively high cost of living in Ireland. Indeed, the monthly expenditure of the median Irish student is 65% higher than the EU average.

Figure 3.5: Monthly Expenditure of the Median Student



### 3.6 Summary of Key Findings

This section reviewed the cost of attending both further and higher education and compared this with other recent studies on student costs and expenditures. A summary of the key findings of this section is as follows:

- ❑ The estimated total monthly cost of attending education for all undergraduates based on this survey was €1,229, or €11,064 for the full academic year. This is in line with other recent published estimates of student expenditures. Some students may be eligible for the Housing Assistance Payment Scheme which may significantly reduce their net cost of living.
- ❑ The expenditure by students in FET is approximately 10% lower than that of undergraduate HE students, though postgraduate students' expenditure is around 20% higher.
- ❑ Generally, expenditure is lower for SUSI recipients, though this is in part due to lower average expenditure on fees.
- ❑ The cost of living for students has increased by over 25% over the last decade, at a time when cumulative inflation in the broader economy was just 3%. Most of this difference can be accounted for by increases in rent costs which are a larger share of students' expenditure.
- ❑ Average expenditure by Irish students is around 65% above the EU average, driven by the higher cost of living in Ireland.

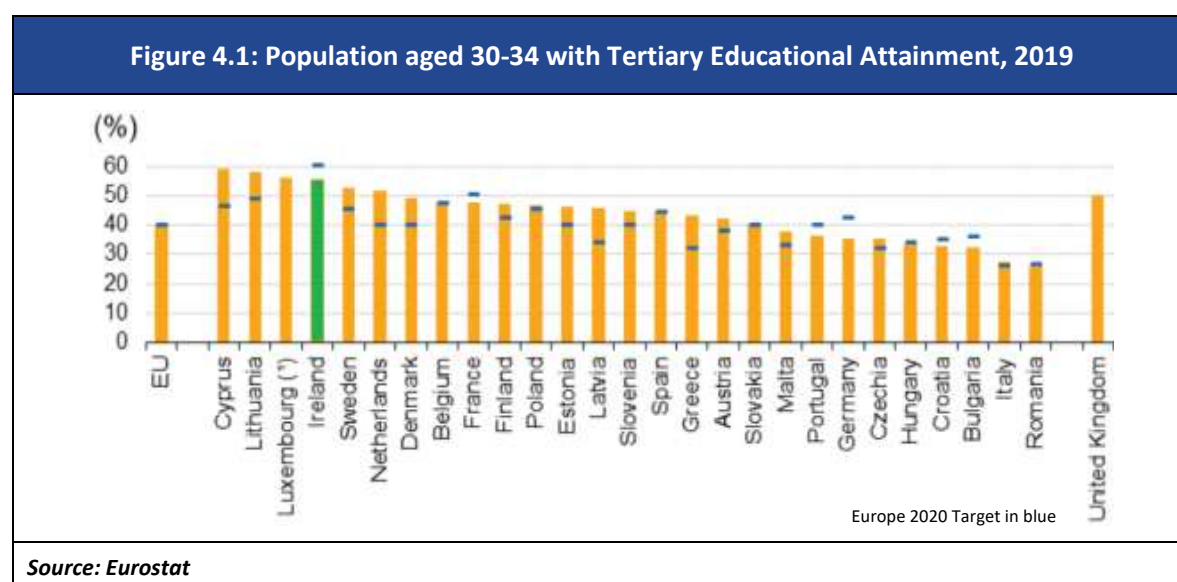
## 4 Supports Available in Other Jurisdictions

### 4.1 Introduction

This chapter considers student financial support in Ireland in the wider European context. The way student support is provided to help fund attendance at further and higher education across Europe is highly varied. This includes differences in the level of fees paid by students; differences in the categories of students who are required to pay fees; differences in categories of students who are eligible for loans; what grants (if any) are available and from whom; and whether other maintenance supports are available to cover the cost of everyday living.

### 4.2 Overall Higher Education Participation Rate

There has been a large increase in higher education participation in Europe over the last decade, though Ireland has one of the highest rates of attainment. Estimated participation rates in higher education in Ireland have grown substantially and steadily over the past 40 years, from just 20% in 1980, to 36% in 1992, to 52% in 2011, and to 55% in 2018. The growth of the Student Grant Scheme over this period has been a key factor supporting this trend.<sup>23</sup> Over 50% of the 30–34-year-old age category now holds a tertiary degree, compared to an average of 40% in Europe (see figure below).<sup>24</sup> This is indicative of a largely accessible system in Ireland.



<sup>23</sup> HEA submission to this review.

<sup>24</sup> Commission Staff Working Document Accompanying the document Communication from Commission to the European Parliament, Council, European Economic and Social Committee and the Committee of Regions on achieving the EEA by 2025 SWD (2020) 212 final



For most European and OECD education systems, direct government funding is the principal source of financial support in higher education, although the level of autonomy they provide to institutions with respect to tuition fees and student financial support can vary. Overall responsibility for higher education funding typically comes under the remit of a government minister (usually in the Department of Education or equivalent), thereby retaining accountability in the political process.<sup>25</sup>

### 4.3 Tuition Fees

For full-time undergraduates, higher education in Ireland is not entirely free at the point of entry for all students.<sup>26</sup> Scotland, Austria and Sweden offer essentially free fees, while Northern Ireland, Wales and England offer loans to cover the entire tuition fee. In Ireland, means-tested grants offered to offset the student contribution result in a proportion of prospective learners facing up-front direct costs of either €1,500 or €3,000 per annum, depending on their reckonable household income.

A range of approaches to support students in meeting the cost of tuition fees apply in European countries. Of the 43 higher education systems in Europe reviewed, there are seven where full-time home students pay very low or no fees in undergraduate programmes, including in a number of Scandinavian countries where taxation and levels of social protection are higher. A further 12 higher education systems see all first-cycle students pay fees, while the remaining 24 systems (including Ireland) comprise a mix of fee-paying and non-fee-paying students. Moreover, of the countries with tuition fee requirements, systems vary in terms of their policies for international students, part-time students, short-cycle students, and students from different socio-economic backgrounds. The presence of tuition fees has a negative impact on student enrolment, whereas there is a significant positive correlation between enrolment and public financing for education.<sup>27</sup>

In some cases, intermediary bodies (such as SUSI) are established to manage the grant application process. However, this is more common in English-speaking countries such as Ireland, the UK, New Zealand, and the US, and less common across Europe. Across ten European education systems including Ireland, the conditions for certain groups of students to pay lower or no fees are determined centrally. Nine other systems grant autonomy to certain higher education institutions.

Some sort of need-based fee differentiation policy applies in 19 of the 33 countries where at least some students pay fees. Ireland is amongst a few countries with a comparatively large number of students who obtain fee reductions or exemptions based on socio-economic need. Moreover, in these countries, students exempt from fees can also receive maintenance grants. In many countries, no fee differentiation based on student need is available. For some of these countries, fees are so

<sup>25</sup> OECD (Organisation for Economic Co-operation and Development), 2020. *Resourcing Higher Education: Challenges, Choices and Consequences*. Paris: OECD Publishing. <https://doi.org/10.1787/735e1f44-en>

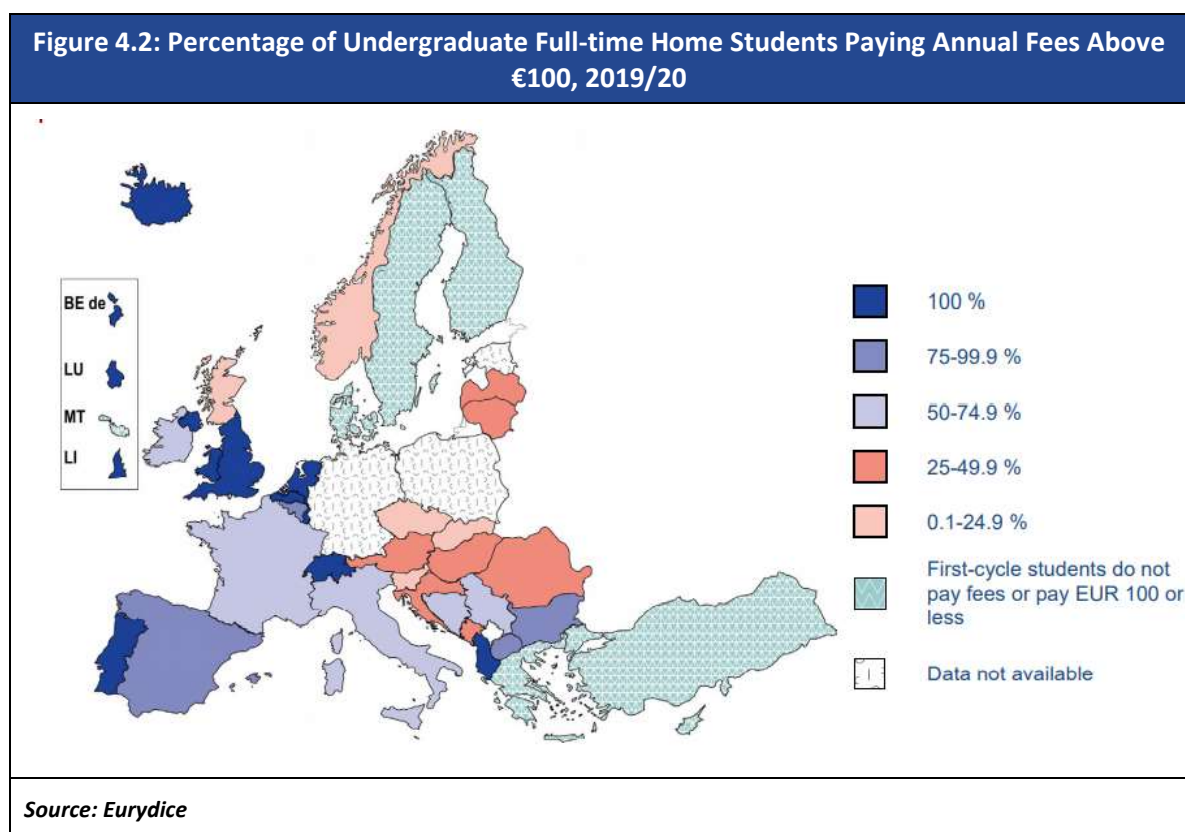
<sup>26</sup> It should be noted that in Ireland, as well as the Student Grant Scheme, almost all students also benefit from the Free Fees Initiative. Under the terms of the Free Fees Initiative, the Irish Exchequer pays tuition fees to the University on behalf of students registered for the first time on qualifying, full-time, undergraduate degree programmes. Such programmes must be of a minimum duration of 2 years. Part-time and postgraduate programmes are not covered under the Free Fees Initiative.

<sup>27</sup> Winter-Ebmer R. and Wirz A., 2002, *Public Funding and Enrolment into Higher Education in Europe*. Working paper No. 0202. April 2002. Johannes Kepler University of Linz. [pdf] Available at: <http://www.econ.jku.at/papers/2002/wp0202.pdf>

low as to realistically not create any meaningful financial obstacle. In others, for example, in many regions of the UK, tuition fees are in excess of £3,000, reaching £9,250 in England.

Figure 4.2 shows the percentage of undergraduate full-time home students paying annual fees above €100 in the 2019/20 academic year. A small number of other systems apply different fees for reasons other than socio-economic or national status. These include:

- Different fee amounts based on the type of education programme or field of study as an incentive programme to increase the number of students applying.
- Higher course fees for programmes in a foreign language.



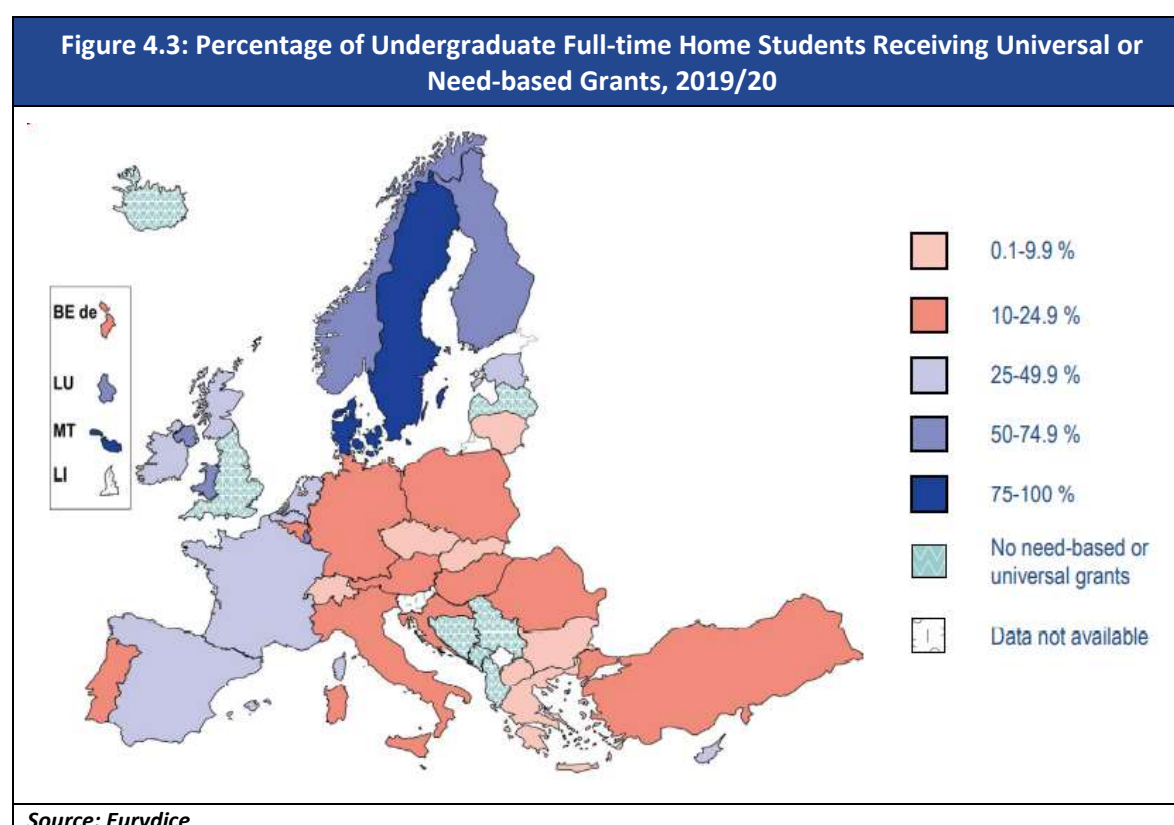
There is a much more varied approach with respect to part-time undergraduate fees. In Scotland, Sweden and Austria, part-time undergraduate students are treated comparably to full-time undergraduates and charged no tuition fee. Part-time students are also treated comparably to full-time students in England, Wales and Northern Ireland, in the sense that tuition fees are levied but supported by loans. In Ireland, there are key differences between the treatment of full-time and part-time students. Whereas full-time students receive an effective tuition fee grant as well as a means-tested grant to cover the student contribution, there is no corresponding fee support for part-time students.

## 4.4 Maintenance Support

There are a number of living costs accrued by students that do not relate directly to their education. These include rent, food, travel and weekly social activities and can represent significant financial burdens to students. The extent of these so-called maintenance costs is related to the cost of living in the country they reside in, such as the domestic rental market, the availability of public transport and the everyday cost of living. As shown in Figure 3.5, Ireland is one of the most expensive countries in Europe to be a student, reflecting the more general higher cost of living in Ireland.

Maintenance supports can come in the form of grants or loans to be repaid after graduation. Of the 43 higher education systems studied in the Eurydice report, all provide at least one type of direct support (either a grant or a loan), and around half provide indirect support in the form of tax benefits or family allowances.

Ireland is among 12 countries which only provide supporting grants, but not publicly subsidised loans. For those countries providing both grants and loans, most systems treat them as two separate support mechanisms, though there are examples in Europe where the two forms of support are linked. For example, in Norway, the support is initially provided as a loan. However, 40% of the loan may be converted to a public grant for students who live away from home and pass their exams, although the level of grant is subject to a means test. Figure 4.3 indicates the percentage of undergraduates who receive grants.



In some cases, students may take out a loan to help with their higher education costs, but these must be repaid after graduation. Roughly two-thirds of all European higher education systems operate this type of support, but these are comparatively less common than maintenance grants. The table below indicates the proportion of first-cycle full-time home students using these loans in the academic year 2019-20. In only 16 systems is the proportion of loan beneficiaries higher than 5%, with Northern Ireland, England and Wales having figures over 90%. Ireland, as noted, has no such system of loans in place.

Table 4.1: Percentage of Full-time Undergraduate Students Taking Out Maintenance Loans	
Country	Percentage
Belgium (French system), Bulgaria, Italy, Slovakia, Switzerland	1% or less
Serbia	1.3%
Estonia	4.0%
Hungary	5.8%
Latvia	6.0%
Lithuania	6.0%
Germany	12.3%
Montenegro	15.0%
Denmark	19.3%
Turkey	21.0%
Iceland	33.0%
Finland	49.0%
Netherlands	54.0%
Sweden	55.0%
Norway	65.5%
Scotland	68.8%
England	94.0%
Northern Ireland	94.5%
Wales	96.2%
Other (incl. Ireland)	N/A

**Source:** Eurydice

In around half of the European higher education systems, there are tax benefits for students' parents, which provide them with a deduction from their income tax. The type of support can come in different forms. In Ireland, parents are supported via the deduction of study fees from parental

income, totalling 20% up to €7,000. By way of comparison, similar schemes in Portugal and Italy offer 30% up to €800 and a flat 19%, respectively. Elsewhere, annual lump-sum deductions are in place in nine countries. In most cases, as with Ireland, the exact amount deducted is dependent on the number of studying children. Moreover, in most cases where countries provide indirect support for parents, they also provide needs-based grants.

## 4.5 Support for FET/Vocational Training

There are many examples across Europe of student support schemes that support both vocational (FET)<sup>28</sup> and higher education, although in some countries these supports are operated independently. In this subsection, an overview of how student supports for higher and further education and training interact in various European countries is presented.

- ❑ Croatia: There are different systems of support for students in vocational education than in higher education. Apprentices are paid allowances and scholarships are provided to those in three-year VET programmes for crafts and trades experiencing labour shortages.<sup>29</sup>
- ❑ Cyprus: VET in secondary schools, post-secondary public VET, evening technical education and apprenticeships have no fees.<sup>30</sup> Grants are paid to parents for children in either higher education or VET and allowances are provided to students in these levels of education based on their income and means. VET programmes for the unemployed are provided free of charge and come with allowances provided by the Human Resource Development Authority.
- ❑ Czechia: There are different systems of support for students in vocational education than in higher education and there is no comprehensive system of financial incentives for VET participation.<sup>31</sup> Secondary VET students can benefit from scholarships, largely based on academic performance. A tax deduction for exam costs is also available for those in employment undertaking VET.
- ❑ Netherlands: In the Netherlands, both students attending university or higher education and those attending vocational education (these form two separate pathways) full-time are eligible for Studiefinanciering, the Dutch Government's student support scheme.<sup>32</sup> These grants are administered by Dienst Uitvoering Onderwijs (DUO), the Dutch equivalent of SUSI. In 2021, students received the levels of funding outlined in Table 4.2.

<sup>28</sup> In Europe, vocational education and training, abbreviated as VET and sometimes simply called vocational training, is the training in skills and teaching of knowledge related to a specific trade, occupation or vocation in which the student or employee wishes to participate. VET in Ireland is provided primarily within the FET sector, with some in higher education, particularly institutes of technology.

<sup>29</sup> <https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/croatia>

<sup>30</sup> <https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/cyprus>

<sup>31</sup> <https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/czechia>

<sup>32</sup> <https://www.duo.nl/particulier/studiefinanciering/voorwaarden.jsp>

Table 4.2: Monthly Student Grant Levels in the Netherlands, 2021

	Vocational Education (MBO)		University/ Higher Education (HBO)
	Living at Home	Living away from Home	
Basic grant	€87.37	€ 285.15	
Supplementary grant	€359.23	€382.29	€ 413.78
Loan	€190.34	€190.34	€507.39
Tuition Credit			€90.33
<b>Total</b>	<b>€ 636.94</b>	<b>€ 857.78</b>	<b>€ 1,011.50</b>
<i>Source: Dienst Uitvoering Onderwijs (DUO)<sup>33</sup></i>			

- ❑ **Denmark:** In Denmark, support for students' living costs is awarded by the State Educational Grant and Loan Scheme, which is managed by the Danish Agency for Higher Education and Science.<sup>34</sup> Both students in vocational and higher education can access this scheme. In 2016, almost 500,000 Danish students benefited from these support schemes. Students over 18 involved in a vocational education pathway can avail of support that is not time-limited as long as they are participating in their programme. Up to the age of 20, the level of grant support a student receives is dependent on their parents' income. Both students in vocational and higher education can avail themselves of state loans to support their education.
- ❑ **Norway:** Norwegian students participating in higher education and in education in vocational colleges can access the State Educational Loan Fund (NSELF) to provide maintenance and material support (fees for accessing education are free). Both full-time and part-time students are entitled to basic support from the NSELF, with the maximum basic support being 11,229 NOK per month, initially provided as a loan.<sup>35</sup> Full-time students receive this for 11 months initially and 40% of the loan may be converted to a 'state educational grant' for those students who do not live with their parents and pass all exams. Grants are reduced if the student's income or assets exceed a threshold. Students that are taking care of children can receive an additional grant for each of their children and students on parental leave can continue to receive the grant for up to 49 weeks.
- ❑ **Finland:** Student financial aid is granted in Finland by the Social Insurance Institution of Finland (Kela) to students engaged in higher education, vocational education or upper-

<sup>33</sup> <https://duo.nl/particulier/studiefinanciering/bedragen.jsp>

<sup>34</sup> <https://www.su.dk/english/state-educational-grant-and-loan-scheme-su/>

<sup>35</sup> European Commission, 2021. National Student Fee and Support Systems in European Higher Education 2020/21. [https://eacea.ec.europa.eu/national-policies/eurydice/content/national-student-fee-and-support-systems-european-higher-education-202021\\_en](https://eacea.ec.europa.eu/national-policies/eurydice/content/national-student-fee-and-support-systems-european-higher-education-202021_en)

secondary education. To be eligible, a student must study on a full-time basis for at least two months, show education progress and meet the means required for financial assistance.<sup>36</sup> Financial aid is not provided when a student is participating in the on-the-job element of an apprenticeship programme if that person is being paid for the training by an employer.

- ❑ **Sweden:** In Sweden, the Swedish Board of Student Finance (Centrala Studiestödsnämnden, CSN) administers student finance support schemes for those in upper-secondary, vocational and higher education. The grant scheme for higher vocational education (i.e., vocational education undertaken in a polytechnic) is the same as that for higher education. A different scheme operates for upper-secondary education and those undertaking apprenticeships as part of their upper-secondary education, from the age of 16.<sup>37</sup>
- ❑ **France:** In France, BCS (Bourse de Couverture Sociale) grants are provided to students in higher education and whose income is below a specific threshold.<sup>38</sup> However, these grants are not available to those undertaking vocational training.
- ❑ **Germany:** There are different systems of support for students in vocational education than in higher education. Germany operates a well-developed apprenticeship system. Companies pay apprentices a training allowance, which is based on collective wage agreements.<sup>39</sup> A means-tested basic vocational training grant is provided to apprentices and those undergoing pre-vocational training who are not living at home.
- ❑ **Malta:** As with undergraduate students in higher education, a student enrolling in full-time post-secondary VET programmes up to Level 6 of the European Qualifications Framework do not pay fees.<sup>40</sup> VET learners in Malta can access the same grants that are open to undergraduate higher educational institutions and, as with undergraduate degree learners in high priority areas, get a higher level of grant. Apprentices can obtain maintenance grants on top of their wage.
- ❑ **Bulgaria:** There are different systems of support for students in vocational education than in higher education. Vocational education is a pathway integrated into and delivered in secondary school. Grants through performance scholarships are awarded to high performing vocational students and social allowances for disadvantaged students support access to education to help prevent dropout.<sup>41</sup> Learners in apprenticeship programmes get monthly remuneration from their training companies. Vocational students in ESF projects for work-based learning can get an additional grant. Training vouchers are provided to VET learners.
- ❑ **Romania:** There are different systems of support for students in vocational education than in higher education. A national professional scholarship to all three-year vocational

<sup>36</sup> <https://www.kela.fi/web/en/financial-aid-for-students-eligibility>

<sup>37</sup> CSN –

[https://www.csn.se/bidrag-och-lan/studiestod/bidrag-for-gymnasiestudier-i-sverige.html#expand:svid10\\_2098c272162695383092c3e,svid10\\_433841811732d7d88449d7](https://www.csn.se/bidrag-och-lan/studiestod/bidrag-for-gymnasiestudier-i-sverige.html#expand:svid10_2098c272162695383092c3e,svid10_433841811732d7d88449d7)

<sup>38</sup> <https://n26.com/> [https://eacea.ec.europa.eu/national-policies/eurydice/content/post-secondary-non-tertiary-education-18\\_en-en-fr/blog/how-to-get-higher-education-grants-in-france](https://eacea.ec.europa.eu/national-policies/eurydice/content/post-secondary-non-tertiary-education-18_en-en-fr/blog/how-to-get-higher-education-grants-in-france)

<sup>39</sup> <https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/germany>

<sup>40</sup> <https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/malta>

<sup>41</sup> <https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/bulgaria>



professional programme learners is provided.<sup>42</sup> Vocational learners in dual programmes are provided with an allowance by their training company.

- ❑ **Lithuania:** There are different systems of support for students in vocational education than in higher education. Learners in VET programmes can access a means-tested student grant and other levels of material support, with 51% of VET learners doing so in 2017.<sup>43</sup> Students that do not qualify for the grant but are materially disadvantaged are given free meals and other supports. Additionally, learners that live away from the educational institution where they are undertaking their VET are provided with hostel accommodation.
- ❑ **Latvia:** There are different systems of support for students in vocational education than in higher education. Learners in public vocational education programmes can access a grant which is dependent on academic performance.<sup>44</sup> Orphans and best performers get higher rates of support.
- ❑ **Estonia:** There are different systems of support for students in vocational education than in higher education. Students in formal full-time VET programmes can apply for a basic study allowance based on their academic performance, while a special allowance is available for those in economic disadvantage.<sup>45</sup> Study loans are provided for those in secondary school who want to progress to post-secondary VET. Unemployed people can access training courses and receive scholarships and travel compensation, while also continuing to receive their benefits.

## 4.6 Summary of Key Findings

This section reviewed the range of systems to support students in other countries.

- ❑ There has been a large increase in higher education attainment in Europe over the last decade, though Ireland has one of the highest rates of attainment. Estimated participation rates in higher education in Ireland have grown substantially and steadily over the past 40 years, from just 20% in 1980 to 55% in 2018.
- ❑ For full-time undergraduate students, higher education in Ireland is not entirely free at the point of entry for all students. A range of approaches to support students in meeting the cost of tuition fees apply in European countries.
- ❑ Maintenance supports can come in the form of grants or loans to be repaid after graduation. Of the 43 higher education systems studied in the Eurydice report, all provide at least one type of direct support and around half provide indirect support in the form of tax benefits or family allowances. Ireland is among 12 countries which only provide supporting grants, but not publicly subsidised loans.

<sup>42</sup> <https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/romania>

<sup>43</sup> <https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/lithuania>

<sup>44</sup> <https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/latvia>

<sup>45</sup> <https://www.cedefop.europa.eu/en/tools/vet-in-europe/systems/estonia>



- Many European countries operate student support schemes which support both vocational and higher education, although in some countries these supports are operated independently.

## 5 Maintenance Grant

### 5.1 Introduction

Eligible students receive a maintenance grant through SUSI which acts as a contribution towards their day-to-day living expenses and is paid in nine monthly instalments. In this section, we review the level of the grant for further and higher education students and the extent to which the maintenance grant covers students' living costs.

### 5.2 Maintenance Grant - Undergraduates

The Student Grant Scheme contains a number of qualifying thresholds for various grant values. The maintenance grant rates awarded under the Student Grant Scheme are shown below, and vary based on total reckonable family income; whether reckonable income includes certain social assistance payments; distance from the place of study (as discussed in Section 7.5); and the number of dependent children and the number of additional people in college (as discussed in Section 6.2).<sup>46</sup> The family income considered depends on whether a student is classed as:

- ☐ Dependent/Mature Dependent Student: Dependent students are assessed with reference to both parental income and address.
- ☐ Independent Student: Students assessed on their own income and that of their spouse/civil partner/cohabitant.<sup>47</sup>

The majority of grant recipients are in receipt of the special rate grant or the 100% maintenance rate. Eligibility by income is then tapered to lower levels of maintenance (75%, 50% and 25%) to ensure there is not a 'cliff edge' of eligibility once a certain income level is reached. These gradations allow students just over a threshold margin to remain in receipt of a grant, albeit at a reduced rate that reflects their relative income compared to other applicants.

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<sup>46</sup> Such an increment to the reckonable income threshold can move a recipient from a (say) 75% maintenance award to a (say) 100% maintenance award.

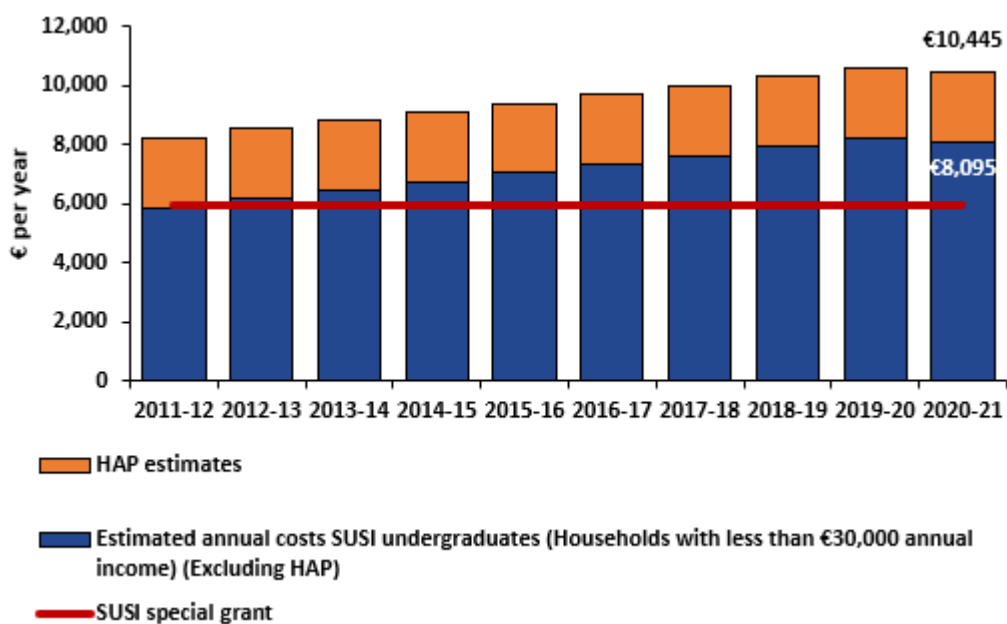
<sup>47</sup> In the case of separated parents, the student is assessed with reference to the income and address of the parent with whom they reside. Maintenance payments are also taken into consideration.

Table 5.1: Annual Maintenance Grant Award Rates 2021/22, Undergraduates		
	Adjacent Rate	Non-Adjacent Rate
Special Rate	€2,375	€5,915
100% Rate of Maintenance	€1,215	€3,025
75% Rate of Maintenance	€910	€2,270
50% Rate of Maintenance	€605	€1,515
25% Rate of Maintenance	€305	€755
<i>Source: SUSI</i>		

The special rate is awarded to students who are eligible for a qualifying social welfare payment amongst other criteria.<sup>48</sup> The special rate of grant was introduced in 2003-04 as a result of a recommendation from the Report of the Action Group on Access to Third Level Education. Figure 5.1 below shows the rate of special grant from 2011-21 compared to the estimated cost of living for lower income students, with and without an adjustment for the HAP allowance. Indecon estimates that the special rate was sufficient to meet students' living costs in 2011-12. However, due to the relatively high rate of student inflation over the last decade, it now only partially covers them. It should be noted that the cost of living for students eligible for the Housing Assistance Payment Scheme differ significantly from those who do not.

<sup>48</sup> Applicants must have been in receipt of an eligible long-term Department of Social Protection payment as prescribed under the scheme or its equivalence from an EU Member State on 31st December of the previous year to their application.

Figure 5.1: Special Rate Award vs Estimated Cost of Living



**Source: Indecon Survey of Students**

*Note: Calculation of estimate of HAP for 2020-21 based on the assumption that students would be eligible for the maximum HAP rate for 1 Adult in Shared Accommodation, averaged across counties on the basis of a 9-month period.*

Holders of the maintenance grant report a lower level of contribution towards overall living costs, as illustrated in the table below. This indicates that maintenance grants cover over 35% of undergraduates' expenditures and almost 29% for postgraduates.

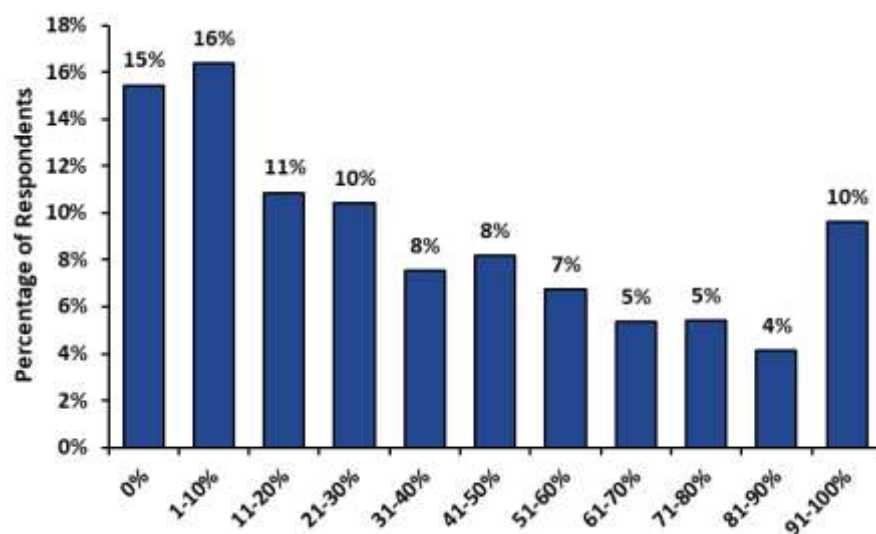
Table 5.2: Monthly Expenditure and Maintenance Grant Contribution

	Undergraduates	Postgraduates
Average % reported by awardees Covered by Student Grant Scheme	35.7%	28.6%

**Source: Indecon Survey of Students**

The following figure shows a breakdown of undergraduates by the percentage of their expenditures covered by the Student Grant Scheme. Those indicating 0% were not in receipt of grant support from the Student Grant Scheme. Over half of respondents indicated that 30% or less of their expenditures were covered by the Student Grant Scheme.

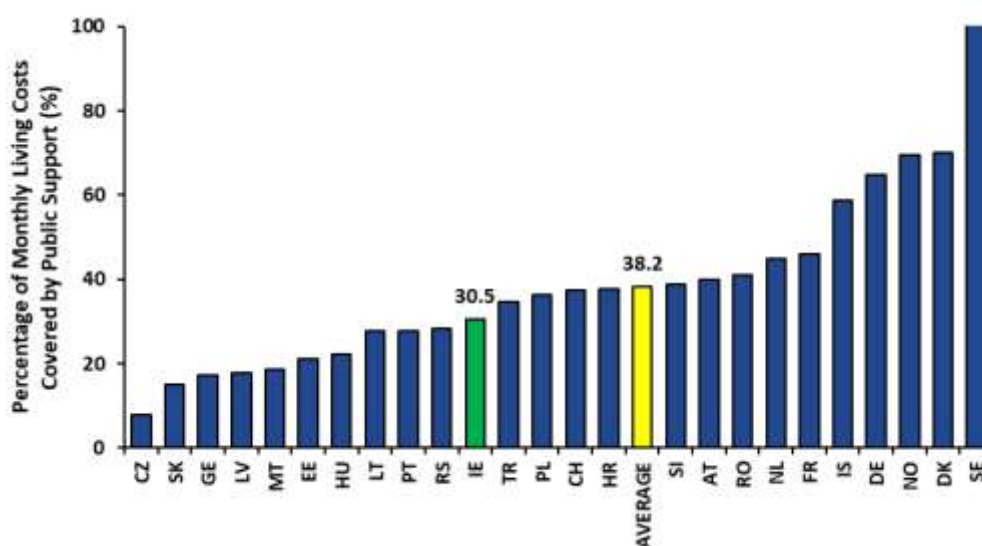
Figure 5.2: Percentage of Expenditures Covered by Student Grant Scheme (Undergraduates)



Source: Indecon Survey of Students

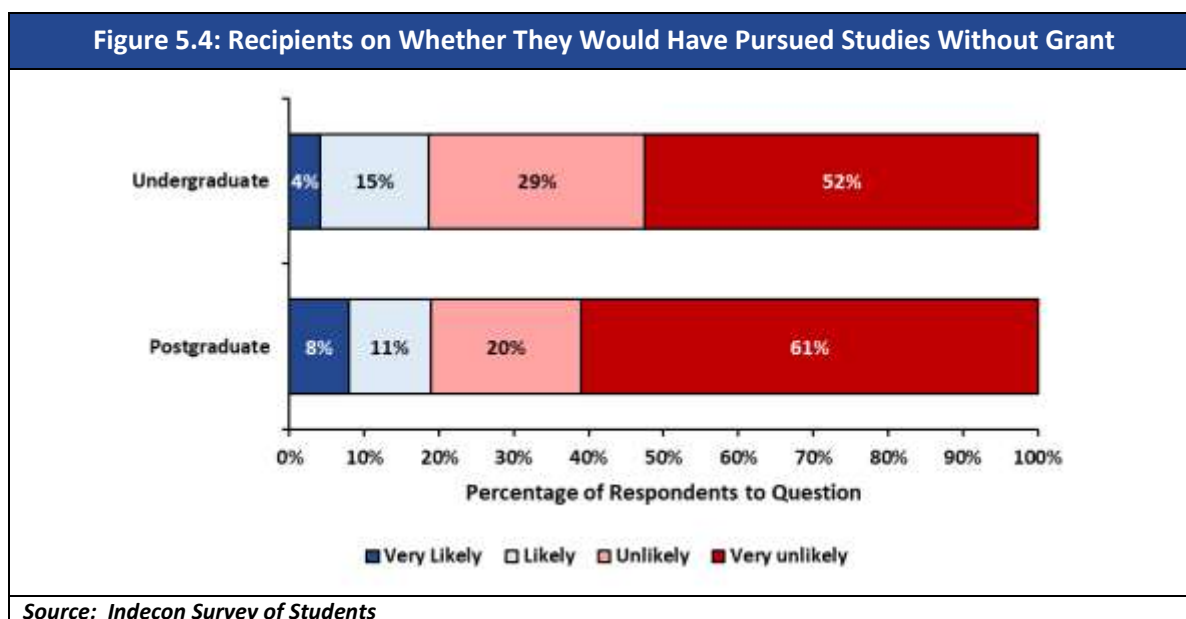
The reported contribution of the student grant scheme towards living costs is lower than the EU average as illustrated in Figure 5.3. This, however, in part reflects the higher cost of living in Ireland, as set out in Section 3.

Figure 5.3: Percentage Monthly Living Costs Covered by Public Support



Source: Eurydice

As shown in Figure 5.4, a large majority of SUSI undergraduate and postgraduate recipients said they would have been unlikely to have pursued studies without grant support.



### 5.3 Maintenance Grant – Postgraduates

As with undergraduate supports, postgraduate supports also come in the form of maintenance and fee supports. However, in order to qualify for the special rate of maintenance grant under the Student Grant Scheme, postgraduate students must have a total reckonable household income that does not exceed €24,500 and this income must include one of the long-term eligible payments listed in the scheme for a specific duration on a specified date. As with the undergraduate special rate, the distance from the place of study (adjacent rate is paid if the normal residence is under 45km away from the place of study) determines the rate of maintenance grant received.

From September 2021, the postgraduate fee grant was €3,500 and the fee income threshold was €54,240 – both of which were increased significantly in Budget 2021.<sup>49</sup> This resulted in an increase in the cost of the fee grant to the Exchequer from €9.2m in 2020-21 to a provisional estimate of €13.6m in 2021-22. Applicants who are eligible for a Postgraduate Fee Contribution of €3,500 but whose income does not qualify them for the special rate are not entitled to a maintenance grant. Postgraduate students whose income is below the special rate threshold but who are in receipt of BTEA can receive fee support up to €6,270. Table 5.3 outlines the annual postgraduate maintenance

<sup>49</sup> <https://www.gov.ie/en/press-release/31910-minister-harris-announces-changes-to-the-student-grant-scheme-for-2021/>

grant award rates applicable for the current academic year, which are defined in Statutory Instrument Number 131 of 2021 – Student Grant Scheme 2021.<sup>50</sup>

Table 5.3: Annual Maintenance Grant Award Special Rates for Postgraduates, 2021-22		
<b>Qualifying Criteria:</b>	<p>Postgraduate students who qualify for the special rate of maintenance grant receive maintenance and fee support. Total reckonable household income must not exceed €24,500 and reckonable household income must include an eligible long-term payment for the specified duration on the specified date.</p> <p>Reckonable household income must not exceed €54,240 to receive the Postgraduate Fee Grant of €3,500.</p>	
Rate	Adjacent Rate (under 45km)	Non-Adjacent Rate (45km or more)
	€2,375	€5,915
<i>Source: Statutory Instrument Number 131 of 2021 – Student Grant Scheme 2021</i>		

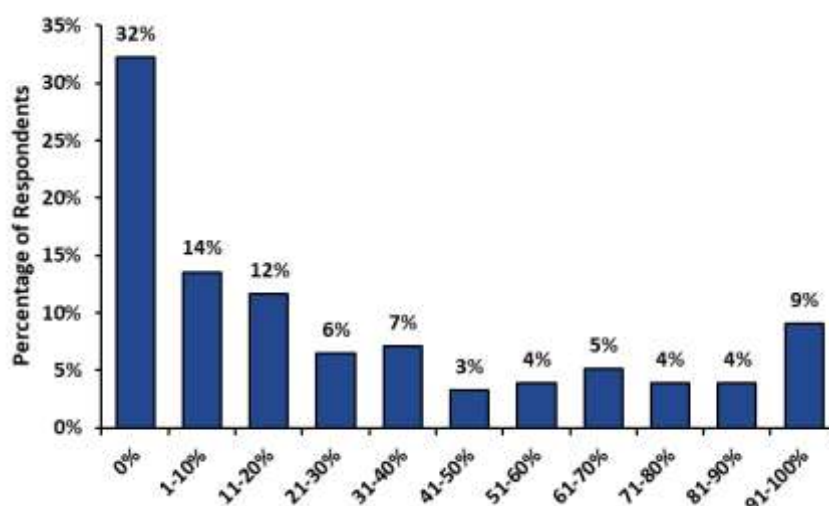
Postgraduate students receiving a Back To Education Allowance (BTEA) or a Vocational Training Opportunities Scheme (VTOS) allowance do not qualify for the postgraduate special rate of maintenance grant.<sup>51</sup> Budget 2012 reduced the postgraduate eligibility for maintenance grants.<sup>52</sup> This was in the context of exceptional restraints on public expenditure following the economic crash of 2008-09 and the subsequent financial support for Ireland received from the Troika. A breakdown of the coverage of expenditures by the Student Grant Scheme for postgraduate respondents can be found in the following figure. Those indicating 0% were not in receipt of a grant from the Student Grant Scheme.

<sup>50</sup> Statutory Instrument Number 131 of 2021 – Student Grant Scheme 2021. <http://www.irishstatutebook.ie/eli/2021/si/131/made/en/print>

<sup>51</sup> Citizens Information - Postgraduate student grants (14/09/2021). [https://www.citizensinformation.ie/en/education/third\\_level\\_education/fees\\_and\\_supports\\_for\\_third\\_level\\_education/postgraduate\\_student\\_grant.html](https://www.citizensinformation.ie/en/education/third_level_education/fees_and_supports_for_third_level_education/postgraduate_student_grant.html)

<sup>52</sup> Summary of 2012 Budget and Estimates Measures Policy Changes – <http://www.budget.gov.ie/budgets/2012/Documents/Summary%20of%202012%20Budget%20and%20Estimates%20Measures%20Policy%20Changes.pdf>

Figure 5.5: Percentage of Expenditures Covered by Student Grant Scheme (Postgraduates)



Source: Indecon Survey of Students

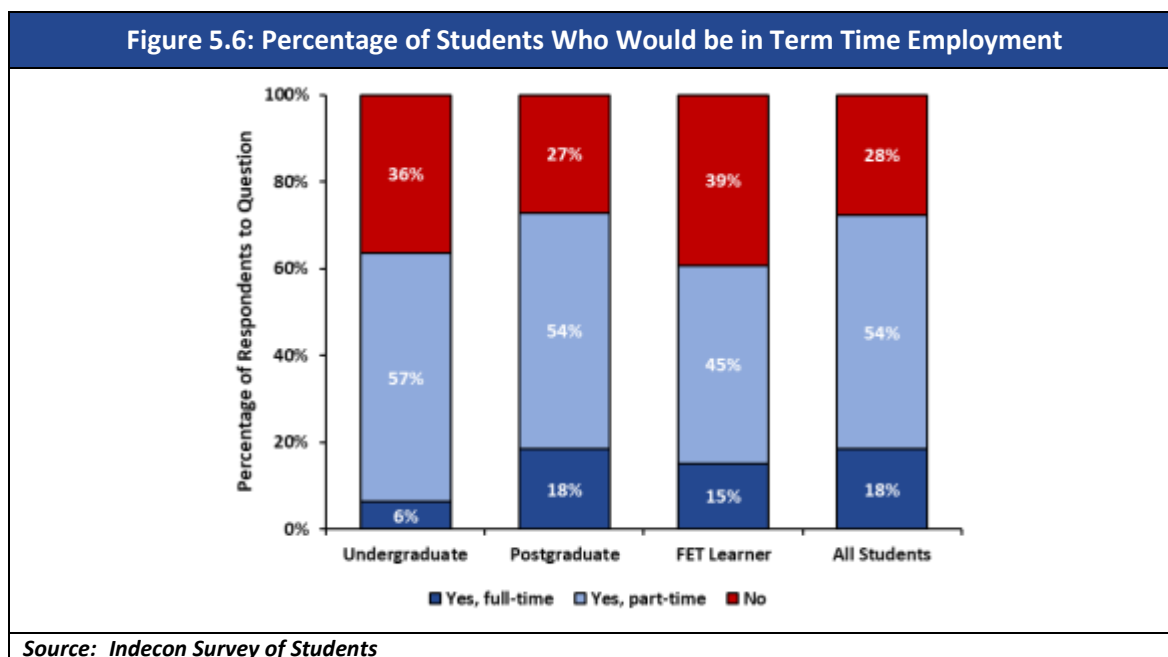
## 5.4 Term Time Employment

Employment during term time is an important source of income for many students. Indecon's survey asked students, had it not been for the pandemic, if they would have expected to be working during term time.<sup>53</sup> The results are illustrated in Figure 5.6 and show that more than half of respondents indicated that they would normally work either part-time or full-time while studying. During the COVID-19 pandemic, students were eligible for the PUP payment<sup>54</sup>. It should be noted that allowable 'holiday earnings' under the Student Grant Scheme is limited to €4,500 to deter students from working too many hours to the point that it could impact on their studies (this is discussed further in Section 6.2).

<sup>53</sup> Studies completed prior to the pandemic also assessed the extent of student working. For example, HEA research shows that full-time students spend on average almost 19 hours per week in employment. See: <https://hea.ie/assets/uploads/2018/01/HEA-Eurostudent-Survey.pdf>

<sup>54</sup> <https://www.gov.ie/en/publication/aa03c-operational-guidelines-covid-19-pandemic-unemployment-payment-pup/>





The expected number of hours worked are shown below. It shows that almost two-thirds of undergraduate students work 16 hours or more. There were also a number of students who reported having full-time jobs while studying, though this is more common for postgraduate and FET students.

Table 5.4: Term Time Weekly Hours Respondents Would Expect to Work Were it Not for the Pandemic			
Weekly Hours	Undergraduate	Postgraduate	FET Learner
Less than 5	1.6%	1.8%	2.7%
5-10	13.8%	12.5%	15.4%
11-15	20.1%	18.9%	16.7%
<b>16-20</b>	<b>30.2%</b>	<b>27.6%</b>	<b>22.2%</b>
21-25	17.1%	11.5%	16.3%
26-30	8.5%	6.6%	7.7%
31-35	3.6%	2.6%	2.3%
36-40	3.5%	13.0%	13.1%
More than 40	1.7%	5.4%	3.6%

Source: *Indecon Survey of Students*

The quantitative data is supported by the qualitative comments from students as demonstrated in the quotes below. The figure below shows illustrative quotes from students on working and studying, as taken from Indecon's survey conducted for this study.

**Figure 5.7: Selected Student Comments on Working and Studying**

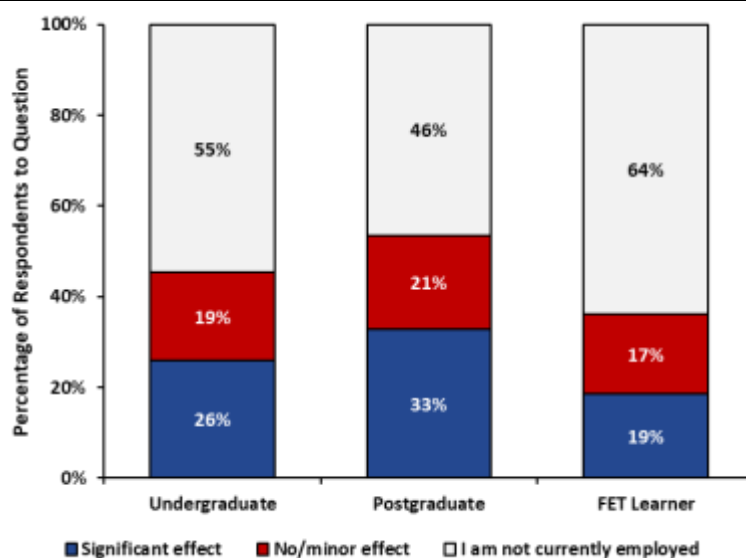
*"I think that the grant should be higher as it would allow me to work less and focus on my studies."*

*"Part-time jobs available to students usually offer too low wages and are detrimental to a healthy, successful higher education."*

*Source: Indecon Survey of Students*

Students were asked the extent to which working impacted their studies. Twenty-six per cent of undergraduates and 33% of postgraduate respondents indicated that employment responsibilities negatively impacted their focus on their course.

**Figure 5.8: Negative Impacts of Employment Responsibilities on Studies**



*Source: Indecon Survey of Students*

A number of studies suggest there can be an impact on a student's studies, and their ability to complete their course, when they worked in excess of 9-19 hours per week. A UK study<sup>55</sup> showed working more than 12 hours per week has a negative influence on students' likelihood of completing their studies. Long et al. (2006) found that across Australian students of all ages, the effect of paid work on attrition was negligible until the number of hours worked per week exceeded 19. A slightly earlier study by McMillan (2005) indicated that the deleterious effect of part-time employment began when the number of hours worked reached around nine. Callender (2008)<sup>56</sup> found that students working the average number of hours per week were a third less likely to get a good degree than an identical non-working student. A 2019 survey by the Irish League Of Credit Unions (ILCU) found that 55% of students missed lectures in favour of paid work, with six in ten saying that having to work had a negative impact on their studies during busier college times. It is likely the availability of additional financial supports means that students work fewer hours in part-time employment than would otherwise be the case, thus supporting academic engagement and retention in higher education (Mooney et al. 2010; McCoy and Byrne 2017).

## 5.5 Financial Difficulties During Term Time

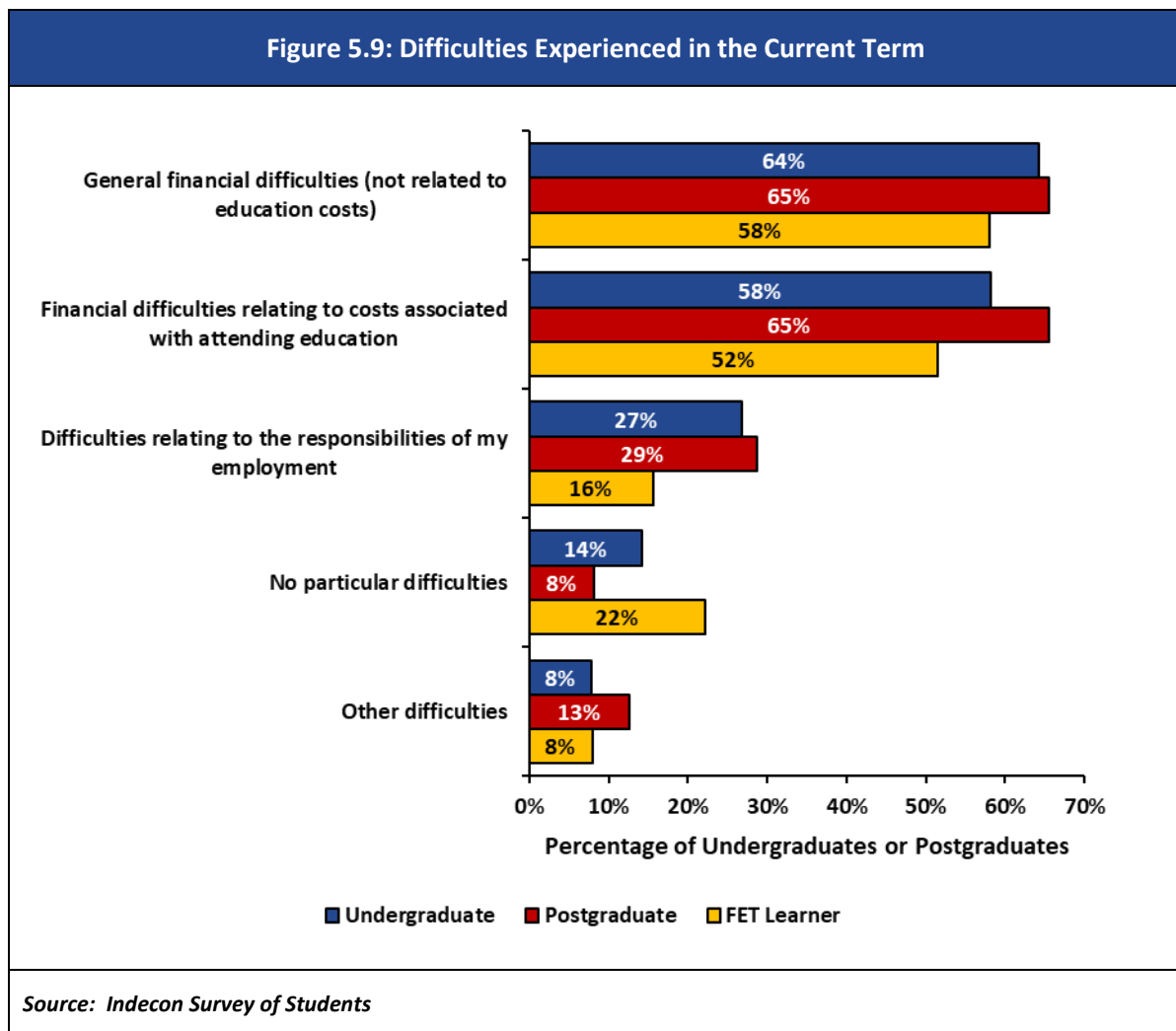
Many studies have shown high levels of financial difficulties reported by students. For example, the National Forum for Teaching and Learning (2015) found that financial constraints are serious concerns for Irish students that can lead them to exiting higher education before completing their degrees.<sup>57</sup> Eighteen per cent of respondents to a 2019 ILCU survey said financial worries were a significant source of stress and were impacting on their mental health. In the Indecon survey of students, general financial difficulties were reported as being widespread across undergraduate (64%), postgraduate (65%) and FET (58%) learners.

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<sup>55</sup> Yorke and Longden (2008), "*The first-year experience of higher education in the UK.*"

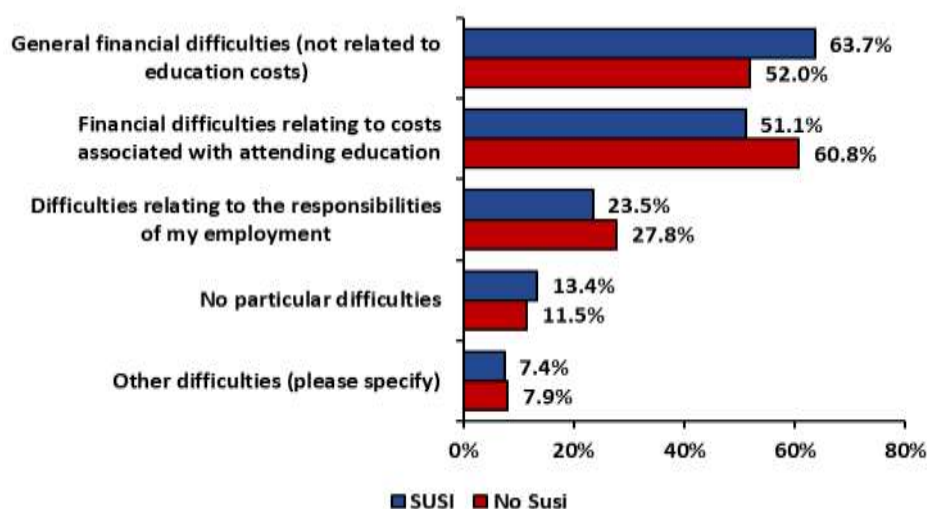
<sup>56</sup> Callender (2008). "The impact of term-time employment on higher education students' academic attainment and achievement, *Journal of Education Policy*, 23:4, 359-377

<sup>57</sup> Why students Leave: Findings from qualitative research into student non-completion in higher education in Ireland.



Recipients and non-recipients reported similar levels of financial difficulty. This is shown in Figure 5.10 overleaf. It should be noted that during the COVID-19 pandemic, the PUP payment was extended to students, with those in full-time education representing around 8% of all recipients.

Figure 5.10: Difficulties Experienced in the Current Term



Source: *Indecon Survey of Students*

Research published by the HEA suggests that rates of non-completion are higher for those in receipt of financial aid; 28% for grant recipients compared with 22% for non-recipients, with an overall average of 24%.<sup>58</sup>

## 5.6 Summary of Key Findings

This section reviewed the level of grants available for further and higher education students, and the extent to which the maintenance grant covers students' living costs. A summary of the key findings is as follows:

- ❑ The maintenance grant rates awarded under the Student Grant Scheme vary based on total reckonable family income; whether reckonable income includes certain eligible payments; distance to the approved institution; the number of dependent children; and each additional relevant person attending full-time further or higher education course.
- ❑ The two most applied rates are the special rate and the 100% rate of maintenance. Eligibility by income is then tapered to lower levels of support to prevent a 'cliff edge' of eligibility once a certain income level is reached. These gradations allow students just over a threshold margin to remain in receipt of a grant, albeit at a reduced rate that reflects their relative income compared to other applicants.

<sup>58</sup> HEA (2019) "An Analysis of Completion in Irish Higher Education: 2007/08 Entrants."

- ❑ In the 2011-12 academic year, the special rate was sufficient to meet students' living costs. However, the relatively high rate of student inflation over the last decade means it now only partially covers them.
- ❑ More than half of students reported that they would normally work either part-time or full-time while studying. The typical student would expect to work around 20 hours a week during term time, with one in four indicating that it was having a significant effect on their studies.
- ❑ A number of studies indicate that there can be an impact on a student's studies, and their ability to complete their course, when they worked in excess of 9-19 hours per week.
- ❑ Financial difficulties were reported as being widespread across undergraduate (64%), postgraduate (65%) and FET (58%) learners. SUSI and non-SUSI recipients reported similar levels of financial difficulties.

## 6 Income Thresholds

### 6.1 Introduction

Eligibility for the different rates of student grant award is dependent on a family's income. In addition, different family circumstances (for example, an additional relevant person attending a full-time further or higher education course of at least one year in duration) can change the income thresholds at which grant support may be awarded. In this section, we review the system of income thresholds that underpins eligibility for student grant awards. We also report on novel research conducted by Indecon for this study linking the number of students in receipt of student grants and areas of deprivation to try and understand the extent to which the scheme is being successfully targeted at the most disadvantaged students.

### 6.2 Threshold Levels

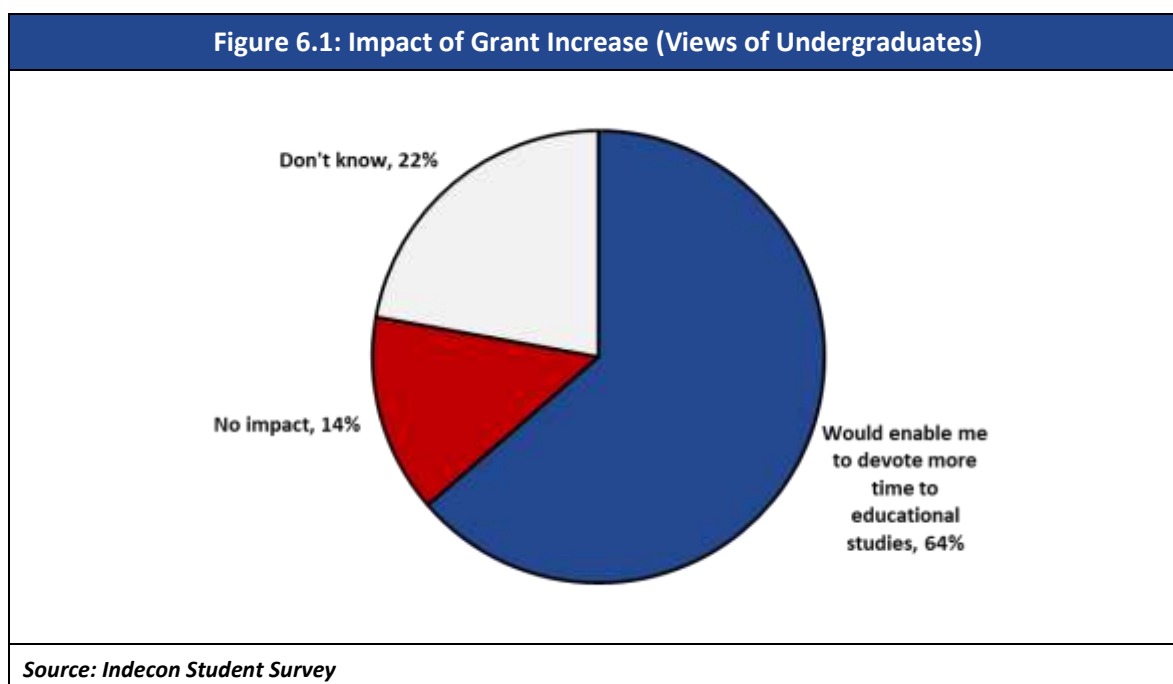
The level of reckonable income at which a student becomes eligible for the various levels of grant support depend on a number of factors, including: distance from college; the number of dependent children in a family; and the number of people attending further or higher education in a household. Table 6.1 below details the various income thresholds in the undergraduate category. The income threshold for the special rate of grant is currently €24,500, though this must include at least one of a list of long-term eligible payments on a specified date.

Table 6.1: Student Grant Scheme Income Thresholds - Undergraduates			
	Income Threshold*	Amount (Adjacent)	Amount (Non-adjacent)
Special rate	€24,500	€2,375	€5,915
Standard rate 100%	€39,875	€1,215	€3,025
Standard rate 75%	€40,970	€910	€2,270
Standard rate 50%	€43,380	€605	€1,515
Standard rate 25%	€45,790	€305	€755
No maintenance; 50% tuition fees or 100% student contribution	€49,840		
No maintenance; 50% student contribution	€54,240		
<b>Source: SUSI</b> <i>*Income threshold for households with fewer than 4 children. Reckonable income thresholds may be increased for additional relevant persons attending a full-time further or higher education course of at least 1 year in duration.</i>			

For postgraduates, the income threshold for the special rate of maintenance grant is €24,500 (which must include certain eligible payments), and a higher reckonable income threshold of €54,240 to qualify for a postgraduate fee contribution of €3,500 for the 2021-22 academic year. Table 6.2 indicates the income thresholds for postgraduate assistance.

Table 6.2: Student Grant Scheme Income Thresholds - Postgraduates			
	Income Threshold*	Amount (Adjacent)	Amount (Non-adjacent)
<b>Special rate</b>	€24,500	€2,375	€5,915
<b>Postgraduate fee contribution</b>	€54,240	€3,500	€3,500
<b>Source: SUSI</b> <i>*Income threshold for households with fewer than 4 children.</i>			

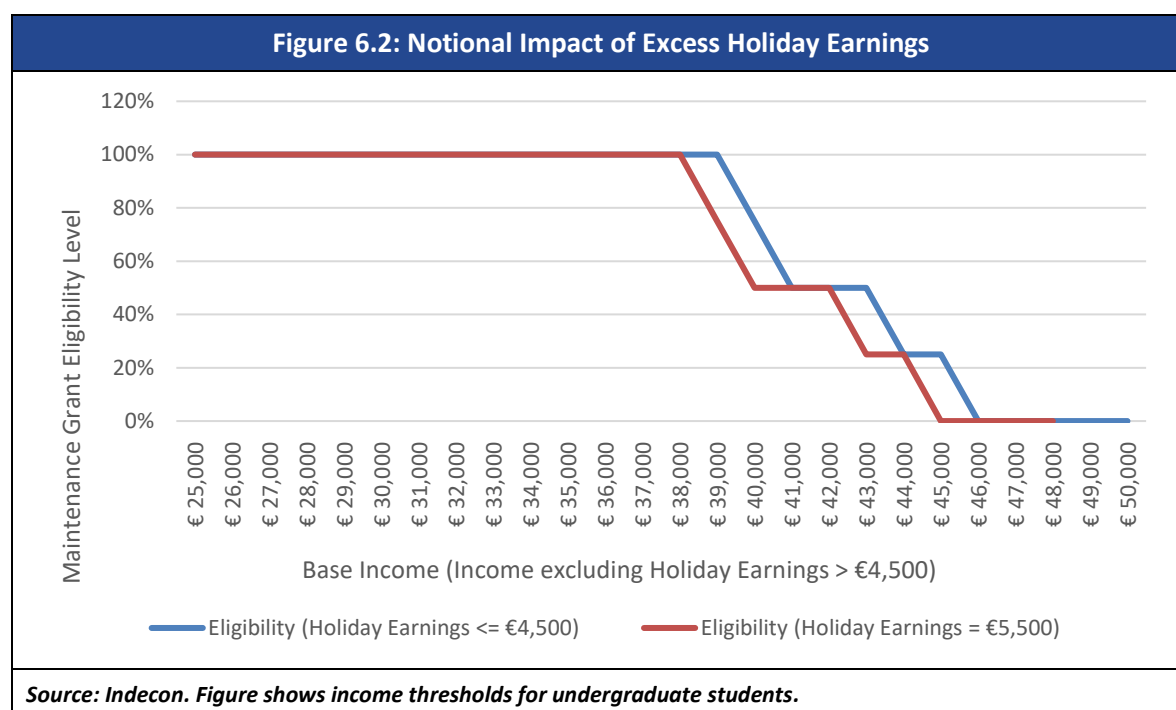
As part of the survey of students, Indecon asked a general question about the perceived impact that increases in the current student grant income thresholds would have on respondents' ability to devote more time to their educational studies (see Figure 6.1). More than six in ten undergraduates indicated that increases to the current thresholds would enable them to devote more time to educational studies, while only 14% suggested that such increases would have no impact.





Allowable ‘holiday earnings’ under the Student Grant Scheme is limited to €4,500 to deter students from working too many hours to the point that it could impact on their studies. For example, an undergraduate student whose eligible income is €40,000<sup>59</sup> and therefore eligible for the 75% maintenance award can, essentially, increase this income to €44,500 without negatively affecting their eligibility. The value of the ‘holiday earnings’ income disregard was increased by 18% from €3,809 to €4,500 in the Student Grant Scheme 2016. When looking over the last decade, this closely matches the increase in the minimum wage,<sup>60</sup> which increased from €8.65 in July 2011 to €10.21 in 2021 (also 18%). However, it is less than the 25% increase in student living costs over the same period as set out in Section 3.4.

The aim of holiday earnings is to disincentivise students from working during term time. The extent of the disincentive depends, among other things, on whether a student is in receipt of an adjacent or a non-adjacent award,<sup>61</sup> and the average pay level they earn for a given number of hours of work.<sup>62</sup> Any reform to increase the ‘holiday earnings’ income disregard would likely be of greatest benefit to those students who are close to an income threshold, as illustrated in the figure below. It shows the income thresholds for a notional student who is earning within the current ‘holiday earnings’ limits (blue line) and a student who exceeds this by €1,000 (red line).



<sup>59</sup> Based on income thresholds in place for the 2021/21 academic year.

<sup>60</sup> A proxy for typical student out of term wage levels.

<sup>61</sup> Students who are in receipt of a non-adjacent award face a greater potential reduction in grant rate if moved from one income band to another

<sup>62</sup> Students who are in higher paying jobs are more likely to be affected by the limit on earnings.

It should be noted that any increase in holiday earnings would be of little or no benefit to many low-income families in terms of the level of grant they are eligible for. For example, a student from a family with an annual income of €35,000 who is the only person in the household attending further or higher education can earn an additional income of €9,375 (based on 2020-21 income thresholds) without their grant rate being affected. As such, any reform to increase the current 'holiday earnings' limit would have most impact on families with annual incomes of €40,000-€50,000 who are classed as non-adjacent.

Finally, it should be noted that applications are assessed on the basis of gross income from all sources, subject to income disregards such as certain social welfare payments.

The income that is taken into account may be derived both privately and publicly including, but not exclusive to: income from employment; certain social welfare payments (including the state pension); self-employment or farming; and rental and other income from land. An alternative approach would be to assess net income with certain payments excluded, e.g., rent payments, mortgage payments and/or pension contributions.<sup>63</sup> Developing and implementing such a system would require the establishment of appropriate rules, as well as appropriate documentation collection and verification processes by SUSI. While this might have some limited benefit in terms of targeting, ultimately it would add a lot of complexity to the scheme.

### 6.3 Deprivation Index

As part of this present study, Indecon conducted novel research which linked data on the number of SUSI recipients in a geographical area with measures of deprivation in that area. The aim of the research was to show how well, on average, awards are targeted at those of greatest need.<sup>64</sup> To do this, Indecon made use of a number of data sources, including SUSI administrative data; Pobal estimates of deprivation; and CSO Census data.

Indecon's analysis was conducted at the three-digit Eircode routing key level, which divides the country into 139 distinct regions. SUSI provided fully anonymised data on the number of awards for each type of grant at the Eircode region level which allowed Indecon to compare this data with a measure of deprivation in each region. Indecon used the Pobal HP Deprivation Index to develop a measure of deprivation in each region. This index is based on ten different characteristics:<sup>65</sup>

- ☐ percentage change in population over the previous five years;
- ☐ percentage of the population aged under 15 or over 64 years of age;
- ☐ percentage of the population with a primary school education only;

<sup>63</sup> For example, eligibility for the UK student loan system allows for the deductions of various pension contributions. See: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/965145/sfe\\_how\\_you\\_are\\_assessed\\_and\\_paid\\_guide\\_2122\\_o.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/965145/sfe_how_you_are_assessed_and_paid_guide_2122_o.pdf)

<sup>64</sup> It should be noted that this is a partial analysis which seeks to examine a correlation between the number of SUSI recipients and measures of deprivation. A full analysis which seeks to understand the causative impact of SUSI grants would require individual level data which captures a much broader set of social and economic characteristics.

<sup>65</sup> For more information, please see <http://trutzhaase.eu/wp/wp-content/uploads/The-2016-Pobal-HP-Deprivation-Index-Introduction-07.pdf>

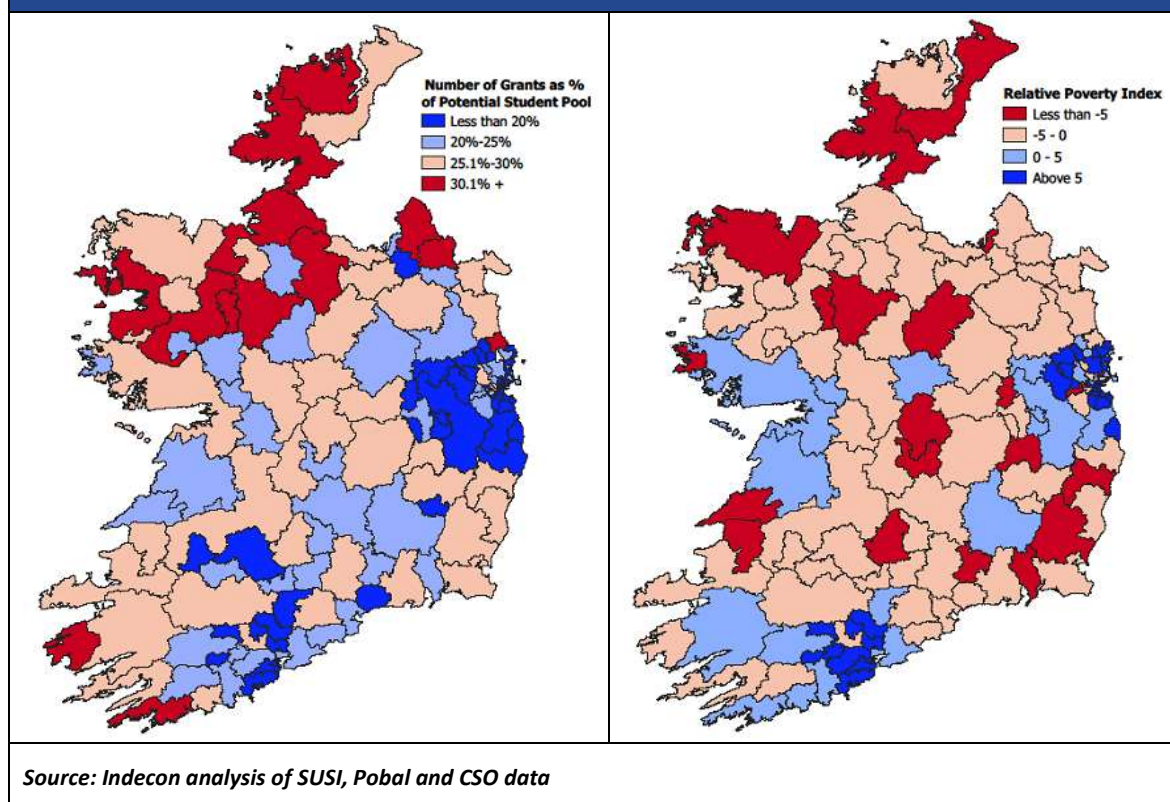
- ☐ percentage of the population with a third-level education;
- ☐ percentage of households with children aged under 15 years and headed by a single parent;
- ☐ mean number of persons per room;
- ☐ percentage of households headed by professionals or managerial and technical employees, including farmers with 100 acres or more;
- ☐ percentage of households headed by semi-skilled or unskilled manual workers, including farmers with less than 30 acres;
- ☐ male unemployment rate; and
- ☐ female unemployment rate.

The deprivation index for each of the 139 regions has a score of between approximately -40 (most disadvantaged) to +40 (most advantaged) across the 18,488 small areas based on Census data. Indecon mapped these 18,488 small areas onto the larger 139 Eircode regions for which we had SUSI data, and in doing so took weighted averages of the small areas' index scores to estimate the deprivation scores for the larger regions. This produced a narrower range of deprivation scores for the Eircode regions than the 18,488 small areas. The following table shows the distribution of Eircode regions by the level of absolute and relative poverty index scores, indicating the extent of regional differences. It is also important to note that there may be significant variation in deprivation within Eircode regions, which future research conducted at the small-area level may be able to overcome.

Table 6.3: Distribution of Eircode Regions by Level of Absolute and Relative Poverty		
Index Score	Absolute Poverty	Relative Poverty
Less than -5	51%	16%
-5 to 0	23%	42%
0.01 - 5	19%	19%
5.01 +	7%	23%
<i>Source: Indecon analysis of Pobal, SUSI and CSO data</i>		

The following figures represent the relative poverty index of the different Eircode regions, as well the number of grants as a percentage of the potential student pool. The more affluent areas (darker blue on the right) tend to have fewer grants as a percentage of the potential student pool (darker blue on the left), while the opposite is the case for more disadvantaged areas. What is notable is that in many areas near cities, for example in the counties surrounding Dublin, the number of grants is relatively low compared to the poverty index score. It should be noted that certain sub-regions within Dublin and in other parts of the country are also associated with particularly acute social disadvantage. Higher education participation may be low in disadvantaged areas due to other factors which affect whether someone goes to higher education or not, e.g., financial pressure to get a job; different social attitudes to higher education; or lack of mentors/role models.

**Figure 6.3: Number of Grants as a Percentage of Persons Aged 13-17 in 2016 and Relative Poverty Index (Eircode Regions)**



Indecon developed a metric equal to the number of grant awards in 2020-21 as a percentage of the population of the Eircode region aged between 13 and 17 in 2016 (the last census). This was to understand the extent to which the Student Grant Scheme is targeted at regions that have a higher level of deprivation. The population aged between 13 and 17 in 2016 was used as a proxy for the potential student pool in 2020-21 as those individuals would now be 18 to 22. Indecon acknowledges that there may have been changes in the population as people moved between regions over the past five years, as well as immigration into different regions, which may affect the figures. Additionally, the denominator does not include the potential pool of mature students, although these would be included in the numerator should they have received a grant award. Indecon has conducted a sensitivity test using the entire population in 2016 to show that this choice of denominator does not materially affect the results.

It is also important to acknowledge that those coming from more affluent areas may be more likely to apply and attend higher education institutions (HEIs). Research conducted by the HEA found that over 60% of all enrolments in HEIs in 2018-19 came from small areas with a deprivation index score above 0. This figure increases to over two-thirds of enrolments in postgraduate courses, suggesting a greater imbalance in enrolments at the postgraduate level. This suggests that the costs of postgraduate study may be prohibitive for many people from socio-economically disadvantaged

households. This research also indicates that higher proportions of students attending Institutes of Technology/Technological Universities are likely to come from relatively deprived areas than students from universities, though this may be influenced by the socio-economic characteristics of the regions in which individual HEIs are based. The grant rates and income thresholds for postgraduate students are set out in Section 5.3.

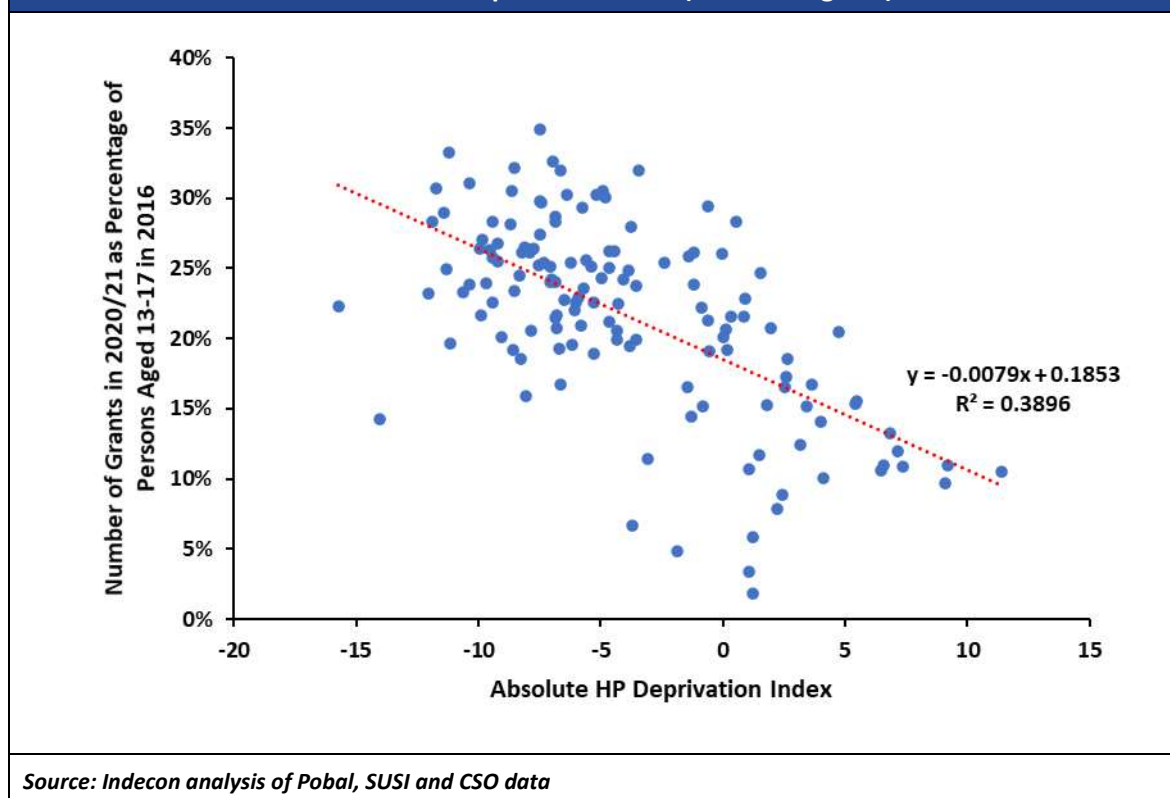
Table 6.4: Socio-Economic Distribution of Enrolments to HEIs in 2018-19					
Deprivation Index Score	Undergraduate		Postgraduate		All enrolments
	Full-time	Part-time	Full-time	Part-time	
Disadvantaged (-10 and below)	10%	11%	8%	6%	10%
Marginally below average (-10 to 0)	30%	29%	26%	23%	29%
Marginally above average (0 to 10)	41%	41%	42%	42%	41%
Affluent (10 +)	18%	19%	25%	29%	20%
<i>Source: Indecon presentation of HEA data</i>					
<i>Note: Figures may not add to 100% due to rounding.</i>					

The table below demonstrates the greater likelihood of those in more affluent areas enrolling in HEIs. This suggests that on average those enrolled in HEIs come from areas of lower levels of deprivation, though this is much stronger for postgraduate students than undergraduate students.

Table 6.5: Deprivation Score of Full-time Enrolments to HEIs in 2018-19	
	Average
Undergraduate	1.7
Postgraduate	3.5
<i>Source: Indecon presentation of HEA data</i>	

The following figure shows the number of grants awarded in 2020-21 as a percentage of persons aged 13-17 in 2016 as well as the absolute deprivation index of Eircode regions. There is a negative relationship between the two metrics, with more affluent regions having a lower number of grants awarded as a percentage of persons aged 13-17.

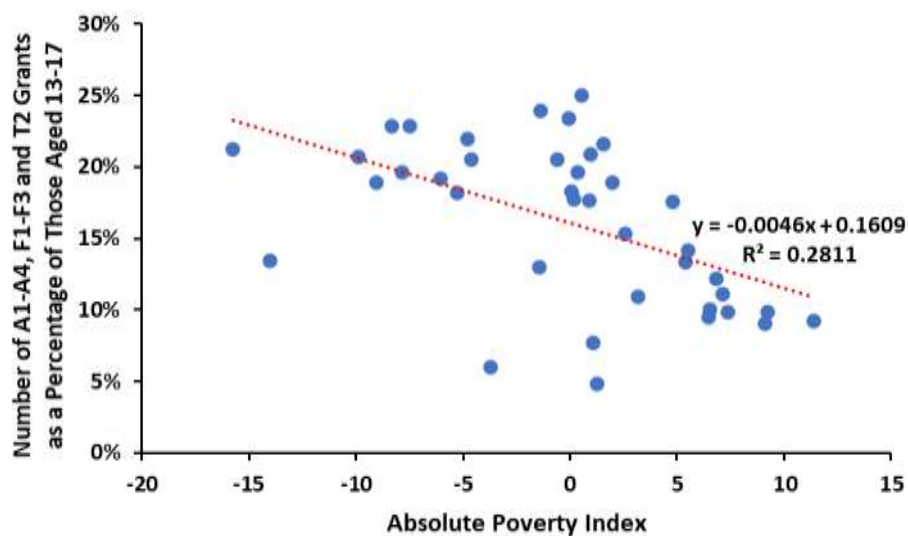
**Figure 6.4: Number of Grants in 2020-21 as Percentage of Persons Aged 13-17 in 2016 and Absolute HP Deprivation Index (Eircode Regions)**



Given the different rates as well as types of grants, Indecon designated certain Eircode regions as urban areas and others as rural areas. This was done to reduce any potential impact from the adjacent and non-adjacent rates offered by the Student Grant Scheme. The urban regions,<sup>66</sup> designated as being in or near a large city, were compared against adjacent SUSI awards, whereas rural areas were compared against non-adjacent awards. Whilst there may be some instances of individuals in urban areas applying to third-level institutions outside of their 45km radius, and individuals in rural areas being within 45km of their institution, as a working assumption it is likely that these account for the minority of cases. When focusing on urban areas and adjacent grants, there is still a negative relationship between grants and deprivation, with more disadvantaged areas tending to have a higher number of grants as a percentage of the potential student pool.

<sup>66</sup> 87% of 2017-18 full-time enrolments from Dublin are in Dublin HEIs. The figure is 77% for Cork, 72% for Limerick and 67% for Galway. In no other county do more than 50% of the students from that county attend a HEI in their home county. Eircodes in or near the cities of Dublin, Cork, Limerick and Galway were chosen as the more urban areas for the adjacent rates, due to the above HEA data.

**Figure 6.5: Number of Adjacent Grants in 2020-21 as Percentage of Persons Aged 13-17 in 2016 and Absolute HP Deprivation Index (Urban Eircode Regions)**



Source: Indecon analysis of Pobal, SUSI and CSO data

The following table shows the link between different grant levels and areas of deprivation. The payments which are linked to social welfare payments (i.e., special rate and fees for BTEA students) show the strongest correlation with areas of poverty.

**Table 6.6: Allocation of Adjacent Awards in Urban Areas by Level of Deprivation**

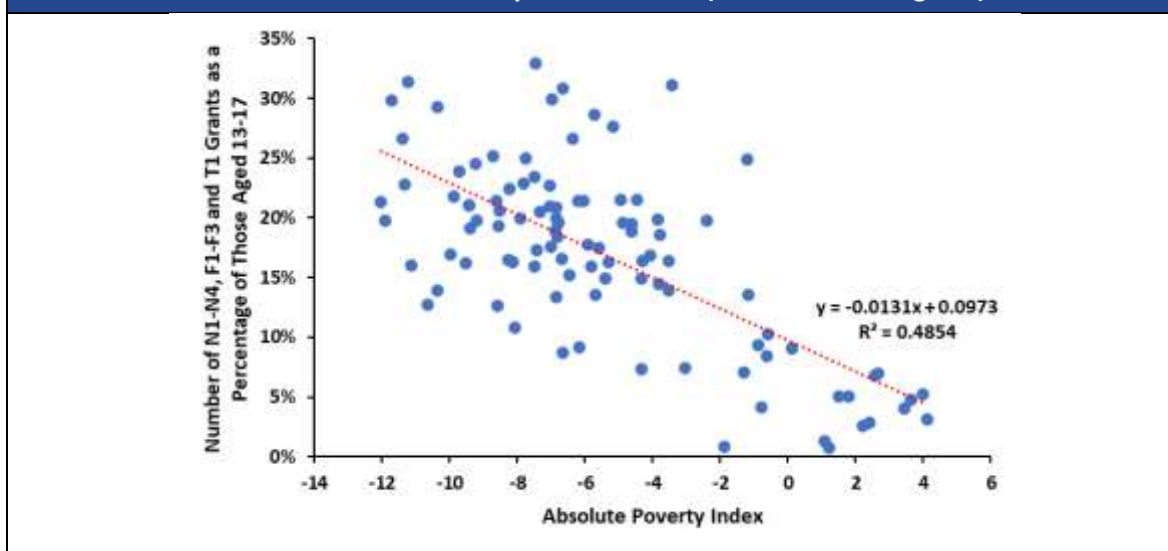
	Absolute Poverty Index			
	Less than -5	-5 to 0	0 to 4.99	5 and above
Special Rate (Adj)	6.5%	5.7%	4.8%	2.7%
100% Maintenance Grant (Adj)	7.8%	6.8%	6.9%	4.7%
75% Maintenance Grant (Adj)	0.4%	0.4%	0.3%	0.1%
50% Maintenance Grant (Adj)	0.7%	0.6%	0.7%	0.4%
25% Maintenance Grant (Adj)	0.8%	0.7%	0.6%	0.5%
Fees for BTEA Students	1.5%	2.0%	1.3%	1.0%
100% Student Contribution/50% Tuition Fees	1.1%	1.2%	1.2%	0.8%
50% Student Contribution	1.0%	1.1%	0.8%	0.6%
<b>Total</b>	<b>19.7%</b>	<b>18.5%</b>	<b>16.6%</b>	<b>10.8%</b>

Source: Indecon analysis of Pobal, SUSI and CSO data



The relationship between deprivation and grant awards is also evident in rural areas, as shown by the following figure. Relatively affluent areas had lower grant rates as a percentage of the potential student pool when compared to more disadvantaged rural areas.

**Figure 6.6: Number of Non-Adjacent Grants in 2020-21 as Percentage of Persons Aged 13-17 in 2016 and Absolute HP Deprivation Index (Rural Eircode Regions)**



Source: Indecon analysis of Pobal, SUSI and CSO data

That award levels are higher where absolute poverty is higher is evident in the following table, with the number of awards as a percentage of the population in more disadvantaged areas (20.2%) over four times that in more affluent regions (4.4%).

**Table 6.7: Allocation of Non-Adjacent Awards in Rural Areas by Level of Deprivation**

	Absolute Poverty Index		
	Less than -5	-5 to 0	0 to 4.99
Special Rate (Non-Adj)	5.7%	3.5%	0.5%
100% Maintenance Grant (Non-Adj)	8.7%	6.5%	1.0%
75% Maintenance Grant (Non-Adj)	0.5%	0.3%	0.1%
50% Maintenance Grant (Non-Adj)	0.9%	0.6%	0.1%
25% Maintenance Grant (Non-Adj)	0.8%	0.6%	0.1%
Fees for BTEA Students	1.1%	1.0%	0.6%
100% Student Contribution/50% Tuition Fees	1.4%	1.4%	1.0%
50% Student Contribution	1.2%	1.2%	1.0%
<b>Total</b>	<b>20.2%</b>	<b>15.1%</b>	<b>4.4%</b>

Source: Indecon analysis of Pobal, SUSI and CSO data

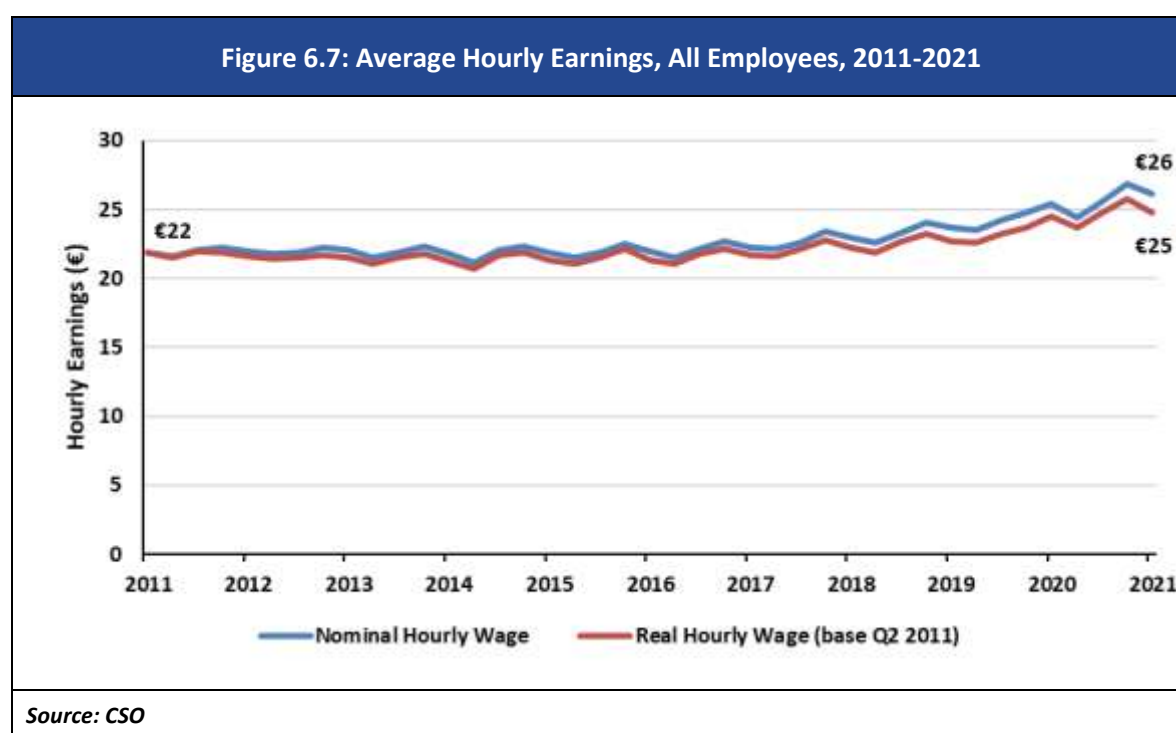


While the HEA study suggests that only 39% of HEI enrolments are by students from areas of relative deprivation, 66% of recipients of grants for students were from these areas.<sup>67</sup>

In conclusion, this analysis linked the rate of access to the Student Grant Scheme and measures of deprivation. While previous HEA research indicated a much stronger likelihood of those in more affluent areas enrolling in HEIs, this research indicates that SUSI assistance is more strongly linked with areas of relative deprivation. This is even stronger for the special rate of assistance, and payments linked to BTEA eligibility. This suggests that the Student Grant Scheme appears to be playing an important role in promoting access to education among sections of the community which would otherwise be less likely to attend. However, a full individual-level analysis would be needed to understand causality.

## 6.4 Inflation and Income Thresholds

Inflation has the effect of reducing the real purchasing power of wages. In Ireland, inflation has been very subdued over the last decade, with the result that income increases have largely reflected increased earning power rather than rises in prices. This is shown in Figure 6.7 below.



<sup>67</sup> Caution should be exercised in comparing two studies using data from different time periods, and with different levels of granularity of data.

However, published forecasts indicate a general expectation that inflation in Ireland is likely to rise in the short to medium-term. Looking to the longer term, the European Central Bank has a mandate to achieve an inflation rate of 2% per annum. Some examples of recent forecasts for inflation in Ireland are shown in Table 6.8 below. Unless income thresholds and grant rates are adjusted accordingly, a return of inflation will gradually erode both eligibility for, and real purchasing power of student grants.

Table 6.8: Current Inflation Forecasts for Ireland				
Forecasting Agency	2020e	2021f	2022f	2023f
Central Bank	-0.3%	1.7%	1.9%	1.7%
International Monetary Fund		1.6%	1.9%	2.0%
European Commission		-0.5%	1.5%	1.2%
ECB Target Rate	2.0%	2.0%	2.0%	2.0%
<p><b>Source: Central Bank of Ireland; International Monetary Fund, European Commission.</b></p> <p><i>The table reflects the latest available forecast as of 15<sup>th</sup> September 2021.</i></p> <p><i>e=estimate, f=forecast</i></p>				

## 6.5 Summary of Key Findings

This section examined the link between measures of poverty and the various thresholds which determine eligibility for different rates of grant payment. A summary of the key findings is as follows:

- ❑ The level of family income at which a student becomes eligible for the various levels of grant support depends on a number of factors including: whether or not a student is eligible for the adjacent or non-adjacent rate; the number of dependent children in a family; and the number of people attending full-time further and higher education in a household.
- ❑ Research published by the HEA suggests that those coming from more affluent areas are more likely to apply to and attend HEIs. This figure increases to over two-thirds of enrolments in postgraduate courses, suggesting a greater imbalance in enrolments at the postgraduate level.
- ❑ The number of students in receipt of student grant support is strongly linked with areas of relative deprivation. This is even stronger for the special rate of assistance, and payments linked to BTEA eligibility. The Student Grant Scheme appears to be playing an important role in promoting access to education among sections of the community which would otherwise be less likely to attend.
- ❑ While HEA research suggests that only 39% of HEI enrolments are by students from areas of relative deprivation, 66% of recipients of student grants were from these areas, indicating the extent to which the scheme was supporting those from relatively deprived areas access higher education.

- ❑ Published forecasts indicate a general expectation that inflation in Ireland is likely to rise in the short to medium-term, and the European Central Bank has a mandate to achieve an inflation rate of 2% per annum. Unless income thresholds and grant rates are adjusted accordingly, a return of inflation will erode both eligibility for, and real purchasing power of student grants.

## 7 Eligibility Criteria

### 7.1 Introduction

In this section, we review three of the other eligibility criteria for the Student Grant Scheme, namely: the definition of eligible courses; the number of dependent children; and the number of additional people attending further or higher education.

### 7.2 Course Definition

Undergraduate courses approved for funding under the Student Grant Scheme must be full-time, lead to a major education and training award, at Level 6 (Higher Certificate), Level 7 (Ordinary Bachelor Degree) or Level 8 (Honours Bachelor Degree), on the National Framework of Qualifications (NFQ) or equivalent and, as specified in the Student Support Regulations, must be provided in an approved University, Technological University, Institute of Technology (IOT) or other Higher Education Institution, e.g., College of Education. In this section, we discuss two aspects of course definition; the requirement that courses be of a certain minimum length and, that courses be full-time.

In addition to being full-time, undergraduate courses subject to a direct entry application to an approved Universities/Technological University/Institutes of Technology/Other Higher Education Institution, must meet the following criteria:

- ☐ Take not less than two years to complete and lead to a major higher education and training award at Level 6 (Higher Certificate), Level 7 (Ordinary Bachelor Degree) or Level 8 (Honours Bachelor Degree) on the NFQ; or
- ☐ Take one year to complete and lead to a major higher education and training award at Level 6 (Higher Certificate) on the NFQ (IOTs only); or
- ☐ Take one year to complete and lead to a major higher education and training award at Level 7 (Ordinary Bachelor Degree) on the NFQ; or
- ☐ Take at least one year to complete and lead to a major higher education and training award at Level 8 (Honours Bachelor Degree) on the NFQ; or
- ☐ Be an 'Accelerated Technician Programme' that takes 18 months to complete (IOTs only).

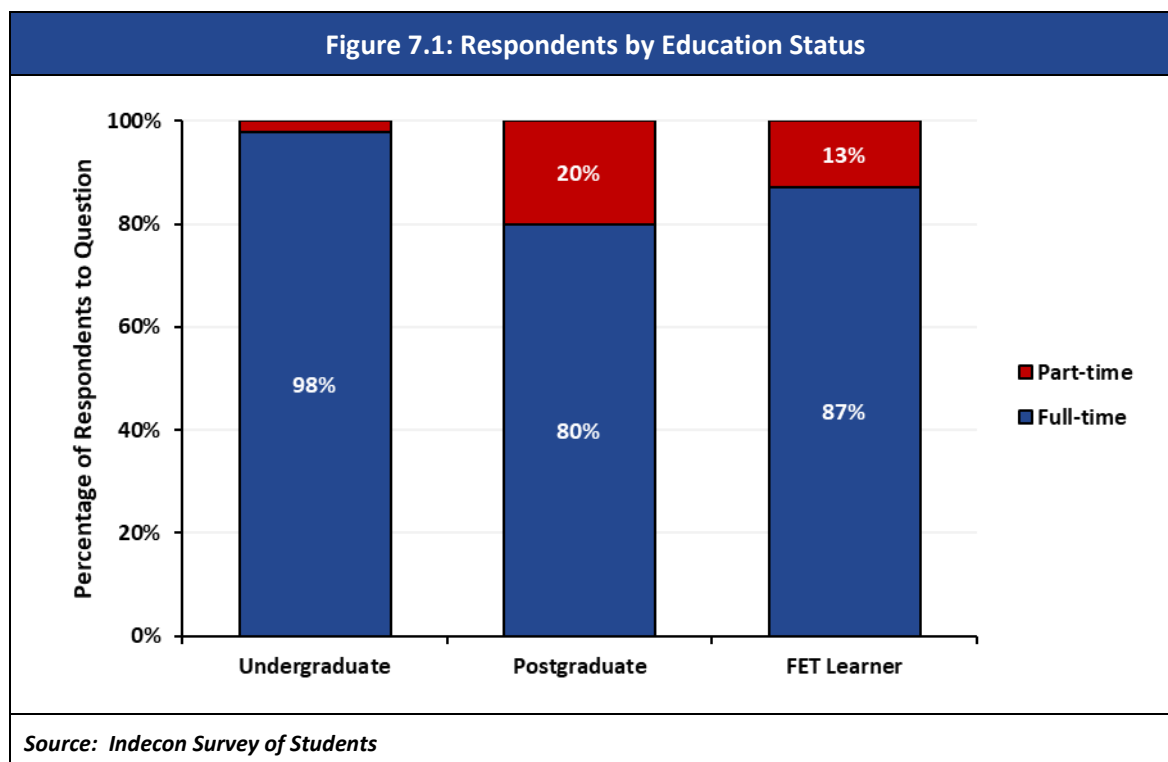
As such, while the eligibility criteria state that the course must not be less than two years to complete, the rules permit many courses across Levels 6-8 on the NFQ of one year.<sup>68</sup> PLC students only need to attend a one-year course to be eligible for funding under the scheme criteria. Similarly for postgraduate students, their course must not take less than one year to complete.

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<sup>68</sup> Further Education: Full-time PLC Courses at QQI Level 5 and 6 at least one-year duration; Higher Education: Undergraduate: Full-time Undergraduate Courses at HETAC Levels 6 to 8 at least two years duration (add-on full-time course of at least 1 year duration also funded). Higher Education: Postgraduate: Full-time Postgraduate course: HETAC Levels 8 to 10, at least 1 year duration.

### 7.3 Part-time/Blended/Online Provision

We now turn to the second element of this definition, namely that courses must be full-time to be eligible for financial support under the student support scheme. A large majority of students currently studying in Ireland do so on a full-time basis. Ninety-eight per cent of undergraduate respondents to Indecon's survey were full-time students, while a large majority of postgraduate and PLC learners also studied on a full-time basis. This is shown in Figure 7.1.



While the terms 'part-time', 'online', 'blended' and 'modular' are sometimes used interchangeably, these represent distinctive modes of study. A part-time student may have in-person, online or blended learning, but not all in-person, online or blended students are part-time. Some interpretations from relevant bodies in Ireland are as follows:

- Part-time: Part-time study is perhaps the most difficult category to define precisely. Broadly speaking, part-time students do not devote their whole working time to their programme of study, managing other (professional or personal) commitments alongside their studies. An example of the difficulty in defining part time can be seen in the UCC Policies and Guidelines Governing Academic Programmes which defines full-time students as those "...who are attending day programmes, extending over at least a full academic year and devoting their whole working time to their academic studies as far as is known." And goes

on to define part-time students as including “... all students – other than full-time – who are attending programmes of university standard extending over at least a full academic year.”<sup>69</sup>

- ❑ **Online:**<sup>70</sup> Online learning has taken centre-stage since the beginning of the pandemic. In this format (which can be part-time or full-time), all course materials and teaching are received online, and no physical attendance at class is required. In most cases, lecture materials are maintained online, which enables students to cover material at their own pace and in their own time.
- ❑ **Blended:**<sup>71</sup> Blended learning incorporates elements of both online and in-person learning. The exact nature of blended learning is open to interpretation, but in many instances students would meet in-person with lecturers and fellow students (for lectures, seminars or workshops) a number of times per term. For the rest of the term, course content is delivered online. Given ongoing social distancing requirements which restrict an institution’s ability to deliver large-scale in-person lectures, blended learning serves as the most likely form of learning to be delivered by higher-level institutions going forward, whether for full-time or part-time students.
- ❑ **Modular:**<sup>72</sup> Modular learning is another flexible learning type. As its name suggests, students can pick and choose modules of study at their own pace. In terms of taught content, these modules may be delivered in person, online or in a blended format. A particular number of modules may be required in order for a student to obtain a Certificate, Diploma or Degree award.

A review of national education policy documents (for example the National Plan for Equity of Access to Higher Education 2015-2019, and HEA’s System Performance Framework 2018-2020) also show that there is no agreed definition for part-time or other more flexible forms of study. The Irish Universities Association (IUA) part-time/flexible Subgroup examined these differences and attempted to develop a clearer definition. In their report, they outlined “multiple and varied references to and understandings of these cohorts across the sector”, concluding that the closest they could come to agreeing on a definition of part-time study was simply “not a full-time student”. The Subgroup suggested adopting a set of principles informing part-time status including a minimum threshold for eligibility of part-time courses based on that course’s European Credit Transfer and Accumulation System (ECTS) level.

There appears to be a significant unmet demand for part-time learning among students. According to Indecon’s survey (see Table 7.1), 47% of postgraduates and 25% of undergraduate students would have considered studying part-time if given the option to do so and still receive financial support.

<sup>69</sup> Policies and Guidelines Governing Academic Programmes, University College Cork. P.8.

<sup>70</sup> <https://www.nuigalway.ie/adult-learning/faqs/discover-online-learning/>

<sup>71</sup> <https://www.griffith.ie/admissions/blended-online/what-blended-learning>

<sup>72</sup> <https://www.nuigalway.ie/onlinelearning/fully-online-courses/faqs/>

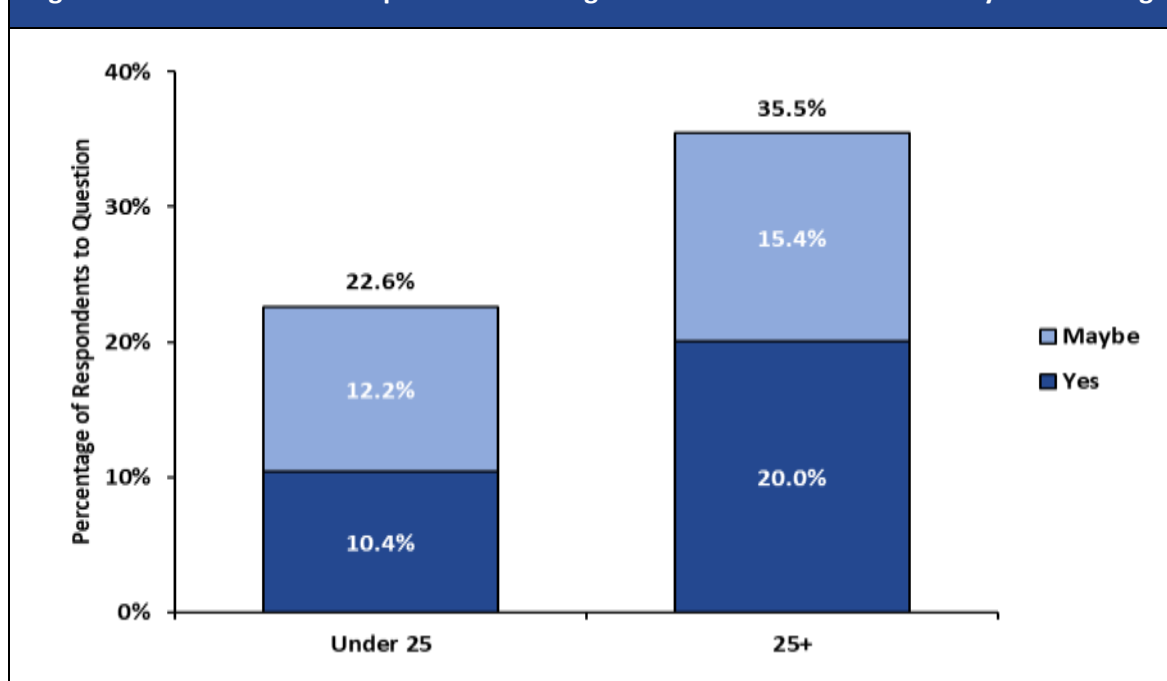
**Table 7.1: Respondents' Views on Whether They Would Have Studied on a Part-Time Basis Instead of Full-time if They had Been Allowed to Receive Grant Support**

	Undergraduate	Postgraduate
Yes	12%	27%
Maybe	13%	20%
No, change in SUSI criteria would have made no difference	30%	22%
I'm not sure my course is offered on a part-time basis	43%	28%
N/A (I am not studying full-time)	1%	3%

*Source: Indecon Survey of Students*

Older (25+) undergraduate students were more likely to have considered a part-time option, with more than one in three saying that they would have considered studying part-time. This compares to 22.6% for younger students. This is illustrated in Figure 7.2.

**Figure 7.2: Breakdown of Responses on Willingness to Consider Part-time Study Based on Age**



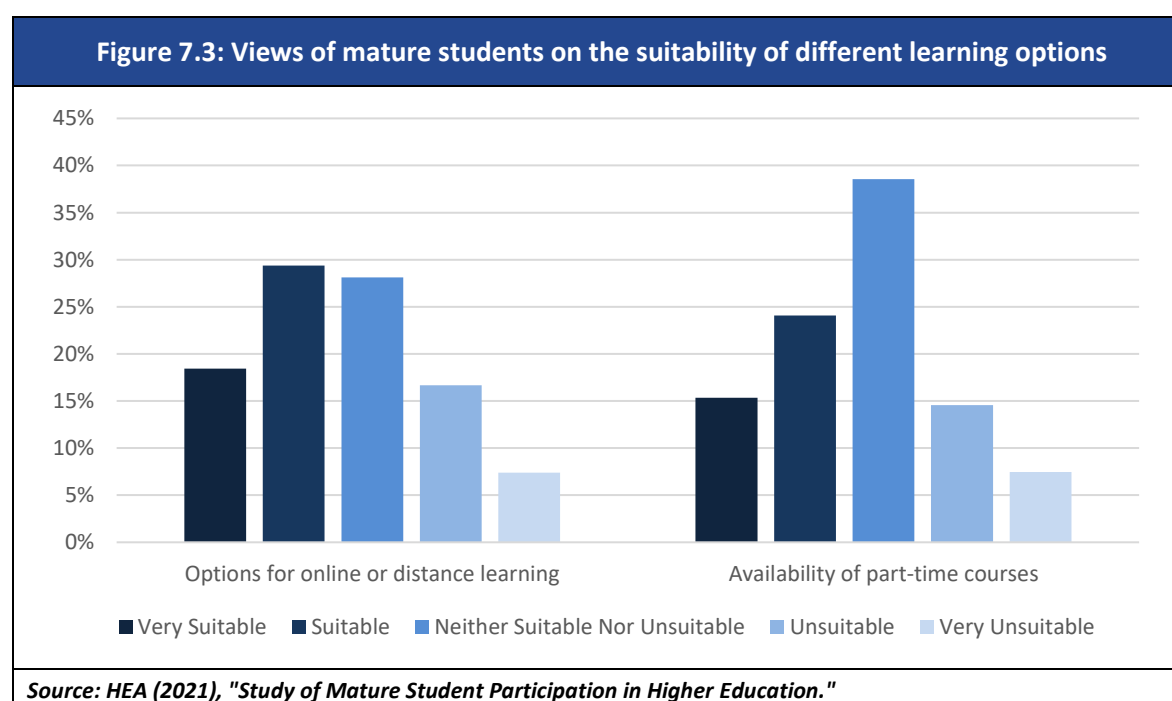
*Source: Indecon Survey of Students*

The availability of other education options that fit the needs of learners, such as blended or on-line delivery, may impact on participation and student success. Higher education in Ireland has traditionally been focussed on on-campus education delivered in real time and in person. However, recent reforms following the Covid-19 pandemic has seen many higher education institutions in Ireland put in place facilities for delivering content online and via blended learning. The next table shows that most mature students in Ireland (93%) participated through on-campus learning.

Table 7.2: Experience of Mature Student regarding on-campus or distance learning					
	Current and Former Students	Member of the Traveller Community	Having a disability	Lone parent	Area of economic and social disadvantage
On campus	93%	88%	95%	94%	93%
Distance or online learning	7%	13%	5%	6%	7%

*Source: HEA (2021), "Study of Mature Student Participation in Higher Education."*

When asked about models of education delivery, respondents were least positive about the provision of online learning and the availability of part-time options in Ireland. In Figure 7.3 next figure, the views of mature students on the suitability of aspects of the delivery of mature higher education are shown. It should be noted that this survey was completed before initiatives by higher education institutions in response to the Covid-19 restrictions. Options for online or distance learning were viewed as being unsuitable or very unsuitable by one in four respondents collectively, while the equivalent proportion for availability of part-time courses was 22%.





It should be noted that extending financial support through the Student Grant Scheme beyond full-time education as currently defined would need to consider the issue of both fees and maintenance as well as the implications for other policies, most notably the Free Fees Initiative which currently only covers full-time learning. The issue of potentially expanding the means of delivery of tertiary education in Ireland is a complex one. Significant planning would need to be conducted at both national and institutional level to manage the significant impacts on educational institutions. In particular, a clear understanding of what constitutes part-time, blended and other forms of learning needs to be established at a national level to guide policy and aid implementation/roll out. Further, individual educational institutions would need to plan if they are to expand their part-time education options including which courses should be part-time.

## 7.4 Other Household Dependents

The criteria for the award of student grants allows for an increase in the income threshold for large families, with a specific allowance for having more than one child in further or higher education. The income thresholds for eligibility for different levels of Student Grant Scheme support depends on: (a) the number of dependent children in the family; and (b) the number of additional persons in further or higher education. Both are discussed below.

There are three categories for the number of dependent children, being:

- ☐ fewer than four dependent children;
- ☐ between four and seven dependent children; and
- ☐ eight or more dependent children.

The increase in income thresholds based on the number of dependent children is shown in Table 7.3 for those in receipt of the 100% maintenance grant, as is the increase for number of people in the household who are attending a further or higher education institution. Both increases only apply to the main/partial maintenance grant, and not to the special rate award. Similar adjustments apply for those on the 75%, 50% and 25% level of maintenance grant (not shown in the table below), and for those only receiving fee support. It should be noted that families with an income of less than €39,875 (based on income thresholds for the 2020-21 year) do not benefit from this measure, as the allowance raises income thresholds rather than provides additional grant support per se.

The adjustment for additional children means that on average, €1,100 of income for each dependent child in the family is ignored when calculating eligibility. This is similar to the situation of means-tested student loans in the UK, where the first £1,130 for any child who is dependent on the family income is disregarded.<sup>73</sup>

<sup>73</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/965145/sfe\\_how\\_you\\_are\\_assessed\\_and\\_paid\\_guide\\_2122\\_o.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/965145/sfe_how_you_are_assessed_and_paid_guide_2122_o.pdf)

**Table 7.3: Annual Maintenance Grant Award Rates 2021-22 by Number of Dependent Children**

		Number of Dependent Children			Threshold increase per # of people in education
		< 4	4-7 Increment	8+ Increment	
Special Rate		€24,500	-	-	N.A.
100% Rate of Maintenance	Threshold Increase	€39,875	(+€3,935)	(+€7,700)	+€4,830
	Increase per child <sup>74</sup>	-	(+€1,124)	(+€1,100)	

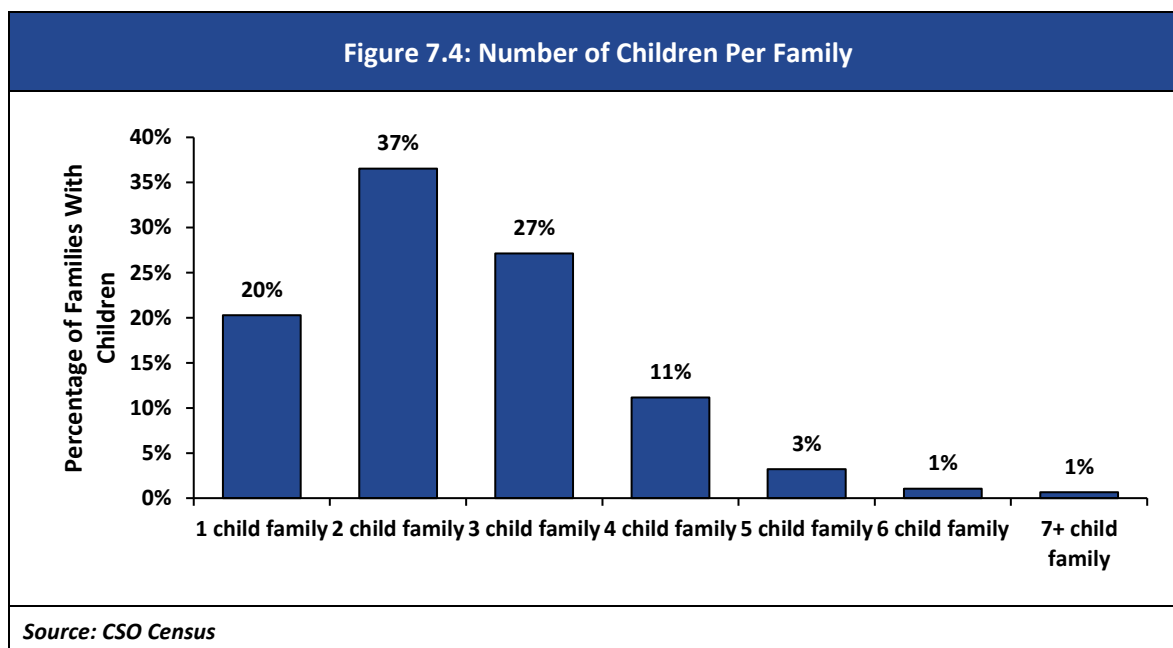
*Source: Indecon calculations based on published grant limits*

It should be noted that families already receive children's allowance, which amounts to €1,680 per annum per child in Ireland. The Child Benefit is a monthly payment to the parents or guardians of children under 16 years of age. Children aged 16 and 17 can also receive it if they are in full-time education or full-time training, or have a disability and cannot support themselves. The Child Benefit is not paid for any child aged 18 or older, even if they are in full-time education or training. Having a separate adjustment for the number of children in a family in the criteria for student grants may not be the most efficient way to target scarce resources while adding to the complexity of the scheme.

The bands for the number of dependent children per family are also relatively large, with a large majority of families being in the first category (i.e., having 1-3 children). The age distribution of Irish families is set out in Figure 7.4 below, and shows that a large majority of Irish households have between one and three children (i.e., the first category above), while very few families have seven or more children.<sup>75</sup> This again suggests that the current criteria of the number of dependent children per family is not a very efficient means to target support.

<sup>74</sup> Assumes 2 children in the <4 category, 5 children in the 4-7 category, and 9 children in the 8+ category.

<sup>75</sup> CSO Census figures only identify those families with seven or more children.



As already noted, the grant criteria also allow for an increase in the income threshold based on the number of additional persons attending a further or higher education institution. For example, a family with two children of which one attends a further or higher education institution needs to have an income lower than €39,875 to receive the 100% maintenance grant. If their second child were to participate in FET or higher education, then the income threshold would increase by €4,830. This raising of income thresholds will increase the number of families eligible for support and may increase the eligible grant for those that already receive one. It should be noted that this adjustment for the number of people in the household participating in FET or higher education, as with the adjustment for the number of dependent children, does not benefit families earning less than €39,875.

While there are costs associated with children of all ages attending education, estimates suggest that the costs of sending a child to further or higher education are significantly higher than for primary or secondary level. This is shown in Table 7.4. This suggests that some level of adjustment for the number of people participating in tertiary education within a household may be merited.

Table 7.4: Estimated Cost of Raising Each Additional Child by Level of Education			
	Primary (including childcare costs)	Secondary	Undergraduate
Monthly cost	€566	€629	€1,229
<i>Source: Indecon (Tertiary); MacMahon, Weld, Thornton &amp; Collins<sup>76</sup> (Primary &amp; Secondary)</i>			

As noted above, neither of the criteria set out in this section benefit families with an income of less than €39,875. This is a function of the way the support is granted through an adjustment in income thresholds. An alternative would be for a simple top-up grant which would be awarded for each additional person in the household in tertiary education. For example, an additional grant of, for example, €50 per month could be given to the student for each additional person in the household engaged in a FET or higher education course. This would have the benefit of raising the support of low-income families, as well as potentially simplifying the system of grant support.

## 7.5 Adjacency/Non-adjacency

Adjacency refers to the distance between normal residence and the place of study and is determined by measuring the distance of the shortest most direct route from their normal residence to the place of study. Students who are eligible for a maintenance grant are paid at either the lower adjacent rate when the college is less than 45km from the normal residence, or at the higher non-adjacent rate when it is 45km or more away. For a dependent student, the normal residence is the permanent or home address of the student's parents. For independent students, the normal residence is the student's permanent or home address.<sup>77</sup>

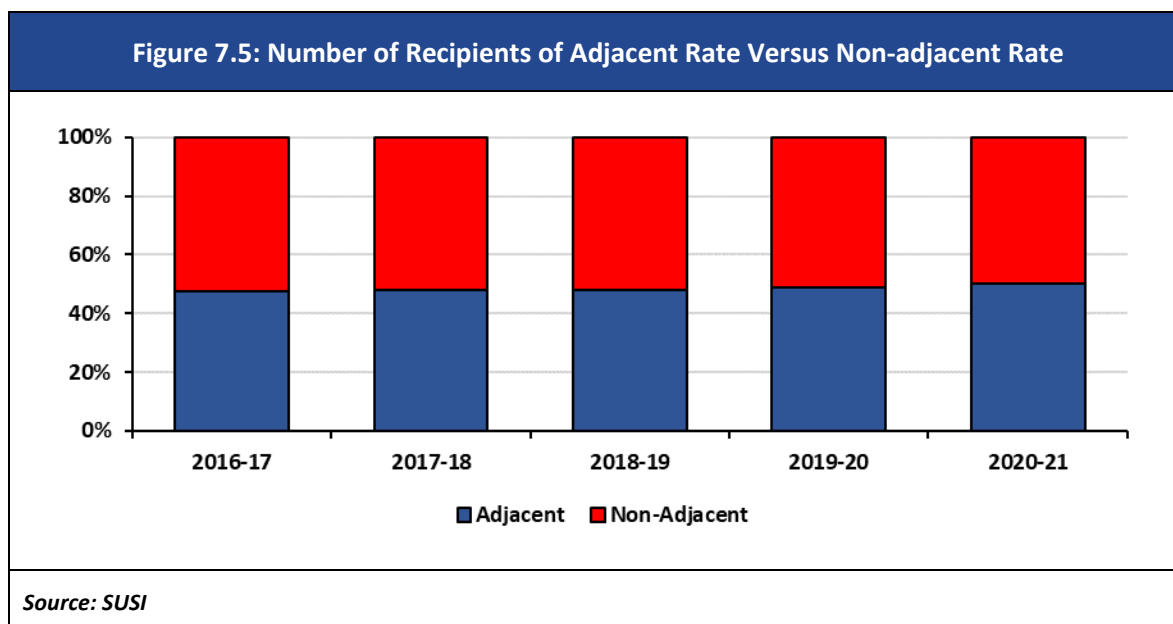
The non-adjacent grant rate was changed from 24km to 45km in Budget 2011. Under the 45km criterion, the proportion who are eligible dropped to around half of all students from 77% in 2011.<sup>78</sup> The breakdown between recipients of adjacent grant rates and non-adjacent grant rates is shown in Figure 7.5. Separate research has shown that over 80% of students from Cavan, Mayo, Wexford, Longford, Roscommon, Monaghan, Leitrim, Laois, and Offaly travel more than 45km to go to college and are therefore eligible for the non-adjacent grant rate.<sup>79</sup>

<sup>76</sup> [https://www.budgeting.ie/download/pdf/cost\\_of\\_a\\_child\\_full\\_report.pdf](https://www.budgeting.ie/download/pdf/cost_of_a_child_full_report.pdf)

<sup>77</sup> The issue of dependent versus independent status was not within the scope of this review.

<sup>78</sup> [http://usi.ie/wp-content/uploads/2019/06/Pre-Budget-Submission\\_compressed.pdf](http://usi.ie/wp-content/uploads/2019/06/Pre-Budget-Submission_compressed.pdf)

<sup>79</sup> <https://hea.ie/assets/uploads/2019/10/Higher-Education-Spatial-Socio-Economic-Profile-Oct-2019.pdf>



Indecon's survey of students indicates that FET learners generally live closer to their place of study than undergraduate and postgraduate learners in higher education, as shown in Figure 7.6.

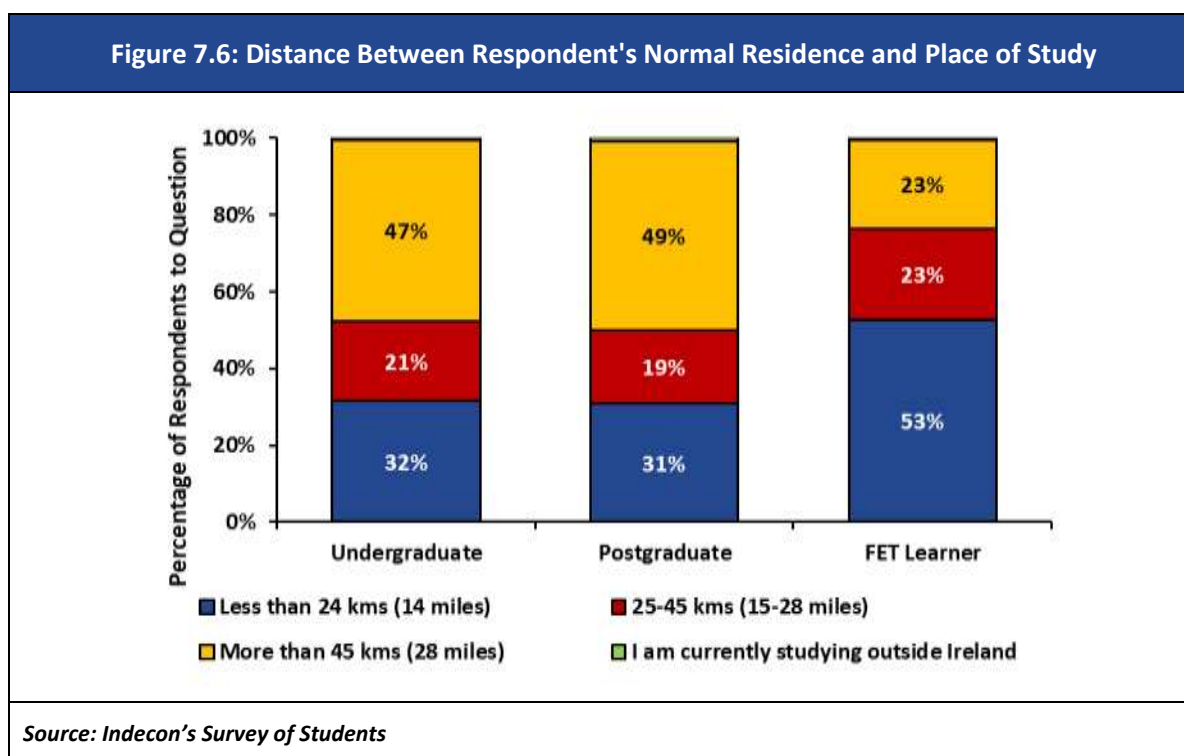


Table 7.5 below shows the percentage of students facing financial difficulties broken down into distance between their home and place of study. It shows that students whose normal residence is further from their place of study (>25km) report greater financial difficulties compared to students whose normal residence is <24km from their place of study. This may, in part, reflect the effect of higher rents on students whose normal residence is too far from their place of study to commute daily. In addition, students who report the highest level of financial difficulties are those whose normal residence is 25-45km from their place of study. Prior to Budget 2011, this group was eligible for the higher non-adjacent rate of payment. It should be noted that the rate of payment for non-adjacency does not depend on levels of rent despite rental costs in Dublin being far higher than in other regions of the country.

<b>Table 7.5: Percentage of SUSI Recipients Experiencing Financial Difficulties by Distance from Normal Residence</b>			
	<b>&lt; 24km</b>	<b>25-45km</b>	<b>&gt;= 45km</b>
Financial difficulty due to education	44.0%	52.2%	60.0%
Other financial difficulties	67.1%	70.4%	65.2%
<b>Any financial difficulty</b>	<b>77.4%</b>	<b>84.6%</b>	<b>84.2%</b>
<i>Source: Indecon Survey of Students</i>			

The figure below shows specific changes proposed by students relating to different aspects of the eligibility criteria, or to the need to highlight the Student Grant Scheme.

<b>Figure 7.7: Selected Student Comments on Eligibility Criteria</b>
<p><i>"The income threshold is extended for all families for every student after the first attending college. There is NO income expansion for the Special Rate Award."</i></p> <p><i>"Changes should be made to SUSI eligibility... expenses such as mortgage etc should be taken into account. You may look like you have a lot of income but when living expenses are taken into account, there may be very little left over."</i></p> <p><i>"Without the SUSI grant, me and my brother would have no hope of being in college and having the great experiences college has provided for us."</i></p> <p><i>"SUSI should become even more aware to leaving cert students as I myself only heard about it when I started first year of college."</i></p>
<i>Source: Indecon Survey of Students</i>

## 7.6 Other Eligibility Criteria

In terms of other eligibility criteria, students who have not lived in Ireland or another EU member state for three of the last five years do not qualify for EU tuition fee levels or the student maintenance grant. This applies to all applicants including, for example, volunteer development workers returning from abroad to undertake studies. Indecon notes that this might negatively impact students whose families have been abroad and who have returned to Ireland. However, the measure is also likely to reduce the possible impact of students returning to Ireland specifically to take advantage of the Student Grant Scheme.

The Student Support Scheme is a DFHERIS administrative scheme for students who are in the protection system or at the leave to remain (but not deportation order) stage and who are pursuing an approved Post Leaving Certificate course or an approved undergraduate course. If a person is granted status to remain in the State s/he no longer qualifies for the Student Support Scheme, s/he can apply for supports from SUSI instead. Many of the students supported under the Student Support Scheme were subsequently granted status and as such, became eligible to apply for support under the SUSI grant scheme. It is therefore important that both schemes are closely aligned to allow students transition between the schemes when their nationality status changes.

The Student Support Scheme originally had a five-year residency requirement but this was reduced to three years in 2019. The scheme was further revised in 2020 to remove the requirement to have spent three years in the Irish school system and to have completed the Leaving Certificate. The criteria to retain the requirement to have a combined period of three years or more in the protection process or leave to remain stage was retained as this requirement is along similar lines to the statutory based SUSI scheme which requires prospective applicants to have three out of five years residency.

As a result of the changes the Department saw a fivefold increase in the number of applications when compared to 2019. The revised criteria has enabled a significant additional cohort of students to apply for the funding; and where eligible, to be able to benefit from the funding and progress to higher education. In 2021 further changes were made to allow eligible applicants to be funded on postgraduate courses.

In addition, to be considered eligible for a grant, students must be increasing their NFQ level by attending an approved course:

- ☐ That leads to a higher level of qualification than they already hold;
- ☐ That is at a higher level than any course they have previously attended; and
- ☐ In which they are progressing from one year to the next and not repeating a year (save in exceptional circumstances).

Students may be considered eligible for funding as a “second-chance” student where they:

- ☐ Have previously attended but not completed a course;
- ☐ Have had a five-year break in studies since leaving that course; and
- ☐ Are returning to attend an approved course at the same level.

Studying at a level below undergraduate level within the five-year period does not affect a student’s eligibility to be considered as a “second-chance” student. Feedback from stakeholders indicates that some potentially vulnerable students may benefit from more flexibility in the application of this

criteria to allow them to stay within the system by, for example, repeating a year or transferring to a programme/discipline more attuned to their individual interests or needs. Indecon note that further research and modelling would be required to ascertain whether greater flexibility should be given to certain vulnerable target groups in relation to this criterion, given that changing it for all students may have significant resource implications.

One important issue relates to professional pathways involving Level 8 courses. One example of this concerns graduate medical education which is relevant given the challenges for the Irish healthcare system to recruit and retain an adequate medical workforce.<sup>80</sup> Students accessing graduate entry medicine hold a level 8 qualification prior to entry, and completion of a graduate entry medicine degree confers a further level 8 qualification. Students pursuing second degree courses are not eligible for free fees funding or for student grants, and therefore graduate entry medicine students have not qualified for these programmes since the introduction of this course. To address this, the fees of EU students enrolled in graduate entry medicine are currently partly subsidised by the State via the HEA. However, a wider issue remains as to whether greater flexibility in the criteria for the student grant scheme could be considered in areas of critical skill shortage reflecting graduate entry routes.

Applicants are not eligible to receive a maintenance grant if they are in receipt of BTEA or VTOS payments. Applicants must inform SUSI if they are in receipt of these payments, or other financial assistance received towards the cost of maintenance as a student or towards college fees.

Finally, it should be noted that SUSI provide an 'Eligibility Reckoner' on their website, which is provided to help applicants understand if they are eligible to support or not. Indecon note that, despite the relative complexity of the eligibility criteria of the scheme, as discussed above, the refusal rate for the scheme of 26% is not particularly high<sup>81</sup>. Indecon believe that this can, at least in part, be attributed to the Eligibility Reckoner as a simple means of communicating eligibility.

## 7.7 Summary of Key Findings

This section reviewed a number of the key eligibility criteria for the Student Grant Scheme, namely: the definition of eligible courses; the number of dependent children; and the number of additional people in college. It also included a discussion of adjacency/non-adjacency, which determines eligibility for different rates of payment. A summary of the key findings is as follows:

- ❑ The eligibility criteria for the Student Grant Scheme state that the course must not be less than two years in duration, although the rules also permit many courses of one year across Levels 6-8 on the NFQ. In addition, PLC and postgraduate students only need to attend a one-year course to be eligible for funding under the scheme criteria.
- ❑ While a large majority of students in Ireland study on a part-time basis, there appears to be an unmet demand for part-time learning. Some 47% of postgraduates and 23% of

<sup>80</sup> HSE NDTP (2020), "Demand for medical consultants and specialists to 2028 and the training pipeline to meet demand: A high-level stakeholder informed analysis."

<sup>81</sup> HEA (2021), "Study of Mature Student Participation in Higher Education."



undergraduate students would have considered studying part-time if given the option including financial support.

- ❑ Options for online or distance learning were viewed as being unsuitable or very unsuitable by one in four mature students in Ireland collectively, while the equivalent proportion for availability of part-time courses was 22%.
- ❑ The income thresholds for eligibility for different levels of grant support is higher based on the number of dependent children in the family and the number of additional persons in the household in education. These are of no benefit for families earning less than €39,875.
- ❑ A large majority of Irish households have between one and three children, while there are very few families who have seven or more children. This suggests that the existing bands create additional complexity in the scheme without significantly improving the targeting of supports.
- ❑ The costs of sending a child to further or higher education are significantly higher than for primary or secondary level. This suggests that the continuation of an adjustment for the number of people attending education in a household may be merited.
- ❑ Students who are eligible for a maintenance grant are paid at either the lower adjacent rate when the place of study is less than 45km from the normal residence or the higher non-adjacent rate when it is 45km or more away. The non-adjacent grant rate was changed from 24km to 45km in Budget 2011.
- ❑ Students whose normal residence is further from their place of study (>25km) report greater financial difficulties compared to students whose normal residence is <24km. This may, in part, reflect the effect of higher rents on students whose normal residence is too far from their place of study to commute daily. Students who report the highest level of financial difficulties are those whose normal residence is 25-45km from their place of study.
- ❑ Despite the relative complexity of the eligibility criteria of the scheme, the refusal rate for the scheme of 26% is not particularly high. Indecon believe that this can, at least in part, be attributed to the Eligibility Reckoner provided on [www.susi.ie](http://www.susi.ie) as a simple means of communicating an applicants eligibility.

## 8 Supports to Further Education and Training learners

### 8.1 Introduction

Further education and training (FET) covers education and training that occurs after second-level schooling, but which is not part of the tertiary education system. In Ireland, FET is provided by Education and Training Boards (ETBs). In this section, we consider the financial supports available to FET students undertaking traineeships, apprenticeships<sup>82</sup> and Levels 5 and 6 programmes, and the extent to which these complement the supports provided by the Student Grant Scheme. While students undertaking PLC courses are already eligible for the Student Grant Scheme, non-PLC students are not.

FET represents an important provider of skills and training in Ireland. Table 8.1 shows the change in the number of beneficiaries<sup>83</sup> and new entrants to further education and training between 2014 and 2020. One-third of a million students annually participate in FET courses.

Table 8.1: FET Beneficiaries and New Entrants, 2014-2020		
Year	FET Beneficiaries	New entrants
2014	341,726	215,929
2015	369,523	231,234
2016	339,283	245,400
2017	323,308	230,641
2018	337,966	251,391
2019	329,293	247,855
2020	333,893	249,363
<i>Source: Presentation of SOLAS data</i>		

### 8.2 Overview of Funding Supports

There are a number of different funding supports/programmes available to FET students although only those on PLC courses can access Student Grant Scheme financing from SUSI. The course must be provided by one of 170 PLC centres, full-time and take at least one year to complete, and must

<sup>82</sup> Apprenticeships exist at NFQ Levels 5 to 9 (potentially 10) and are not exclusive to FET

<sup>83</sup> Defined as individuals who will benefit from interventions provided through FET funding in a given year, irrespective of whether they are present at the start of the year or join a course during the year, as per the SOLAS FET Services Plan.

lead to a Level 5 or Level 6 Quality and Qualifications Ireland (QQI) award on the NFQ or equivalent.<sup>84</sup> In considering funding supports, Indecon notes that the interaction between the maintenance element of the student grant and the DSP BTEA is an important factor, particularly for some target access groups such as lone parents. Students cannot receive both the student grant and the BTEA at the same time. Indecon recognise that allowing eligible students to receive both payments simultaneously may increase the attractiveness of attending higher education. However, the purpose of the Student Grant Scheme is to make a contribution towards student costs, while achieving targets for access and diversity in higher education are to be addressed through the National Access Plan. Indecon believe that specific policies for target groups should be considered in the forthcoming National Access Plan, though of course that the Student Grant Scheme should be developed in the context of this plan.

Approved courses include those which are full-time, post-leaving certificate and meet the following criteria:

- ☐ take not less than one year to complete;
- ☐ are provided by an approved institution that meets the terms of section 7(1)(d) of the 2011 Act<sup>85</sup> and listed in Part C of Schedule 1 (PLC Schools are listed);
- ☐ that are approved for funding by SOLAS as PLC courses; and
- ☐ on the successful completion of which, a student is awarded a major education and training award which is a recognised qualification that is a minimum QQI Level 5 on the framework of qualifications.<sup>86</sup>

While the Student Grant Scheme itself only covers maintenance for PLC students, the €200 annual fee is waived by ETBs for all student grant recipients and in certain other circumstances (e.g., medical card holder). As such, gaining a grant in practice means a student will both receive a maintenance grant and will not have to pay fees. In Budget 2022, it was announced that the €200 annual fee will be abolished from the start of the 2022-23 academic year. The maintenance grant rates are the same as for undergraduate students, as shown in Section 5.2. The Student Grant Scheme is not available for non-PLC courses, though other financial supports, mainly in the form of financial supports, are available to learners participating in the following programmes:

- ☐ Back to Education Allowance;
- ☐ Apprenticeships;
- ☐ Vocational Training and Opportunities Scheme;
- ☐ Specific Skills Training;
- ☐ Traineeships; and
- ☐ Back to Education Initiative.

<sup>84</sup> <https://susi.ie/plc-student/approved-institutionscourses-for-plc-students/>

<sup>85</sup> As per the Student Support Act 2011: "An educational institution in the State that receives a grant out of moneys provided by the Oireachtas, pursuant to a scheme administered by the Minister, for the provision of courses of education and training known for the time being as post-leaving certificate courses."

<sup>86</sup> Statutory Instrument number 132 of 2021 - Student Support Regulations 2021.

<http://www.irishstatutebook.ie/eli/2021/si/132/made/en/print>

The annual funding allocations for some of these programmes are displayed in Table 8.2, alongside total annual spending on the Student Grant Scheme. Cumulatively, the other supports are of a similar magnitude to the Student Grant Scheme. In Section 5, we discussed the levels of dropout for students in receipt of government versus non-government support, but a breakdown of this by type of grant is not available.

<b>Table 8.2: Government Funding of Selected FET Programmes/Financial Support (€ Million)</b>			
<b>Scheme</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Student Grant Scheme <sup>87</sup>	363	351	331
Apprenticeships	67	82	97
Vocational Training and Opportunities Scheme	72	70	67
Specific Skills Training	43	33	33
Traineeships	38	37	36
Back to Education Allowance	79	65	66
Back to Education Initiative	31	25	24
Part Time Education Option	N.A.	N.A.	N.A.
<b>Total (ex- Student Grant Scheme)<sup>88</sup></b>	<b>330</b>	<b>312</b>	<b>257</b>
<i>Source: SOLAS FET Planning Reports, Department of Education Annual Reports and PER Databank</i>			

In Table 8.3, the number of beneficiaries of the various schemes is compared to the number on the Student Grant Scheme between 2018 and 2020. Excluding the Student Grant Scheme, the Back to Education Initiative has the largest number of beneficiaries, at an average of 35,200 between 2018 and 2020. The total number of students supported by the Student Grant Scheme is of a similar magnitude to the students supported by the programmes/supports listed below, with about 7,500 of these PLC learners.

<sup>87</sup> Total SUSI expenditure, not just relating to PLC students.

<sup>88</sup> Does not include Part-time Education Option.

Table 8.3: Number of Beneficiaries on Selected FET Programmes/Financial Support			
	2018	2019	2020
Student Grant Scheme (PLC only)	7,787	7,405	-
Apprenticeships	12,464	14,677	16,484*
Vocational Training and Opportunities Scheme	6,778	6,321	7,568*
Specific Skills Training	10,456	9,355	9,208*
Traineeships	4,627	5,530	6,325*
Back to Education Allowance**	8,816	6,976	6,048
Back to Education Initiative	35,413	36,163	34,023*
Part-time Education Option	N.A.	N.A.	N.A.
<b>Total (ex- Student Grant Scheme)<sup>88</sup></b>	<b>78,554</b>	<b>79,022</b>	<b>79,656</b>
<b>Source: SOLAS FET Planning Reports, Department of Education Annual Reports and CSO PxStat table LRM14.</b>			
Notes *Projected beneficiaries for 2020. ** Social Welfare Annual Services Reports.			

Most FET supports are linked to Social Welfare eligibility. Table 8.4 provides the levels of award available on each of the selected FET funding schemes and whether one needs to be receiving a social welfare payment in order to be eligible for them.

Table 8.4: Summary of Information on Selected FET Financial Support Schemes		
Scheme	Award Level	Support linked to Social Welfare receipt
Apprenticeship	NFQ 5-6 for Craft Apprenticeships, 5-10 for post-2016 Apprenticeships	No
Vocational Training and Opportunities Scheme	NFQ Levels 3-6 or equivalent	Yes, for at least 6 months
Specific Skills Training	NFQ Levels 4-6 or equivalent	Yes
Traineeships	NFQ Levels 4-6 or equivalent	Yes
Back to Education Allowance	NFQ Levels 1-7 or equivalent	Yes, for min. 3 months for 2 <sup>nd</sup> Level Courses, 9 months for 3 <sup>rd</sup> Level.
Back to Education Initiative	1 – 6 NFQ	Yes <sup>89</sup>
Part-time Education Option		Yes
<b>Source: Citizens Information and Solas</b>		

We will now look at each of the schemes listed previously.

<sup>89</sup> Engagement required with a DSP Case Officer, with a Personal Progression Plan (PPP) where in receipt of a SW payment.

## Apprenticeships

Apprenticeships are industry-led programmes, focused on employment outcomes and on meeting specific skills needs, offering learners training in the workplace and in education and training centres (such as ETB centres, Institutes of Technology, Technological Universities, Universities or colleges of further education). Apprenticeships differ from traineeships, which are shorter work-based learning (usually a minimum of 30% of the time is allocated to workplace learning).<sup>90</sup>

Increased attention has been placed on apprenticeship programmes in Ireland in recent years as this area has traditionally been less developed than in some other countries. Between 2014 and 2019, the annual number of registrations in apprenticeships increased from 2,698 to almost 6,177.

In 2020, 5,326 apprentices were registered which represents a significant recovery of registrations in the second half of the year supported by the Apprenticeship Incentivisation Scheme which was introduced to support employers to continue to employ and register apprentices during an unprecedented year, heavily impacted by the Covid-19 pandemic. By November 2021, 7,484 apprentice were registered demonstrating the importance of the Apprenticeship Incentivisation Scheme.

Traditionally, apprenticeships have been concentrated in construction, electrical industries, and engineering, but in recent years new apprenticeships have developed in other sectors such as hospitality and food, ICT, finance, auctioneering, biopharma, logistics, sales and recruitment. Prior to 2016, a QQI Level 6 Advanced Certificate Craft was awarded to learners who successfully completed an apprenticeship related to specified occupations, usually craft.<sup>91</sup> Since then, new industry-led consortia apprenticeships have been established, resulting in an award between Levels 5 and 10 on the NFQ.<sup>92</sup>

To be able to access an apprenticeship, an individual must be at least 16 and in general have a minimum of grade D in five subjects in the Junior Certificate or equivalent exam. There are exceptions to the latter:

- ☐ For certain apprenticeships, higher qualifications and other requirements may be demanded by employers.
- ☐ Those that do not meet the educational requirements can complete an approved preparatory training course followed by an assessment interview.
- ☐ Those aged over 18 who have at least three years of relevant work experience can apply provided they complete an assessment interview.

In some apprenticeships, a test for colour vision must be undertaken to enter the programme successfully.

Apprentices receive wages or allowances which vary on apprenticeship type and industry. In the case of apprenticeships developed prior to 2016, a recommended apprenticeship wage is paid by

<sup>90</sup> Department of Education and Skills (2016).

<sup>91</sup> CSO Further Education Outcomes - Graduation Years 2010-2016, 2019. Available at:

<https://www.cso.ie/en/releasesandpublications/ep/p-feo/furthereducationoutcomes-graduationyears2010-2016/apprenticeships/>

<sup>92</sup> [https://www.citizensinformation.ie/en/education/vocational\\_education\\_and\\_training/apprenticeships.html](https://www.citizensinformation.ie/en/education/vocational_education_and_training/apprenticeships.html)

employers while the apprentice is on-the-job training, while for off-the-job training the ETB pays the apprentice a weekly allowance equivalent to the wage paid by the employer.<sup>93</sup> Off-the-job payments are aligned to gross wages paid by industry in each sector.

For apprenticeships developed from 2016 onward, the employer pays a wage agreed between the apprentice and the employer for the duration of the entire apprenticeship. Statutory holiday entitlements continue to accrue during the off-the-job training phases of apprenticeships, but any annual leave must be taken during the on-the-job phases at times agreed by the apprentice's employer.

### ***Vocational Training and Opportunities Scheme (VTOS)***

VTOS provides a variety of courses to meet the educational and training needs of unemployed people. It is open to those over 21 years of age who are unemployed and have been on one of the following social welfare payments for over six months/156 days:

- ☐ Jobseeker's Benefit or Jobseeker's Allowance or signing for credits;
- ☐ One-Parent Family Payment, Disability Allowance, Illness Benefit or Invalidity Pension;
- ☐ Blind Pension, Deserted Wife's Allowance/Benefit, Widow's, Widower's or Surviving Civil Partner's Contributory Pension, Widow's, Widower's or Surviving Civil Partner's Non-Contributory Pension or Prisoner's Wife's Allowance (conditions may apply in the case of these payments).<sup>94</sup>

VTOS provides participants with courses aimed at raising their education levels, enabling them to gain certification and qualifications, develop and enhance their skills and to prepare for employment, self-employment and further education and training. It is operated through the various ETBs and is particularly aimed at those who are unemployed or left school with low or without formal qualifications. Courses provided by VTOS can range from basic education to advanced vocational training, are full-time (usually around 30 hours a week), can last up to two years, and provide awards from Levels 3 to 6 on the NFQ.

There are no fees charged for VTOS courses and free books and other materials are provided to learners. VTOS participants are generally allowed to move from Jobseeker's Benefit or Allowance to a VTOS training allowance that is provided at the same rate as their jobseeker's payment. Those who are receiving VTOS allowances and are on PLC courses are ineligible for student support grants, while any entitlement they may have to an exemption from college fees or student contributions still applies. Learners may also receive additional supports such as a meal allowance, a travel allowance or a free childcare place for their child through the Childcare Employment and Training Support (CETS) scheme.

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<sup>93</sup> [https://www.citizensinformation.ie/en/education/vocational\\_education\\_and\\_training/apprenticeships.html](https://www.citizensinformation.ie/en/education/vocational_education_and_training/apprenticeships.html)

<sup>94</sup> [https://www.citizensinformation.ie/en/education/returning\\_to\\_education/vocational\\_training\\_opportunities\\_scheme.html](https://www.citizensinformation.ie/en/education/returning_to_education/vocational_training_opportunities_scheme.html)

### Specific Skills Training (SST)

Specific Skills Training (SST) courses are designed to meet the needs of industry and business across numerous areas and allow people who have become unemployed or who are changing their employment to learn new skills.<sup>95</sup> Specific skills courses lead to various levels of award, usually at NFQ Levels 4-6 or equivalent (Crafts and Guilds etc.).

SST courses usually take over six months and range from short- and long-day courses, to online courses, blended learning and evening courses.<sup>96</sup> For daytime courses, priority is given to unemployed people who can access these for free. Evening courses are not free unless the learner is in receipt of a social welfare payment. People on SST courses can get financial assistance through a FET allowance, provided they qualify for a social welfare payment. The rates are summarised in Table 8.5.

Table 8.5: Weekly Training FET Allowance Rates Summary	
FET training allowance	Rate per week (full-time)
Jobseeker's Allowance or SWA (aged 25 and over)	Same rate as social welfare payment
Jobseeker's Allowance or SWA (under 25)	€203*
Jobseeker's Benefit	Same rate as social welfare payment
One-Parent Family Payment or Illness Benefit or Invalidity Pension or Farm Assist or Fish Assist	Keep existing social welfare payment
Disability Allowance	Same rate as social welfare payment
Aged 16-17 and no social welfare payment	€45
<b>Source: Citizen's Information<sup>97</sup></b> <i>*Budgetary increase of €5 from January 2022 will increase the rate to €208 per week.</i>	

### Traineeships

Traineeships provide occupation-specific training and take from six to 20 months to complete. They consist of formal classroom training and on-the-job training with an employer, with the latter accounting for at least 30% of the time spent on the course.<sup>98</sup> They lead to a major award at Levels 4-6 on the NFQ or equivalent (e.g., City and Guilds). Traineeships are designed for flexible delivery and can include online, face-to-face, and blended learning elements.

<sup>95</sup> <https://www.fetchcourses.ie/courses/fulltime>

<sup>96</sup> [https://www.citizensinformation.ie/en/education/vocational\\_education\\_and\\_training/fas\\_training\\_courses.html](https://www.citizensinformation.ie/en/education/vocational_education_and_training/fas_training_courses.html)

<sup>97</sup> [https://www.citizensinformation.ie/en/education/vocational\\_education\\_and\\_training/fas\\_training\\_allowances.html](https://www.citizensinformation.ie/en/education/vocational_education_and_training/fas_training_allowances.html)

<sup>98</sup> <https://www.solas.ie/programmes/traineeship/>



Eligibility to participate in a Traineeship programme includes people who are in receipt of Jobseeker's Benefit, Jobseeker's Payment, Jobseeker's Allowance, Jobseeker Credits, One Parent Family Payment, Jobseeker's Transitional Payment and Disability Allowance.<sup>99</sup> Those in receipt of these payments can continue to receive them while on a traineeship.

### ***Back to Education Allowance (BTEA)***

The Back to Education Allowance (BTEA) can be accessed by people in unemployment, those who are parenting alone or who have a disability and are obtaining certain payments from the Department of Social Protection, to assist them in participating in second or third-level courses. Courses must be provided by an approved university, institute of education or third-level college, be approved by the Student Grant Scheme or be approved by QQI and be a full-time day course. Students going for a second-level qualification must have been on their qualifying social welfare payment for at least three months to be eligible for the BTEA whereas students wanting to attend a third-level course need to be on their qualifying social welfare payment for nine months and those looking for a master's degree must be on their qualifying social welfare payment for 12 months.<sup>100</sup>

If a student is in receipt of a One-Parent Family Payment, Jobseeker's Transitional Payment or a Disability Payment, they can continue to receive their current social welfare payment and apply for a student grant or they can transfer to BTEA. The Student Grant Scheme continues to pay, for qualifying students, the cost of the student services charge and the cost of tuition fees payable to colleges, up to a maximum of €6,270. Since 2015, BTEA recipients have had to re-establish their entitlement for the second or subsequent years of study. The weekly BTEA rate for students aged over 25 is equal to the rate of the previously held social protection payment. BTEA participants aged under 25 who were getting a reduced age-related Jobseeker's Allowance payment get a maximum BTEA rate of €203 per week. Any means are deducted from this rate.

### ***Back to Education Initiative (BTEI)***

The Back to Education Initiative (BTEI) provides part-time further education courses largely to those who have not completed the Leaving Certificate or an equivalent qualification. It is open to anybody who has left full-time education with priority given to those with lower than an upper-secondary level of education.<sup>101</sup> It allows recipients aged over 16 who left school with little or no qualifications or who have low literacy levels to study part-time for up to 400 hours in a year, and allows individuals flexibility to combine their day-to-day responsibilities, such as family, work or caring, with learning. To be eligible for free BTEI courses one has to be or have dependants who:

- ☐ Possess lower than upper-second level education;
- ☐ Are in receipt of a jobseeker's payment or means-tested social welfare payment;
- ☐ Are getting the Working Family Payment (formerly the Family Income Supplement);

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<sup>99</sup> <https://www.solas.ie/programmes/traineeship/trainees/>

<sup>100</sup> <https://www.gov.ie/en/publication/5afe0f-operational-guidelines-back-to-education-allowance/>

<sup>101</sup> [https://www.citizensinformation.ie/en/education/returning\\_to\\_education/back\\_to\\_education\\_initiative.html](https://www.citizensinformation.ie/en/education/returning_to_education/back_to_education_initiative.html)

- ☐ Possess a medical card; or
- ☐ Are eligible to participate on VTOS or Youthreach.

Other than those that meet the above criteria, all other BTEI participants are charged a fee. BTEI courses are normally at Levels 3 and 4 on the NFQ but it is possible to obtain a major award at Levels 1-6 on the NFQ where part-time courses are undertaken on a modular basis over time and combined to complete a major award.

### **Part-time Education Option**

The Part-time Education Option (PTEO) permits unemployed people to continue receiving their Jobseeker's Allowance or Jobseeker's Benefit while attending a part-time day or evening course of education or training, as long as they keep meeting the criteria for receiving Jobseeker's Benefit or Jobseeker's Allowance.<sup>102</sup> Consequently, they must demonstrate that they are actively looking for and willing to take up work and that the course they are undertaking is likely to increase their chances of obtaining employment. Recipient learners are expected to accept any job offers they receive while on the course.<sup>103</sup> FET recipients can participate in a part-time day course, evening course or early morning course, distance education, or a part-time course under the BTEI. Part-time courses which occur during the normal working day, such as some courses run under the BTEI, may be accepted in some cases. People applying for PTEO support do not need to be unemployed for a specified duration of time in order to be eligible. As noted in our recommendations, any changes in this area concerning the Student Grant Scheme would need engagement with DSP.

In summary, the Irish system for the support of students in FET and HE is founded on two key intervention types: first, an allowance for those on social welfare to retain their payments if they engage in a programme of education and training (e.g., BTEA and VTOS); and secondly, a system of funding through SUSI for those who wish to engage in longer term education and training which is open to both social welfare recipients but also families on lower incomes. The FET system includes an array of funding streams and programmes which have evolved, to the point where a single course could include students who are in receipt of VTOS, BTEA or SUSI payments. In addition, some longer term training supports in FET still require learners to be in receipt of certain social welfare payments, and some require a period of unemployment for a defined period to be eligible for support. Students from lower income families may not be eligible for these supports, even though they may be eligible for support for similar programmes in an IOT or a university.

## **8.3 Summary of Findings**

This section reviewed the types of financial support available to FET students, and reviewed practices in other European countries. A summary of the key findings is as follows:

<sup>102</sup> <https://www.gov.ie/en/service/14056-part-time-education-option/>

<sup>103</sup> [https://www.citizensinformation.ie/en/social\\_welfare/social\\_welfare\\_payments/back\\_to\\_education/part\\_time\\_education\\_option.html](https://www.citizensinformation.ie/en/social_welfare/social_welfare_payments/back_to_education/part_time_education_option.html)

- ❑ FET represents an important provider of skills and training in Ireland, with one-third of a million students annually participating in FET courses. FET courses are generally shorter than HE courses and are often provided in a part-time or blended format.
- ❑ FET students are generally not eligible to receive Student Grant Scheme supports, while PLC students are. This support is available for full-time PLC courses at an approved PLC centre leading to a major QQI Level 5 or 6 award.
- ❑ A variety of other schemes are available to provide financial assistance to FET students. The BTEA can also be accessed by those attending higher education.
- ❑ Many of the FET programmes/schemes, such as VTOS, SST, Traineeships and PTEO, require participants to be receiving a social welfare payment in order to be eligible for financial assistance, and some include a requirement to be unemployed for a certain period of time.
- ❑ Eligibility for social welfare recipients is also a central element of the Student Grant Scheme, while support is also provided to low-income families.
- ❑ FET supports generally allow students to retain the same level of social welfare support that they were previously on while they engage in study.

## 9 Conclusions and Recommendations

### 9.1 Introduction

The aim of this study is to conduct comprehensive research on the current Student Grant Scheme eligibility criteria, the maintenance grant support, the potential impact of increasing the grant values and/or making adjustments to the income thresholds and the impact and associated costs arising from widening the supports to include part-time provision.

Indecon has applied a rigorous methodological approach to delivering on the key evaluation requirements as set out in the Terms of Reference. The process was overseen, and supported by, a Steering Committee which included representatives of government departments, the HEA, SUSI, the Union of Students of Ireland, the Irish University Association and the Technological Higher Education Association. Indecon is very appreciative of the inputs and assistance provided by this Committee. A major survey of undergraduate, postgraduate and FET students was carried out which provided new evidence on students' experiences in accessing the Student Grant Scheme and the actual cost of further and higher education, which received over 9,000 responses collected from HE and FET learners. Indecon also conducted an extensive consultation programme which attracted 283 submissions, including responses from students and other individuals. Insightful submissions were also received from many other stakeholders including individual higher educational institutions and from organisations representing the target groups in the National Access Plan. Indecon also utilised various datasets to facilitate the study. These included data from the following sources: Central Statistics Office; Department of Further and Higher Education, Research, Innovation and Science; Higher Education Authority; and POBAL. In addition, Indecon conducted novel analysis assessing the link between recipients of SUSI grants and measures of deprivation.

In this section, we set out the conclusions of the study and a series of recommendations for future policy initiatives. We also set out estimates of the Exchequer costs of a number of the key reforms.

### 9.2 Conclusions

A summary of Indecon's conclusions from our detailed evaluation of the Student Grant Scheme is presented in Figure 9.1 below. Each of these conclusions is subsequently discussed.

**Figure 9.1: Key Conclusions from Study**

<b>1. The Student Grant Scheme is the main financial support scheme for students studying in further and higher education in Ireland</b>
<b>2. Ireland has achieved high levels of participation in further and higher education</b>
<b>3. Cost of living for students has increased by 25% due to higher rents</b>
<b>4. Student Grant Scheme covers one-third of undergraduates' and 29% of postgraduates' expenditures</b>
<b>5. Large majority of recipients unlikely to have pursued studies without scheme grant support</b>
<b>6. The need to work can impact a student's studies. For this reason, a limit is placed on holiday earnings deductions under the scheme</b>
<b>7. Many courses of a duration of 1 year or more are eligible for scheme support</b>
<b>8. Significant minority of students would have considered studying part-time if grants were available</b>
<b>9. Students whose normal residence is far from college report greater financial difficulties</b>
<b>10. Financial supports in FET largely built around social welfare entitlements</b>
<b>11. Many European student support schemes cover both FET and higher education</b>
<b>12. The SUSI scheme is complex and many find it difficult to understand</b>
<b>13. Student support systems across Europe are highly varied</b>
<i>Source: Indecon</i>

### **1. The Student Grant Scheme is the main financial support scheme for students studying in higher education in further and higher education in Ireland**

The Student Grant Scheme is the main financial support scheme<sup>104</sup> for students in the higher education system in Ireland supporting, on average, 75,000 students annually. There are other supports for students attending HE in Ireland, most notably the Free Fees Initiative which an estimated 88% of students benefit from but do not have to apply for, and the BTEA. In addition, the SAF supports around one in eight students. Around 8% of postgraduates say they are in receipt of some sort of scholarship or bursary from their own college to help fund their studies. The Student Grant Scheme also supports FET students enrolled in a PLC course, though there are a variety of other funding mechanisms for students in FET.

<sup>104</sup> Indecon notes that some students are not eligible for the Student Grant Scheme such as those who have not lived in Ireland or another EU Member State for 3 of the last 5 years. This issue is, however, beyond the scope of the current study.

## **2. Ireland has achieved high levels of participation in further and higher education**

There has been a large increase in higher education attainment in Europe over the last decade, though Ireland has one of the highest rates of attainment among younger age groups. Estimated participation rates in higher education in Ireland have grown substantially and steadily over the past 40 years, from just 20% in 1980 to 55% in 2018. Further, there has been a significant increase in the number of students attending further and higher education in Ireland over the last decade, which is indicative of a student grant scheme which has been effective in promoting educational progression and skills development. However, other changes during this time, for example rising student costs, have the potential to impact some of these important gains.

## **3. Cost of living for students has increased by 25% due to higher rents**

The rate of grants for undergraduate students has been unchanged over the last number of years, though their cost of living has increased by 25%, at a time when cumulative inflation in the broader economy was just 3%. Most of this difference can be accounted for by increases in rent costs which are a larger share of students' expenditure. The costs incurred by lower income students are somewhat lower than the average student, due in part because of lower discretionary spending, but also because low-income students are less likely to travel long distances to attend education. It should be noted that 70% of those who receive support from the SAF are also SUSI recipients, indicating a level of financial difficulty even for recipients of grant support.

## **4. Student Grant Scheme covers one-third of undergraduates' and 29% of postgraduates' expenditures**

The estimated total monthly cost of attending education for undergraduates is €1,229, though postgraduate students' expenditure is around 20% higher. Student grants are estimated to cover one-third of undergraduates' and 29% of postgraduates' expenditures. The special rate, which is awarded to families who, amongst other criteria, are in receipt of a qualifying long-term social welfare payment on the specified date, is less than a student's living costs. It should be noted that some students may be eligible for the Housing Assistance Payment Scheme and, in such cases, the net cost of living for these students would be lower. The impact of the Student Grant Scheme on disadvantaged and low-income families, and on the ability of students to satisfactorily complete their studies, is of particular importance.

## **5. Large majority of recipients unlikely to have pursued studies without scheme grant support**

A large majority of undergraduate and postgraduate recipients of support under the Student Grant Scheme report that they would have been unlikely to have pursued their studies without this support. Over half of students interviewed said they would have been very unlikely to pursue their studies in this case, while only one in five indicated that they would have been likely or very likely to have continued their studies. This gives an indication of the importance of the grant scheme in promoting third-level education and training in Ireland.

**6. The need to work can impact a student's studies. For this reason, a limit is placed on holiday earnings deductions under the scheme**

More than half of students report that they would normally work either part-time or full-time while studying. There are many benefits to students engaging in some forms of employment. However, it is also important to recognise that working excessive hours can negatively impact a student's education experience and may result in them dropping out. The typical student would expect to work around 20 hours a week during term time, with one in four indicating that this was having a significant effect on their studies. There is independent evidence from other countries of the negative effect that such a level of work commitments has on a student's ability to complete their studies satisfactorily. The survey completed for this study showed that financial difficulties were reported as being widespread across undergraduate (64%), postgraduate (65%) and FET (58%) learners.

The "holiday earnings" provision assists students to work outside of term time without impacting on their eligibility for a grant. An income disregard of up to €4,500 for such holiday earnings is applied as part of the student grant means test. Any limit on earnings deductions under SUSI must, however, ensure that students have access to financial resources from other sources to continue their education. This is critical to ensure that individuals are not left behind.

**7. Many courses of a duration of 1 year or more are eligible for support**

The eligibility criteria for the Student Grant Scheme for undergraduate students state that the course must not be less than two years in duration, though certain shorter courses are allowed. In addition, PLC students only need to attend a one-year course to be eligible for funding under the scheme criteria. However, many of the students attending these courses in FET are not eligible, as only PLC learners can apply for a scheme grant.

**8. Significant minority of students would have considered studying part-time if grants were available**

While a large majority of students in Ireland study on a part-time basis, there appears to be an unmet demand for part-time learning. Some 47% of postgraduates and 25% of undergraduate students would have considered studying part-time if given the option including financial support. One in three older (25+) undergraduate students said they would have considered studying part-time. This compares to 23% for younger students.

**9. Students whose normal residence is far from college report greater financial difficulties**

Students who are eligible for a maintenance grant are paid at either the lower adjacent rate when the college is less than 45km from the normal residence or the higher non-adjacent rate when it is 45km or more away. Indecon's survey of students shows that those students whose normal residence is further from their place of study (>25km) report greater financial difficulties compared to adjacent students, which is likely due to the level of high rents in the vicinity of many further and higher education institutions. Students who report the highest level of financial difficulties are those

whose normal residence is between 25 and 45km from their place of study. Prior to Budget 2011, this group were eligible for the higher non-adjacent rate of payment. Finally, there is no tapering of support levels based on whether a student qualifies as adjacent or non-adjacent so, for example, a special rate grant student whose normal residence is 45km from college receives €5,915 annually. By comparison, a student whose normal residence is slightly shorter (44km) from their place of study receives just €2,375.

#### **10. Financial supports in FET largely built around social welfare entitlements**

The Irish system for the support of students in FET and HE is founded on two key interventions. First, an allowance for those on social welfare to retain their payments if they engage in education and training; and second, a system of funding through SUSI for those who wish to engage in longer term education and training which is open to both social welfare recipients and other families on lower incomes.

The FET system includes an array of funding streams and programmes which have evolved to the point where a single course could include students who are in receipt of VTOS, BTEA or Student Grant Scheme payments. In addition, some longer term training supports in FET still require learners to be in receipt of certain social welfare payments, and some require a defined period of unemployment to be eligible for support. Students from lower income families may not be eligible for these supports, even though they may be eligible for support for programmes in an IOT or a university.

#### **11. Many European student support schemes cover both FET and higher education**

There are many examples across Europe of student support schemes that support both vocational (FET) and higher education. However, in some countries, while supports are provided to both FET and higher education students, these supports are operated independently. Examples of schemes that cover both FET and higher education students include: The Netherlands as administered by Dienst Uitvoering Onderwijs (DUO); Finland by the Social Insurance Institution of Finland (Kela); and Sweden as administered by the Swedish Board of Student Finance (Centrala Studiestödsnämnden). Out of 43 countries reviewed, Ireland is one of only 12 countries which only provide supporting grants, but not publicly subsidised loans.

#### **12. The SUSI system is complex and many find it difficult to understand**

A common theme in the consultation exercise conducted by Indecon as part of this project is the complexity of the SUSI scheme, which many respondents reported as being difficult to understand. Income support schemes as operated by the Department of Social Protection in Ireland typically focus on income to determine eligibility, with differing family circumstances subsequently influencing the level of payment. Eligibility for the Student Grant Scheme, in contrast, is influenced both by family circumstances and income. The resultant scheme is complex and results in middle-income families receiving extra support if they have an additional child in education while families with income less than €39,875 do not. Indecon note that, despite the complexity of the scheme, the



refusal rate for the scheme of 26% is not particularly high, which might be because of the 'Eligibility Reckoner' which is provided to applicants on [www.susi.ie](http://www.susi.ie) and which can help applicants understand if they are eligible to support or not.

### **13. Student support systems across Europe are highly varied**

The way student support is provided to help fund attendance at higher education across Europe is highly varied, and it is not possible to do a simple comparison of particular schemes or students given these complexities. These include: differences in the level of fees paid by students; differences in the categories of students who are required to pay fees; differences in categories of students who are eligible for loans; what grants (if any) are available and from whom; and whether other maintenance supports are available to cover the cost of everyday living. In this report, we have identified a number of strengths of the Irish scheme. In our recommendations set out below, we point to practices seen in other European countries which could improve the Irish system, for example, the extension of support to part-time students, and the provision of similar supports to postgraduate students that are currently provided to undergraduates.

## **9.3 Recommendations on Future Policy Initiatives**

In this section, we set out some key policy recommendations on future initiatives to support access to further and higher education. These recommendations were developed in the context of the separate report aimed at providing a long-term sustainable funding model for higher education in Ireland. The analysis and recommendations in this report considered the importance of the streamlining of financial supports available to students in further education and higher education and the need for coherence of supports across the sector. A review and streamlining of financial supports available to FET students needs to be completed as a first step in this regard. It should be noted that a number of these recommendations would, if implemented, have operational implications, not least for the efficient running of SUSI itself, and would have to be resourced appropriately. A decision to implement specific recommendations needs to give due consideration to the time and resources that would be required to ensure that they can be successfully implemented. The recommendations are designed to ensure a targeted use of scarce Exchequer resources while contributing to necessary human capital development. The focus is on ensuring that individuals are not left behind in Irish society.

Aside from the Student Grant Scheme, the overall operation of a student support system depends on other factors, for example the scope and design of the Free Fees Initiative, or whether or not to introduce a student loan scheme. This report addresses the issue of the Student Grant Scheme alone, while the broader issue of providing a long-term sustainable funding model for higher education and research is being considered separately by the Department of Further and Higher Education, Research, Innovation and Science.

Indecon acknowledges that recent improvements in student supports have been implemented and we note that there were changes announced in Budget 2022 to the Student Grant Scheme, namely:

a €200 increase for all eligible students; an increase in the income threshold of €1,000; and a reduction in the distance for the higher non-adjacent student grant from 45km to 30km.

In considering reforms to the levels and targeting of any student grant scheme there is no single answer to what contribution such a scheme should make to the costs incurred by students. This is a wider issue for policymakers taking account of the constraints on Exchequer resources and the need for investment in the development of a knowledge-based economy. However, it is important to ensure that supports are sufficient to ensure participation in further and higher education, particularly for disadvantaged groups. It is also necessary to take account of how the existing supports have responded to changes in the costs faced by students and the extent to which students are facing financial difficulties. This is also influenced by the extent to which students have to secure work, with many studies suggesting that working excessive hours can impact both on a student's results but also their ability to complete their studies.

A summary of Indecon's recommendations is presented in Figure 9.2, and each of the recommendations is discussed in the subsequent text. In all of the areas identified, action should be undertaken as soon as feasible. For example, while completion of some of the recommendations may only be feasible in medium or longer term, improvements should be implemented in the short term where possible. Indecon recognises that given the scale of reform proposed, the specific recommendations may need to be adapted and reviewed over time in light of experience to ensure the objectives are met in the most effective manner and to address any unintended consequences.

Figure 9.2: Recommendations on Future Policy Initiatives		
#	Recommendation	Timescale to completion
1	Increase student maintenance grant rate levels targeting those most in need	Medium-long term
2	Adjustments should be made to adjacency criteria	Short-medium term
3	Adjust income thresholds to account for inflation	Ongoing
4	Extend supports to more flexible forms of learning including blended/online and part-time	Long term
5	Investigate the potential to streamline the approach to providing financial supports in FET and HE.	Long term
6	Further extend supports to low-income postgraduate students	Medium term
7	Develop and implement a comprehensive data plan for further and higher education in Ireland	Long term
8	Targeted communication aimed at NAP groups	Short term
Source: Indecon		

### 1. Increase student maintenance grant rate levels targeting those most in need (*Timescale to completion: medium to long term*)

While it may only be feasible to achieve significant additional increases in student maintenance grants over time, Indecon recommends that short-term action should be implemented where possible for those groups most in need. Indecon believes the Government should aim over time to restore the inflation-adjusted value of student grants. Priority should be given to the following two key groups:

- ❑ **Key Group 1:** Non-adjacent students whose costs have risen the most and who report the highest levels of financial difficulty, and who are more likely to have been affected by rising rent levels; and
- ❑ **Key Group 2:** Those students on lower incomes who our research shows are more likely to come from deprived areas (i.e., students on special rate and 100% maintenance grant).

The aim should be to ensure that the student grants provide adequate supports for students to attend further and higher education and that these accommodate differences and changes in the cost of living and in an individual's ability to meet such costs. Ensuring that Ireland maintains the high rates of attendance at further and higher education is of critical importance to building on the success of the knowledge-based economy. The conclusions of our analysis indicate that the rate of grants for undergraduate student supports provided under the Student Grant Scheme has until recently been unchanged for a number of years. This has impacted most on those who have to rent accommodation (Conclusion 4). As a result, there is a risk that many students from disadvantaged or lower income families may not be able to access further and higher education given the importance of the grant to them (Conclusion 5). There is also a risk that due to the need to engage in outside employment, students are unable to complete their studies satisfactorily (Conclusion 6).

Indecon also considered that students in receipt of BTEA cannot receive the maintenance component of the student grant as well. A specific aspect of this concerns the position of lone parents on Rent Supplement who must transfer from OFP to BTEA if they remain in full-time education. Indecon believe that specific policies for target groups should be considered in the forthcoming National Access Plan, though of course that the Student Grant Scheme should be developed in the context of this plan.

Any change in grant rates aimed at ensuring that the student grant scheme continues to support access to students to third level education should be cognisant of the increase of 25% in student costs over the last decade. This is an average increase and does not reflect every family circumstance, though will result in a large proportion of expenditure being allocated to non-adjacent and lower income students. It is also important to note that the proportion of costs which the grant meets is fairly modest and that there is evidence of significant part-time working beyond which might support academic success. This means that while the 25% real difference compared to 2011 is a helpful comparison, it should not be seen as a maximum or adequate target. We also believe that the special rate, which is only open to those in receipt of certain eligible welfare payments, is effectively targeting more deprived areas and should be retained. Indecon also recommends that future changes in student living costs should be tracked, and grant levels adjusted to ensure that access to higher education remains a possibility for all. Indecon also note that increasing the rates of support will benefit many students who need to access the Student Assistance Fund, though most if not all of these may need to continue to get support from the Student Assistance Fund.

Indecon recognises the current pressure that Exchequer finances are under and that increases in grant levels may need to be achieved over a number of years. Indecon estimates of the costs of increasing maintenance grants are presented in the table below for different options.

<b>Table 9.1: Exchequer Cost for Increasing Scheme Maintenance Grants for Undergraduates (€m)</b>		
	<b>10% Increase in Grant Rates</b>	<b>25% increase in Grant Rates</b>
Non-adjacent Full Maint. (100%)	€5.2m	€13.6m
Non-adjacent Part Maint. (75%)	€0.2m	€0.5m
Non-adjacent Part Maint. (50%)	€0.2m	€0.6m
Non-adjacent Part Maint. (25%)	€0.1m	€0.3m
Adjacent Full Maint. (100%)	€1.8m	€4.8m
Adjacent Part Maint. (75%)	€0.1m	€0.2m
Adjacent Part Maint. (50%)	€0.1m	€0.2m
Adjacent Part Maint. (25%)	€0.04m	€0.1m
<b>Sub-Total</b>	<b>€7.8m</b>	<b>€20.3m</b>
Special rate (non-adjacent)	€6.22m	€16.2m
Special rate (adjacent)	€2.76m	€7.2m
<b>Sub-Total</b>	<b>€9.00</b>	<b>€23.30</b>
<b>Total</b>	<b>€16.8m</b>	<b>€43.6m</b>
<i>Of which</i>		
Non-adjacent	€12.0m	€31.2m
Adjacent	€4.8m	€12.5m
<b>Source: Indecon.</b>		
<i>Note: Figures may not add up to total due to rounding. Figures represent increases from the 2021-22 rates.</i>		

## **2. Adjustments should be made to adjacency criteria (*Timescale to completion: short to medium term*)**

Indecon believes that an adjustment should be considered to the distance criteria to allow for supports for students' normal residence where located outside the current non-adjacent level of 45km and who face either higher transport costs or are required to obtain rental accommodation in order to attend third-level college, compared to students whose normal residence is nearer their college. This is based on our conclusion that rent has been the single most important source of cost of living for students over the last decade.

One option which merits consideration is the introduction of graduated lower levels of support for students who are 24-45km from college, rather than the current position where they are not eligible for higher levels of support. Another possibility is much more graduated levels of support (e.g., 0-10km; 11-20km etc.,) though Indecon believe that this would be administratively complex and may not greatly improve targeting of resources. Such students would have secured the higher rate of grant prior to the changes made to adjacency criteria in Budget 2011.

The Exchequer cost of any measure to introduce a more graduated form of adjacency/non-adjacency would depend on the rate of the grant, and the number of students captured. Based on existing rates and assuming that students whose normal residence is 24-45km from their place of study receive a level of support that is halfway<sup>105</sup> between the current adjacent or non-adjacent rates, the annual Exchequer cost would be an estimated €17.1m.

### **3. Adjust income thresholds to account for inflation (*Timescale to completion: Ongoing*)**

The Government should consider adjusting income thresholds to take account of future changes in inflation. While overall inflation has remained subdued over the last decade as set out in Conclusion 3, published forecasts indicate a general expectation that inflation is likely to rise in the short to medium term. This risks families losing eligibility for scheme grants. In contrast, student price inflation has increased very rapidly, which Indecon believes is best dealt with through an increase in maintenance rates (see Recommendation 1). Any adjustments need to reflect the costs of living faced by students and their ability to fund these costs, rather than adjustments in income thresholds where the relevant price index is for the average family.

Indecon recommends that income thresholds continue to be reviewed annually to ensure that future inflation does not result in an unintended consequence of families needing support falling out of eligibility for the Student Grant Scheme, though notwithstanding likely Exchequer budgetary constraints in the next number of years. This should include a review of relevant price and earning changes, with increases in terms of price inflation providing a minimum level of guarantee that people do not fall out of eligibility. Indecon notes that an increase in the income threshold by €1,000 could be achieved with an overall annual Exchequer cost of €5.0m. This would represent an average increase of just over 2% per annum, which is close to likely future increases in inflation. Indecon believes that a gross-income basis should be retained, given the extra complexity of a net-income system. There is also merit in considering broadening the student earnings deduction given the reality that many students need to work during term time to support their education. We believe that priority in terms of Exchequer resources should be in increasing maintenance rates. Indecon considered reducing the number of bands with a single payment of 100%. While this would be administratively simpler to implement and would benefit many students, we believe that it would not be the most effective use of scarce Exchequer resources.

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<sup>105</sup> For example, the special rate could be at the mid-point of €2,375 (adjacent rate in 2020/21) and €5,915 (non-adjacent rate in 2020/21), i.e., €4,145.

Table 9.2: Cost of Uniform Increase in Income Threshold		
	€1,000	€3,000
100% Maintenance	€0.7m	€3.4m
75% Maintenance	€0.7m	€1.1m
50% Maintenance	€0.6m	€1.9m
25% Maintenance	€0.5m	€1.3m
Fees Only	€1.3m	€3.9m
50% Fees	€1.2m	€3.8m
<b>TOTAL COST</b>	<b>€5.0m</b>	<b>€15.3m</b>
<i>Source: SUSI Estimates</i>		
<i>Note: Figures may not add up to total due to rounding. Figures represent increases from the 2021-22 levels.</i>		

#### 4. Extend supports to more flexible forms of learning including blended/online and part-time (Timescale to completion: long term)

Given the changes in the labour market, there will be a requirement for many individuals to develop new skills and to enhance their educational qualifications. This is particularly the case given the shift away from lower skilled employment. This is likely to have been exacerbated by job losses in certain sectors arising from the COVID-19 pandemic.<sup>106</sup> However, many individuals, particularly those from lower income families or disadvantaged groups, may not be in a position to engage full-time in higher education, or may need to engage in a way that more flexibly meets their needs.<sup>107</sup> This is reflected in the current National Access Plan, which targets increased participation in part-time and flexible higher education. The National Access Plan also targets people disadvantaged by socio-economic barriers, mature students, students with a disability and members of the travelling community. Among and across the national target groups, there are also sub-groups that experience difficulties in participating in higher education including lone parents, teen parents and some ethnic minorities, including the issue of intersectionality where individuals face more than one form of disadvantage. Some of these groups have a stronger need for more flexible education options.<sup>108</sup> This recommendation would assist in the goal of enhancing access for those not currently attending higher education.

Conclusion 8 of our report shows that many students would have considered part-time study if the option had been available to them. However, currently only full-time students can avail of student supports outside of those available under targeted activation programmes, social protection

<sup>106</sup> Indecon notes that complete and comprehensive student information on PUP is not available from DSP but it is likely that the scale of sectoral adjustments to COVID will result in lost employment opportunities for students.

<sup>107</sup> For example, the Department of Social Protection stipulates that carers in receipt of Carer's Allowance (or any care related social welfare payment) cannot work or study for more than 18.5 hours per week.

<sup>108</sup> HEA (2021) "Study of Mature Student Participation in Higher Education."

allowances and tax reliefs. Facilitating students to complete their third-level education on a more flexible basis would also mean that some students could remain part of the labour force and contribute to the Exchequer via taxes on employment income.

Extending support in this manner is therefore recommended. This needs to consider the issue of both fees and maintenance as well as the implications for other policies, most notably the Free Fees Initiative which currently only covers full-time learning. Indecon believes that an expansion of support mechanisms in this way would be aligned with wider economic and social policy objectives. Indecon also believes that initially the level of student grant support for part-time/flexible/on-line students could be set at a lower level than applies to full-time students. In particular, Indecon do not believe that the same level of maintenance support would be needed, given a greater ability to continue working while studying, and lower transport and other costs. Indecon recommends that in line with existing scheme grants, supports should only apply to households where annual incomes are below specified levels.

The Exchequer impact of supporting a greater number of part-time and more blended/online students would require additional modelling once the education sector identifies what precise course options could be made available. The development of such a policy would potentially have significant impacts across the tertiary education and training system, and may change based on various factors including the response of institutions, emerging developments in technology and changes in student demand. Indecon, however, believes that there is likely to be an increase in overall demand for attendance at higher education as well as some switch from full-time to part-time study. New survey evidence indicates that a number of existing full-time students would have considered part-time options had support been available. Such a policy would need to be reviewed and adapted as required to refine its reach, control costs and address unintended or unforeseen consequences on students, the sector or on the Exchequer. This would also require engagement with the Department of Social Protection to assess any impact on BTEA policy.

The issue of potentially expanding flexible forms of delivery of tertiary education in Ireland is a complex one, as this recommendation only deals with one aspect of the demand side. Significant planning would need to be conducted at both national and institution level to manage the significant supply-side impacts on educational institutions. This needs to be fully considered in parallel with any decision to extend support in the manner proposed. There is merit in considering the proposal that a minimum threshold for eligibility of part-time courses based on that course's European Credit Transfer and Accumulation System (ECTS) level. Further, individual educational institutions need to plan if they are to expand flexible education options and which courses should be provided in a flexible manner.

Some indicative estimates for Exchequer costs of various levels of support (whether in the form of fee or maintenance support) are presented below.

**Table 9.3: Exchequer Cost for Extending Scheme Funding for Part-time Study**

Annual per-student cost:	€1,000	€2,500	€5,000
Undergraduate	€3.6m	€8.9m	€17.9m
Postgraduate	€2.1m	€5.2m	€10.4m
<b>Total Annual Cost</b>	<b>€5.7m</b>	<b>€14.2m</b>	<b>€28.3m</b>

**Source: Indecon**

*Note: Estimates apply to a number of part-time students currently in higher education and includes costs for both part-time and full-time. The Exchequer impact of supporting a greater number of blended/online students is not included in this estimate, which would require additional modelling once the education sector identifies what precise course options could be made available. Assumes same level of eligibility of SUSI grants as with existing full-time SUSI rate. Estimates assume that eligibility for SUSI grants is not extended to courses which do not offer a major award, namely Certificates, Undergraduate Diploma or Undergraduate Occasionals. Students studying bridging/foundation courses are assumed eligible. The figures may represent an overestimate insofar as study needs to represent progression on the NQF, though the figures above include all students studying part-time courses for a major award in HE in the 2020-21 academic year. Indecon has also conducted sensitivity analysis which assumes that there is an increase in demand for part-time study due to the extension of SUSI supports, though that some of these students switch from full-time to part-time. The results of the sensitivity analysis do not differ significantly from the costs shown above. Finally, no allowance is made for part-time students who are currently receiving the PTEO, though the net Exchequer cost of extending SUSI support to these students might be zero. Any changes in supports for part-time students would require engagement with DSP.*

## 5. Investigate the potential to streamline the approach to providing financial supports in FET and HE. (Timescale to completion: long term)

There is a myriad of financial supports available for FET learners, including support from the Student Grant Scheme which covers PLC learners (see Conclusion 10). These supports carry different conditionalities, often with minor differences in the level of support. This can result in inconsistencies in the level and type of financial support provided to the learner depending on the FET course on which they are enrolled.<sup>109</sup> For example, currently if a learner is on a Level 5 PLC course, they can avail of Student Grant support in the same way as a higher education student, but if the learner wants to do a Level 5 FET programme other than PLC, access to a training allowance may be subject to the learner's eligibility for certain social welfare payments.

The government should consider streamlining the system of financial supports available to students in FET and HE. As a first phase of such an approach, a review and streamlining of financial supports available to FET students needs to be completed. Such streamlining would require wider welfare and cross-Government, cross-Departmental reform to complete, including the involvement of the Department of Social Protection. As a subsequent phase of such an approach, it may then be possible to extend Student Grant Scheme support within FET beyond PLC learners, depending on

<sup>109</sup> FET Strategy, SOLAS



the nature of the course and the eligibility conditions attached to it. This would be aligned with the objective of achieving greater integration of FET and HE.

#### **6. Further extend supports to low-income postgraduate students (*Timescale to completion: medium term*)**

While Indecon acknowledges the improvements which have been made in supports for postgraduate students, we believe that the Government should consider extending maintenance support for low-income students<sup>110</sup> who do not qualify for maintenance currently for postgraduate study in a similar manner to the support that is available for undergraduate study. Postgraduate students have been affected by the same increases in costs (see Conclusion 2), though often report even higher work responsibilities. This is consistent with the National Plan for Equity of Access to Higher Education (2015-2019) targets for increased participation in postgraduate education by the Plan's target groups.

Currently, maintenance support for postgraduate students is limited to those who are eligible for a special rate award, with conditionality and the rate of grant in line with eligibility for the undergraduate special rate of maintenance. However, while low-income families who are not in receipt of a social welfare payment can receive support to cover the cost of fees up to a maximum of €3,500, they are not eligible for any maintenance support. As such, a student from a low-income family may have received maintenance support from the Student Grant Scheme for their undergraduate studies but will not be eligible for maintenance support while a postgraduate. For courses (five-year integrated programmes) where the undergraduate degree leads to masters level professional qualifications (Engineering/Pharmacy, etc.), such support may be critical for successful completion. More generally, research by the HEA indicates that postgraduates have higher earning potential than those whose highest qualification is an undergraduate degree, but that postgraduate students are disproportionately from relatively affluent areas. It is estimated that extending maintenance grant postgraduate support in this manner this would cost an additional €8.6m per annum.

In addition to the issue of maintenance, the cost of postgraduate fees can be very high, and may prove to be a significant barrier for many potential students. While acknowledging the very significant increases announced in Budget 2021, the high level of fees for postgraduate students is likely to continue to negatively impact on low-income families as they are not covered by the Free Fees Initiative. Raising the level of fee grant support from the current level of €3,500 to €6,270 (level currently provided to Special Rate postgraduate students) would provide additional support to those who might not otherwise be able to finance postgraduate education. This would cost an estimated €12.8m per annum. Introducing maintenance supports (as discussed above) at the same time as increased fee supports would cost an estimated €26.2m per annum in total.

As a comparison, in respect of qualifying, full time, undergraduate degree programmes, under the terms of the Free Fees Initiative, the Irish Exchequer will pay tuition fees to the university on behalf of students registered for the first time.

<sup>110</sup> Defined as students who would be eligible for maintenance support (non-special rate) if they were undergraduates.

### **7. Develop and implement a comprehensive Data Plan for further and higher education in Ireland (Timescale to completion: long term)**

In 2017, the HEA published a “Data Plan for Equity of Access to Higher Education”. This set out how improvements in new technologies and administrative databases could expand the scope to understand educational inequalities in higher education in Ireland. This present study has continued this work, linking for the first time SUSI administrative data with measures of geographic deprivation as developed by POBAL. However, it is not currently possible to link to other datasets at each stage of the education system in a way that can comprehensively address policy issues regarding access to education, educational outcomes, and to assess the efficiency of educational expenditure.

Indecon believes that it is timely to develop a comprehensive Data Plan for Education in Ireland, which would seek to link existing data collected by individual agencies from early childhood education through to postgraduate.<sup>111</sup> This would require, amongst other elements, the development of data-sharing agreements between SUSI and other relevant bodies and Government Departments to facilitate evidence-based policy making and evaluation. It is not expected that this would require major new investment in the individual datasets or organisations such as SUSI, HEA or SOLAS, but would rather seek to combine existing datasets in a systematic way. While there would be some level of financial outlay for the Exchequer in developing a comprehensive data plan for education in Ireland, it would not be expected to be very large. Indecon suggests that a first stage of this process would involve establishing a working group of relevant data holders and compiling a baseline report of what data is available, if and how this data can be linked, and the barriers for so doing. This group could also review annual reporting requirements to facilitate enhanced evidence-base and monitoring mechanisms.

### **8. Targeted communication aimed at NAP groups (Timescale to completion: short term)**

Indecon research has concluded that the Student Grant Scheme is complex, and many students report that it is difficult to understand. This is likely to be a greater problem for families who have not previously participated in higher level education. Indecon notes that a new National Access Plan for equity of access to higher education is currently being developed to cover the period 2022-2026, and that an initial consultation process has already been completed. Indecon recommends that consideration be given to targeting communications at the needs of National Access Plan target/priority groups to ensure that informational barriers do not prevent students from accessing supports and therefore educational opportunities to which they are entitled. As part of an implementation plan, there is a need to design the detailed communication messages and information channels to best ensure they are received by the targeted groups.

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<sup>111</sup> This could include identifiers to track education access, participation and outcomes for ethnic minorities, students with intellectual disabilities, migrants, students with disabilities, lone parents, those in kinship care, and students by social class and by gender. Countries such as Denmark have a long history in the systemic collection and collation of educational data.

## Annex

In this annex, we set out a summary of the link between the Terms of Reference for this study, the evidence base used to inform the review of each, and the corresponding recommendation. We begin by setting out the Terms of Reference for this study, being:

**Term of Reference 1.** To review the eligibility criteria. As part of reviewing the approved course criteria, the review should explore the impact and likely longer-term impact of expanding the current definition of an approved course and the associated costs if the scheme was to include blended/online and part-time provision.

**Term of Reference 2.** To review the current income thresholds. The Student Grant Scheme provides for different levels of income thresholds for grant support including where families have: (i) fewer than four dependent children; (ii) between four and seven dependent children; and (iii) eight or more dependent children. The review should investigate the impact of any changes to income thresholds whilst acknowledging the cost implications for the Exchequer.

**Term of Reference 3.** To review the current maintenance grant which is a contribution made towards a student's day-to-day living expenses and is paid in nine monthly instalments.

**Term of Reference 4.** To review the current adjacent/non-adjacent rates of grant and cost implications of making any changes to the present rates.

**Term of Reference 5.** To identify and reflect on the current support measures in other jurisdictions and benchmark the student grant system in Ireland against other EU states.

**Term of Reference 6.** To ensure that the aforementioned eligibility criteria are explored in the context of the fact that the Programme for Government also undertakes to provide a long-term sustainable funding model for higher education and research on this topic is already underway.

**Term of Reference 7.** To consider current supports available to Further Education and Training (FET) learners undertaking traineeships, apprenticeships and Levels 5 and 6 programmes (i.e., courses that are not PLC courses) with a view to exploring whether a common cross-FET student financial support system can be incorporated into the Student Grant Scheme.

**Term of Reference 8.** To consider current supports for postgraduate students and explore the impact of extending these supports to include maintenance grants at the same level as the current undergraduate supports.

**Term of Reference 9.** To invite contributions from stakeholders in the student grant system via a formal submission process and consider these submissions in the context of the parameters of the Programme for Government commitments and the Terms of Reference of this review.

**Term of Reference 10.** To objectively determine the real cost of attending further education and the real cost of attending higher education in the State and determine what proportion of the cost is met by the student grant system in Ireland.

**Term of Reference 11.** To translate the research findings from the above Terms of Reference into recommendations on future policy initiatives to support access to further and higher education. All recommendations will need to be detailed, well developed, targeted and costed.

**Figure: Link between Terms of Reference and Recommendations**

<b>TOR</b>	<b>Evidence Base</b>	<b>Corresponding recommendation</b>
<b># 1</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Detailed survey of students re. modes of accessing education &amp; measures of financial difficulties (Section 7)</li> <li><input type="checkbox"/> Review of existing definitions of modes of delivery (Section 7)</li> <li><input type="checkbox"/> Review of CSO population data to determine impact of certain eligibility criteria (Section 7)</li> <li><input type="checkbox"/> Stakeholder engagement process including submissions and interviews.</li> </ul>	<b>2 &amp; 4</b>
<b># 2</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Detailed survey of students on costs, work responsibilities, financial difficulties etc (Section 3)</li> <li><input type="checkbox"/> Review of existing data on family size and other relevant eligibility criteria (Section 7)</li> <li><input type="checkbox"/> Exchequer cost modelling (Section 9)</li> <li><input type="checkbox"/> Stakeholder engagement process including submissions and interviews.</li> </ul>	<b>1 &amp; 3</b>
<b># 3</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Detailed survey of students on costs, work responsibilities, financial difficulties etc (Section 3)</li> <li><input type="checkbox"/> Review of link between SUSI recipient students and households from relatively deprived/affluent areas (Section 6)</li> <li><input type="checkbox"/> Review of existing data on participation rates and enrolment (Section 6)</li> <li><input type="checkbox"/> Exchequer cost modelling (Section 9)</li> <li><input type="checkbox"/> Construction of an index of student costs using CSO HICP data and survey expenditure weights (Section 3)</li> <li><input type="checkbox"/> Stakeholder engagement process including submissions and interviews.</li> </ul>	<b>1 &amp; 3</b>
<b># 4</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Detailed survey of students on costs, work responsibilities, financial difficulties etc (Section 3)</li> <li><input type="checkbox"/> Construction of an index of student costs using CSO HICP data and survey expenditure weights (Section 3)</li> <li><input type="checkbox"/> Exchequer cost modelling (Section 9)</li> <li><input type="checkbox"/> Stakeholder engagement process including submissions and interviews.</li> </ul>	<b>2</b>
<b># 5</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Section 4 contains a review of international experience in this area, to help inform recommendations for Ireland. This included a review of how Ireland compares with systems in Europe in terms of levels of support, support for flexible forms of learning, supports for FET and other areas.</li> </ul>	<b>All</b>
<b># 6</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Study was considered in parallel with study on the long-run sustainable funding model for high education.</li> </ul>	<b>All</b>
<b>Source: Indecon</b>		

Figure: Link between Terms of Reference and Recommendations (cont)		
TOR	Evidence Base	Corresponding recommendation
# 7	<ul style="list-style-type: none"> <li><input type="checkbox"/> Review of existing supports in FET (Section 8)</li> <li><input type="checkbox"/> Survey of FET learners to determine costs, and collect views (Section 3)</li> <li><input type="checkbox"/> Review of international evidence regarding provision of support (Section 4)</li> <li><input type="checkbox"/> Stakeholder engagement process, which included submissions from.</li> </ul>	5
# 8	<ul style="list-style-type: none"> <li><input type="checkbox"/> Detailed survey of postgraduate students on costs, work responsibilities, financial difficulties etc. (Section 3)</li> <li><input type="checkbox"/> Review of link between postgraduate SUSI recipient students and households from relatively deprived/affluent areas (Section 6)</li> <li><input type="checkbox"/> Review of existing data on postgraduate participation rates and enrolment (Section 6)</li> <li><input type="checkbox"/> Exchequer cost modelling (Section 9)</li> <li><input type="checkbox"/> Stakeholder engagement process.</li> </ul>	6
# 9	<input type="checkbox"/> Task completed as part of project methodology;	All
# 10	<ul style="list-style-type: none"> <li><input type="checkbox"/> Detailed survey of 9,000 students including undergraduates; postgraduates; and FET learners, which included measures of cost of living as well as proportion of living costs covered by grant (Section 3)</li> <li><input type="checkbox"/> Review of other existing studies of student cost in Ireland (Section 3)</li> <li><input type="checkbox"/> Review of international evidence comparing cost of education in Ireland and other countries (Section 3)</li> <li><input type="checkbox"/> Construction of an index of student costs using CSO HICP data and survey expenditure weights (Section 3)</li> <li><input type="checkbox"/> Stakeholder engagement.</li> </ul>	1, 2, 4 & 6
# 11	Research as outlined above.	All
Source: Indecon		