

Tuition fees and the placement year of sandwich courses

Student fees and the placement year

This paper summarises the main issues associated with the inter-relationship of student fees and the placement year of sandwich courses. It is primarily based on LBS but some of the issues are more generally applicable.

Current Situation

The revenue and expenditure implications of the present situation are:

Revenue: a placement student attracts 0.5 student revenue from HEFCE and pro-rata from the student/parents, where a fee contribution is made. In round figures this means that many students [or parents] currently pay about £500 for the placement year.

Although some students don't see what they're getting for their fee contribution, it is relatively easy to make the case that it is value-for-money. The Placements Unit, of most use to students in their pre-placement year, is effectively funded from Placement year revenues. While on placement, students benefit from "arms-length" support, letters, phone calls, visits, the whole-day visit to University to review progress and be briefed for Year 4, and all the underpinning assessment. [Perhaps that's not seen as a positive!]

[This does mean incidentally that students who go on placement subsidise the Placements Unit support for those students who use the Placement Unit facilities during Year 2 but do not subsequently go on placement.]

The expenditure can be estimated per student as the sum of:

Placements Unit - known budget cost divided by number of students on placement

Placement tutors: 100/550 [hours] of a Senior Lecturer [say] divided by number of students overseen

Visiting Tutors: say 2/3 day [two-thirds - estimated since most take half day or a whole day] per visit x2 per year

Travel budget - known figure/number of student on placement

Or the calculation could be done en bloc for LBS.

These figures are not all available to me but would be relatively easy to put together. Almost certainly they will reveal that a sandwich student is a useful revenue earner for the university during the placement year. Additionally it should be noted that **this is incremental revenue** - it does not substitute for any other course revenue.

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Issues

The issues are several and interdependent:

- Effect of tuition fees on take-up of sandwich degrees
- Effect of making placement optional [however worded]
- Effect of Foundation Degrees

The first two of these are the major determinants covered by this paper.

Students and parents choose a sandwich degree for various reasons - practical experience and subsequent employability are usually central.

Having swallowed the unpleasant pill of a £1000 fees contribution for years 1 and 2, the £500 on the placement year, when the student is generally earning, is less of a hurdle [objections tend to be gripes rather than refusals].

On the whole, students who engage with the process of finding a placement are successful; the ones who do not, and transfer to other non-sandwich degrees have generally not been seriously applying for positions.

All students who have completed a placement testify to its value, and confirm that they are pleased to have done it, even where, given the choice in year 2, they would have by-passed it. This would have resulted in lost revenue for the university and an inferior educational experience for the student.

Herein lies the major problem of making placement optional [including having a non-placement stream or parallel degree, which boil down to the same thing described in other words]; given the choice, many or perhaps even most year 2 students, given that choice, will opt out of the placement because getting one costs them effort. And sadly the ones who could benefit [mature] most are likely to be the ones who would opt out.

So the two sides of this argument are:

1 Make placement optional because it gives students choice and might result in increased recruitment, i.e. from students who don't want to do a placement anyway.

2 Keep it compulsory while offering other non-placement routes, to preserve the premium nature of the sandwich degrees, and the incremental revenue/contribution to the university brought by the placement year. Students will value this, even if in some cases it's only in retrospect.

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All of the above is predicated on current fee levels. If top-up fees were introduced, with a pro-rata for the placement year to [say] £1500 then it seems likely that many students would be deterred not just from the placement year but from a sandwich degree in toto.

In this scenario, there would be much greater, and probably irresistible, pressure to offer "equivalent" non-placement routes, with all the implications discussed above, and loss of that incremental revenue for the placement year. [In extremis it might be the death of the sandwich courses as such, if the "critical mass" of placement students dropped too low.]

In short, in revenue and contribution terms the incremental revenue of increased tuition fees in the placement year would be offset by the loss of revenue as a result of those students who opt out of that year. It's difficult to assess this in terms of all the variables, but given a few broad-brush assumptions it would be possible to work out a break-even in purely accounting terms of how many students would need to go on a £1500 fee placement year to offset the loss of those who opted out of a £500 fee placement year.

[e.g. of 100 students, if x go on placement and the university receives £1500 + HEFCE funding, $(1-x)$ choose not to, and contribute nothing, compared with all 100 going on placement, in which case the university receives £500 + HEFCE funding for all 100]

But the financial numbers would not tell the whole picture. The values of placement are evident to all - students [at least afterwards!], staff and employers, and the LBS sandwich degrees are widely regarded as premium products. If more non-sandwich routes are opened up - i.e. named degrees as opposed to Combined Honours routes, then the value of those named degrees is diluted.

Further, and much closer to the core business, it is known that there are significant academic problems in mixing post-placement and straight-through students in the final year, as a result of the huge maturity difference; this was a major factor in the creation of the MIS degree as the post-placement BIT students were being compromised in their academic experience by being taught with others who did not have their maturity and experience. Other degree cohorts may yet have to work through to these final year problems.

So yet another implication of making placement optional is a considerable complexity increase in delivery of the final year.

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Finally, and an additional complication to all the above - Foundation degrees will have a knock-on effect. Although they include some work-placement content, it is not in the same league as a whole-year placement on a four-year degree. Foundation degrees are unlikely to attract substitutional business from 4-year sandwich degrees, but could eat into numbers for 3-year straight-through degrees. This makes a stronger case for keeping the sandwich degrees separate as premium products and not diluting their contribution by having non-placement option routes.

If that is done, the Foundation Degrees, in addition to any other benefits, provide an alternative product for recruiting students who are put off longer degrees on timing grounds alone.

Conclusions

The issues surrounding tuition fees on placement year cannot be isolated from issues of whether the placement year is compulsory or optional.

There are both quantifiable aspects - revenue/cost/contribution and incremental/substitutional volume issues - and qualitative aspects - what is in the best interests of the student, and what about teaching complexity in the final-year situation.

Recommendations

- 1 As a prelude to this discussion, gather the underlying data and do the broad-brush calculations suggested in this paper.
- 2 Ensure that any discussion on tuition fees for the placement year takes into account the knock-on effects such as increasing demand for no-sandwich routes, with associated loss of revenue for the extra year.
- 3 In evaluating the quantifiable implications, do not lose sight of the qualitative issues, particularly the quality of the student experience and the teaching implications of mixing mature ex-placement student with final year "straight through" students.

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