

A photograph of two young women in a modern office environment. They are both looking at a laptop screen. The woman on the left is smiling and has her hair in a ponytail. The woman on the right is looking intently at the screen. The background features a large indoor plant and a window. The text 'Student Sentiment in 2020: A Handbook for Education Providers' is overlaid on the left side of the image.

Student Sentiment in 2020: A Handbook for Education Providers

Candlefox.

Executive summary

The COVID-19 pandemic and subsequent restrictions caused widespread economic disruption and volatility.

These impacts – mass job losses, heightened financial stress, travel restrictions and more – have placed an enormous strain on Australians, resulting in turbulent student attitudes and behaviours in 2020.

Candlefox.

How the pandemic **changed the education industry**

The Australian tertiary education sector generates \$30 billion of export income and over 4 million enrolments in any given year.

The COVID-19 outbreak brought unprecedented challenges for our nation's third-largest export industry. Education institutions faced disruptions, such as border restrictions, campus closures and the migration to online learning.

The pandemic significantly impacted the volume of domestic and international student enrolments. PWC estimates the 2020 loss of international student income is as high as \$4 billion, with additional indirect economic impacts to tourism and consumer spending. Universities alone are predicted to lose \$16 billion in revenue by 2023 due to the pandemic.

Finding solutions to the challenges of our education sectors is now front of mind. Our governments recognise the integral role of education in reviving our economy – investing in several initiatives to bolster our domestic education and training sector capabilities.

Candlefox.

How are students feeling?

The pandemic caused student sentiment to waver. Prospective students displayed more unstable interest in study in 2020 than any other year.

The Australian Bureau of Statistics reported 112,000 fewer students enrolled in tertiary education in May 2020 than the previous year. External factors like job losses and heightened financial stress triggered a shift in prospective students. They no longer perceive and react to study opportunities in the same way.

At Candlefox, we love data. Understanding student sentiment and how it translates to enrolment rates is a fundamental part of what we do.

As the pandemic unfolded, we wanted to gain a deeper understanding of how it was impacting specific student segments and whether it influenced their degree of optimism or enthusiasm to study.

We collected Australian students' attitudes and behaviours through our Student Sentiment Index. Our Index categorised this data into four key categories:

- Dependency on government education grants and initiatives
- Urgency to commence study
- Motivation to enrol and continue studying throughout the pandemic
- Confidence in the teaching capabilities of our education providers

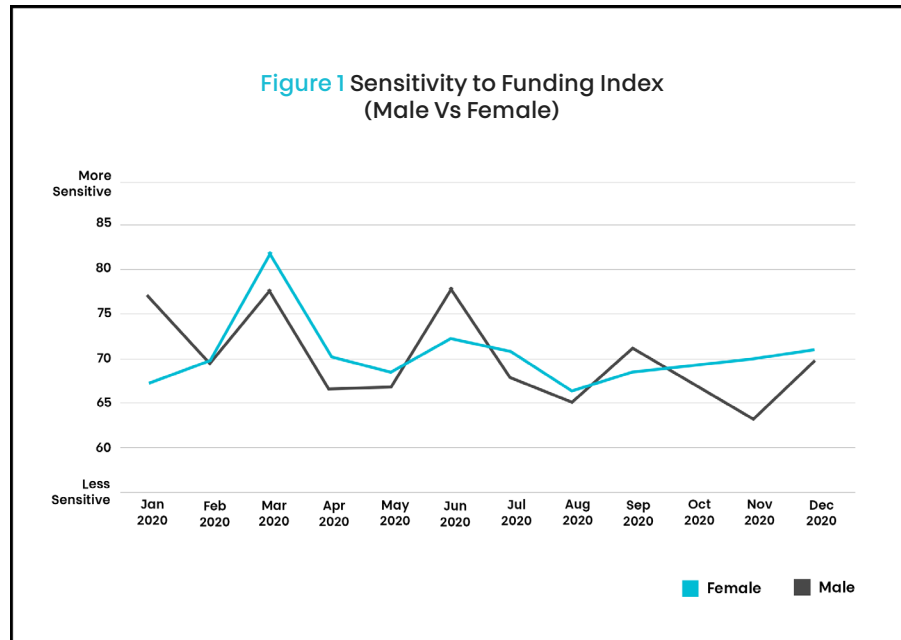
Our key takeaways

Women's employment prospects were disproportionately impacted, resulting in higher financial sensitivity, lower urgency and decreased motivation to study.

Young people (individuals aged 18 to 24) displayed higher sensitivity to funding, greater urgency, lower confidence and decreased motivation towards study.

Majority of prospective students, regardless of age, gender or location, displayed a dependency on government-funded courses to begin studying.

Insight 1: Women were overall more sensitive to funding than men.



In 2020, the Sensitivity to Funding Index discovered that women were more likely to depend on financial aid to pursue tertiary education (figure 1).

The Index measured the dependency of prospective students on government and/or other arrangements – with a higher sensitivity indicating an individual is less likely to pursue study if they are not financially supported.

Last year, we witnessed discrepancies when comparing different demographics' sensitivity to funding. This revealed that women were consistently 5% more sensitive than men to the availability (or lack) of funding when considering educational opportunities.

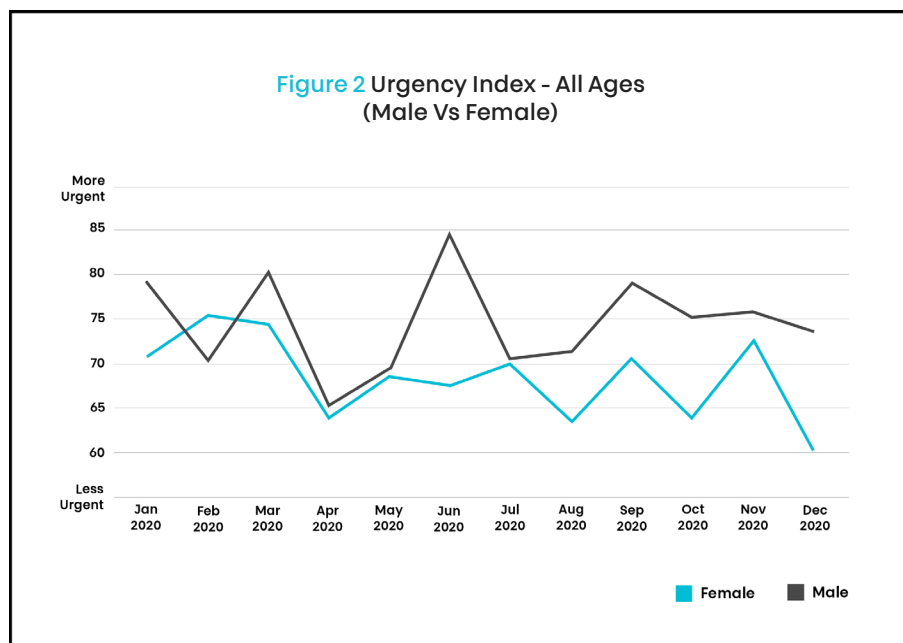
Mass job losses, as a direct result of the pandemic, were felt more significantly by women. According to Monash University, 55% of the 600,000 jobs lost in April 2020 were held by women – this equates to 8% of women losing their jobs compared to 4% of men. Because of this, women were less likely to afford to study without funding support.

The problem is further exacerbated by the fact that government funding overwhelmingly supports male-dominated industries. For example, the Federal Government's 'High Priority' occupations, as defined in the National Skills Shortage List, are primarily within the male-dominated industries of trades, technology and engineering.

The Federal Government's COVID-19 recovery package allocated \$27 billion towards male-dominated sectors like construction and energy – this amount surpassing all other sectors combined. In contrast, only \$240 million were allocated to increasing women's workforce participation.

It's reported that for every million spent on education, 10.6 jobs are created for women. In comparison, for every million spent on construction only 0.2 jobs are created for women (Australian Institute, 2020).

Insight 2: Women displayed a lower sense of urgency to commence study.



Throughout 2020, women expressed a lower urgency to commence study, with the Student Urgency Index confirming these findings.

The Urgency Index discovered that women were less likely to commence study within the next 12 to 24 months (figure 2). This sense of urgency was influenced by a number of factors, including personal circumstances,

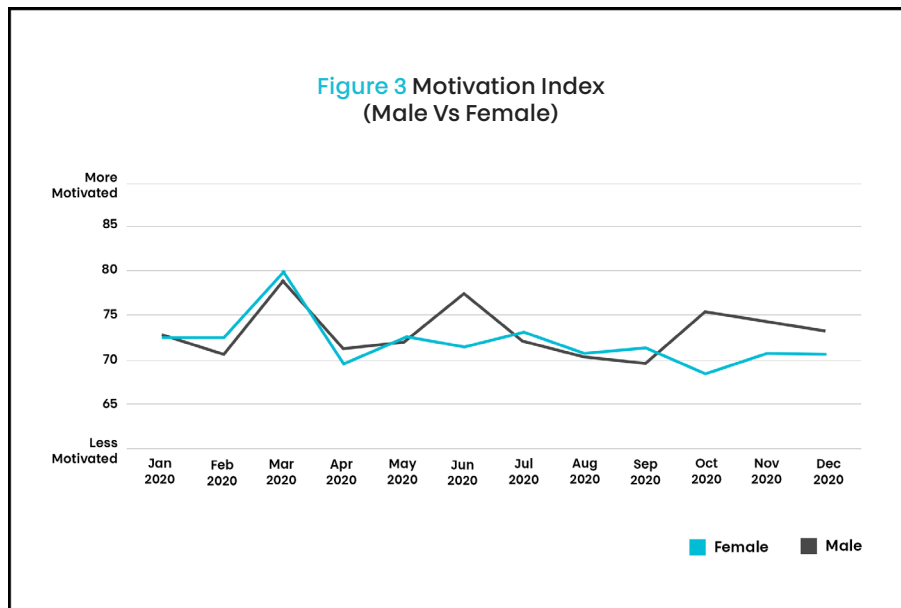
domestic or care responsibilities, and the availability of government funding schemes.

Between May 2019 and May 2020, women's enrolment in tertiary education dropped by 7% compared to 2% for men (Monash University, 2020). The Australian Government reported that pre-COVID-19 more women actually enrolled in higher education than men, with 60% of enrolments in 2019 being female. Post-COVID-19 flipped this trend – enrolments for Australian men growing by 35,000 (Grattan University, 2021).

This lack of urgency can be partly attributed to increased care responsibilities. Women bear a disproportionate load when it comes to caring for children, elderly parents, or other loved ones. The demand for women to perform these duties has only worsened due to the COVID-19 pandemic. The Australian Bureau of Statistics reported that 80% of women did most of the unpaid domestic work, compared to 39% of men.

This lack of urgency is projected to stay long-term. Experts warn that delaying or stopping study for an extended period of time can hurt women's future work opportunities and earnings, leaving them underqualified.

Insight 3: Women expressed lower motivation to study than men – a direct result of lower urgency to study and higher sensitivity to funding.



Following a similar trend to the Urgency Index, women also displayed lower motivation to study than men – a finding validated by the Motivation Index (figure 3). Experts warn increased financial stress and job insecurity are to blame, causing women to shelve away their study ambitions.

In 2020, there were 86,000 fewer women in higher education compared to 2019. The number of men in higher education only dropped by 21,200 (Australian Bureau of Statistics, 2020). This represents the largest decrease in female participation since ABS records began in 2004.

The decline in female participation was particularly pronounced among women over 25, with the figure being almost 60,000. Interestingly, 26,000 more men over the age of 25 enrolled in studies during this time.

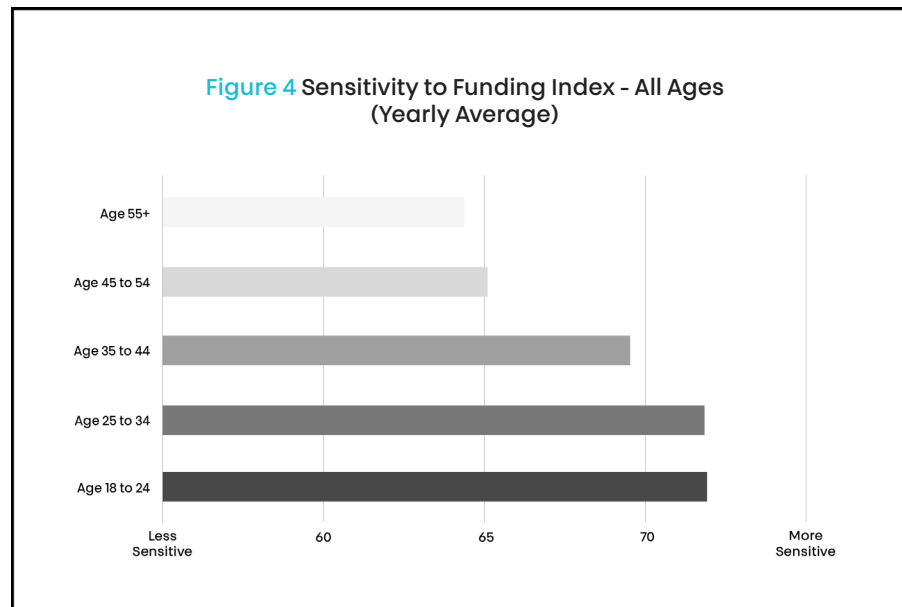
These stark figures indicate that tens of thousands of women have been forced to waylay their study plans due to:

- Reprioritisation of domestic duties
- Financial instability – fuelling uncertainty and demotivating women from pursuing further studies
- Insufficient government funding for women-dominated industries, making it harder for them to justify spending money on their education

Insight 4: Young people had higher sensitivity to funding than other age groups.

With this increased financial difficulty in 2020, young people between the ages of 18 and 35 have become much more sensitive to funding. This means they are more likely to rely on government assistance or other funding schemes in order to commence or return to study.

This trend is best captured by our Student Sensitivity to Funding Index, where these individuals displayed a higher average of reliance on funding schemes than any other age bracket (figure 4).



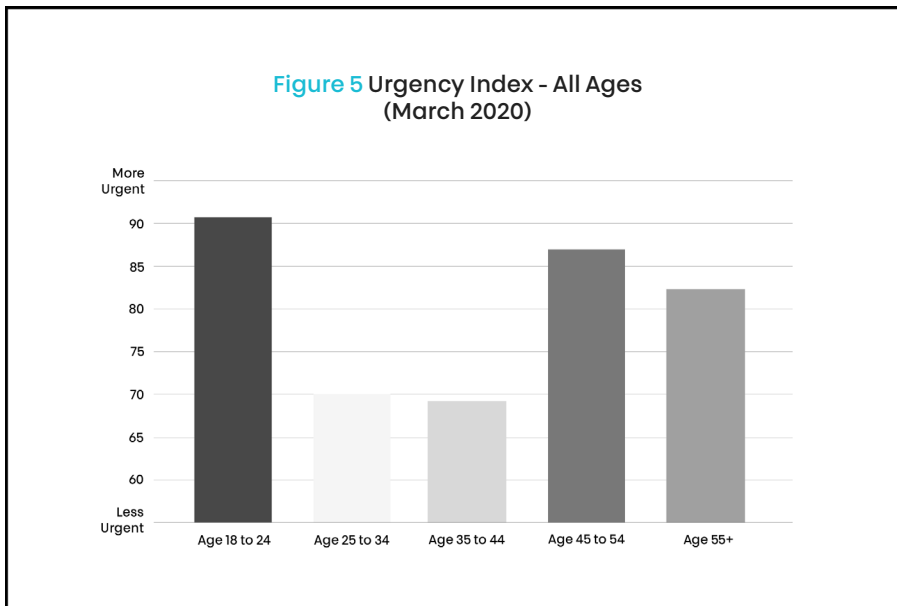
The struggles of stagnant wages and high living costs have only accelerated in the wake of the pandemic. Australia entered the COVID-19 pandemic with a youth unemployment rate of 11.6% (NCVER, 2021). While strategies have been put in place to minimise widespread economic impacts, this rate rose to 15.8% in July 2020.

Young people are more heavily represented in highly-affected sectors like hospitality, retail, tourism and the arts, and also more likely to hold casual work and lack paid leave. The Australian Bureau of Statistics reported almost one in three (28%) workers aged 18 to 24 lost their jobs between March and April of 2020 due to the aforementioned factors. Even after eased lockdown measures, the employment rate of young Australians still lingered at 60%.

With such enormous job losses come financial stress. Statistics show 63% of young people who lost their job due to the pandemic reported higher levels of financial stress. 57% of Gen Z reported that they were living from paycheck to paycheck between March and June of 2020.

This financial stress saw many young people withdraw money from their superannuation – 61% of early superannuation withdrawals were by individuals aged between 20 and 30.

Insight 5: Young people held the highest urgency at the beginning of the pandemic.



COVID-19 forced young people to pivot their short-term plans – severe travel restrictions and lockdowns causing mass cancellations of gap years and working holidays. These waylaid plans forced young people to turn to study, spurring a higher urgency to commence study in March (figure 5).

Young Australians ranked travel as being more important to them than study and work. This, paired with the national jobs shortage, meant

thousands of young people had to seek new goals or pathways. For many, the answer was education.

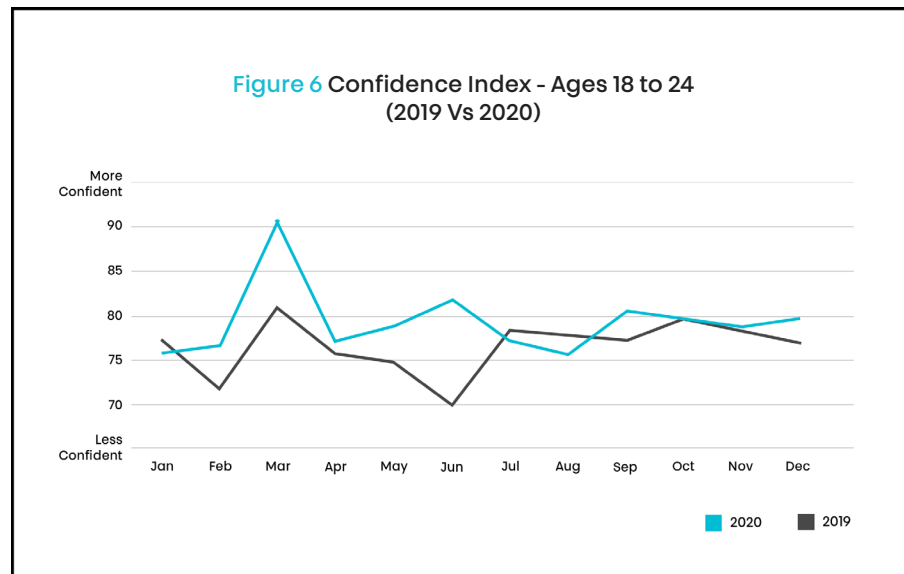
In New South Wales alone, approximately 15,000 high school leavers applied to start university in 2021 compared to just 7,824 in 2020 (Australian Financial Review, 2020).

This was reflected in the Student Urgency Index, with people aged 18 to 24 demonstrating the biggest spike in urgency at the start of the pandemic as they sought new pathways.

Insight 6: Young people showed an initial spike in confidence in March, followed by a sharp decline in April.

In Australia, students generally commence their tertiary studies in late February and early March. In any 'normal' year, it is expected that these individuals would feel a greater degree of confidence and hope during this time.

However, this trend was not repeated in 2020. Young Australians displayed an initial burst of confidence in March. This quickly declined when they began to feel the full impact of the pandemic.



We were able to validate this trend by comparing 2019 and 2020 data from our Student Confidence Index. As seen in figure 3, young Australians initially displayed high confidence in February 2020, although this rapidly declined in March 2020 (figure 6).

Following the closures of campuses, tertiary institutions were forced to pivot to online learning. This rapid transition caused student confidence to plummet drastically. The pivot to online learning was not well received amongst learners, with only 78% of Gen Z students feeling confident about the use of online learning in universities (McCrindle Research, 2020).

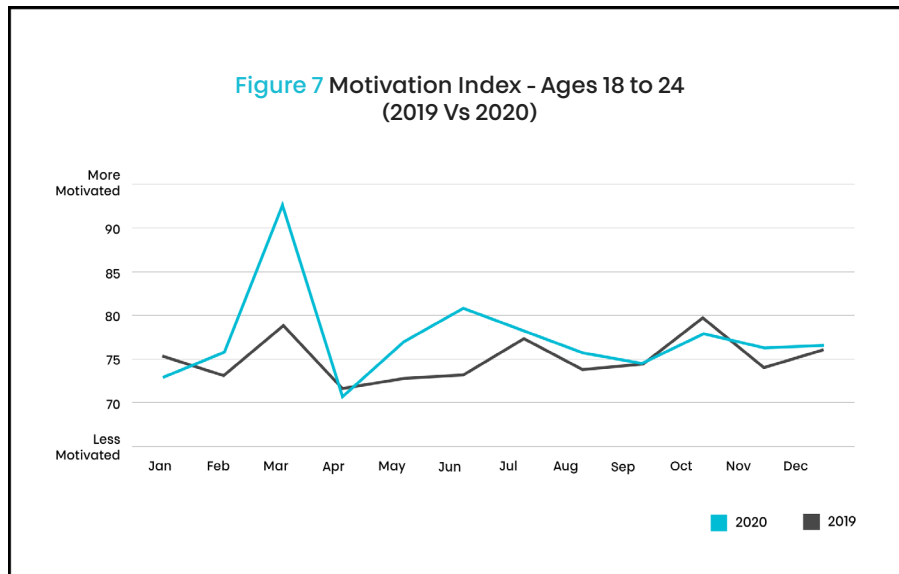
A report from the national Tertiary Education Quality and Standards Agency (TEQSA) found that up to 50% of university students reported having a negative online learning experience, citing lack of engagement, isolation from peers, and technology issues as some of the top reasons why.

This lack of confidence also carried through into young people's future plans. Half of the individuals in this cohort felt that the pandemic negatively affected their confidence in achieving future goals (Headspace, 2020). The most common reasons for feeling this way included concerns about job insecurity (21%) and study-related concerns (23%).

This lack of confidence isn't without good reason – experts say young people will suffer from a phenomenon called scarring, which can affect motivation, skills, connections and their climb up the jobs ladder.

Insight 7: Motivation among young people rose in March and dropped significantly in April.

The Motivation Index indicated that young people held higher motivation and enthusiasm to study in March 2020 compared to 2019 (Headspace, 2020). Despite this initial spike at the start of the pandemic, motivation among young people to commence study dropped significantly afterwards (figure 7).



Two-thirds of young people reported that COVID-19 had negatively impacted their education and training. The effects of this can be seen in the enrolment behaviour of young people – enrolments for 20 to 24 year olds dropped by 66,100 in 2020 compared to 2019, indicating low motivation and high uncertainty.

This lack of motivation can be attributed to two key factors:

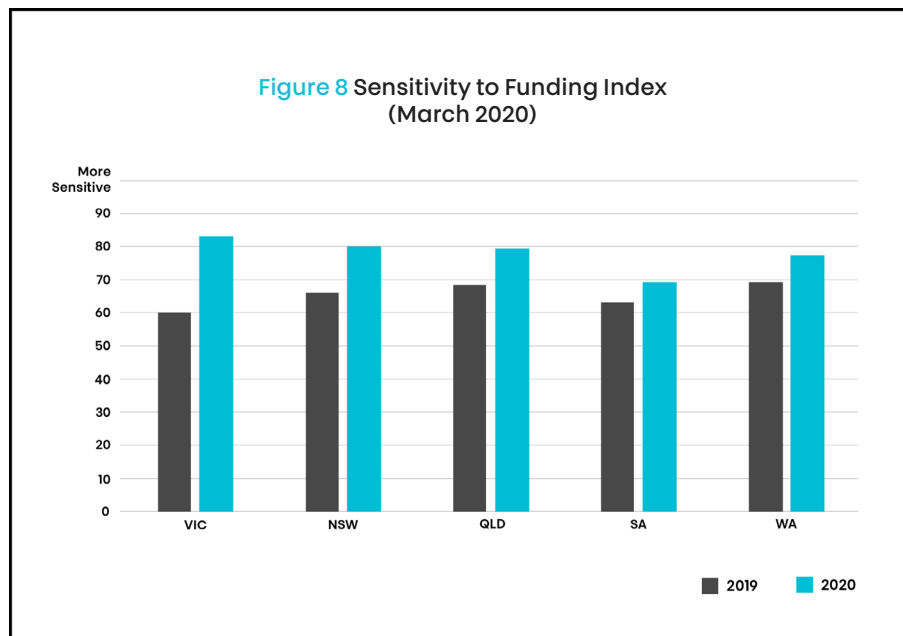
1. Poor online learning experience

With the rapid implementation of online learning across schools and universities, many students were left feeling dissatisfied and unmotivated. 41% of students complained about technology issues, 34% felt there was a lack of academic interaction, and 29% experienced a lack of engagement.

2. Mental health struggles

Remaining motivated to study was a challenge for young people. Almost three-quarters reported that their mental health had worsened since the outbreak of COVID-19, while more than half said they felt less optimistic about the future. Young people were also worried about their futures, with their top concerns being job prospects (21%), education 23%, general mental wellbeing (15%) and delayed plans (17%).

Insight 8: Most states displayed a heightened sensitivity to funding in March and June 2020.

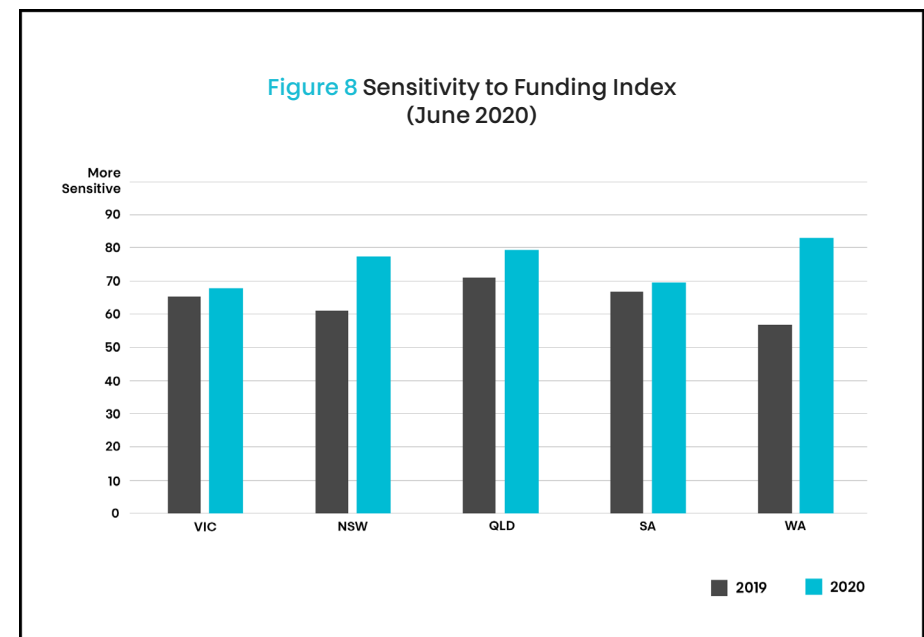


Individuals located in Victoria, New South Wales, Queensland, South Australia and Western Australia displayed a higher sensitivity to funding in March 2020 (figure 8). This heightened sensitivity was due to the nationwide lockdowns and mass job losses experienced during this time.

In this time of job insecurity and financial distress, Australians became more concerned about their finances. The University of Melbourne

discovered 30% of Australians felt financially stressed as a direct result of the pandemic, with 48% expecting the next years to be financially difficult.

Another spike in sensitivity to funding was observed in June 2020 (figure 9) following the announcement of JobTrainer, Boosting Apprenticeship Commencements and Free TAFE. Australians responded eagerly to these funding schemes, with Victorian Free TAFE alone being 83% higher in January 2021 than the same time last year.



Insight 9: Young and older people displayed the highest financial dependency at the start of the pandemic.

Young people aged 18 to 24 displayed the highest spike in sensitivity, particularly at the outset of the pandemic in March 2020 (figure 10). This can be attributed to higher rates of unemployment, low wages and higher costs of living.

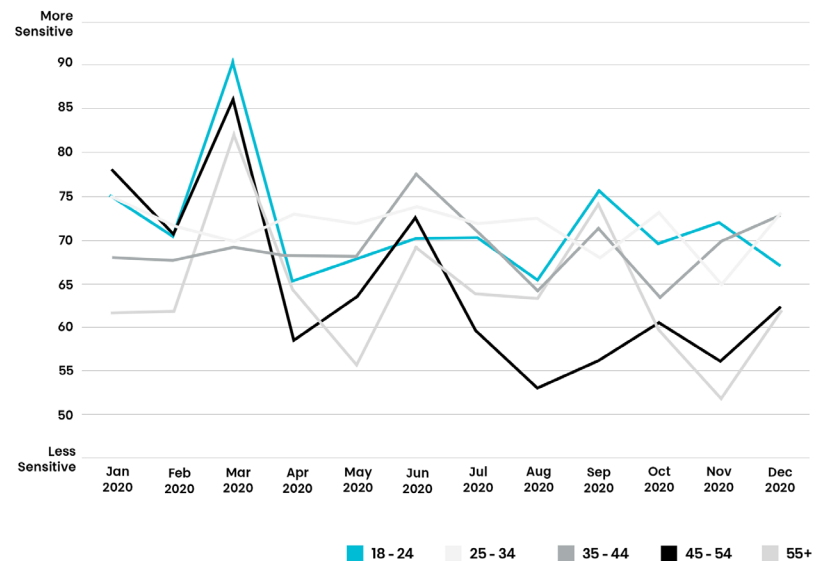
63% of young people reported high levels of financial stress (Melbourne University, 2020) – nearly one in three workers aged between 18 and 24 lost their jobs between March and April of 2020.

On the other side of the age spectrum, individuals aged 45 and older expressed a similar trend to young people. They displayed an abnormally high sensitivity to funding in March 2020 as shown in figure 10. This can be attributed to older individuals holding better financial positions pre-COVID-19. This suggests that prior to March 2020, they were more likely to undertake study without government assistance. However, as the pandemic worsened, a greater proportion of these individuals reported feeling less financially comfortable.

For those who lost their jobs due to the pandemic or felt their role was insecure, the availability of government funding became more important in helping them return to paid work.

These insights reveal that Australians of all age groups are eager to obtain the skills necessary to secure work or pivot to emerging professions, with funding being key.

Figure 10 Sensitivity to Funding Index (All Ages)



A summary of our **key takeaways**

On average, women had lower motivation and urgency to study than men.

The impacts of COVID-19 were highly gendered, with women experiencing job instability, financial insecurity and increased domestic responsibilities.

In 2020, women demonstrated lower urgency to commence study, despite previously representing a greater percentage of the university cohort.

In addition to low urgency and motivation to study, women were far more sensitive to the availability (or lack) of education funding than men.

The pink recession heavily affected women's financial stability, resulting in more women unable to study without funding support.

Despite an initial spike at the start of the pandemic, young peoples' urgency, motivation and confidence dropped significantly in the latter half of the year.

Disruptions to international travel and lockdown restrictions forced young people to pivot their short-term plans and take up domestic study instead.

Our Index recorded an initial spike in student interest with higher urgency, motivation and confidence reported in March 2020.

However, this positivity and enthusiasm to study declined as the pandemic continued. Young Australians withdrew their confidence and motivation to study as tertiary institutions pivoted to online learning.

There has been a national increase in students' sensitivity to education and training funding initiatives.

Without a doubt, the pandemic has had a devastating financial impact on Australia. Individuals experienced higher stress and anxiety due to workplace redundancies, job insecurity and increased domestic and care responsibilities.

Financial instability prompted individuals to pursue education only if they were financially supported. The Australian Government launched various initiatives to help train, upskill or reskill workers.

Students reacted positively to these schemes, showing a higher sensitivity to funding as confirmed by our Sensitivity to Funding Index.