The student support system in mediating work-related dropout: a comparative analysis of four worlds of student funding

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Problem

The rates of student dropout are a significant concern throughout Europe

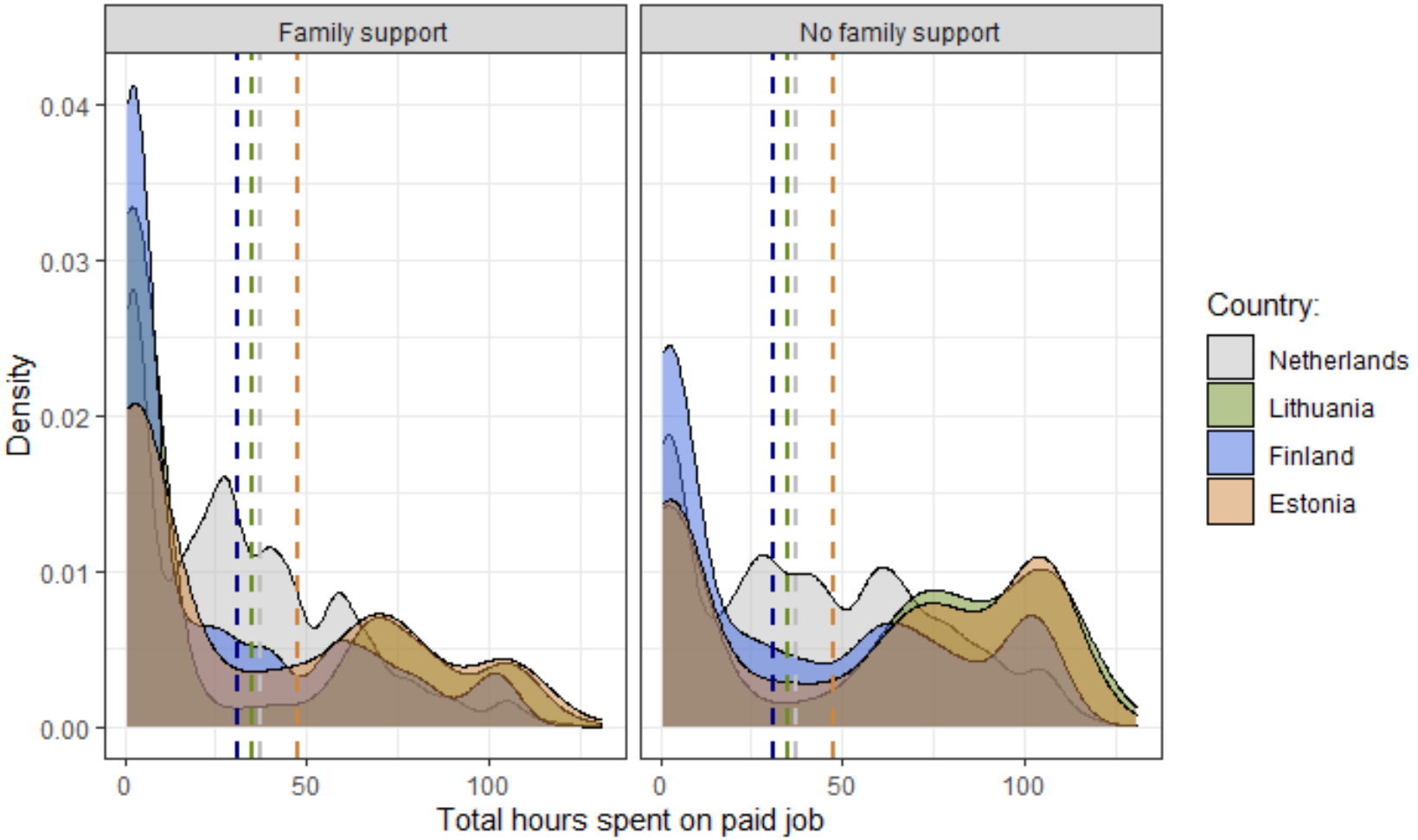
- Approximately one-third of students who enrol at university leave their studies without obtaining a degree (OECD 2019)

Students growingly combine working and studying

- New normal? Less standardized educational and life-course trajectories of youth
- Necessity? Students work because otherwise they cannot afford studying

Is working an impediment for studies?

Countries differ but family support and working hours are positively correlated. In Estonia 69%, Finland 56%, Netherlands 74%, Lithuania 51% of students have a paid job



Theoretical/empirical insights: what affects dropout (1)

1. Student level:
   - age
   - gender (depends on labor markets) – females drop less
   - minorities (migrant background)
   - ability(both ends have higher prob), awareness, attitudes
2. Family level:
   - parental background – cultural capital and habitus
   - family income (only in countries with high tuition fees)
3. University level:
   - social/academic integration (interactions with peers/teachers)
   - better facilities (small class size, lab) – both ends bad
   - generous financial aid – positive effect
   - tuition fees – negative effect only in case of low SES
   - services offered to students
   - admission criteria
4. Labour market and other:
   - greater job opportunities (opportunity cost of study)
   - time dedicated to study/work – negative effect of working, mixed effects on studytime

The bottom line from the literature so far

Multiple intertwining factors behind dropping out

- The literature inclines to the dominant role of financial conditions, i.e. students from poorer backgrounds are more likely to drop out as they receive less financial support from their families
- Nevertheless, the evidence on the impact of the economic situation and working while studying is inconclusive
- Hence, work-related impediments could be dependent on work intensity and familialization? Do these associations differ across funding regimes?

Motivation and RQs

Dropout is a problem independently from student finance type

- Study is badly organized and does not meet labour market requirements: generates vertical and horizontal mismatch
- Students are poorly financed that forces them to work

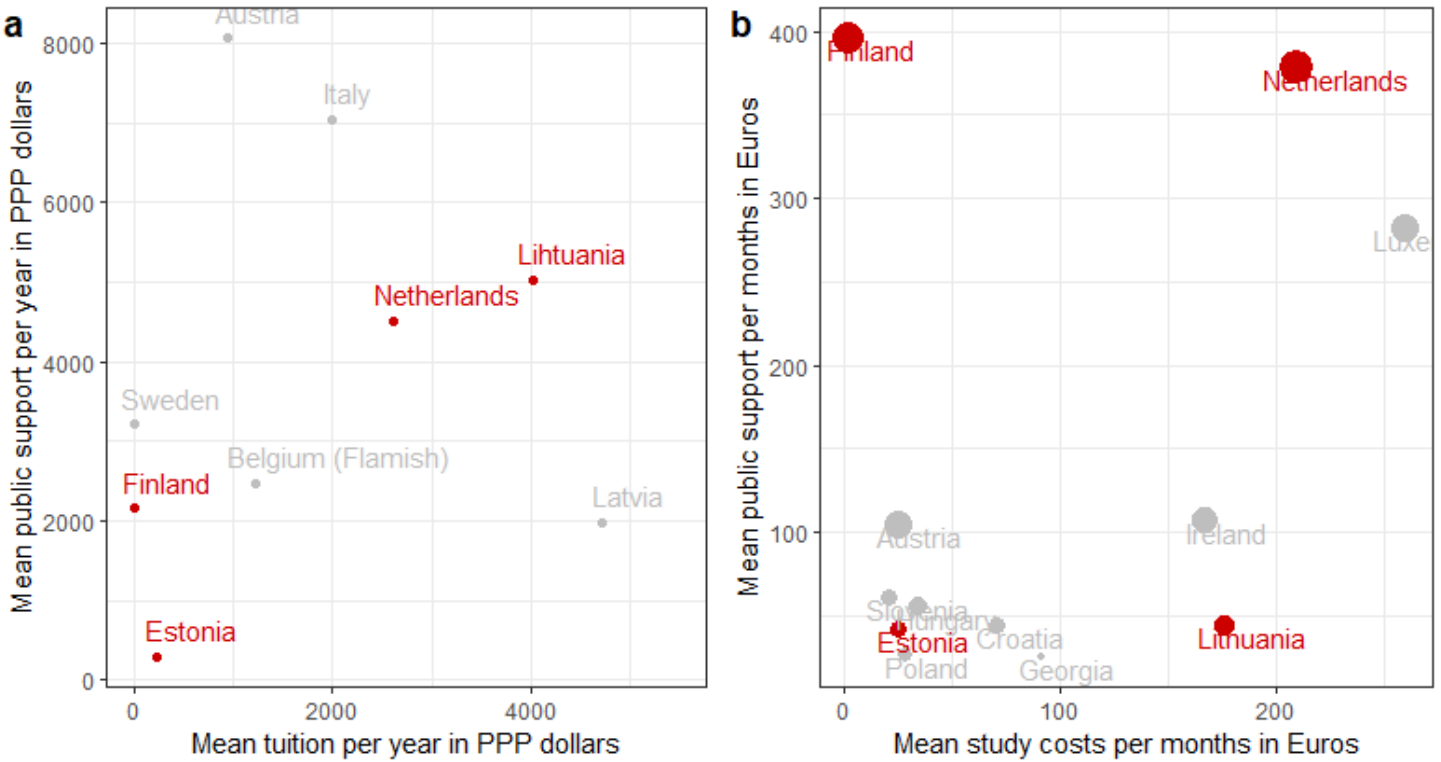
Hypotheses:

- Higher public support (or low tuition) has direct and decreasing effect on dropout;
- Higher public support (or low tuition) has also indirect effect, i.e. decreases dropout through reduced working hours;
- Explorative RQ: whether effects differ by student finance types?

Most extreme cases of student financing

Case selection principle: most different cases

Based on the typology by Garritzmann (2016)



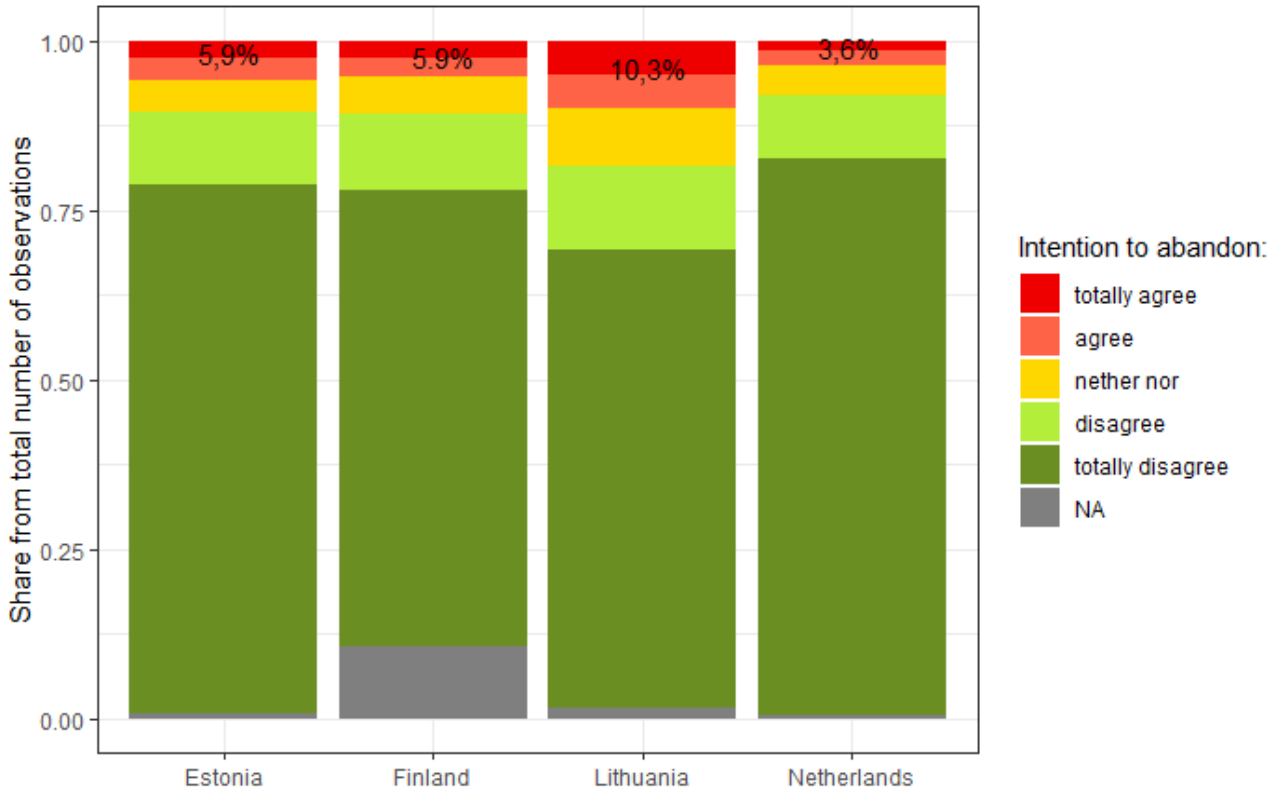
(a) OECD (2022) (b) Eurostudent VII (2019)

How countries student financing policies differ?

	Estonia	Finland	Lithuania	Netherlands
Annual tuition per year				
Mean	NA	NA	1505-15234	1071-2143
Who pays	International and part-time students (13%)	International students	'Self-financed' students	All first-cycle pay 50%
Subsidies per months				
Universal	NA	268	NA	NA
Need-based	75-220	281-416	127 (4%)	403
Criteria need-based	Parental income	Housing allowance	Parental income	Parental income
performance-based	100	NA	10-3728	NA
coverage	6%		16%	

Our dropout variable is self-reported

Intention to abandon studies

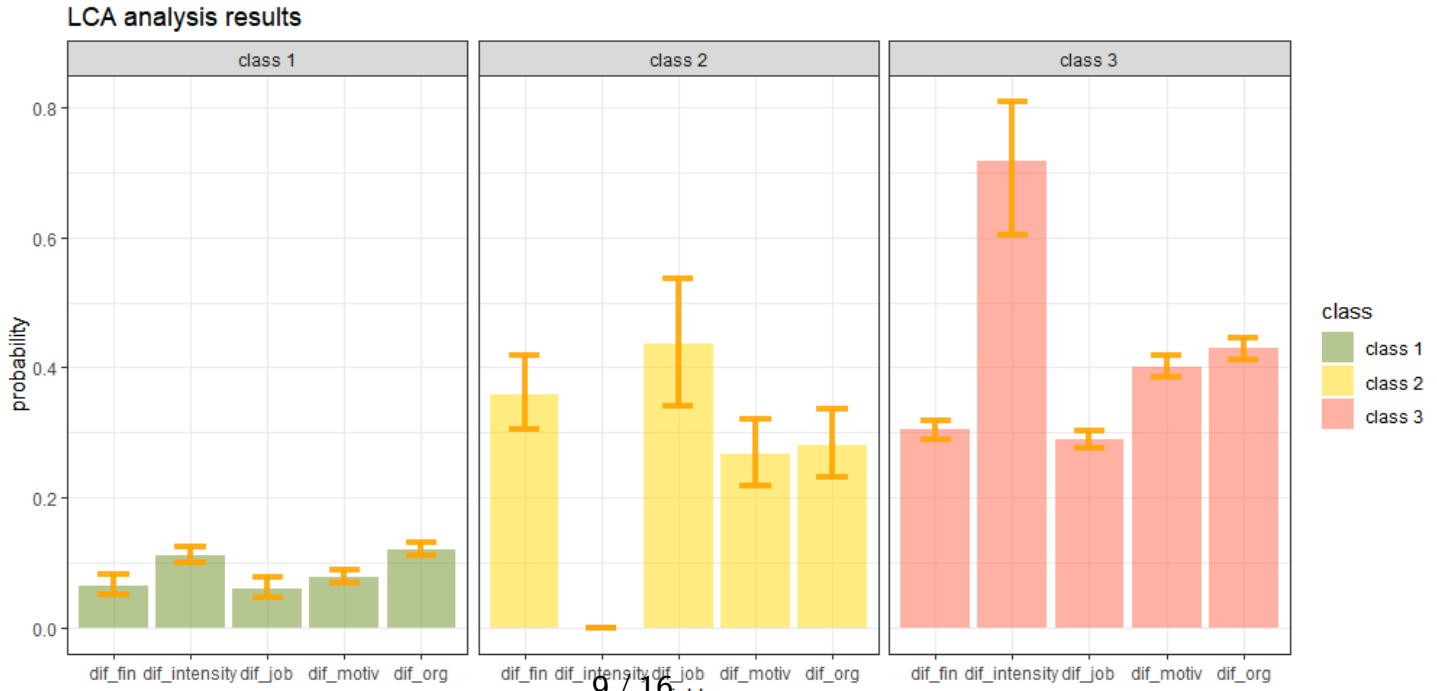


Likert 5-scale (linear scales from 0-4). In general Estonians and Lithuanians highly underestimate dropout (actual 11%)

Research design: operationalisation of study conditions

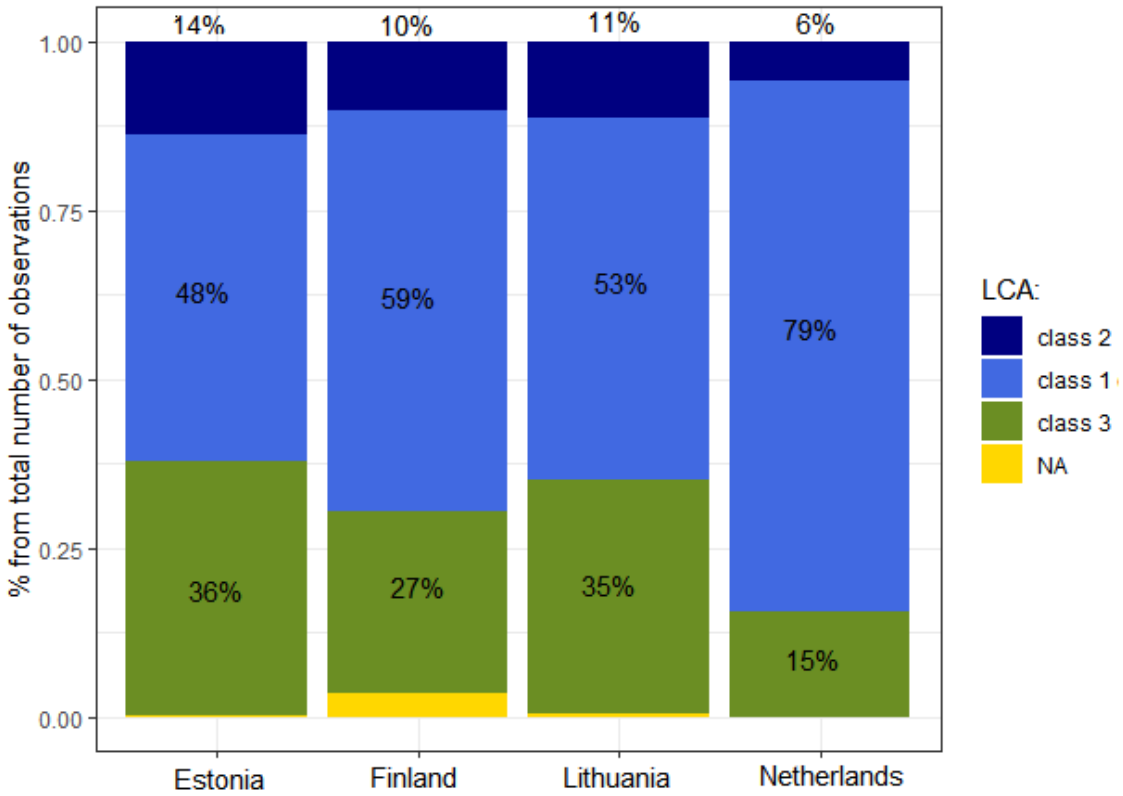
- Five questions from the survey (how much you agree that you have difficulties with):
  1. study intensity
  2. study organization
  3. financial difficulties
  4. obligations of job
  5. lack of motivation

LCA: 3 classes



LCA classes by countries

Latent class analysis: to reduce dimensions: Three classes



Class 1 = rather no impediments, Class 2 = rather job as impediment, Class 3 = rather study itself as impediment

Research design: Model identification (mediation)

Estimation strategy:

- Mediation analysis with country samples (not pooled data);

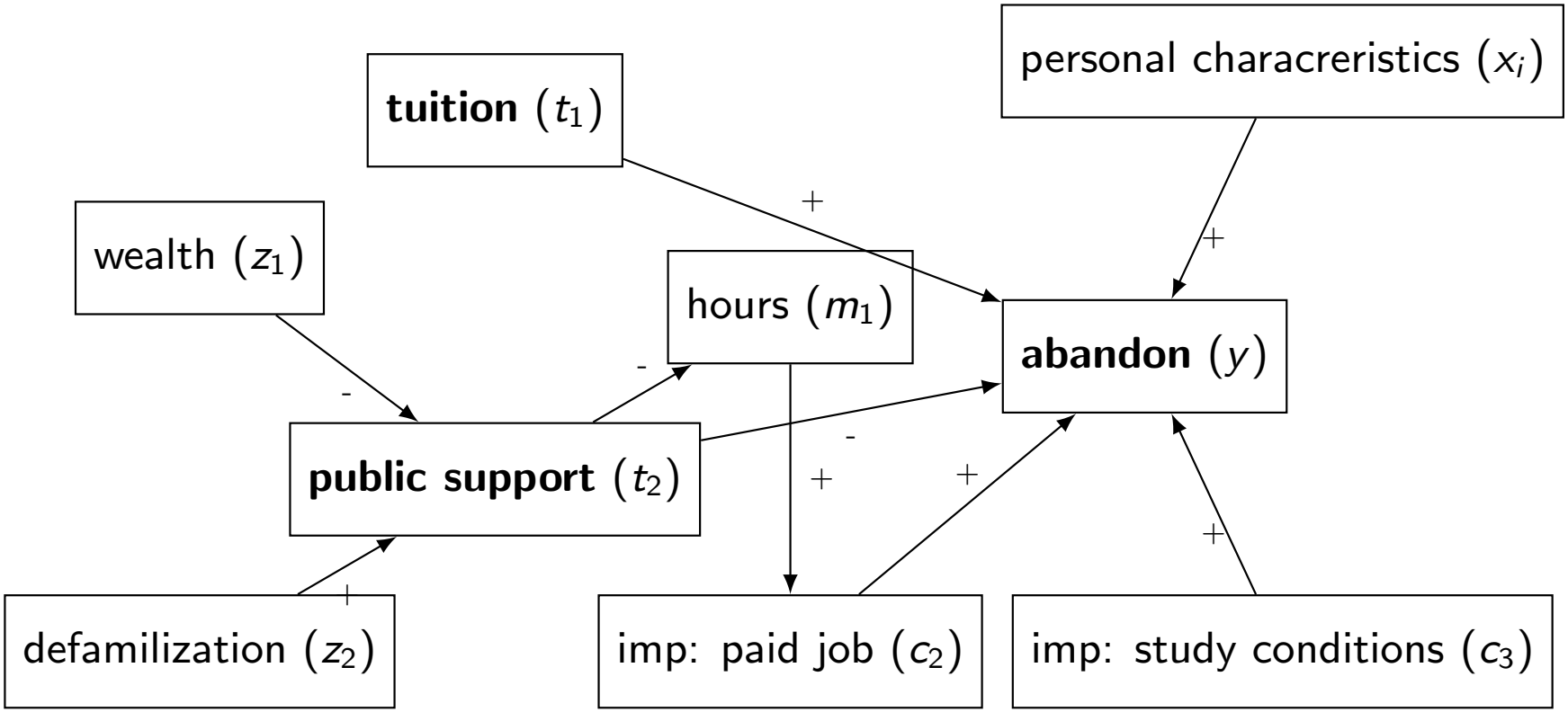
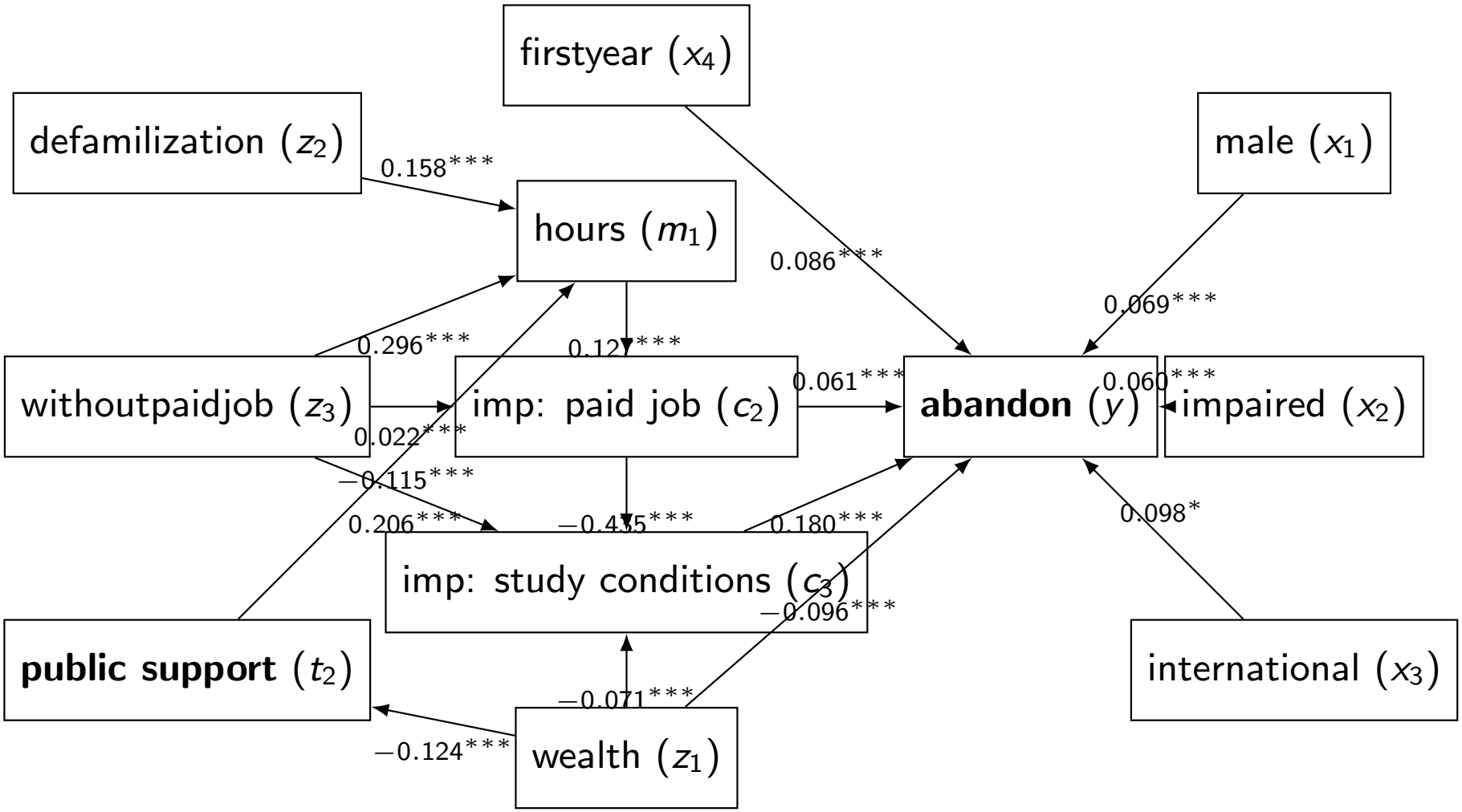


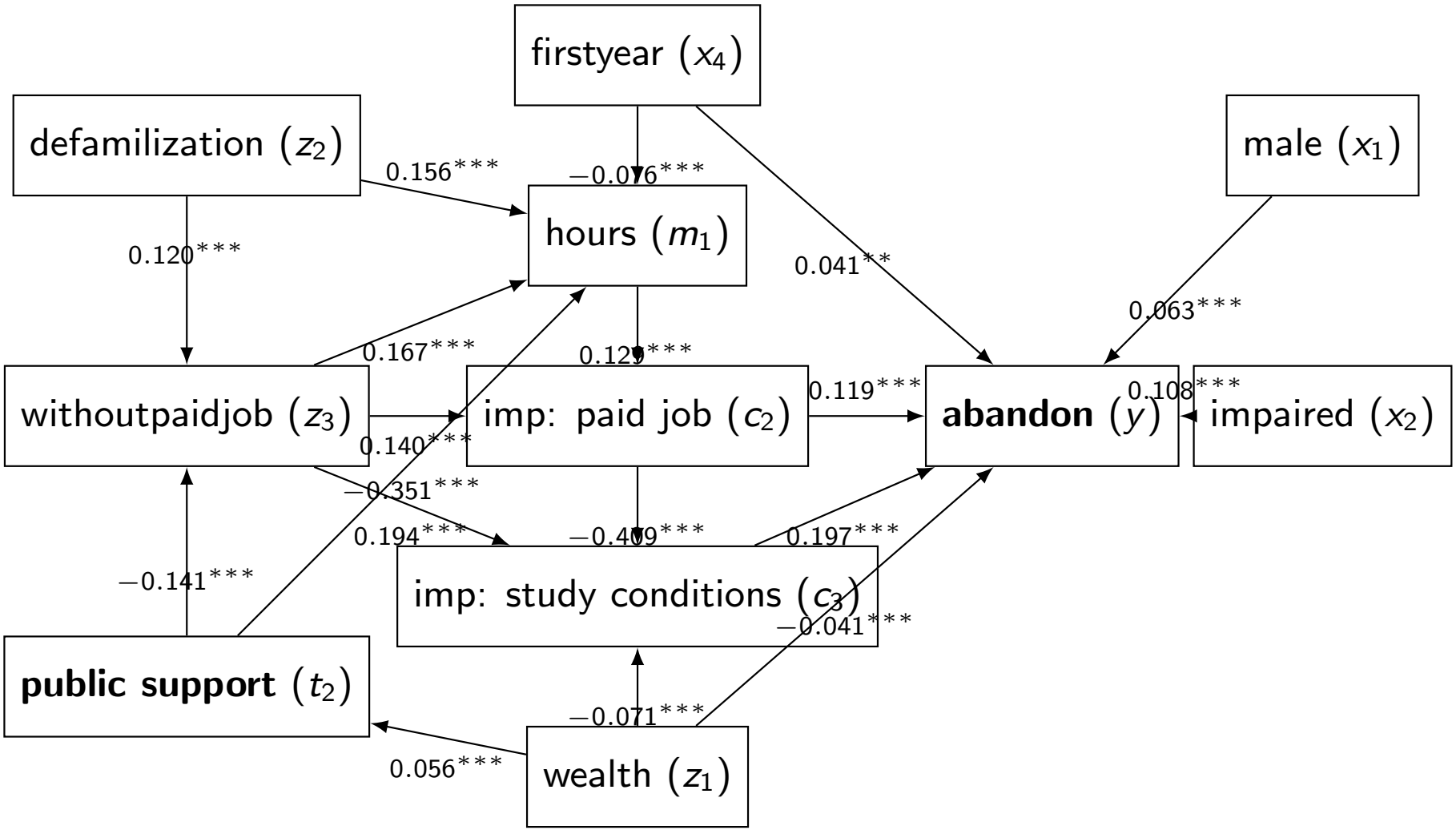
Figure: Structural model of abandoning the studies

Results: Estonia



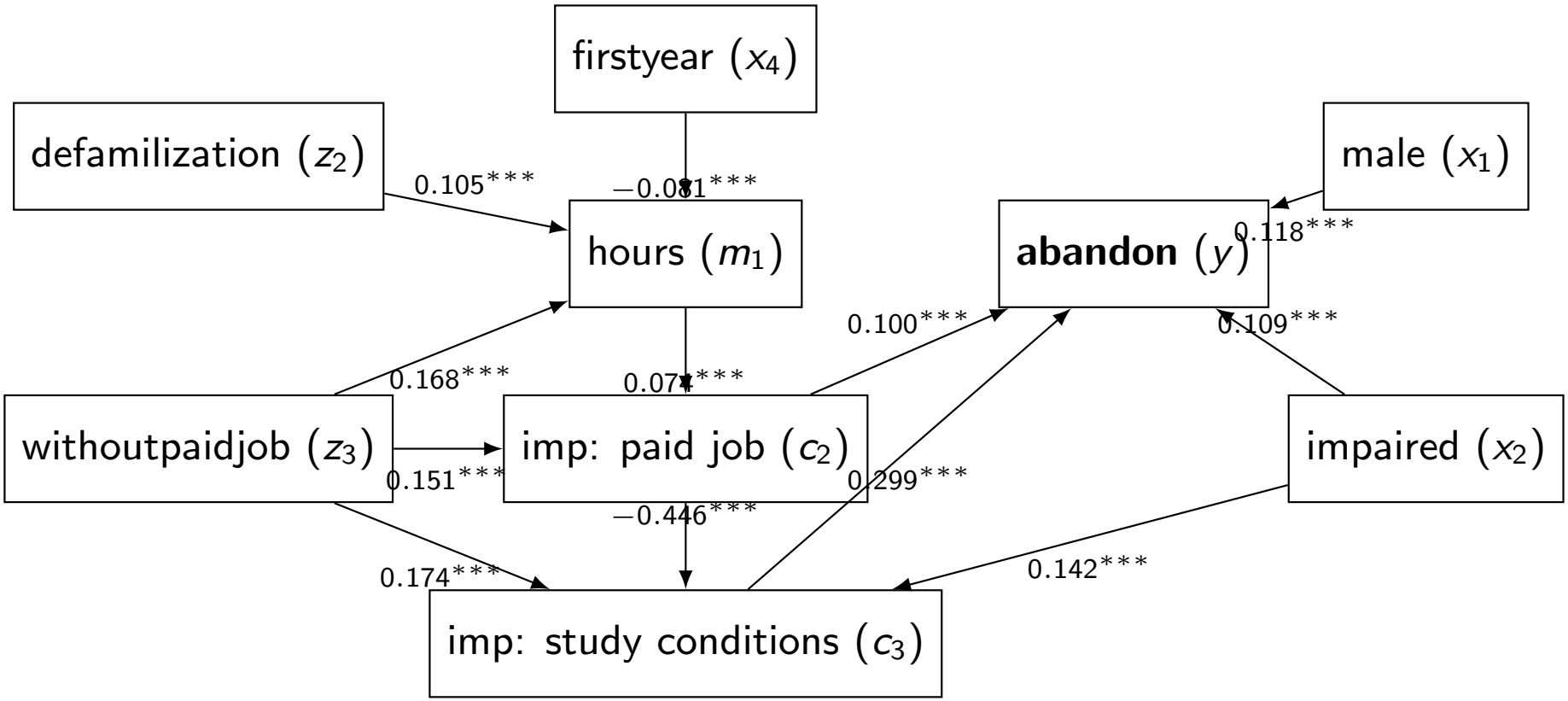
Notes: n=922, standardised effects reported. Intercepts and error term variance are not shown to increase readability, , all intercepts and error term variances are significant in 0.001 level. p-value ¡ 0.01 identified by ***. Goodness-of-fit measures: RMSEA = 0.030, CFI = 0.954, Chi-sq = 51.231 ($p < 0.005$, df = 28), SRMR = 0.025.

Results: Finland



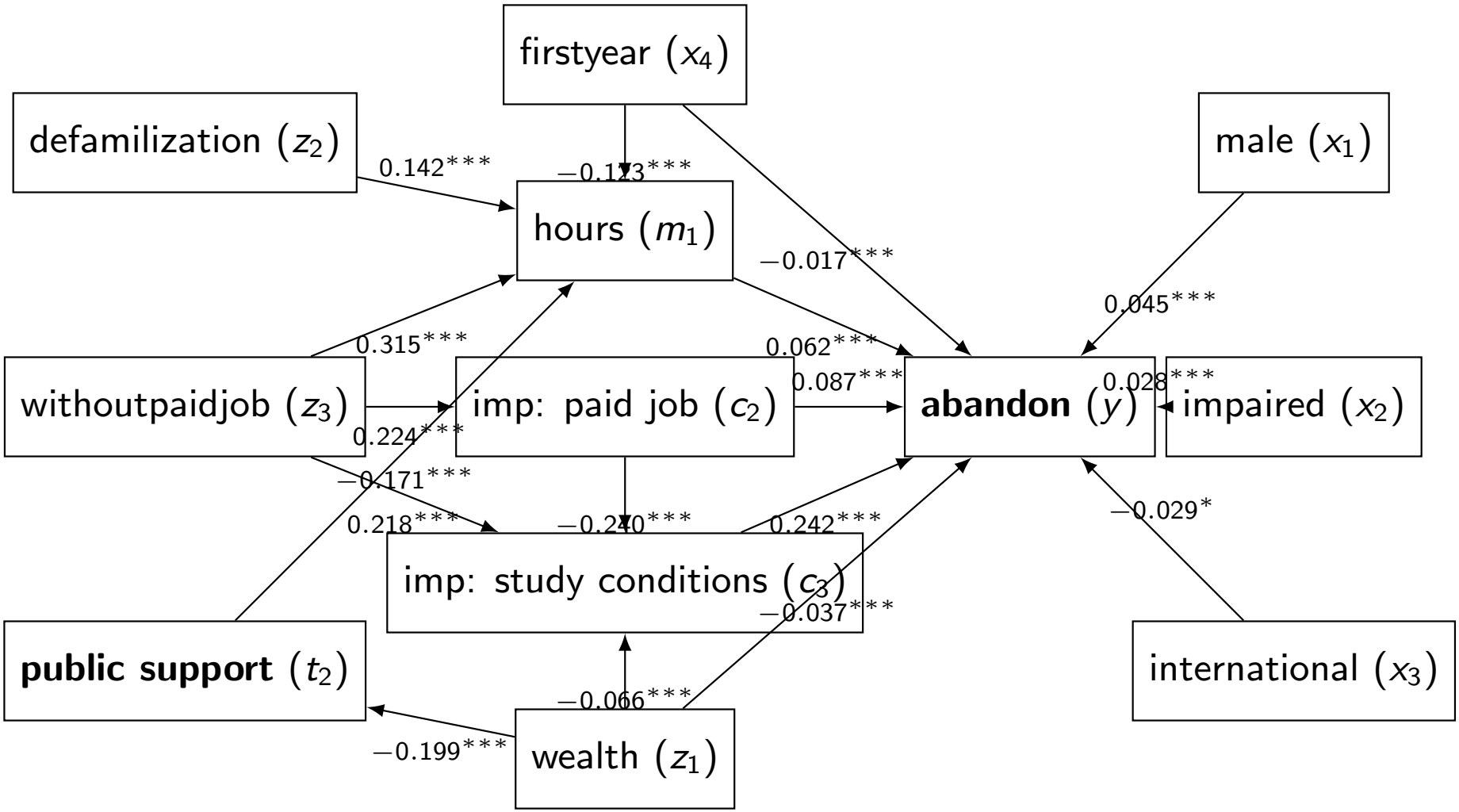
Notes: n= 2114, standardised effects reported. Intercepts and error term variance are not shown to increase readability, , all intercepts and error term variances are significant in 0.001 level. p-value ¡ 0.01 identified by ***. Goodness-of-fit measures: RMSEA = 0.047, CFI = 0.921, Chi-sq = 148.722 ($p < 0.000$, df = 26), SRMR = 0.031.

Results: Lithuania



Notes: n=1131, standardised effects reported. Intercepts and error term variance are not shown to increase readability, , all intercepts and error term variances are significant in 0.001 level. p-value ¡ 0.01 identified by ***. Goodness-of-fit measures: RMSEA = 0.027, CFI = 0.978, Chi-sq = 25.29 (p ¡ 0.03, df = 14), SRMR = 0.020.

Results: The Netherlands



Notes: n=8883, standardised effects reported. Intercepts and error term variance are not shown to increase readability, , all intercepts and error term variances are significant in 0.001 level. p-value ¡ 0.01 identified by ***. Goodness-of-fit measures: RMSEA = 0.042, CFI = 0.913, Chi-sq = 451.29 (p ¡ 0.001, df = 27), SRMR = 0.025.

Conclusions

- Higher public support has direct and decreasing effect on dropout → NO
- Higher public support has indirect effect, i.e. decreases the intention to abandon the studies through reduced working hours → YES
- Higher tuition fees have direct and increasing effect on dropout → NO

Recommendations

- Government has to provide need based grants regardless of wider context of countries' tuiton-subsidy system of higher education
- Good design of the support system is addressing the most vulnerable students (less wealthy)