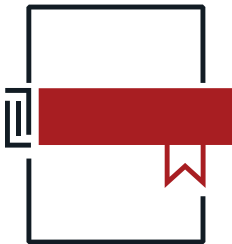




National Student Financial Aid Scheme

NSFAS Research Report 4 2018/19: NSFAS beneficiary profile



NSFAS Research reports contain original research designed to inform and improve internal NSFAS operational efficiency, the wider stakeholder community, as well as forming the base for policy proposals. This research output is based on the extraction and analysis of NSFAS beneficiary data between 2014-2018, in addition to relevant literature.

In this report the reader will find:

- Description of key NSFAS policy and process changes between 2014 and 2018
- The profile of NSFAS beneficiaries by demographic indicators such as gender and race
- The profile of NSFAS beneficiaries by institution type, location, disability status and social grant beneficiary status

Prepared
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INTRODUCTION AND CONTEXT OF NSFAS FUNDING BETWEEN 2014 AND 2018

The National Student Financial Aid Scheme (NSFAS) is a public entity established through Act No 56 of 1999, to provide for the granting and administration of loans and bursaries to eligible students at public higher education institutions; as well as the recovery of loans. NSFAS funding is available to all South African citizens registered at public universities and technical and vocational education and training (TVET) colleges, who can demonstrate financial need¹ and the potential for academic success. These are mostly undergraduate students studying toward their first post-school education and training (PSET) qualification, as well as a few postgraduate students whose courses are a requirement for practice in a chosen profession (such as a postgraduate certificate in education (PGCE)).

This paper describes the NSFAS beneficiary profile and assesses how this has changed between 2014 and 2018 in terms of core demographic and locational variables. A related research report sketches a broader understanding of the South African PSET system and the NSFAS beneficiary profile in terms of, for instance, institutional type, graduation rates, first time entering (FTEN)² status and fields of study³.

During the research period several important changes have been implemented in the PSET system and at NSFAS itself. 2014 marked the introduction of the student-centred model of financial aid at NSFAS. This was a move for NSFAS to better service its constituency, with the key principle being that funding should follow the student. Core elements of this new approach were that students would apply for funding directly to NSFAS and would no longer be required to apply for funding every year. Rather, funding would be for the full qualification, providing that the student continues to meet academic eligibility criteria.

The most notable occurrence in 2015 was the #FeesMustFall student-led protest/campaign, which aimed to highlight the plight of students accessing higher education. A core plea was to eliminate tuition fees completely. In 2016 the NSFAS means test policy was reviewed and alternative proxies were implemented for identifying which students would qualify for financial aid. These changes built on efforts to simplify the applications process, reduce the burden of proof for the student and streamline the assessment of financial eligibility for funding. As well as improving efficiency and accuracy to the means testing process, the changes eliminated human intervention and, thereby, reduced opportunities for errors and bias.

2017 saw the first academic year in which the student-centred model was fully implemented. In responding to the report of the Commission of Inquiry into Higher Education and Training (known as the Heher Report), the then President announced that government would be phasing in “fully subsidized free higher education and training for poor and working-class South Africans”, which had direct implications for NSFAS funding processes and policies.

NSFAS has an explicit mandate to support the poorest and most marginalized groups in the South African population through facilitating access to post-school education and training. Therefore, in 2018 NSFAS implemented the changes announced in the Presidential pronouncement. The two major changes were that the household income limit for recipients of NSFAS support was increased from R122,000 p.a. to

¹ The 2017 NSFAS Handbook

² NSFAS disaggregates students into two categories, first time entering (FTEN) and senior students. An FTEN is a person who has never been registered at a TVET College or at a university before (successful TVET students that progress to university are considered as an FTEN when they enter the university system). Only first qualifications at a particular national qualification framework (NQF) level are eligible for funding. Senior students are all other categories of registered students.

³ NSFAS (2018) NSFAS Research Output 2 2018/19. PSET Sector and NSFAS profile. November.

R350,000 p.a. and that all support would be in the form of a bursary, rather than a combination of bursary and loan.

Additional reforms aimed at better assisting vulnerable groups, include;

- The decision to waive the family household income assessment for individuals coming from households that receive social grants
- The decision that confirmed Isibindi beneficiaries and students from families who are recipients of child support grants or disability grants administered through the South African Social Security Agency (SASSA) automatically qualify for NSFAS funding, as do orphans.
- Improved awareness and outreach campaigns to better target potentially eligible, but extremely vulnerable and marginalized individuals; and
- The decision to adjust the qualifying/financial eligibility criteria for applicants with disabilities, as well as extending the scope of funding for students with disabilities.

These reforms all align to attempts to better identify and reach eligible students, improve the overall student experience, align funding to the real needs of students and to reduce the burden of proof for vulnerable students who are already marginalized and disadvantaged in society. Thus, core to assessing NSFAS's impact in directing funding to the most disadvantaged students in society, would be the extent to which:

- NSFAS is reaching bigger proportions of the poor and vulnerable;
- It is assisting, particularly, African and female individuals, shown to bear the brunt of inequality and poverty internationally, but also in South Africa⁴,
- There is evidence of improved targeting and supporting of social grant beneficiaries, orphans and people with disabilities.

PROFILE OF NSFAS BENEFICIARIES

One of the simplest indicators of NSFAS' impact is the number of students funded by the Scheme over time. Data for 2014-2017 are shown in Table 1. During the period NSFAS has funded more students in TVET colleges than in universities. However, a much larger portion of funding is directed at the university system. There has been a 74% increase in the funding to universities and their students, but only a 6% increase for TVETs and their funded students.

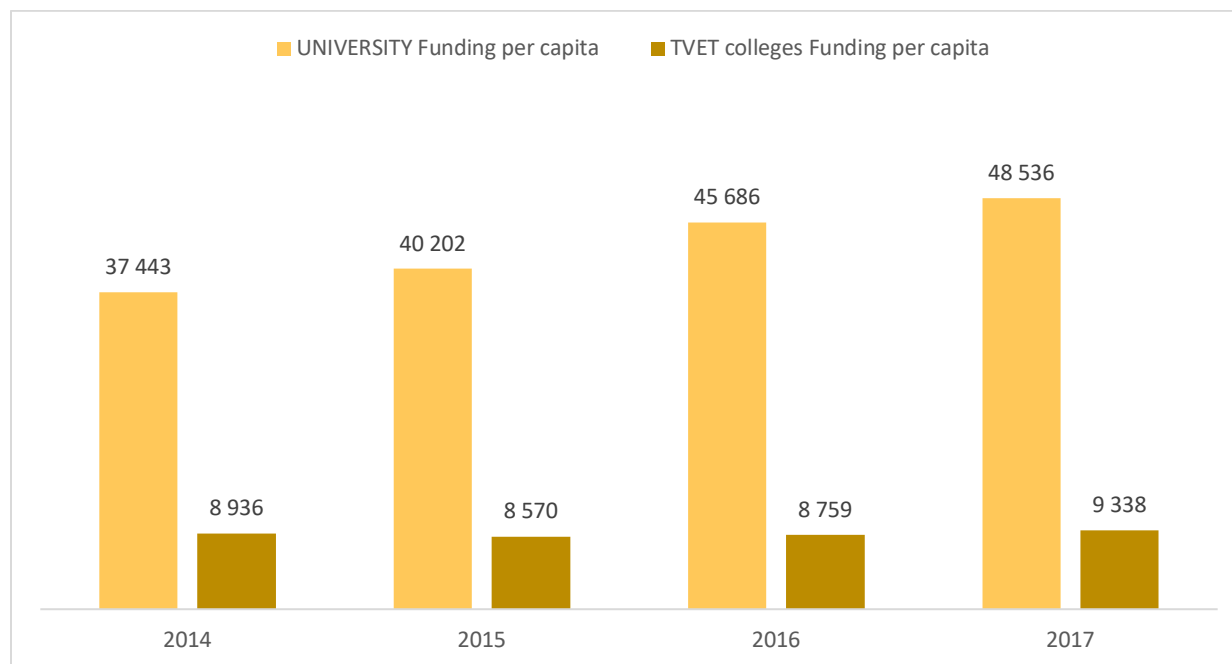
⁴ Bhorat, H. (2004) Labour Market Challenges in the Post-Apartheid South Africa. Working paper series. DPRU, UCT.

Table 1: The total university and TVET funded numbers: 2014-2017⁵

YEAR	UNIVERSITY		TVET colleges	
	FUNDED STUDENTS	AMOUNT	FUNDED STUDENTS	AMOUNT
2014	186 150	R6,969,940,822	220 978	R1 974 750 000
2015	178 961	R7,194,618,509	228 642	R1 959 466 000
2016	225 557	R 10,304,756,649	235 988	R2 067 044 435
2017 ⁶	249 428	R12,106,307,436	225 557	R2 106 267 265
TOTAL	840 096	R36 575 623 416	911 165	R8 107 527 700

While admittedly a crude indicator, calculating a funding per capita figure, shows the stark difference in funding to TVET- compared to university students, as well as the more significant growth to the latter in comparison to the former.

Figure 1: Funding per capita, disaggregated by institution type: 2014 – 2017



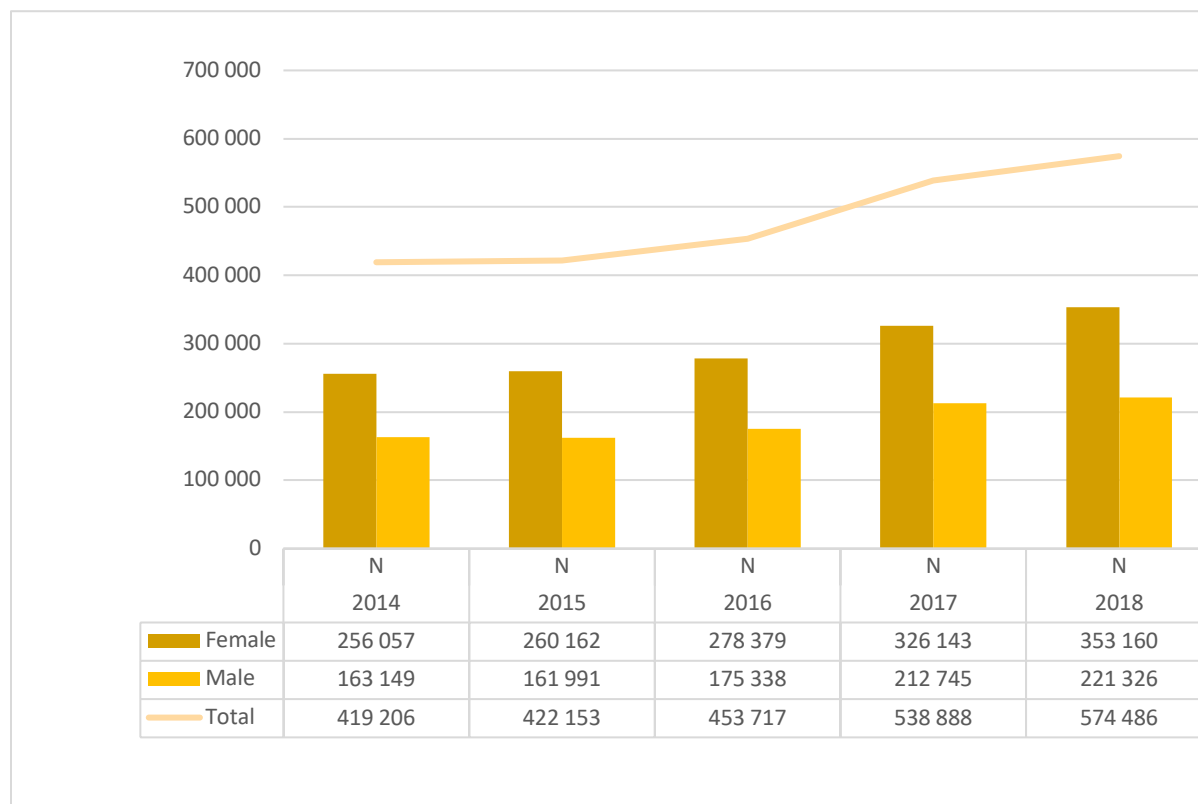
In Figure 2 the NSFAS funded student population between 2014 and 2018 is disaggregated by gender. The data reflect the increase in the numbers of students funded in total and that the proportional representation of women relative to men, has remained stable

⁵ National Student Financial Aid Scheme. *NSFAS annual reports 2014-2018*. Cape Town

⁶ Verified 2018 student figures and financial amounts will be available after the end of the financial year (April 2019).

over time. Women represent roughly 60% of NSFAS funded students. This over-representation in comparison to recent national population statistics⁷ is in line with women’s representation within the broader PSET⁸ system.

Figure 2: NSFAS funded students by gender:2014-2018⁹



In Figure 3 the representation of NSFAS funded students disaggregated by race is shown. A few points to note:

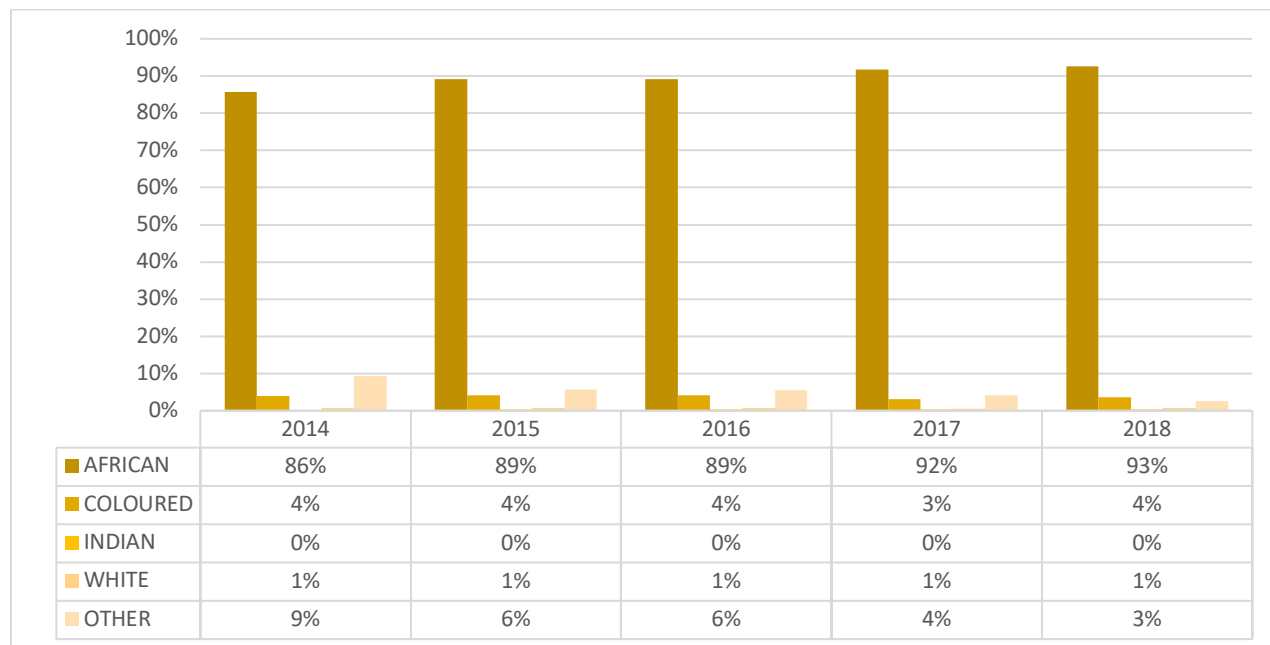
- The proportion falling into “other”, or those not indicating their race has declined over time
- The proportion of African students remains the substantive majority, with African students now constituting 93% of NSFAS funded students.
- Bearing in mind a 3% error in calculation brought about by those that did not indicate their racial categorization, there is an over-representation (12%) of Africans in comparison to recent (2018) population estimates. All other race groups are under-represented: Coloureds by 4.8%, Indians by 2.5% and Whites by 6.8%.

⁷ Statistics South Africa (Stats SA) (2018) Mid-year population estimates. Statistical release P0302. July.

⁸ Republic of South Africa. 2016. *Statistics on Post-School education and training in South Africa*. Department of Higher Education and Training. Pretoria

⁹ Generated from the integrated warehouse as from 11 December 2018

Figure 3: NSFAS funded students disaggregated by race: 2014 – 2018

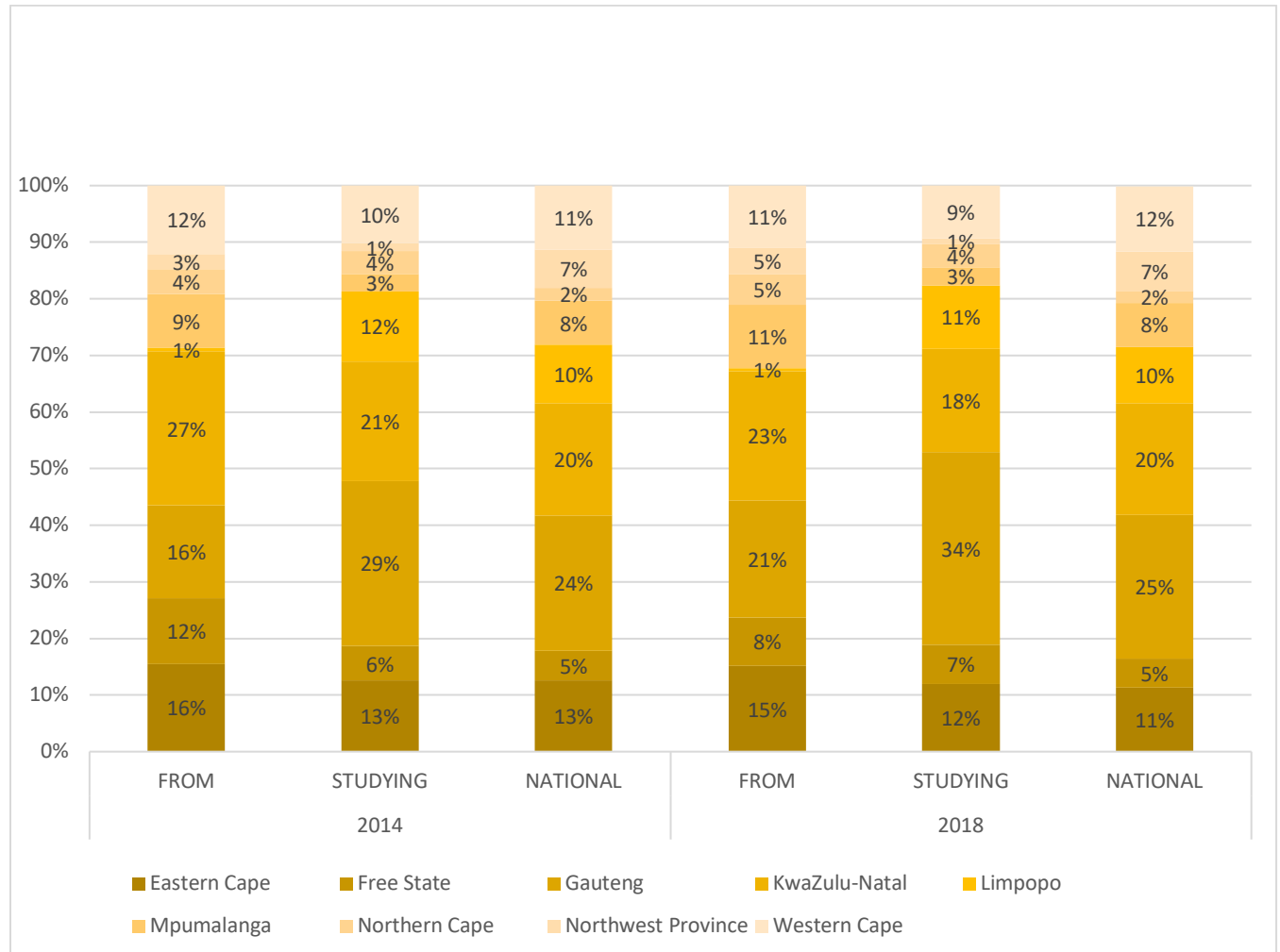


It is clear from these data that the majority of NSFAS-funded students are black African females. The over-representation of black African females as NSFAS funded students aligns with our knowledge on women and Black Africans falling disproportionately into lower socio-economic status levels in South Africa.

In sum, NSFAS coverage grew substantially; funding to universities dramatically so. It is clear that NSFAS played an important role specifically in increasing opportunities for entry into post-school education and training for Black African and female individuals.

To better understand possible inequalities in the distribution of NSFAS funding across South Africa, it is important to reflect on the provincial distribution of students funded by NSFAS, in terms of both their origin and also study destination. Figure 4 disaggregates NSFAS funded students by province; first in terms of where our students come from and secondly, in terms of where they are studying from 2014 to 2018.

Figure 4: Distribution of NSFAS funded students by province of origin and study destination province: 2014 – 2018



A few points to note from the 2018 NSFAS funded student origin proportions:

- 25.5% of the population resides in Gauteng, with NSFAS funded students coming from this province being slightly under-represented at 21%
- 19.7% of the population resides in Kwazulu-Natal, whereas 23% of NSFAS funded students come from this province
- 11.5% of the population resides in the Western Cape, which is totally in line with the proportion of NSFAS funded students coming from this (11% in 2018)
- 11.3% of the population resides in the Eastern Cape, whereas 15% of the NSFAS funded student population originates from this province
- 10% of the population resides in Limpopo with a significant under-representation of NSFAS funded students coming from this province (only 1% in 2018).
- 7.8% of the population resides in Mpumalanga and the NSFAS funded student proportion coming from this province is over-represented at 11% in 2018.
- 6.9% of the population resides in the North West and the NSFAS funded student proportion coming from this province is 5%.

- 5.1% of the population resides in the Free State and the NSFAS funded student proportion coming from this province is 8%.
- 2.1% of the population resides in the Northern Cape compared to 5% of the NSFAS funded student proportion coming from this province.

The figure also illustrates the very small proportion of NSFAS funded students coming from Limpopo, with the majority of NSFAS beneficiaries coming from KZN and Gauteng. Recent statistics indicate that Limpopo and the Eastern Cape are two of the provinces with the highest multi-dimensional poverty headcount ratios and thus it is not positive to find such a low proportion of NSFAS funded students coming from Limpopo. As expected, given the location and distribution of education and training institutions across the country, the majority of our students are funded to study at Gauteng and KZN institutions¹⁰.

Another important indicator is the number of NSFAS beneficiaries that are SASSA recipients, as this speaks to a very vulnerable social group in our society that require specific NSFAS support and targeting. The NSFAS database did not focus on collecting or coding this indicator before 2017 making it impossible to provide reliable data before 2017 on the numbers of SASSA beneficiaries that benefitted from NSFAS funding. The table below thus only reports on the 2017 and 2018 figures.

Table 3: NSFAS funded SGB between 2017 and 2018 per province¹¹

Province	2017		2018	
	Applications Received	Applications Funded	Applications Received	Applications Funded
Eastern Cape	3 557	2 127	5,641	5,225
Free State	1364	878	2,973	2,705
Gauteng	4 222	2 813	9,901	9,293
KwaZulu Natal	6 647	3 736	12,276	11,518
Limpopo	2 939	1 940	6,300	6,016
Mpumalanga	1 725	1 068	3,734	3,532
North West	780	441	2,208	2,096
Northern Cape	225	116	648	627
Western Cape	1 706	1 058	3,770	3,592
Unknown	0	0	405	376
Total	23 165	14 177	47 856	44 980

The table above indicates a substantive increase in NSFAS funding allocated to social grant beneficiaries (SGBs) between 2017 and 2018. The number of applicants funded has more than tripled over this period. The significant rise in SGBs obtaining NSFAS funding possibly indicates that efforts between the Department of Social Development (DSD) and NSFAS in linking their data sets to aid the identification of eligible students, is starting to bear fruit. This is happening in concert with greater levels of communication

¹⁰ Statistics South Africa (StatsSA) (2018) Overcoming poverty and inequality in South Africa: An Assessment of drivers, constraints and opportunities. March.

¹¹ Generated from NSFAS PowerBI, January 2019.

and information sharing across government entities, to better identify and target financially deserving students.

In terms of the provincial spread it is worth noting that there has been consistent growth in the number of applications lodged across provinces. The biggest growth was observed in KwaZulu-Natal, Gauteng and the Eastern Cape. The smallest growth was evident in the Northern Cape, North West and the Free State.

The table also shows improvements in the gap between applications received and the respective students funded in each province. This is also a testament to the growing efficiencies within NSFAS and the co-operation with DSD to better identify, link and verify social grant beneficiaries in efforts to strengthen support to such individuals. The extent of need in our society is further illustrated when we consider that as of 2018 SASSA recipients nationally was put at 13 833 101¹².

The final consideration in this paper, is the extent to which NSFAS is successful in targeting people with disabilities. Since 2004 when the Department of Labour (DoL) set aside funding for students with disabilities, NSFAS has made available funds to students with disabilities at both universities and TVET colleges. The NSFAS disability funding is for students with disabilities studying any undergraduate programme, regardless of field of study. First-time entering students need to complete a disability index questionnaire in addition to the normal NSFAS funding application¹³. This funding covers full cost funding (NSFAS funding cap does not apply) plus additional allowances for assistive devices and for human support. The allowance values are reviewed annually.

Previous investigations confirmed that many students with disabilities are not funded as disabled students and thus to give a comprehensive view of people with disabilities funded by NSFAS, the final table combines the data on students with disability funding and those students that indicate they have a disability, although they might not be receiving disability funding. The information is disaggregated by gender over time.

Table 4: Percentage of funded NSFAS students with disabilities, 2014, 2016 and 2018 split by gender¹⁴

GENDER	2014	%	2016	%	2018	%
TOTAL FEMALE	3607	57%	2374	58%	1064	52%
TOTAL MALE	2752	43%	1735	42%	998	48%
GRAND TOTAL	6359		4109		2062	

While there has been an increase in the proportion of males of this cohort between 2014 and 2018, the table confirms a general decline in NSFAS funded students with disabilities. However, male funded students are under-represented relative to their proportional representation in the population, the percentages are in line with the gender distribution of PWD in the South African population.

¹² This number excludes social grants that are not eligible for NSFAS funding, for example, the old age grant. Republic of South Africa, SASSA.

¹³ The 2017 NSFAS Handbook

¹⁴ Generated from the NSFAS PowerBI as from 12 December 2018

IN SUM

- NSFAS has been successful in directing funding especially to African and female students
- Substantial increases in funding to SASSA grant beneficiaries and households points to greater levels of success in identifying such individuals for NSFAS support
- The provincial distribution of the students we fund aligns with the location of provisioning institutions, but we find a substantial under-representation of NSFAS funded students coming from Limpopo
- Declines in funding of PWD seems counter-intuitive to the extensive communication drives to create awareness of disability funding and needs further investigation