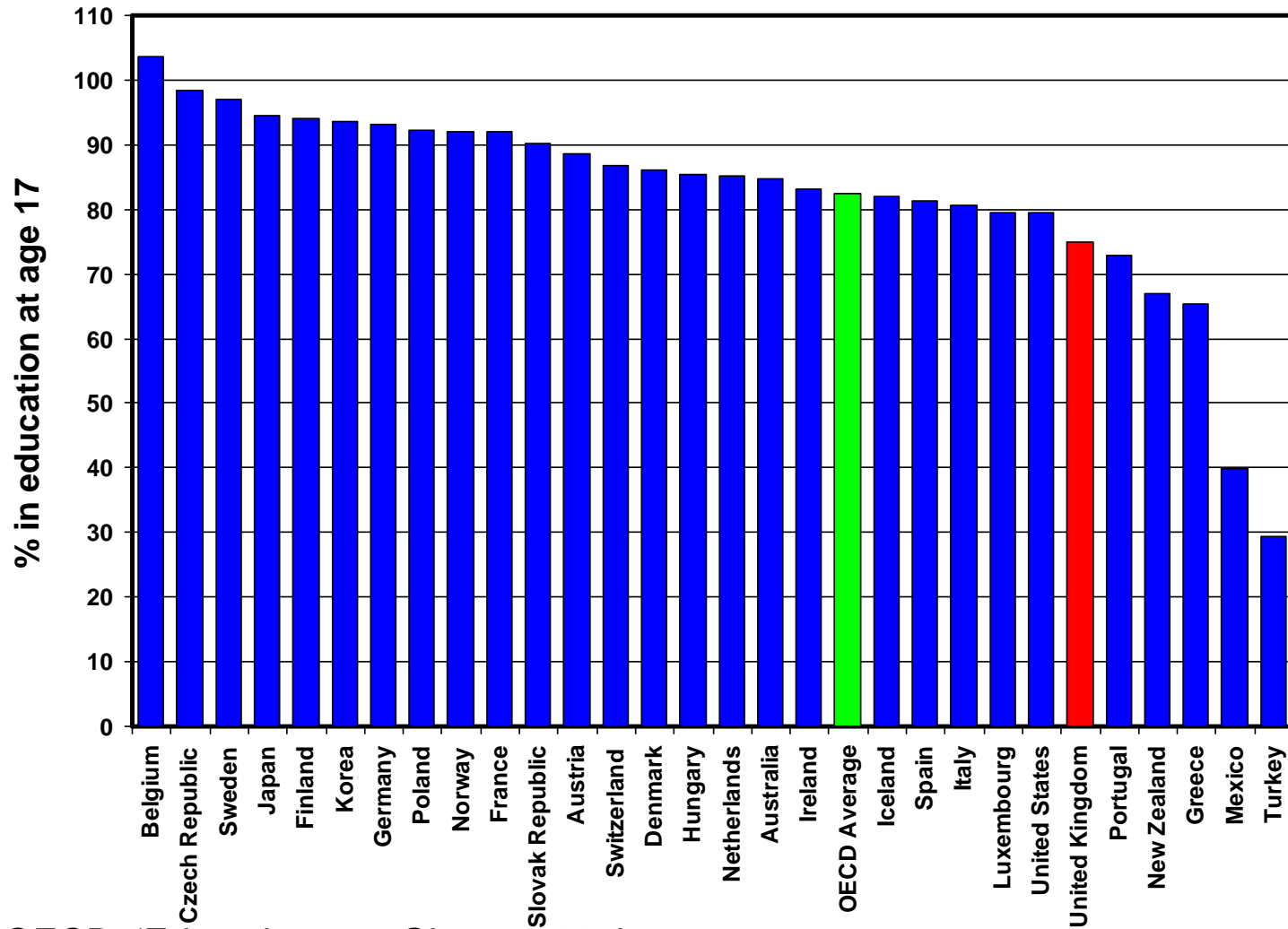


The Educational Maintenance Allowance – estimating its impact on participation

John Elliott

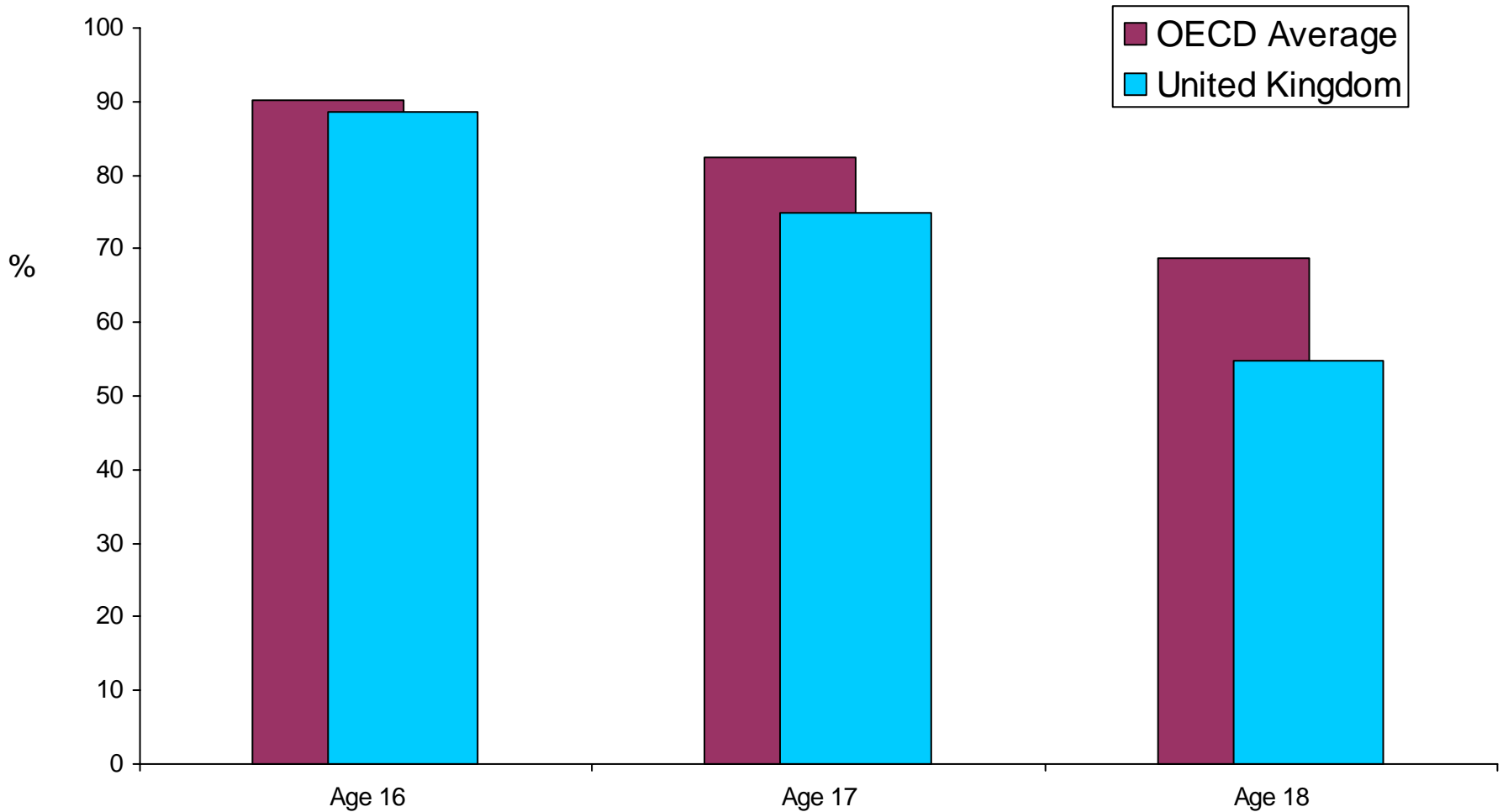
Chief Economist and Strategy Director,
Department for Education and Skills,
England

OECD participation in education at 17 in 2003



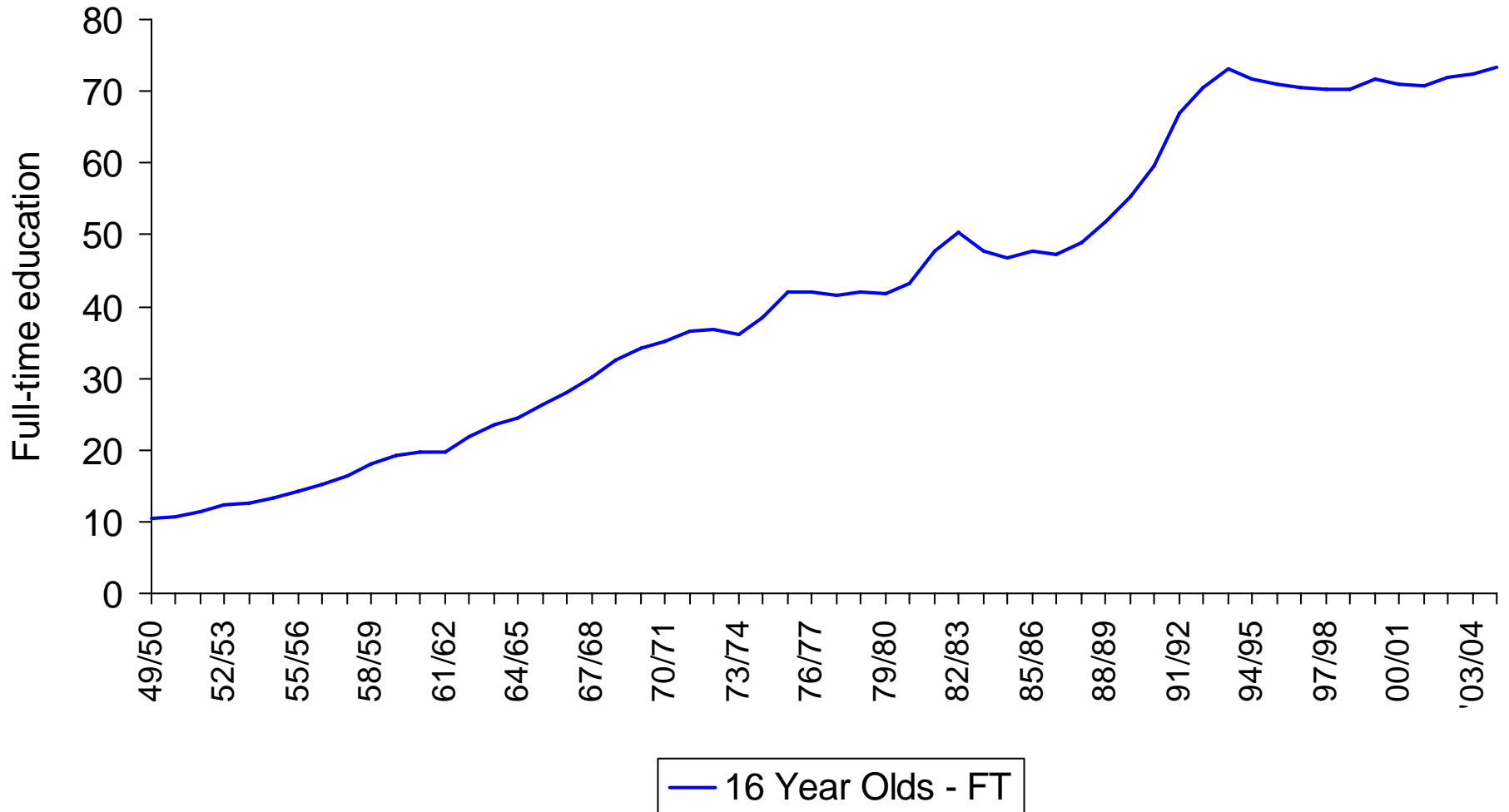
Source: OECD, 'Education at a Glance 2005'

OECD RATES OF PARTICIPATION IN EDUCATION (2003)

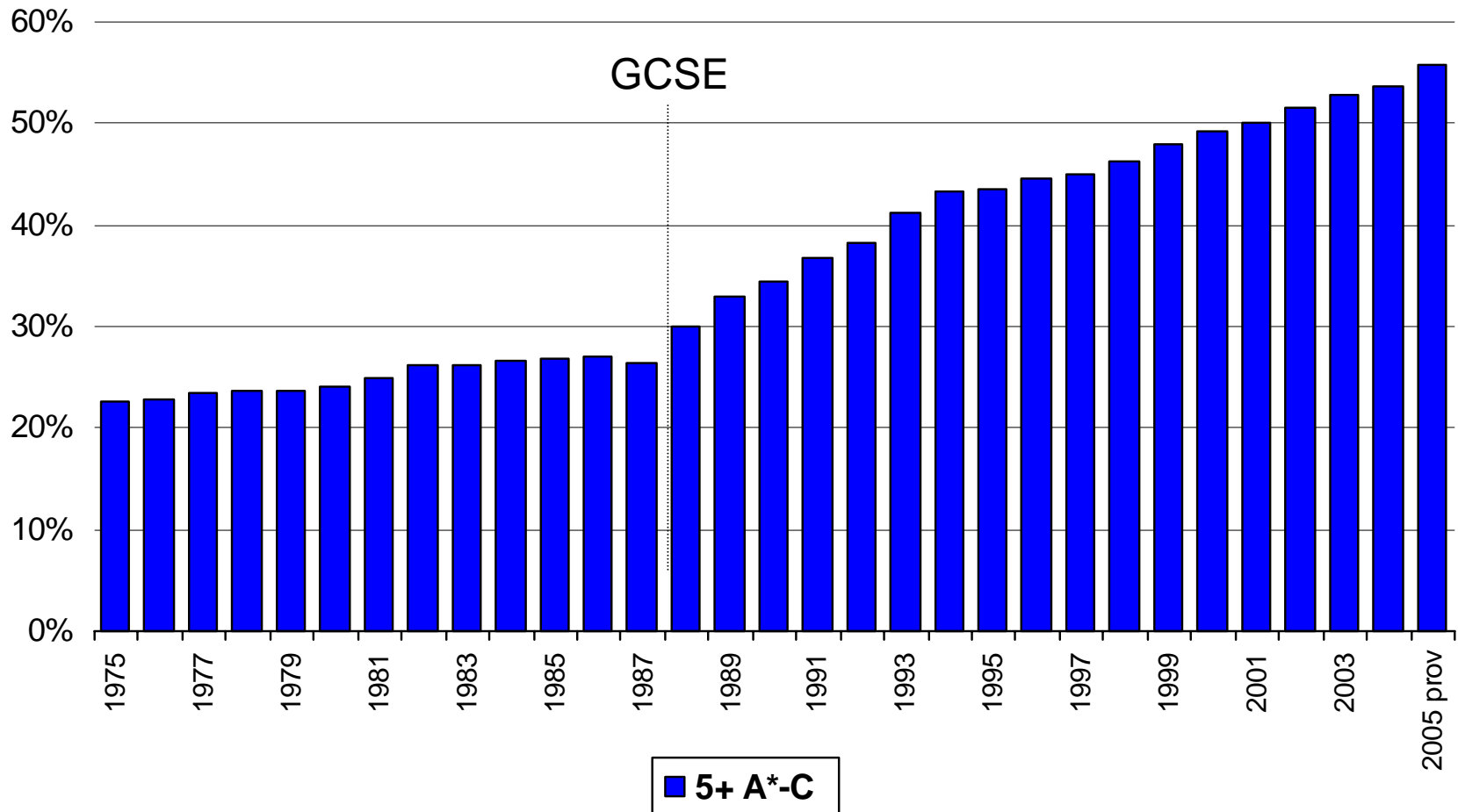


Source: OECD, 'Education at a Glance 2005'

Participation of 16 year olds in full time education

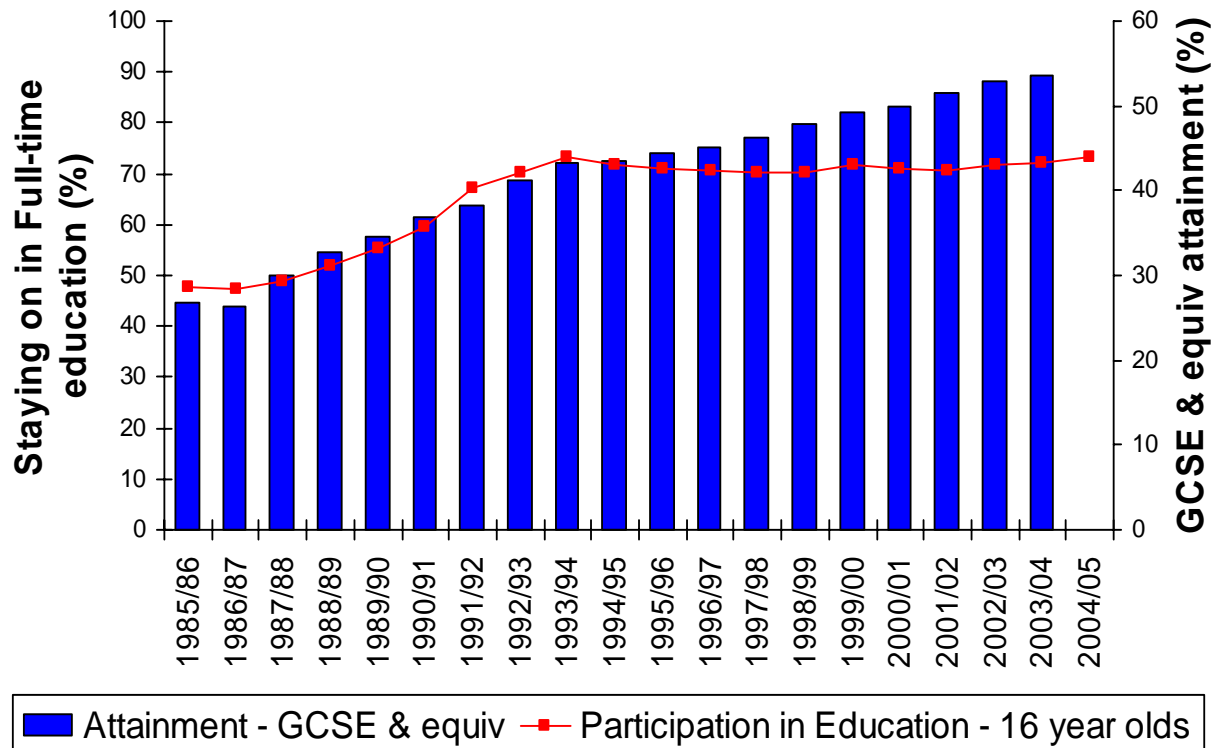


Level 2 attainment at 15 (5+ A*-C GCSEs)



The relationship between post-16 participation and attainment

Trends in attainment and staying-on rates



Educational Maintenance Allowance (EMA)

- An income-tested allowance payable to 16-18 year olds who remain in full-time education
- Aims to raise participation, retention and achievement in post-compulsory education
- Pilot provision (15 areas) began in 99/00 (and further roll out to 36 areas in 00/01)
- National roll-out to all 16 years olds from 04/05 and in subsequent years to 17 and 18 year olds
- Rates in 05/06:
 - Income up to £20,270 per annum £30 per week
 - Income of £20,271 to £24,850 per annum £20 per week
 - Income of £24,851 to £30,000 per annum £10 per week

Overview of Evaluation

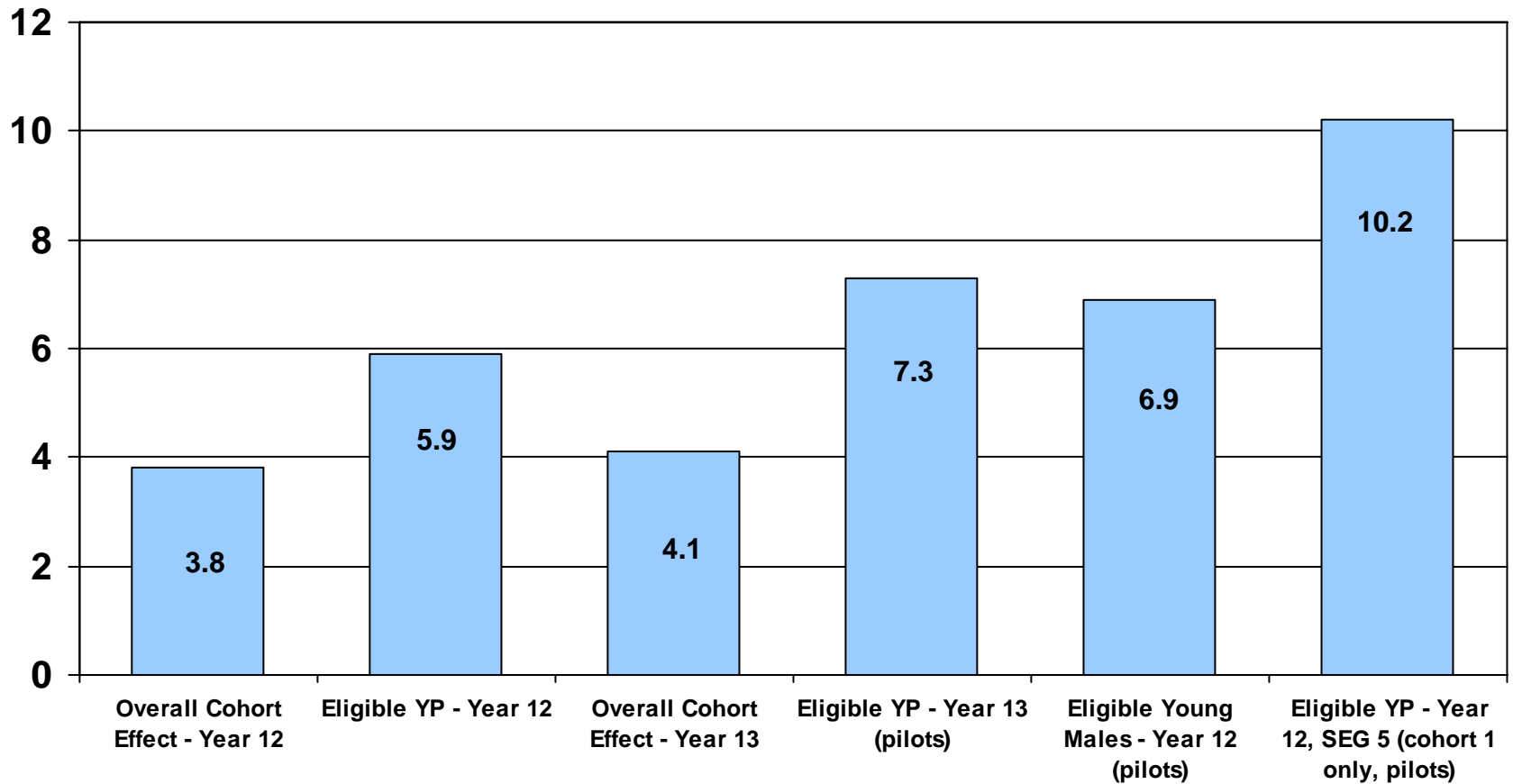
- 10 pilot areas (plus Leeds and 4 London), 11 control areas
- Followed 2 cohorts of 16 year olds for 4 years (99/00 to 02/03 and 00/01 to 03/04)
- 4 variants tested – weekly payments to young person or family, retention and achievement bonuses
- Matched individuals in pilot and control areas (propensity score matching – PSM)
- Descriptive analysis comparing pilot and control areas

Propensity Score Matching (PSM)

- Pilot and control areas may be quite different in demographic composition in ways that may be relevant for participation decisions.
- PSM involves matching at an individual level rather than doing comparisons at area level.
- Matching characteristics include: household income, parents' education, work status, early childhood outcomes, earlier school outcomes; ward level measures of post-16 participation and deprivation; Y11 school quality measures
- Key assumption is that there are no other factors (relevant to participation) which differ significantly between pilot and control areas.

EMA Impact on Participation

(percentage points)



Estimation of National Impact

- Note that pilot areas chosen to be amongst the most deprived:
 - Pilot eligibility = 72.7% of 16 year olds
 - National eligibility = 62.4% of 16 year olds
- National impact calculated (using population weights of the groups identified) as 3.8%pts (across the whole cohort)
- 04/05 national roll-out to remaining 2/3 of LEAs, therefore would expect a further increase in participation of up to 2.5%pts

Participation by 16 Year Olds

(percentage)

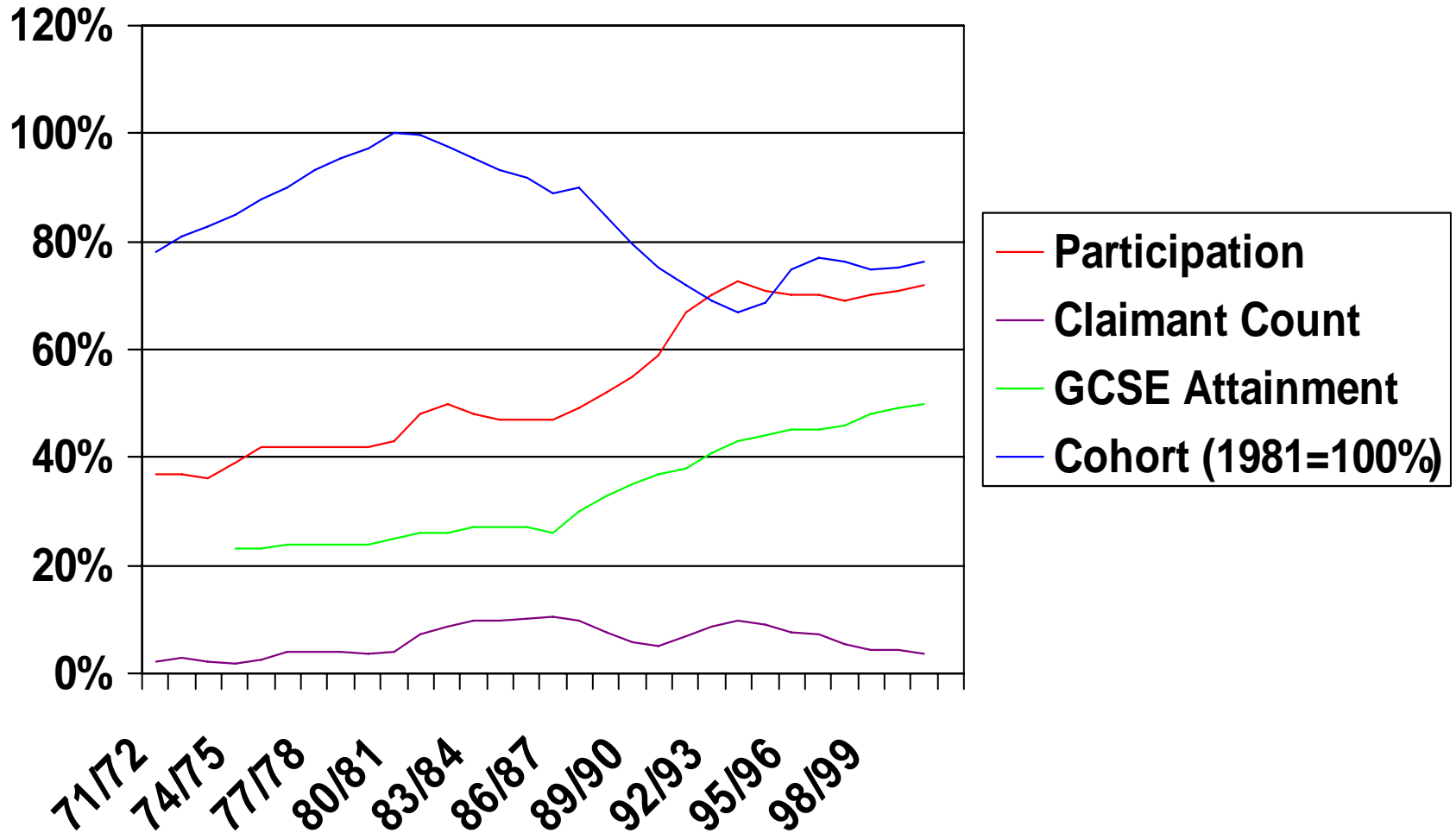
	2003	2004
Full-time Education (FTEd)	72.3	73.3
Part-time Education (PTEd)	4.4	4.5
Work Based Learning (WBL)	7.1	6.7

Source: DfES SFR 27/2005

Why was participation increase lower than expected?

- Changes in other factors affecting post-16 participation (Clark, 2002)
- Differences between pilots and national scheme
- ‘Errors’ in the projections – unexplained factors

Participation in post compulsory education, youth employment, GCSE attainment (5 A*-C) and cohort size



Factors affecting post-16 participation

Estimated elasticity of participation at age 16 to key factors
(Clark, 2002)

Gender	Youth Unemployment	GCSE attainment	Cohort size
Male	0.24	0.46	-0.10
Female	0.05	0.33	-0.07

- Broadly impact on participation of increased attainment by 16 (+0.5%pts) is cancelled by falls as a result of falling youth unemployment (-0.4%pts) and increased cohort size (-0.1%pts)
- But note increases in attainment driven by GNVQs

EMA may well be working 'as expected', but ...

- £30K limit held constant— reduction in eligible population from 62% in 99/00 to 55% in 04/05
- Cash value of payments held constant – about 10% decrease in real terms
- Differences between pilots and national scheme
 - taper vs step payments
 - operational differences – national provider; emphasis on ensuring robust payment system rather than promotional activity; 'pilot effect'