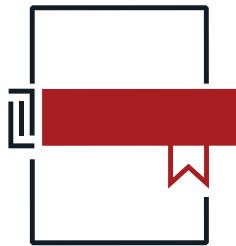




National Student Financial Aid Scheme

NSFAS Research Report¹ 2 2018/19: PSET sector and NSFAS profile



NSFAS Research reports contain original research designed to inform and improve internal NSFAS operational efficiency, to inform the wider stakeholder community, as well as forming the base for policy proposals. This research output is based on content consolidated for the NSFAS Working Paper Series 2017/18, in addition to consideration of a wider set of relevant literature and data.

In this research report the reader will find:

- Information on student inflows into the post-school education and training (PSET) system
- The size and composition of the PSET system in South Africa
- NSFAS impact on access to PSET
- NSFAS impact on outputs from the PSET system

Prepared
By: Research and Policy
November 2018

¹ Subsequent to an Editorial Committee meeting it was agreed that all research outputs in their current form are very informative and represent novel analysis and interpretation. It was advised that these outputs should be renamed, and distribution should be extended to a wider range of stakeholders; such as – student organisations, PSET institutions and policy makers. All these reports are subject to an external review process alongside Editorial Committee approval. Approval for this report was secured through the incorporation of such comments received on the 27th of February 2019.

INTRODUCTION

The South African government created the National Student Financial Aid Scheme (NSFAS) as an income contingent funding arrangement in 1996, initially to be administered through the then Tertiary Education Fund of South Africa (TEFSA). NSFAS was formally established by statute in 1999, with the ratification of the National Student Financial Aid Scheme Act No. 56 of 1999, which then fully incorporated TEFSA into NSFAS. This Act provided for the management, governance and administration of the NSFAS; granting of loans and bursaries to eligible students at public higher education institutions; the administration of such loans and bursaries; the recovery of loans and the repeal of the Provision of Special Funds for Tertiary Education and Training Act, 1993².

Some significant changes since the 1999 Act include the expansion of NSFAS funding to students at technical, vocational education and training (TVET) institutions in 2007, the centralization of funding that will no longer be administered through post-school education and training (PSET) institutions, but will be awarded directly to students (the NSFAS student-centred model) (DHET, 2016) and finally, the most recent (December 2017) presidential pronouncement that changed the loan and bursary scheme into a bursary scheme for first time registrants in or after January 2018 and also changed the financial eligibility criteria, in that the qualifying gross household income shifted from R122 000 to R350 000.

NSFAS thus operates within the South African post-school education and training (PSET) system to facilitate and increase access to post-schooling, but this occurs within the constraints of inflow into and outflows from the basic education system. Thus, before being able to assess the impact of NSFAS funding, it would be important to understand these inflows and outflows as a context for such an evaluation.

² NSFAS Act, 1999.

1. STUDENT FLOWS INTO PSET

Latest available data³ indicated that just over 12 million learners were in the basic education system (grade R to grade 12 public and independent school) in 2014, of which 571 819 were in grade 12.

Table 1: Number of Grade 12 learners per province, gender and types of passes for 2014

	EC	FS	GAUT	KZN	LIMP	MP	NC	NW	WC	TOTAL
Male	32 216	12 660	48 626	70 697	35 273	21 188	4 383	12 372	22 123	259538
Female	39 937	14 787	59 415	82 822	41 634	25 749	5 352	14 510	28 075	312281
Total	72 153	27 447	108 041	153 519	76 907	46 937	9 735	26 882	50 198	571819
Wrote NSC	66395	26440	99478	139367	72990	45081	8794	26066	47709	532320
Bach's pass	20%	30%	37%	26%	22%	25%	25%	33%	39%	28%
Dipl pass	28%	37%	35%	29%	29%	35%	33%	36%	31%	31%
Higher Certificate pass	18%	16%	12%	15%	22%	19%	18%	16%	13%	16%
Failed NSC	35%	17%	15%	30%	27%	21%	24%	15%	18%	24%
% of total PSET supply	11%	5%	21%	24%	13%	9%	2%	5%	10%	100%

In the main the table illustrates that the majority of Grade 12 learners are female, with men representing 45% of the group. The number that wrote the National Senior Certificate (NSC) exams are slightly lower than the total amount in Grade 12. The proportional majority of Grade 12 learners come from KwaZulu-Natal and Gauteng. Lastly, the table also shows that roughly 28% of those that wrote achieved a bachelor's pass, 31% a diploma pass and 16% a Higher Certificate pass in 2014, with a 24% failure 'rate'.

Other research⁴ found that a large proportion (68.5%) of those who obtain Bachelors passes do access higher education. This proportion tends to be lower for black students (58.6%) and matriculants from quintiles 1-3 schools form a large proportion (37%) of those who end up not accessing higher education. What makes this finding significant is the fact that roughly 40% of these students achieved a 60% or higher matric average mark.

In summary:

- Nationally around 93% of Grade 12 learners sit the National Senior Certificate (NSC) exams;
- Of those, 24% fail the NSC, 28% pass to the standard of Bachelor's, 60% to Diploma and 76% to Higher Certificate;

³ DHET (2016) Statistics on Post-School Education and Training (DHET).

⁴ Van Broekhuizen, H; van der Berg, S. and Hofmeyr, H. (2016). Higher education access and outcomes for the 2008 national matric cohort. Stellenbosch Economic Working Papers 16/16 and LMIP Working Paper.

- 45% of PSET qualified students come from Gauteng and Kwa-Zulu Natal Provinces;
- A majority of those who obtain a Bachelors pass (68,5%) will access HE, but matriculants from quintiles 1 – 3 forms only roughly 30% of Bachelor's passes. A notable proportion (40%) of those that do not go on to university have good matric marks.

2. THE POST-SCHOOL EDUCATION AND TRAINING (PSET) SYSTEM SIZE AND COMPOSITION

The South African PSET system is dominated by participation in universities (50%), followed by Technical and Vocational Education and Training (TVET) Colleges (31%), Continuing Education and Training (CET) Colleges (12%) and the smallest part of the system participation is in Private Colleges (7%)⁵. NSFAS facilitates funding to 26 public universities and 50 public TVET colleges.

A total of 975 837 university students were enrolled in the 2016 academic year, with over two-thirds (638 001) enrolled for contact programmes and 337 836 enrolled for distance learning⁶. Overall, since the 2000 academic year, enrolment has almost doubled from 441 504 undergraduate students to 785 351 undergraduate students in 2016. Of these, 578 552 were African students, 112 655 were white students, 51 172 were coloured students and 39 318 were Indian (5%)⁷. For the 2016 academic year, enrolment in TVETs was at 705 397 students. Recent DHET cohort data also confirms a majority and increasing proportion of female students entering into post-school education and training (see Table 2 on next page).

DHET statistics also indicate that the number of FTENs enrolling for diploma programmes has increased in real numbers (from 42 223 in 2000 to 48 332 in 2014), but this actually translates to a proportional decline in FTEN diploma enrolment (43% in 2000 to 34% in 2014). Concomitantly FTEN enrollment for degree programmes has increased from 30 961 in 2000 to 52 731 in 2014 (a proportional increase from 31,6% to 36,9% of overall FTEN enrolment). Specifically, for four-year degree programmes, the actual numbers increased from 24 911 (25,4% of total FTEN) in 2000, to 41 961 (29,3% of FTEN) in 2014.

⁵ Department of Higher Education and Training (2016) Statistics on Post-Secondary Education and training in South Africa. Pretoria

⁶ Department of Higher Education and Training (2016) Statistics on Post-Secondary Education and training in South Africa. Pretoria

⁷ As per email correspondence with the DHET, HEMIS unit

Table 2: Total first time entering undergraduate (degrees and diplomas in contact and distance mode) numbers⁸

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
African	58364	66550	73187	77600	75825	68675	71242	83540	84798	95279	100782	110898	109924	95780	100956
Coloured	6192	6929	8582	9403	9136	8246	9207	9196	9233	10488	10227	10374	9281	9469	9848
Indian	7066	7733	9150	9267	9434	9615	8727	7803	8287	8838	8479	8124	6083	6966	8689
White	26473	29067	32026	31237	31428	28775	30291	29611	27658	29430	28399	27533	24724	23870	23531
F	53%	53%	54%	54%	53%	54%	55%	54%	56%	57%	57%	580%	57%	56%	56%
M	47%	47%	46%	46%	47%	46%	45%	46%	44%	43%	43%	421%	43%	44%	44%
TOTAL	98095	110279	122945	127507	125823	115311	119467	130150	129976	144035	147887	15692	150012	136085	143024

In summary:

- The university sub-system is about 30% larger than the TVET sub-system.
- The majority (about two thirds) of university students are in contact programmes.
- Africans (75%) are the majority of university registrants, followed by Whites (15%), Coloureds (6%) and Indians (5%).
- There has been an increase in female entry into PSET with women now representing the majority of FTENs.
- There has been a proportional decrease in the number of FTENs enrolling for diploma programmes, with degree programmes now representing 36.9% of FTEN enrolment.

3. NSFAS IMPACT ON ACCESS TO PSET

3.1. Substantial growth in the funding base

Government injected an additional R4.6 billion for the 2016 fiscal year to NSFAS to pay the debts of over 70,000 identified students who qualified for NSFAS funding but were either partially funded or not funded at all over the three academic years of 2013, 2014 and 2015. R2.543 billion was allocated to cover the historic debt and a further R2.039 billion was added to ensure that any of the NSFAS qualifying students, still in the university system in 2016 could be supported financially to complete their studies. This funding was in addition to the R10 billion that had been allocated to NSFAS in the 2016/17 financial year.

Furthermore, following the Presidential announcement of 16 December 2017, the NSFAS annual budget was increased to c. R22 bn.

⁸ The table reflects the actual number of South African students first time entering undergraduate studies tracked in the national cohort studies. Table 1 (amended) (page 15) - Department of Higher Education and Training. (2017). 2000 to 2014 first time entering undergraduate cohort studies for public higher education institutions. Pretoria: South Africa

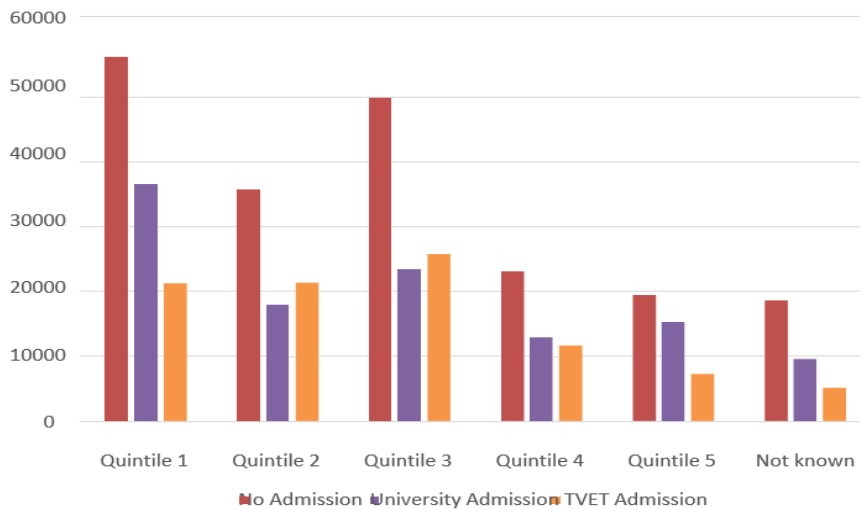
3.2. Substantial growth in stakeholder base

The extent of growth in the NSFAS stakeholder base over the last 25 years is illustrated by the fact that in 1991 NSFAS (then TEFSA) funded 7 240 students⁹. A total of 451 507 students were funded by NSFAS in 2016 (225 950 university and 225 557 college students). Based on 2016 data thus, NSFAS funds roughly a quarter of the HE and TVET student population; c. 25% of university students and c. 35% of TVET students.

3.3 Expanding access to the disadvantaged

A look at the 2018 NSFAS application pool (507 024) (see Figure 1 below) confirms that more than 65% of the applicants for funding come from quintile 1 to 3 schools.

Figure 1: NSFAS applicants admitted for study in 2018 by quintile¹⁰



Other recent research confirms that the majority of NSFAS funding is awarded to students that come from Quintiles 1 - and 3 schools. For example, out of the 112 000 learners that enrolled in university for an undergraduate degree, diploma or certificate in the years 2009 to 2014, 26,7% received NSFAS funding for the first year of study. Although the percentage of admitted students receiving NSFAS support falls monotonically from quintile 1 to quintile 5 schools from 46.7% to 11.1%, perhaps more surprisingly the percentage of NSFAS recipients from the different quintile schools is much less variable, from 16 to 27%, with 16% of NSFAS recipients coming from quintile 5 schools.

⁹ NSFAS Annual Report, 2016/17.

¹⁰ NSFAS own data – PowerBI (as at 28-03-2018). The 24k applicants with a NOT KNOWN indicator are those for whom the school name was not provided/matched to the school data or the school did not have a quintile/0 indicated on DBE list (for example, independent schools, or foreign schools)

Table 3: NSFAS award recipiency in first year of undergraduate studies for learners from the 2008 matric cohort registering for the first time between 2009 and 2014, by school quintile¹¹

	All	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
Students admitted	112 402	9 882	14 177	19 919	16 727	43 453
Received NSFAS	29 963	4 615	6 493	8 095	4 687	4 810
% NSFAS supported	(26,7%)	(46,7%)	(45,8%)	(40,6%)	(28%)	(11,1%)
% of NSFAS recipients	100%	16%	22%	27%	16%	16%

NSFAS data (see table below) for the 2014 to 2016 academic years further suggests that NSFAS funds approximately 30% first time entering students, the remainder being continuing students.

Table 4: 2014 to 2016

Avg number of total NSFAS funded students	Avg % first year intake of total NSFAS funded students	Institution
20968	16%	UNISA
8027	25%	UNIVEN
12591	26%	UNIZULU
12845	29%	UL
15 102	29%	WSU
9404	30%	DUT
6540	30%	UFH
3122	31%	CUT
6607	31%	MUT
3827	31%	UCT
6821	31%	VUT
6607	33%	NMU
1185	33%	RU
6110	34%	UP
8953	35%	CPUT
2089	35%	US
21061	35%	TUT
4292	36%	UFS
4777	36%	WITS
11204	38%	UJ
7476	38%	NWU
6127	39%	UWC
10238	39%	UKZN

¹¹ Page 73, Table 9.3 (van Broekhuizen, van der Berg and Hofmeyr, 2016). Please note here that this table draws from the NSFAS indicator on HEMIS, which is not an accurate reflection of actual NSFAS-funded numbers. For further refinement of this analysis, it is recommended that the HEMIS data is matched directly to the NSFAS loan and bursary tables, for the years where DBE school quintile data is available.

NSFAS first year vs returning students split¹²

*Excluding Sol Plaatjie, Mpumalanga and SMU as in growth stage

The lower percentage of first year intakes for the historically disadvantaged institutions likely reflects a higher proportion of NSFAS funded continuing students for these institutions.

Using the DHET Statistics on Post School Education and Training for the 2014 academic year, the following table reflects the size and shape of the undergraduate student population at universities for 2014 and the proportion of NSFAS funded students at each. The universities have been ranked by the percentage of total students supported by NSFAS from lowest to highest and split into three groups: those with less than 25% of their students supported by NSFAS, those with between 25 and 50% of their students supported by NSFAS and those with the majority of their student population supported by NSFAS.

Table 5: FTENs as a proportion of total undergraduate, per university, 2014 academic year¹³

	Enrolment				NSFAS funded First years		NSFAS funded senior students ¹⁴		Total students supported by NSFAS			
	Certificates and Diplomas	Degrees	Total UG	First Years	Num	%	Num	%	Num	%		
UNISA	80 450	29%	192 685	71%	273 135	34 897	3 444	10%	21 139	9%	24 583	9%
US	39	0%	17 727	100%	17 766	5 161	733	14%	1 419	11%	2 152	12%
NWU	21 274	43%	28 461	57%	49 735	9 029	2 236	25%	4 710	12%	6 946	14%
UP	898	3%	33 849	97%	34 747	8 648	1 759	20%	3 947	15%	5 706	16%
UFS	3 866	17%	18 891	83%	22 757	5 680	1 409	25%	2 686	16%	4 095	18%
WITS	173	1%	21 488	99%	21 661	5 921	1 960	33%	2 511	16%	4 471	21%
RU	1	0%	5 151	100%	5 152	1 491	372	25%	748	20%	1 120	22%
UJ	15 912	38%	26 503	62%	42 415	11 902	3 867	32%	5 977	20%	9 844	23%
UCT	442	3%	15 527	97%	15 969	3 877	1 162	30%	2 558	21%	3 720	23%
sub total	123 055	25%	360 282	75%	483 337	86 606	16 942	20%	45 695	12%	62 637	13%
%total					62%	53%	31%		35%		34%	
UKZN	1 366	4%	31 289	96%	32 655	10 586	2 494	24%	6 002	27%	8 496	26%
NMU	10 378	47%	11 701	53%	22 079	5 955	1 766	30%	4 358	27%	6 124	28%
CPUT	22 137	71%	9 096	29%	31 233	7 595	3 143	41%	6 317	27%	9 460	30%
UWC	400	2%	15 759	98%	16 159	4 109	2 190	53%	3 428	28%	5 618	35%
DUT	19 457	76%	6 254	24%	25 711	7 568	2 912	38%	6 283	35%	9 195	36%
VUT	16 277	87%	2 499	13%	18 766	3 841	2 038	53%	4 873	32%	6 875	37%

¹² 2016/2017 NSFAS Annual Report information (as supplied by the NSFAS Service Desk)

¹³ Table 3, page 7 (2016) Statistics on Post School Education and Training for 2014, DHET

¹⁴ A student supported by NSFAS that has been registered at an approved institution in a previous academic year, whether they have received NSFAS funding previously or not. These could either be old cohort students or new cohort students.

TUT	41 937	77%	12 382	23%	54 319	13 901	6 021	43%	14 023	35%	20 044	37%
sub total	111 952	56%	88 980	44%	200 922	53 555	20 564	38%	45 248	31%	65 812	33%
% total					26%	33%	38%		34%		35%	
UFH	340	3%	9 583	97%	9 878	2 718	1 768	65%	3 449	48%	5 217	53%
MUT	10 953	96%	424	4%	11 377	2 684	2 013	75%	4 321	50%	6 334	56%
WSU	13 066	57%	9 848	43%	22 914	5 809	4 101	71%	9 699	57%	13 800	60%
UL	165	1%	20 155	99%	20 320	5 291	3 877	73%	8 913	59%	12 790	63%
UNIVEN	299	2%	11 671	98%	11 970	3 579	1 943	54%	5 770	69%	7 713	64%
UNIZULU	1 480	10%	13 291	90%	14 771	4 005	3 031	76%	8 660	80%	11 691	79%
Sub total	26 303	29%	64 927	71%	91 230	24 086	16 733	69%	40 812	61%	57 545	63%
% total					12%	15%	31%		31%		31%	
Total					775 489	164 247	54 239	33%	131 755	22%	185 994	24%

excluding Sol Plaatjie, Mpumalanga and SMU as in growth stage and CUT as they had no NSFAS funded returning students recorded in 2014

A similar analysis can be done for TVET colleges. Analysis for the 2015 academic year indicates that an average of 34% of TVET students were supported by NSFAS. This average however, disguises a considerable range between colleges. For example, 7% of students at Talesto was funded by NSFAS, while at Maluti 69% of students receive NSFAS funding. It is, perhaps, surprising that even the highest percentages are somewhat below those for the university sector.

Table 6: 2014 enrolled and funded numbers – TVET Colleges

2015 TVET Colleges enrolled vs funded			
Institution	2015 Total Enrolment	2015 NSFAS Funded	%
Taletso	33787	2466	7%
Lephalale	8222	1070	13%
Orbit	23486	4278	18%
Vuselela	13325	2533	19%
Tshwane South	19288	3868	20%
Motheo	19075	4188	22%
King Hintsa	4607	1132	25%
Northlink	26347	6527	25%
Subtotal	148137	26062	18%
Flavius Mareka	11127	2884	26%
Ekurhuleni East	17648	4806	27%
Vhembe	33557	9608	29%
Ingwe	15050	4314	29%
Goldfields	9412	2796	30%
Tshwane North	23664	7401	31%
Nkangala	5215	1693	32%
Thekwini	11688	3975	34%
Port Elizabeth	11979	4121	34%
Sedibeng	19262	7242	38%
South West Gauteng	25607	9689	38%
Umgungundlovu	10468	4036	39%
Umfolozi	16012	6288	39%
Lovedale	5796	2326	40%
Sekhukhune	10410	4225	41%

North Cape Rural	6845	2837	41%
Ikhala	7366	3094	42%
Ekurhuleni West	19647	8508	43%
False Bay	8371	3674	44%
Mopani South East	8520	3998	47%
Northern Cape Urban	5151	2487	48%
King Sebata	11304	5460	48%
Esayidi	14872	7191	48%
Majuba	20469	9985	49%
Subtotal	329440	122638	37%
Mthashana	5889	2998	51%
Mnambithi	9200	4688	51%
Gert Sibande	10999	5633	51%
Letaba	6011	3473	58%
Elangeni	9879	5867	59%
South Cape	3528	2184	62%
Maluti	7484	5127	69%
Subtotal	52990	29970	57%
Total	1008144	327370	32%

In summary:

- The majority of NSFAS applicants and funded students come from school quintiles 1 – 3.
- 24% of the university sector was funded by NSFAS in 2014; with a slightly higher average of 34% of TVET students being supported by NSFAS
- The NSFAS funding rate for first time entrants (33%) is consistently higher than for the returning students (22%) reflecting the considerable dropout rate at all institutions;
- Universities with less than 25% of their students supported by NSFAS represent 62% of the sector by student number. Those with between 25% and 50% represent 26% of the sector and those with more than 50% of their students supported by NSFAS represent 12% of the sector.

4. OUTPUTS FROM PSET

4.1 Graduates and completion rate

Overall graduate numbers from public universities has grown – with 203 076 graduates in 2016 compared to 145 384 in 2009. 29% of graduates were in the Science Technology Engineering and Mathematics (STEM) programmes, 27,8% in business and commerce and the remainder in the Humanities (of which education contributed 20,7% of the graduates)¹⁵.

TVET completion rates are much more complex to assess, and are reported at key exit levels: N3, N6 and NCV level 4. Using these exit points, completion rates for the 2016 academic year has been pegged at 62,2% (a total of 111 460 students), with the lowest completion rates for the NCV Level 4 (41,7%) compared to N6 (66,1%). Completion rates were highest for business studies (67,6%) above engineering (for both N3 level – 65,8%; and N6 level – 61%).

¹⁵ DHET (2016) The provisioning of Post-School Education and Training: A statistical overview.

Available cohort data show that throughput rates across the board have improved. For example, considering the throughput rate after 6 years (for a three-to-six-year degree or diploma), for the cohorts 2000 to 2010, this has improved from 39,6% to 52,5%. Graduation rates tend to be higher for contact students and there has also been improvement in the time it takes graduates to complete their programmes. For example, the number of graduates completing within regulation time for a three-year programme has increased from 18,8% (2000 cohort) to 20,8%. (2014 cohort). While graduation rates for distance programmes remain lower, even here there has been notable improvements. For example, when examining the completion rate at 10 years after intake, we find that this has improved over time. For the 2000 intake this was 11.6%, whereas the same rate for the 2006 intake was substantially better (15.4%).

Improvement in the graduation rates are also evident for diploma programmes. For example, the graduation rate at three years after intake has improved, with the 2000 cohort having a rate of 12.2% compared to 20.9% for the 2013 cohort. The graduation rate at 10 years after intake has also improved. The 2000 intake cohort for example had a 34.1% graduation rate, compared to the 2006 intake cohort having a 46.2% graduation rate.

It is noteworthy, that the MBChB qualification (a 6-year degree) has high throughput rates – with 69.7% of the 2000 cohort qualifying in six years, improving to 72,6% for the 2006 cohort. Comparatively, throughput rates for students undertaking Bachelor of Education degrees (a four-year degree) show a lower throughput rate per cohort, but in comparison to other four-year degrees, the B Ed has a better rate of graduation. Four-year engineering degrees have a better throughput rate than the three-year engineering degree, and while lower than the MBChB qualification, they are higher than the B Ed four-year degree. Overall, the DHET report states that “business studies students have the lowest throughput rates, followed by the humanities (excluding education) which are significantly higher; education in general has the next highest throughput rate. Finally, the science, engineering and technology fields have the highest throughput of all fields of study.”²³

4.2 Impact of NSFAS funding on graduation rates

The table below shows the graduation rate for 2005 to 2013 first time entering undergraduate cohorts in contact and distance mode of tuition who received NSFAS funding.

Table 7: National total % graduates for NSFAS-funded students (contact and distance)¹⁶

Intake year	Graduates							
Year 1	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
2005	11.6	29.6	42.0	48.6	52.5	55.1	57.2	59.1
2006	13.0	31.7	44.0	50.9	55.2	58.2	60.6	62.5
2007	12.8	31.2	44.6	52.2	57.2	60.5	63.0	
2008	12.9	32.9	47.2	55.4	60.2	63.5		
2009	13.5	35.3	49.9	58.3	63.1			
2010	16.6	39.0	54.2	62.2				
2011	15.3	38.6	53.5					
2012	16.8	40.8						
2013	18.9							

As indicated, “when comparing the 2006 (with ten years of data available) and the 2009 cohort (where only seven years of data is available), the overall throughput (for students who received DHET NSFAS funding) is better than that of the systemic throughput rate, with 62,5% of the 2006 cohort graduating after ten years (54,4% for the national cohort) and 63,1% (55,2% of the national cohort) of the 2009 cohort graduating after seven years.”¹⁷

Using analytics made possible through the HEMIS data and CESM categorisations, it is also possible for NSFAS to look at the types of qualifications of their funded graduates. NSFAS has funded slightly more students that have graduated with degrees (47, 9%) than diplomas (38,7%), followed by – BTechs (5,7%), Honours degrees (2,6%) and a small number of students with other forms of qualification, such as higher certificates.

¹⁶ Department of Higher Education and Training. (2017). 2000 to 2015 first time entering undergraduate cohort studies for public higher education institutions. Pretoria: South Africa

¹⁷ Page 125, ibid

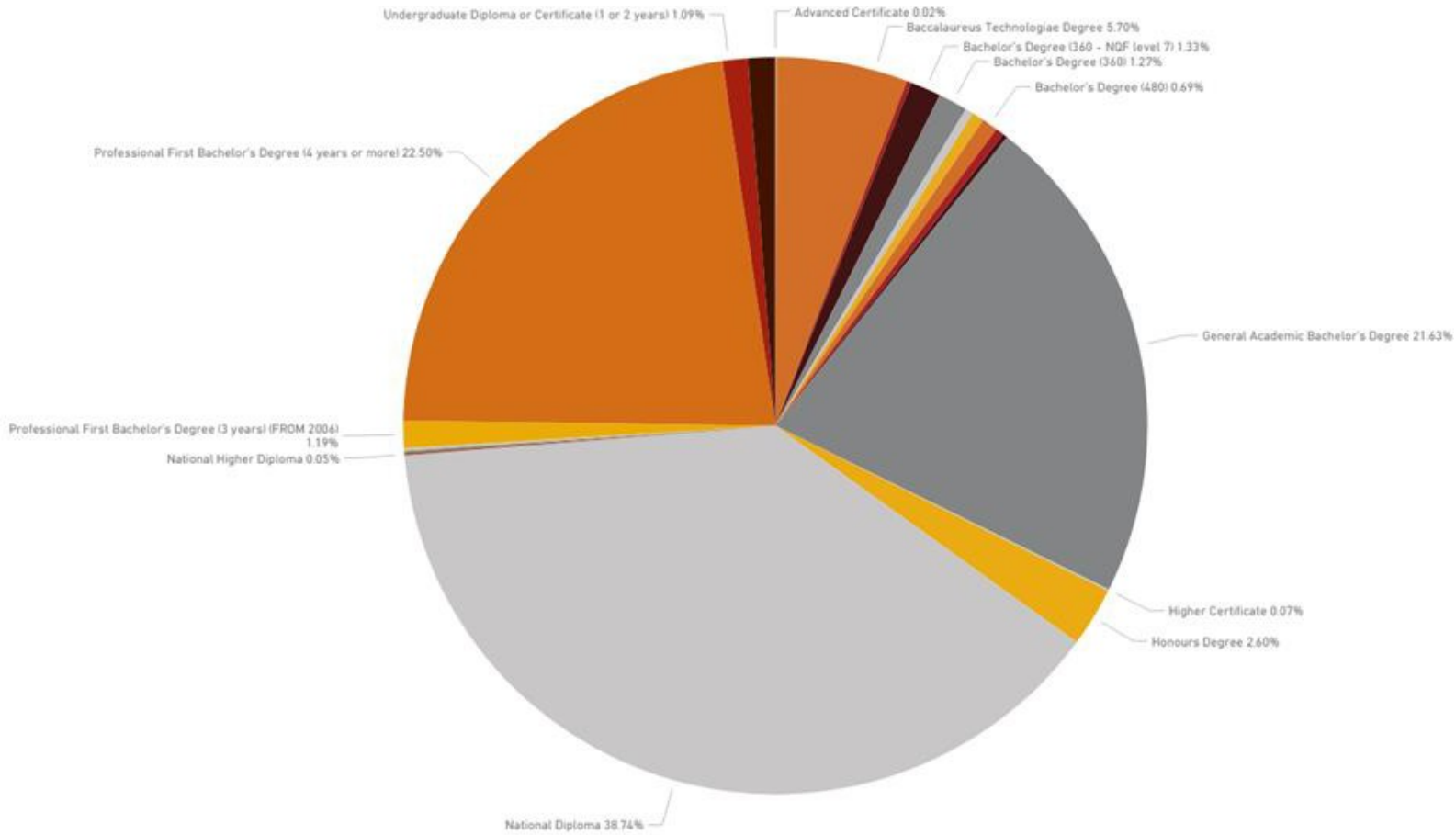


Figure 2: Graduates by Qualification Type¹⁸

Looking at field of study and differentiating broadly, these NSFAS-funded graduates are evenly distributed across the Science, Engineering and Technology (SET) (29,78%), Business and Commerce (27,1%), other Humanities (25,86%) and Education (17,19%) fields.

At a more detailed level, by first order CESM³⁶, the distribution of NSFAS-funded graduates are as follows: the majority of NSFAS funded graduates come from the Business, Economics and Management Studies (27.17%), Education (17.19%), Engineering (6.06%) and Social Sciences (6.48%) fields.¹⁹ The minority of graduates come from Family Ecology and Consumer Science (0.45%) and Military Sciences (0.37% fields).

¹⁸ Data extracted from NSFAS PowerBi reporting dashboard – 9 April 2018 (report created especially for the Research unit).

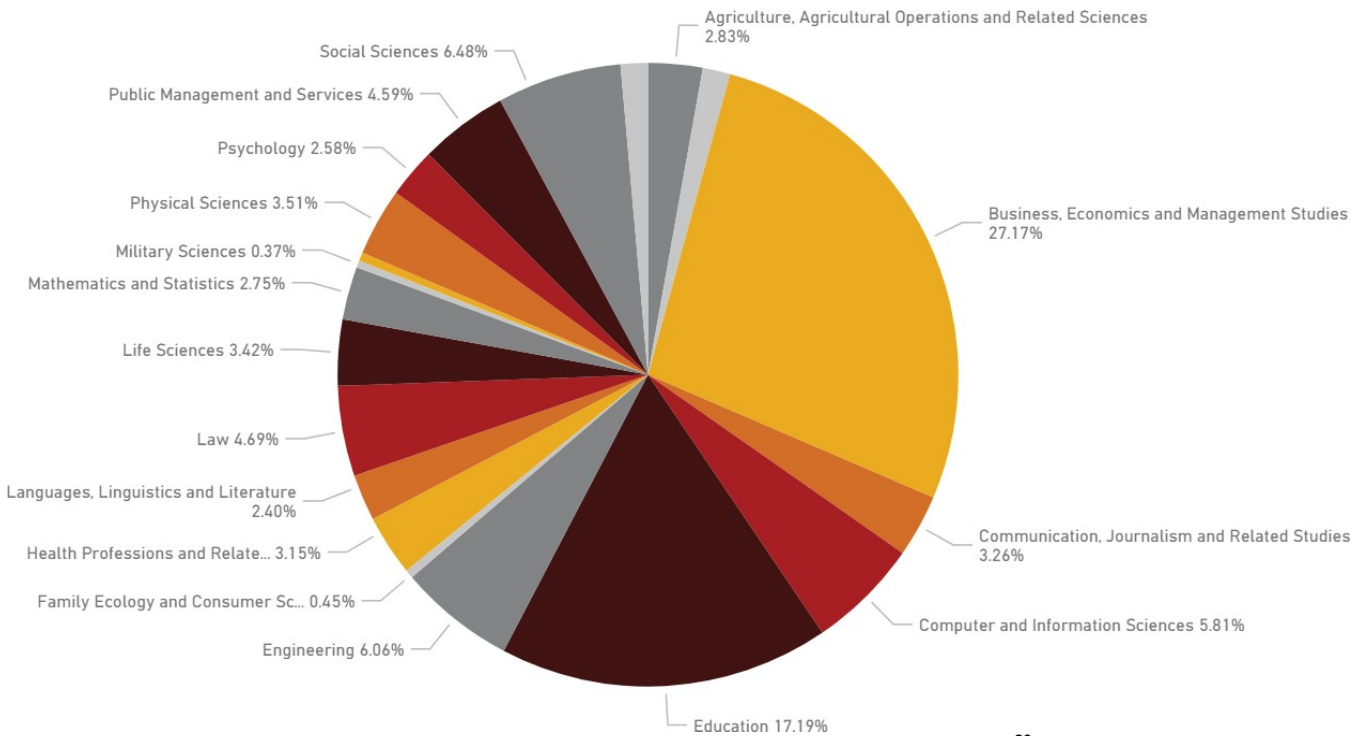


Figure 3: Graduates by first order CESM²⁰

4.3 Drop-outs

Another important indicator in PSET success is drop-out rates. Recent research²¹ suggests that there is a significant share of students who only complete their qualifications after 5 or 6 years. The research also highlights that drop-out rates are not as high as usually reported within the South African context, as many are in fact transfers between universities or moving from degrees to diplomas.

National cohort data confirms that overall, drop-outs rates in the South African PSET system has improved. For diploma programmes, drop-out after ten years has decreased from 58% for the 2000 cohort to 45,5% for the 2006 cohort. For three-year degree programmes, drop-out in ten years decreased from 39,9% (2000 cohort) to 35,5% (2006 cohort), and also decreased for drop-out in year two, from 24,5% (2000 cohort) to 17% (2014 cohort).

Drop-outs for both contact and distance programmes have also improved overall. For example, the percentage of drop-outs at the end of their first year of study for the 2000 entering cohort was 31,5%, compared to the same drop-out rate for the 2014 entering cohort, which was 18,4%. Similarly, if the drop-

²⁰ Data extracted from NSFAS PowerBi reporting dashboard – 9 April 2018 (report created especially for the Research unit).

²¹ Van Broekhuizen, H; van der Berg, S. and Hofmeyr, H. (2016). Higher education access and outcomes for the 2008 national matric cohort. Stellenbosch Economic Working Papers 16/16 and LMIP Working Paper

out rate after 9 years is examined for the 2000 and 2006 cohort, this has also dropped from 47,1% to 38,2%²².

For contact studies, the drop-out rate after the first year of study has dropped from 23,6% (2000 cohort) to 16,9% (2014 cohort). The drop-out rates for distance programmes after the first year of study are considerably higher. For the 2000 cohort this was 56,8% and dropped to 30,7% for the 2014 cohort. This is almost double the equivalent rate for contact programmes. The drop-out rate after nine years for distance students has also dropped, but from a much higher rate of 80,1% for the 2000 cohort, to 75,2% for the 2006 cohort. These statistics raise questions as to the effectiveness of distance learning programmes as additional capacity for increased demand for degree qualifications.

To ascertain NSFAS funding impact, the table below show the dropout rate for 2005 to 2014 first time entering undergraduate cohorts, for students who received funding through NSFAS. Two key trends can be highlighted from this data. Firstly, that drop-out rates tend to increase as time in study increases. The rate at which this drop-out²³ rate increases over time, fluctuates and does not illustrate a clear trend, but when one looks at drop-out rates across cohorts per year, it does appear that overall drop-out rates for NSFAS funded students have improved since 2005. For example, the Year 2 drop-out rate has decreased from 16.7% in 2005 to 10.9% in 2014 and the year 7 drop-out rate has decreased from 32.8% to 24% in 2009. This is a consistent trend across all years under consideration.

Table 8: National total % dropout for students who received DHET NSFAS funding²⁴

Intake Year	Dropouts (%)									
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
2005	16.7	23.4	27.9	31.2	32.6	32.8	32.6	31.1	31.8	
2006	17.7	22.9	25.1	28.3	29.2	29.7	28.5	29.2	28.5	
2007	17.8	21.1	22.7	26.0	27.5	27.4	27.4	29.2		
2008	14.7	18.5	20.2	23.5	24.3	25.4	25.4	27.3		
2009	14.1	17.9	19.6	21.3	23.5	24.0	24.0			
2010	12.1	16.4	16.2	20.3	22.1					
2011	12.8	16.6	18.4	21.7						
2012	11.4	17.7	18.3							
2013	11.9	15.7								
2014	10.9									

Comparison with national drop-out rates show a consistently lower drop-out rate for NSFAS funded students for different intake years and across the years of study. As noted “just over a third of young people who enter undergraduate degrees, and at some time received financial assistance (from NSFAS) never graduate. This is significantly better than the national cohort where just under a half of all students never graduate”.²⁵

²² DHET (2015) 2000 – 2014 first time entering undergraduate cohort studies for public higher education institutions. 31 March.

²³ A student that started a qualification, has yet to attain the qualification and does not hold a current registration to achieve the qualification.

²⁴ Department of Higher Education and Training (2017) 2000 to 2014 first time entering undergraduate cohort

studies for public higher education institutions. Pretoria: South Africa

²⁵ Page 125, Department of Higher Education and Training (2017) 2000 to 2014 first time entering undergraduate cohort studies for public higher education institutions. Pretoria: South Africa

5. IN SUM

NSFAS funds a significant proportion of PSET and has greatly facilitated access by previously disadvantaged groups. This support is more significant in terms of the proportion of students funded at different institutions and this differentiation needs to be taken into account in policy decisions.

This brief has also highlighted the narrowing of the eligible pool at school level, even before students would be able to apply for academic admission to a PSET institution. This highlights a gap in NSFAS and government reach as learners from quintiles 1-3 are essentially the core NSFAS target group, but many do not gain admission to PSET institutions.

The positive impact NSFAS funding has played is evident in the overall higher rates of completion and lower drop-out rates for NSFAS funded students in comparison to the overall national average graduation and drop-out rates. The distribution of the graduate cohort in terms of field of study could highlight areas for the allocation of resources, based on particular national focus areas.

The NSFAS research and policy unit is currently assembling data to be able to provide a more current view of the profile of NSFAS recipients and the size and shape of its impact in the broader PSET system. However, this paper is a first step to establish more regular research outputs outlining PSET student inflows and outflows and the impact of NSFAS on both aspects, to highlight points for policy generation.

To broaden our inquiry into impact, in the next research output we share some of the key findings on a recent NSFAS research project that sought to demonstrate the labour market impact of its funding support.
