

Evidence Submission to the APPG on Students

Inquiry into the impact of the cost-of-living crisis on students

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Agnieszka Rydzik and Chavan Kissoon have been researching the impact that working while studying has on full-time students from lower income backgrounds. We have expertise on student experiences of income insecurity and are working towards creating change and improving conditions for working students. The research is ongoing. It began in 2015 and most recently student consultations were carried out in May 2022. Two articles have been published from this research project in top ranking journals ([Rydzik and Bal, 2023](#) and [Rydzik and Kissoon, 2022](#)). Policy briefs ([Rydzik, 2022a](#); [Rydzik 2022b](#)) and [guidelines](#) have also been created for universities and employers. The research has led to the establishing of the 'Hospitality Now! Students for Hospitality, Hospitality for Students' initiative (www.hospitality-now.co.uk) that engages with employers, universities, unions and policymakers to create better working arrangements and support structures for students working in hospitality, one of the key employment sectors for students.

This submission presents evidence from the research and addresses questions 1, 2, 3 and 4. We are happy to provide further evidence in person (corresponding email arydzik@lincoln.ac.uk).

Summary

- Financial pressures for students have been mounting over the past decade as a consequence of broader welfare reforms. With the cost-of-living crisis, the situation is becoming more severe, particularly for students from lower income backgrounds who cannot count on parental support and find state support insufficient.
- As a consequence, many students from lower income backgrounds are struggling financially and working excessive hours to fund their studies but at a cost to educational performance and course engagement. For those with a limited financial safety net, reducing shifts or quitting exploitative work is rarely an option, causing additional stress. While students gain useful transferable skills from their engagement with employment, zero-hour contracts and poor working conditions can cause job insecurity and income instability (Rydzik and Bal, 2023).
- Our research shows that for students from less privileged backgrounds, staying in university entails a struggle between meeting financial demands and dedicating the necessary time to studies. Working while studying can undermine efforts for social mobility, and affect student wellbeing and confidence about their future.
- Working students need to be recognised as a distinct group with particular needs and challenges, requiring more support from Government, universities and their employers (Rydzik and Kissoon, 2022). Universities and Government support is needed to buttress the impacts of the cost-of-living crisis and reduce working students' vulnerabilities.

- Universities' duty of care to students should incorporate solutions for the challenges that come from having a student body that is increasingly needing to take on term-time work and can be close to precarity.

1. The impact of the cost-of-living crisis on students – both in terms of income and expenditure

- 1.1. **Due to rising costs-of-living and studying, students are increasingly taking on term-time work while at university.** Our research shows that for those from lower income backgrounds, working is not a choice but a necessity (to cover bills, food, accommodation) to enable them to bridge the 'cash gap' – the gap between the cost of study and the amount of student loan received. Many work more hours/shifts than is beneficial for their academic achievement:

"[M]y grades would be better [if I didn't work]. I would have more time for studying. But financially this is not an option".

- 1.2. **Students from lower income backgrounds are particularly affected.** They often face enormous financial hardship while at university and have little choice but to work if they want to remain in university (Rydzik and Bal, 2023). They cannot count on parental financial support and find state support insufficient:

"I needed the money as my student loan didn't cover my accommodation, let alone living costs. ... if I didn't need the money, I wouldn't choose to work, especially in this restaurant".

As a result, they work excessive hours to meet financial demands. Those facing the greatest financial pressures regularly work over 20 hours per week to meet their essential needs and continue their educational ambitions.

- 1.3. **The impacts of the cost-of-living crisis go beyond the financial and can take a toll on student life and general wellbeing.** Early employment experiences are formative and can impact students' future working lives and attitudes to work. Engaging with work while studying can be beneficial for students and jobs in sectors such as hospitality can give students the flexibility they need to fit work around university commitments. For students in our research, work gives them structure, new skills, exposure to employers and familiarity with workplaces, and the additional income needed to meet the financial obligations of student life (Rydzik and Kissoon, 2022). However, the impact of working goes beyond income and expenditure calculations, and can situate working students in positions of deep insecurity and vulnerability:

"If I can't commit to certain [work] things because of university, always in the back of my mind there is always that 'oh well he could give the shifts I have now to somebody else'".

Excessive working and exploitative conditions can have a damaging impact on students' confidence, wellbeing, social life, academic performance and attitudes to work as well as affecting longer-term aspiration for social mobility through disruption to studies and increased potential of interruption and dropping out. It can also impact on student engagement and gaining a good degree, and consequently on opportunities for graduate level work:

"I got back and my boss had been like 'can you work the next two nights?' - and I was like, 'I can't, I've got a hand-in' - and she was like, 'there's no other staff to cover you'. In the end, I managed to get one of the night's covered, and massively rushed the essay. It showed because I got a lower mark for it".

- 1.4. **Working students have hitherto been an under-represented and seldom considered group in policy interventions.** Combining working while studying has long been common and necessary for students from lower income backgrounds:

"I find it weird when people come to uni and they don't have a job ... I can't understand because I couldn't afford to live without one".

The cost-of-living crisis has made it an even more prescient issue. More discussion is needed on how to support working students as the challenges of the cost-of-living crisis are likely to grow (increased pressure to work more hours and work in industries not known for good treatment of workers) and extend into more affluent student groups. This has wide-ranging implications on mental health, wellbeing and academic performance, and is important to debates on social mobility and widening participation, and needs to be brought to the forefront of policy debates. Working students need more recognition and support (both financial and non-financial) from universities and policymakers.

2. **The efficacy and extent of existing support to students from Government, education providers and other bodies, and maintenance support more widely, including and any gaps in this support.**

- 2.1. **Working students from lower income backgrounds do not feel they can count on sufficient support from Government.** They find student loans insufficient to meet the cost of studying (cash gap) and see engaging in excessive working as the solution to keep themselves at university. The costs of excessive working (tiredness, anxiety etc.) can undermine academic performance:

'I feel like not as if I'm studying and working part-time but that I'm working and studying part-time ... I would like to worry more about school than about work'.

- 2.2. **Students under 23 years of age feel minimum wage thresholds are unjust.** They do not think their work is sufficiently rewarded financially. A 21 or 22 year old student-worker feels they are underpaid despite taking on the same responsibilities as other workers who earn the living wage (due to being over 23). While this is affecting all young workers under 23, working students are particularly affected as their availability to work is limited by university commitments. Amending the age thresholds would ease the financial pressure on working students.

- 2.3. **Working students want more support to be made available at their universities to meet their needs.** Universities and tutors generally advise students to prioritise university commitments and are not always sympathetic to students who have to engage in a high amount of paid work. Often, the advice for students is not to work more than 16 hours (or not to work at all). However, many students from lower income backgrounds regularly work more than 20 hours, and have little scope to reduce hours as they need to support themselves financially in the absence of available Government and university support.

- 2.4. **Students are often reluctant to speak to their tutors about financial pressures and anxieties related to work**, seeing little value in sharing this less visible aspect of their student life with tutors. As a result, students tend towards self-responsibilisation. This can create a blind spot in university support structures. There is a need to acknowledge that the full student experience goes beyond the campus and accommodation, and work is an inseparable part of the lives of many students.
 - 2.5. **Structurally, university systems are not working-student-friendly**. Timetables tend to be spread across five days (not concentrated) and extension policies tend to not recognise work-related reasons as valid for granting extensions. These further reinforce inequality and put pressure on students in financial need.
 - 2.6. **Employers of students are a key part of the student experience and need to do more to support their student-workers by listening to student needs and better accommodating university commitments**. Students often seek out zero-hour contract hospitality jobs because they believe hospitality work provides the flexibility they need to fit around a university schedule. In practice, many find flexibility is mostly employer-driven. With post-Brexit and pandemic-induced staff shortages in the hospitality sector, the sector leans more on student-workers to fill labour shortages and this is a cause of extra pressure for students. In our research, due to unpredictable schedules, working students struggle to plan their time and spendings. Shifts can change last minute (sent home earlier, reduced at short notice, cancelled), resulting in income instability and job insecurity (Ryzik and Bal, 2023). Employers misperceive students as hyper-flexible and have limited understanding of the pressures students face when combining work and study. Students find it difficult to refuse shifts or make requests due to university commitments because they are afraid of losing their job (or having hours reduced). Increasing employer awareness of the challenges student-workers face is an important element in reducing the insecurity of working students.
3. **The varying impact on different groups of students, including those who are mature, commuters, part-time, disabled, and international, as well as those from different social backgrounds.**
 - 3.1. Our research focuses on the needs of students from less privileged backgrounds. This group often works excessive hours to meet their costs of living and can be particularly vulnerable. To enable them to succeed, this group requires focused attention from universities, student unions, employers and policymakers.
 - 3.2. To avoid repetition, for more details on how students from lower income backgrounds are affected, please see section 1.
 4. **What further action might be taken this academic year to support students impacted by ongoing financial pressures.**
 - 4.1. Working students require significantly more attention from Government education policymakers and need formal recognition as a distinct group for whom universities must implement bespoke support initiatives that enable these students to fulfil their attainment potential. As the number of students

who need to financially sustain themselves through work is increasing, more awareness of the distinct challenges working students face is needed. For widening participation to continue being effective, the needs and challenges of working students who struggle financially should be more central to discussions and given more visibility within the education policy agenda.

- 4.2. More comprehensive, disaggregated and regularly-collected data (both qualitative and quantitative) is needed about working students,** the evolving challenges they face (financial and non-financial, work-related and study-related), how work impacts on their academic performance and wellbeing, and how they can be better supported by universities and employers. Gathering more detailed and regular data would enable more tailored support for working students and could help alleviate intersectional and structural disadvantages.
- 4.3. Making the National Living Wage eligible to those 18 and over would bring a critical improvement for working students.** Young students aged under 23 are disadvantaged by lower rates of minimum wage and are not eligible for the National Living Wage. Taking on the same responsibilities as other workers and having similar costs, young people under 23 are paid less than their colleagues. Our research shows that this is a key reason students feel under-appreciated by employers. Working students want their contribution to employers to be equally valued and appropriately rewarded financially. A higher hourly rate could reduce the need to work excessive hours. Review of minimum wage policy would bring significant benefits for working students (as well as other young people struggling financially).
- 4.4. Working students need stability of income and better contractual arrangements.** Students are largely working on zero-hour contracts with no guaranteed minimum hours and therefore a variable weekly income. In principle, zero-hour contracts can give students the flexibility they desire to fit work around their studies. However, our research shows that this flexibility is largely employer-driven, with limited student-worker voice in how flexibility is operationalised. In practice, students experience high income insecurity as their working hours can change at short notice (Rydzik and Bal, 2023). This can mean severe struggles with budgeting and financial planning. Students want stability within flexibility. Currently, zero-hour contract arrangements are too unpredictable and students experience a lot of income insecurity (cannot plan for the future, are sent home earlier, have shifts cancelled or reduced). Contracts with an assured minimum number of weekly hours plus flexibility to work more shifts/hours would represent the ideal. Giving students contracts with minimum guaranteed hours could reduce anxiety, increase financial stability and improve wellbeing. In this way, working students would be able to more effectively focus on university while meeting their financial needs.
- 4.5. Universities need to evolve their understandings of duty of care to better recognise the challenges working students face and the impact of work on students' educational engagement, course satisfaction and attainment.** Universities should do more to support working students. This could be through better timetabling, recognising work stress as a valid reason when granting extension requests, or offering quick access hardship loan schemes for students who experience unexpected reduction in hours or suddenly lose work. Within the employability agenda, there is also scope for universities to better prepare students to manage the demands of work with the demands of studying. In collaboration with student unions and students themselves, universities could do more to equip students with the tools to navigate pressurised working environments, negotiate working rights and communicate their needs. In the current economic context of extreme insecurity and high

uncertainty, consultation with working students is key to identifying how existing support structures could be improved.

4.6. Universities and Government policymakers need to engage better with employers of students. The jobs students take up while at university are often their first ever jobs. These formative experiences shape young people's confidence, attitudes to work and future career. Through working more closely with employers on good work initiatives and helping employers understand their role in shaping workers of the future, universities and Government policymakers could play a bigger role in creating a more supportive environments for working students.

References

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