



STUDENT FUNDING

An in-depth report on students' perspectives and issues regarding funding.

2023



WELCOME

WHAT'S IN THIS REPORT?



03 Introduction

An overview of the data found in this report.

04 Our survey respondents

A brief introduction to the students surveyed

07 Funding Organisations

Who's funding our students and how happy are students with the funding they've received?

12 Focus group insights

The importance of financial literacy

13 The big issue with funding

The biggest issue students have with funding organisations is ...

15 Highlights from the report

Key insights from the survey and focus group.

18 Appendix

OUR METHODOLOGY

The data encapsulated in this report was gathered **between August 2022 and February 2023** via a comprehensive survey and focus group. The survey was sent out to over **9 000 students across South Africa**, all of whom are between the ages of **18 and 24**.

Just over **1 000** students responded. These figures represent the correlating demographic of **18-24-year-old students** within the **Gen Z** bracket. The purpose of the survey

was to gather insights into **students' perceptions of funding** as well as their spending habits. To acquire this data, we generated a survey, which included multiple-choice questions, rating scales, and short-answer responses.

After receiving a number of responses, students were screened for a **focus group**, consisting of nearly **60 students**. This allowed us to dive deeper into student funding in South Africa.

INTRODUCTION

STUDENT FUNDING INSIGHTS



With 2023 well underway, **"funding" is top of mind** for **many students** who are looking to attend university next year. This is an exciting step for many students looking **to further their education**; however, it does come with its share of **challenges**.

To find out what financial challenges students are currently facing, we sent out a **survey to students across all 9 South African provinces**.

The diverse range of respondents—with regarding age, gender and geographic location—provides a holistic overview of **students' perceptions of funding** as well as the financial challenges they have faced while completing their studies.

The focus group that followed the survey dives deeper into **students' spending behaviour** as well as **problems** they have encountered with **funders** in South Africa.



OUR SURVEY **RESPONDENTS**



GENDER

Out of the total of **1 002 South African students** that responded to the survey, a majority identify as **female (57.1%)**; a smaller portion identify as **male (41.2%)** while the minority (1.5%) identify as they/them.

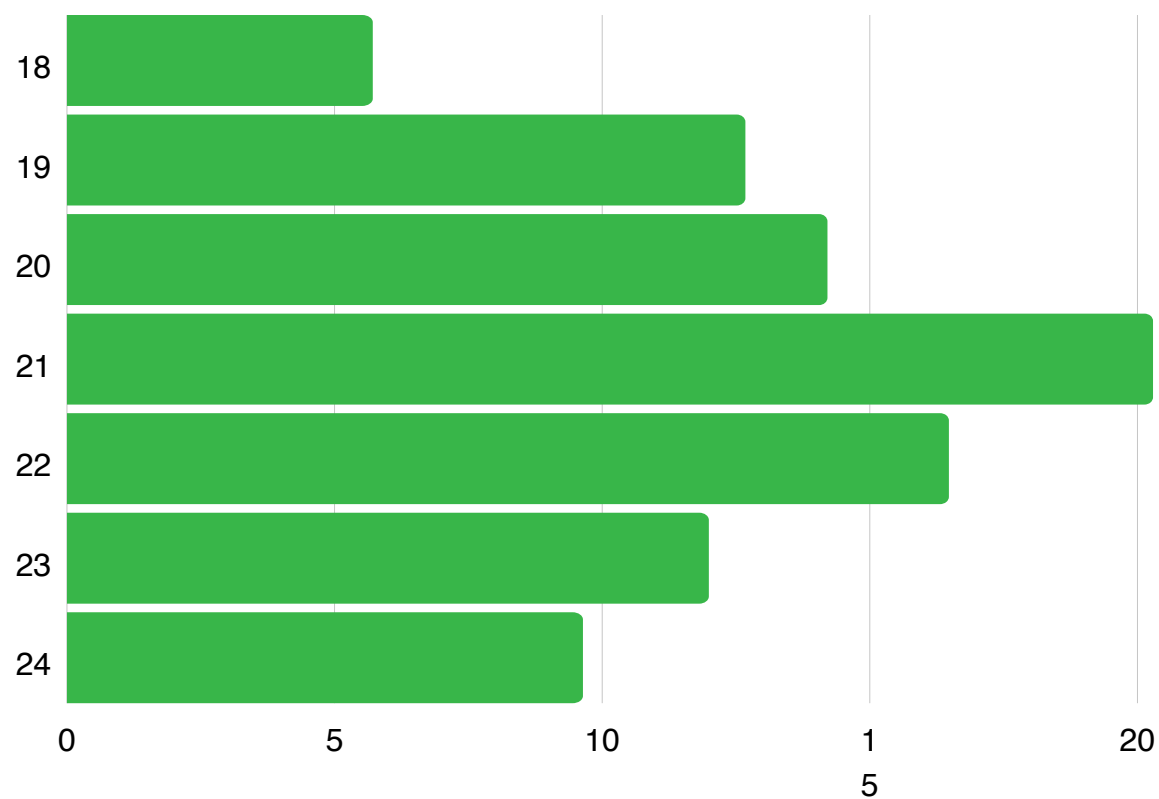




AGE

In terms of the age group, we took decisive measures to ensure that the survey was sent to a range of age groups between the ages of **18 to 24**.

Although the age groups vary, a majority of respondents were **21 (20.8%)** with the minority being **18 years of age (5.7%)**.



STUDENTS' STUDY PROGRAMMES

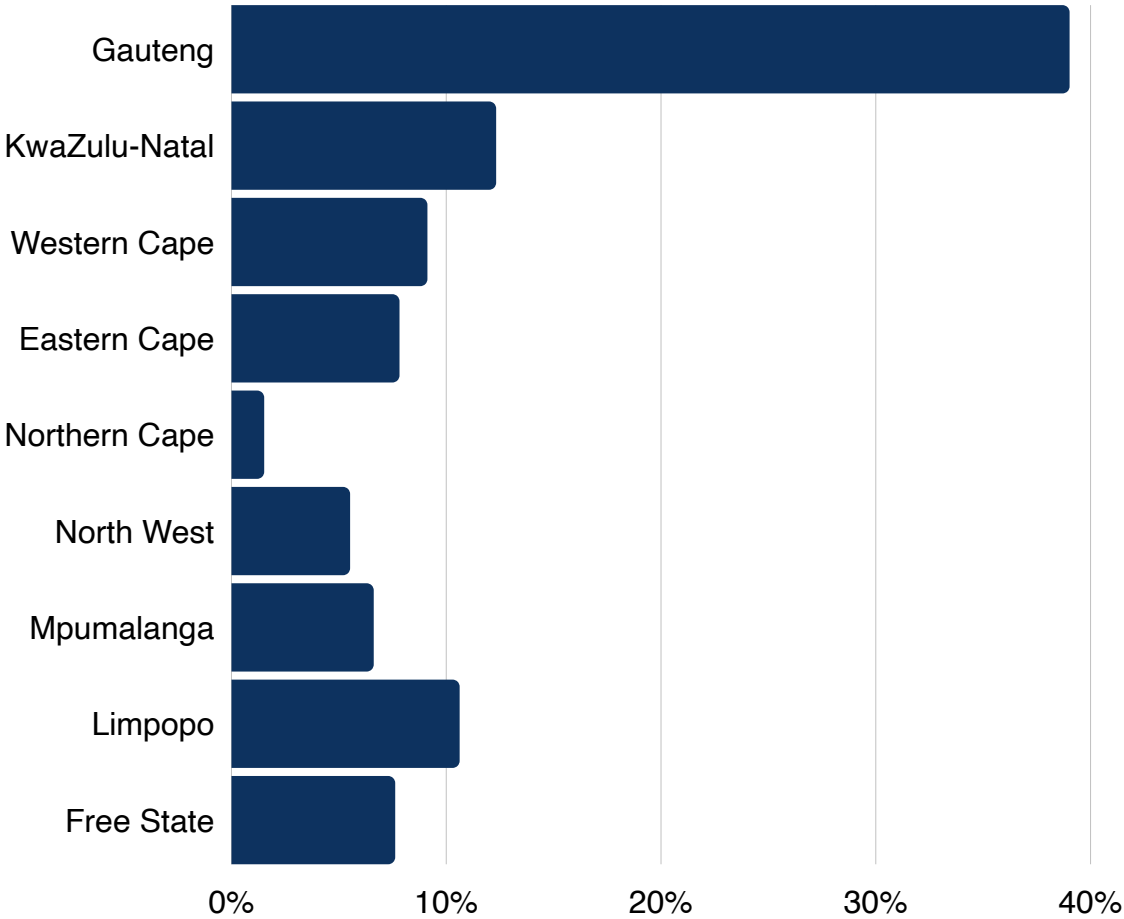
74.9% of students who responded were currently busy with their **undergraduate degree**, with a small portion completing their PHD (0.4%).

What programmes are students busy with?

Undergraduate	74.9%
Postgraduate	7.6%
MBA	0.6%
PHD	0.4%
Diploma	11
Certificate	7.5%

Geographic location

The survey was sent to a multitude of university students, with most respondents being in **Gauteng (39%)**.



The **Northern Cape** had the **least number of responses (0.9%)**, which could be a result of the LSM market and rural location, resulting in students **lacking connectivity**.



Who's funding students?

There is a multitude of costs students have to consider when entering higher education—costs that many South Africans are unable to afford on their own.

It, therefore, stands to reason why most students have deemed it necessary to **acquire funding** (74.9%) through government organisations. Namely, the **National Student Financial Aid Scheme (NSFAS)**. Banks,

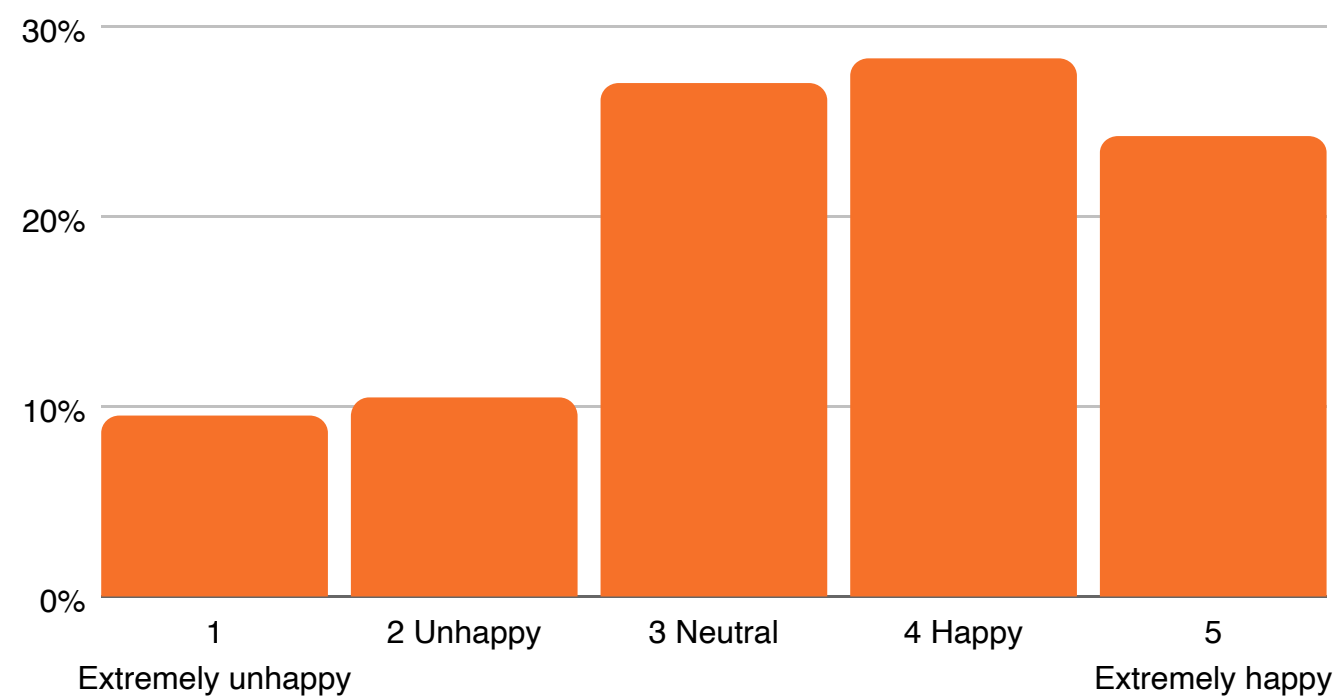
institutions and private funding organisations have also infiltrated the student market in a bid to provide students with the funds they need in order to achieve their academic goals.

Of the **1 002 students** who responded, **751** students are with **NSFAS**, **96** students have acquired funding through **university**, **90** through private funding organisations and **64** students have acquired funding through **banks**.

Turns out, students are pretty happy to have funding

When asked to rate their **happiness level** with the **funding** they've received, **23.7% of students said that they were "extremely happy"**.

A low percentage of students claimed to be unhappy (10.2%) or **extremely unhappy (9%)**, which is good news for funding organisations.





But is funding enough?

Students are happy to receive funding for their studies, but still wish to see additional service and product offerings from funders.

What additional coverage do students want from funding providers?

Medical Fees 56.4%

Counselling 54.9%

Career Guidance 46.4%

Study Guidance 43.1%

Clothing 40.7%

Transport 39.7%

Entertainment 17.7%





Are students being greedy, or ...

should we be worried?

Although funders are able to cover all the costs from an academic standpoint—such as tuition fees, registration, textbooks and transport—many students are looking for more than just funding; they are seeking **mental and emotional support**.

Our data revealed that **more than half of students (54.9%)** would like to see **counselling** and emotional support as service offerings provided by funders.

Without this support, many students are prone to confusion and uncertainty, which contributes to [high drop out rates in universities](#).

46.4% of students believe that they **can benefit from career counselling**, specifically, as they found their first year of university to be the most stressful. In our focus group, students listed **choosing their subjects** was the most **difficult** thing they had to do, as they weren't sure which ones would impact their career path or their future.

When asked whose responsibility it is to provide them with career guidance and support, students were quick to respond.

"Schools need to do more for us to achieve more."



SPEAKING OF SCHOOLS, WHO'S TEACHING LEARNERS ABOUT FUNDING OPTIONS?



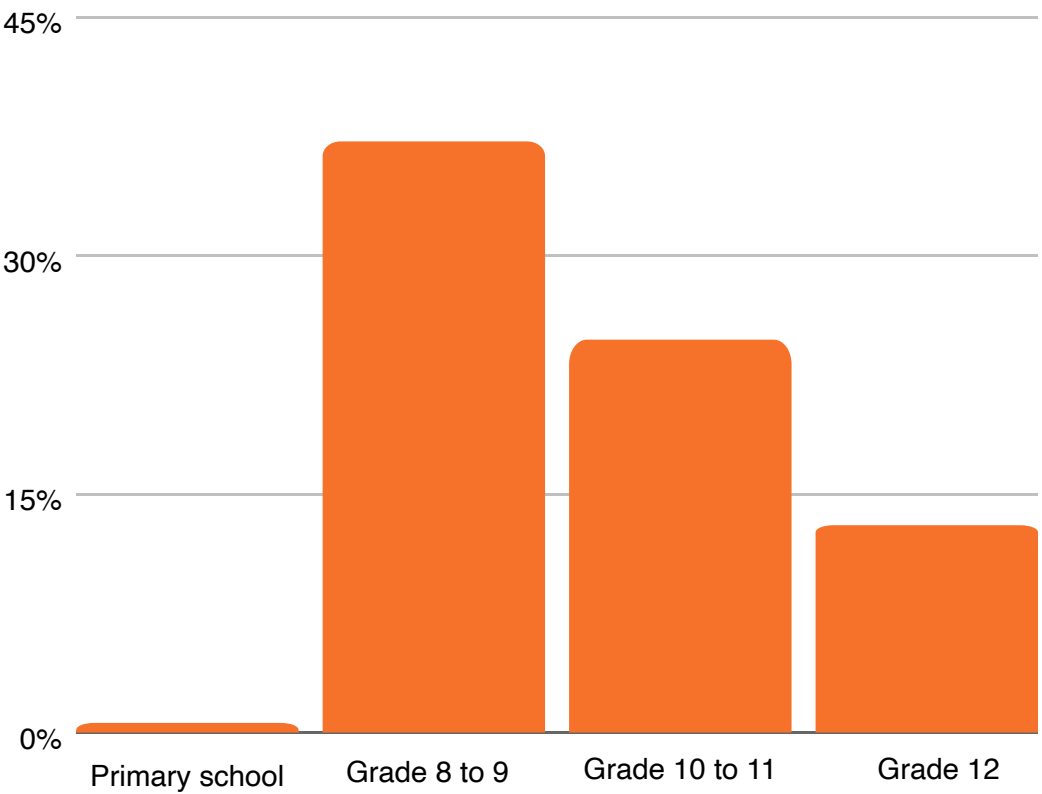
84.5% of students claim to have been **unaware of funding** prior to starting university. So, who exactly is telling learners about funding?

When asked how funding information could be made **more accessible**, students shared their theories.

How students are learning about funding options



When should learners be told about funding?



39.7% of students agreed that **funding options should be given to students** when they start making important subject choices, starting at **grade 8 or 9**.

Putting the 'literate' in financial literacy

When it comes to funding, students maintain that they have **little to no access to funding information** and are unaware of how to budget their finances.

It thus makes sense as to why **65.5%** of students listed "**financial literacy**" as a product they'd like to see offered by funding organisations.

Our data additionally revealed that **51.7% of students** believe that financial

guidance is missing from funding organisations.

Without financial guidance, students are unaware of how to **budget their finances**, and consequently, their funding allowances. In fact, more than half of students (**57.7%**) **have less than R100 leftover** at the end of each month

This is concerning when you consider that **31.3% of students list funding allowances** as their **main source of income**.





The big issue with funding

Are students really to blame?

It's clear to see how a lack of financial guidance leads to impulsive spending. However, our insights revealed additional **external factors** that leave students **without discretionary income** at month-end, such as family members in need, inflation and unforeseen academic purchases.

However, the biggest contributor to students' lack of funds comes down to delayed payments. In fact, **74.4%** of students list **delayed payments** as the

most **common issue** they have with funding. And with higher education institutions expecting fees to be paid at different intervals, students often **suffer the repercussions** of their educational fees and accommodation not being paid on time.

Consequences **include not having textbooks** in class, a delay in rent payment (leading to [students being evicted from campus](#)) and starting the academic year at a much later stage in comparison to other students.

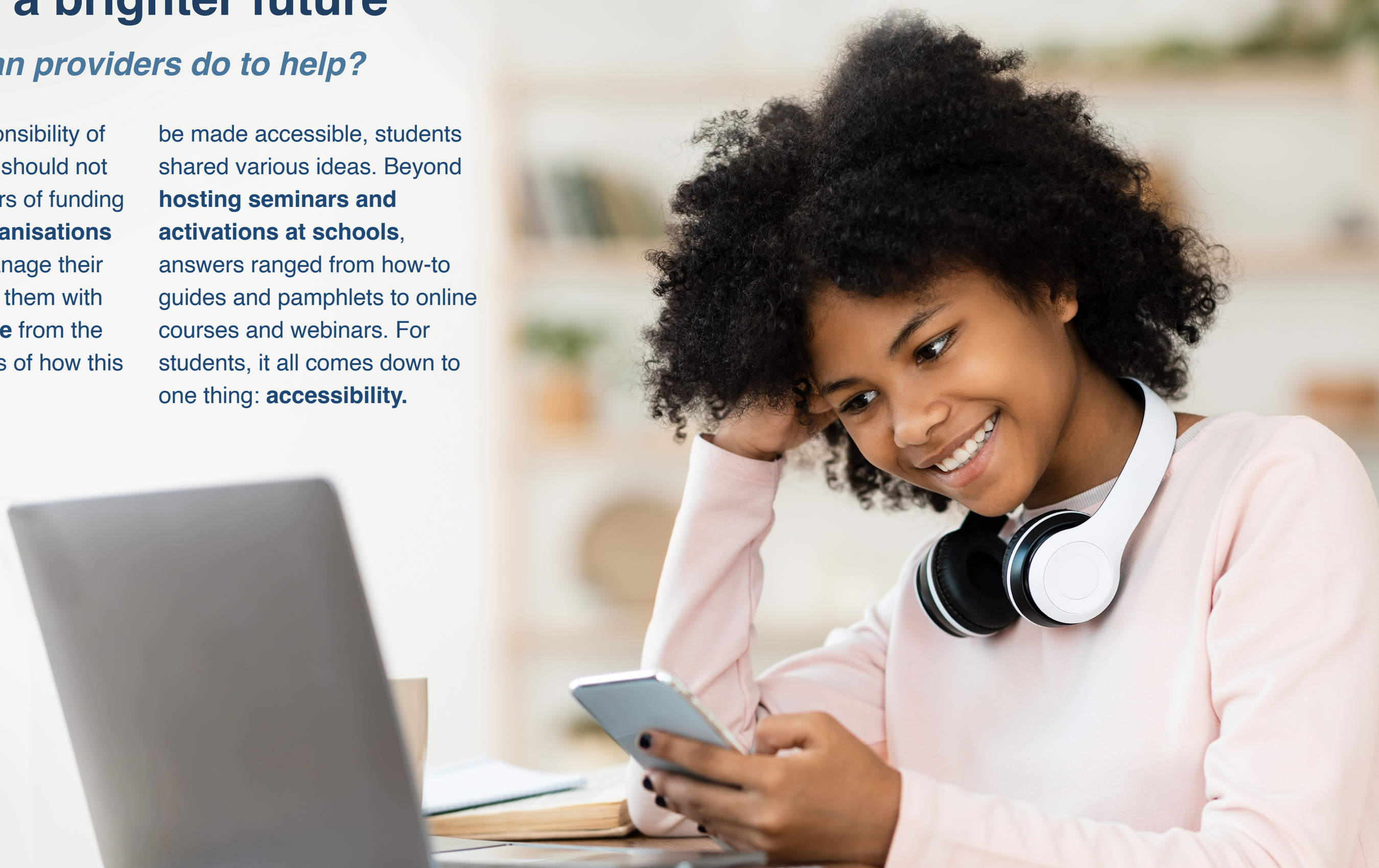
CLOSING REMARKS

Towards a brighter future

What can loan providers do to help?

Although the responsibility of students' finances should not fall on the shoulders of funding organisations, **organisations can help** them manage their funds by providing them with **financial guidance** from the beginning. In terms of how this information could

be made accessible, students shared various ideas. Beyond **hosting seminars and activations at schools**, answers ranged from how-to guides and pamphlets to online courses and webinars. For students, it all comes down to one thing: **accessibility**.



HIGHLIGHTS



Students are happy with the funding they've received

More than half of students are happy to have received funding for their studies, with only a small percentage feeling "neutral", "unhappy" or "extremely unhappy" with their funds.

When it comes to funding, students would like to receive additional support

It's clear that students are still struggling with more than just school fees.

Students are looking for holistic solutions to their problems and seek study and career guidance from not only schools and funding organisations, but banks as well.

In terms of budgeting, knowledge really is power

Without knowing how to manage their finances, many students are spending their allowances without considering the consequences. The repercussions can be dire, with some students forgoing meals to make up for the money they'd spent.

Students' biggest issue with funding? Uncertainty

Due to higher education institutions anticipating payment at various stages, students claim that their fees are, at times, delayed which makes them feel uncertain about their funding. This leads to students going without their allowances, meaning no money for meals, textbooks or other academic materials.

ACKNOWLEDGEMENTS

This report was made possible by the Fundi and FundiConnect team.



APPENDIX



1. How old are you?
2. What is your preferred pronoun?
3. Which province are you from?
4. What programme are you currently busy with?
5. Do you currently have funding for your studies?
6. What type of funding do you have?
7. Who provides you with funding?

8. What does your funding cover?
9. On a scale of 1 to 5, how happy are you with your funding?
10. Beyond educational fees, what more would you like your funding to cover?
11. What's your main source of income?
12. How much disposable income do you have at the end of each month?
13. Do you have a savings account?

14. If you had to express one concern with your student loan provider, what would it be?
15. How can organisations make information about budgeting and spending more accessible to students?
16. What do you know about funding options? How did you find your funding option?

FUNDI
CONNECT

