

6th May 2022

## Phoenix Insights response: Lifelong Loan Entitlement (LLE) consultation<sup>1</sup>

### Q1. How can we best ensure that, compared to the current student finance system, the LLE will better support learners to train, retrain or upskill throughout their lifetime?

Phoenix Insights is a new think tank set up to transform the way society responds to the possibilities of longer lives. We aim to use research to lead fresh debate, prompt a national conversation, and inspire the action needed to make better, longer lives a reality for all of us.

The lifelong learning agenda is a critical part of our work. If workers are able to successfully upskill or reskill later in their life, they can secure more fruitful employment, helping them live happier, longer and more fulfilled lives. We want to work with government, policymakers, education & training providers, and employers to ensure that the lifelong learning agenda, and the Lifelong Loan Entitlement (LLE) specifically, is tailored as effectively as possible to supporting mid-life and older workers.

To inform our response to this consultation we commissioned research agency Public First to conduct some initial analysis. Our objective was to better understand views on training and retraining generally, as well as on the LLE specifically. We particularly wanted to understand the views of mid-life and older workers, including those who may benefit most from training/retraining and those who may not have the means to fund it themselves. We believe passionately that the most effective policies are those which are designed with their end users in mind – so it is our hope that the government will use our findings to develop an LLE which is more likely to meet the needs of mid-life and older workers and therefore more likely to have a positive impact on them and wider society.

To that end, between 11 and 18 April Public First conducted a nationally representative, online poll of 2,012 UK adults<sup>2</sup>. Public First also ran four focus groups of mid-life and older workers – all focus group participants were above 40 years old and none had a level 6 qualification or higher. Three of the groups had participants from the following sectors:

- Manufacturing
- Construction
- Transport sectors

The fourth group focussed on those who had already switched industries at one point in their career.

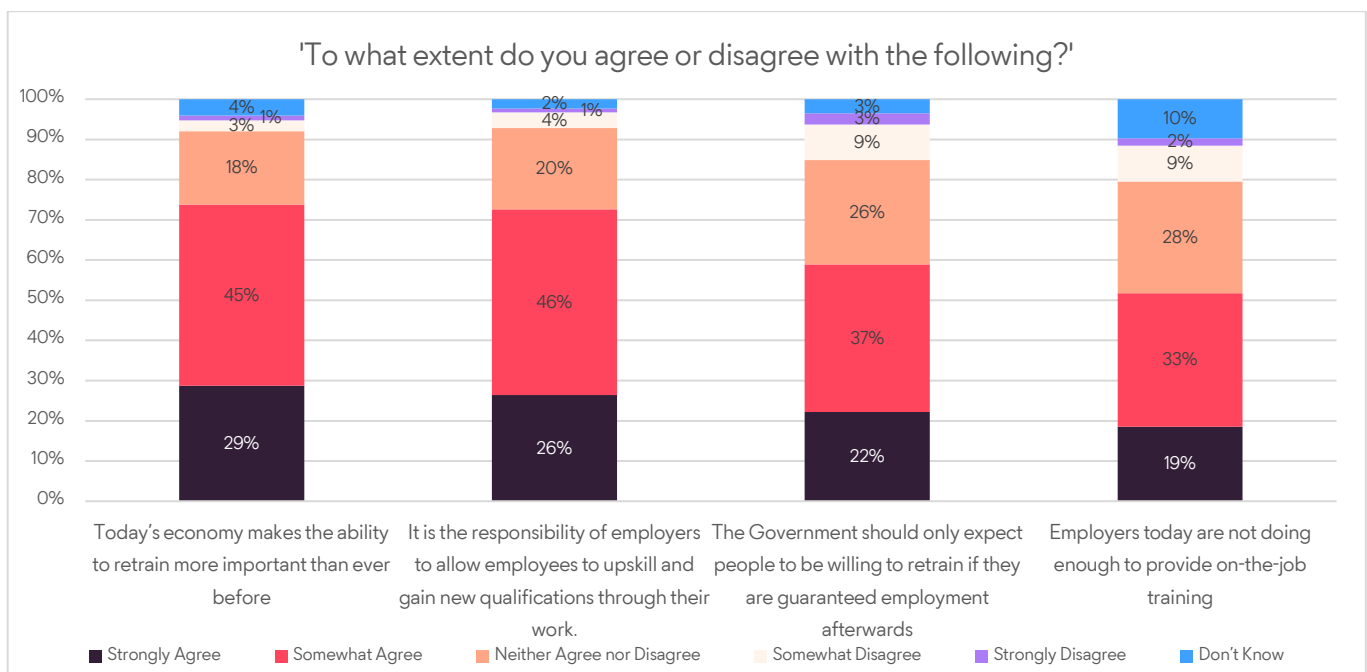
We have used the insights we gained from this research to inform the answers to questions in this consultation document.

---

<sup>1</sup> Lifelong Loan Entitlement Consultation – Department for Education <https://www.gov.uk/government/consultations/lifelong-loan-entitlement>

<sup>2</sup> [Polling on the Lifelong Loan Entitlement - Public First](#)

Overall, we believe there are many findings from our work which support the government’s objectives and approach. One of the government’s core hypotheses in the consultation is that more needs to be done to stimulate access to formal training and retraining programmes. Our research demonstrates substantial public support for this view. 79% of participants in our poll agreed that offering formal training beyond the basic functions of a job has a positive effect on people’s performance at work, and 81% agreed that getting formal training can greatly increase the chances of finding a job for those who are unemployed or at risk of redundancy. Over half of people (52%) also thought employers today are not doing enough to provide on-the-job training. The majority of people also agreed that the government needs to do more to help people build on their skills throughout their career (70%) and retrain throughout their lives (67%). Respondents to our poll who were in work confirmed that many do not have access to training or retraining currently through their employers – 61% said they have not been offered any formal training through their job in the last 12 months.



This was echoed in our focus groups where the vast majority of participants were positive about the impact (or potential impact) of training or retraining. In our group of career changers, many spoke in warm terms about how training and professional development had facilitated them to move jobs and how that had changed their lives for the better:

*“So I resigned from retail banking, it’s the best thing I ever did.”*

Adult Carer, 61

*“So I had to find another career path which paid a bit more... So I did a short course in traffic management.”*

Road Traffic Manager, 52

However, we also heard that under the status quo it was not always easy to access this training:

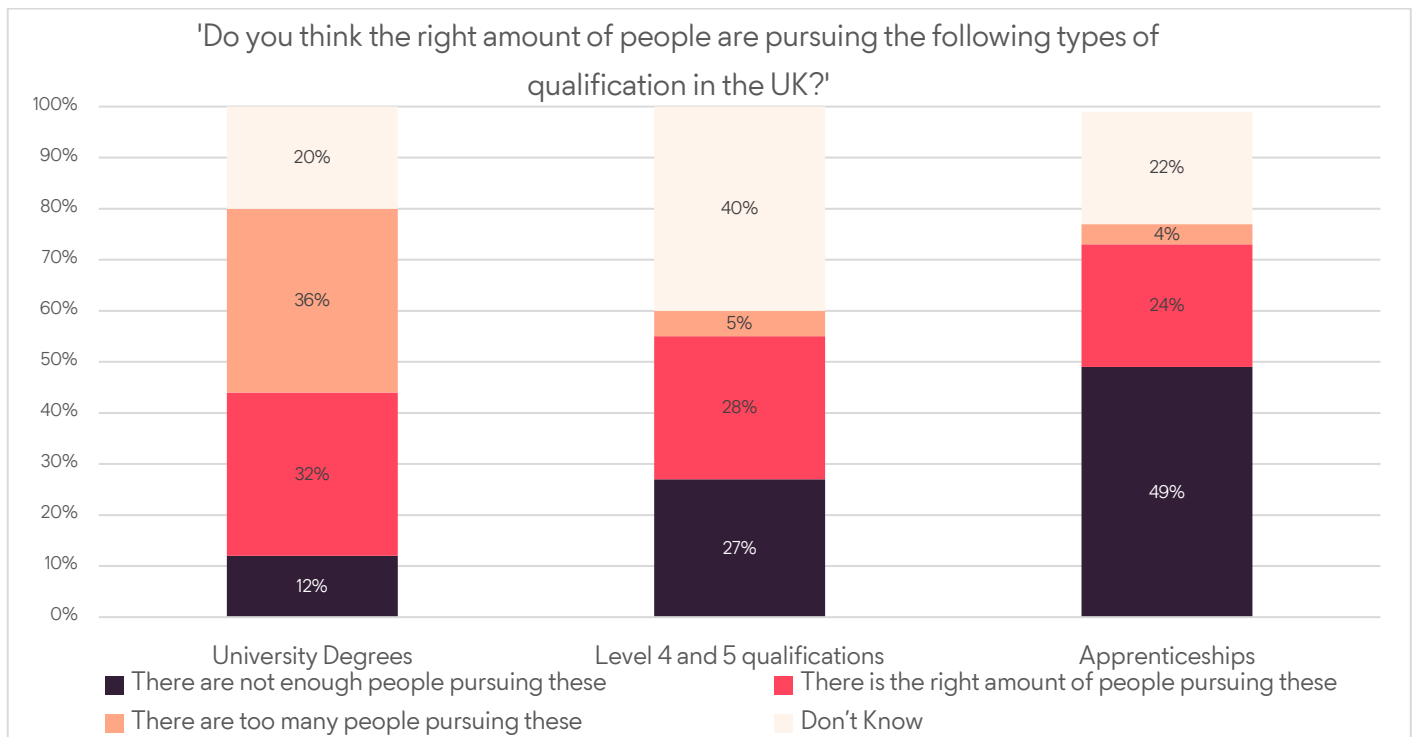
*“...it’s just having the confidence and the oomph to do it, to actually take that step and do it.”*

Stockroom Coordinator, 50

*"...you've got a family to support and... you're probably going to have to take a serious pay cut while you're training. And that might be difficult"*

Retail Assistant, 47

Another of the government's core hypotheses in this consultation is that the system needs to offer more alternative routes to achieving higher level qualifications which are not full three-year undergraduate degrees, thereby introducing greater flexibility into the system. We found the public to be broadly in favour of this. In our polling 75% agreed that 'we place too much emphasis on university degrees when many jobs could be done without one'. This was higher among older respondents (88% of 65+ year olds vs 71% of 45-54 year olds). Our polling also found that 36% of people think there are too many people pursuing university degrees, compared to 5% and 4% for level 4 / 5 qualifications and apprenticeships respectively.



This was corroborated by our focus groups – the mid-life and older workers we spoke to had a broadly positive view of retraining and were particularly supportive of flexibility, including combining training with existing work and studying for smaller qualifications or modules:

*"...but like I said, probably open to many different options, but it's just finding the right option and putting a plan together."*

Retail Assistant, 47

*"I had opportunities to go uni but then I was thinking I don't want to go away for five years and do this. If they had a shorter version with the same qualification, enabling you to get the qualification in a short space of time but still do the work... Then that's perfect."*

Road Traffic Manager, 52

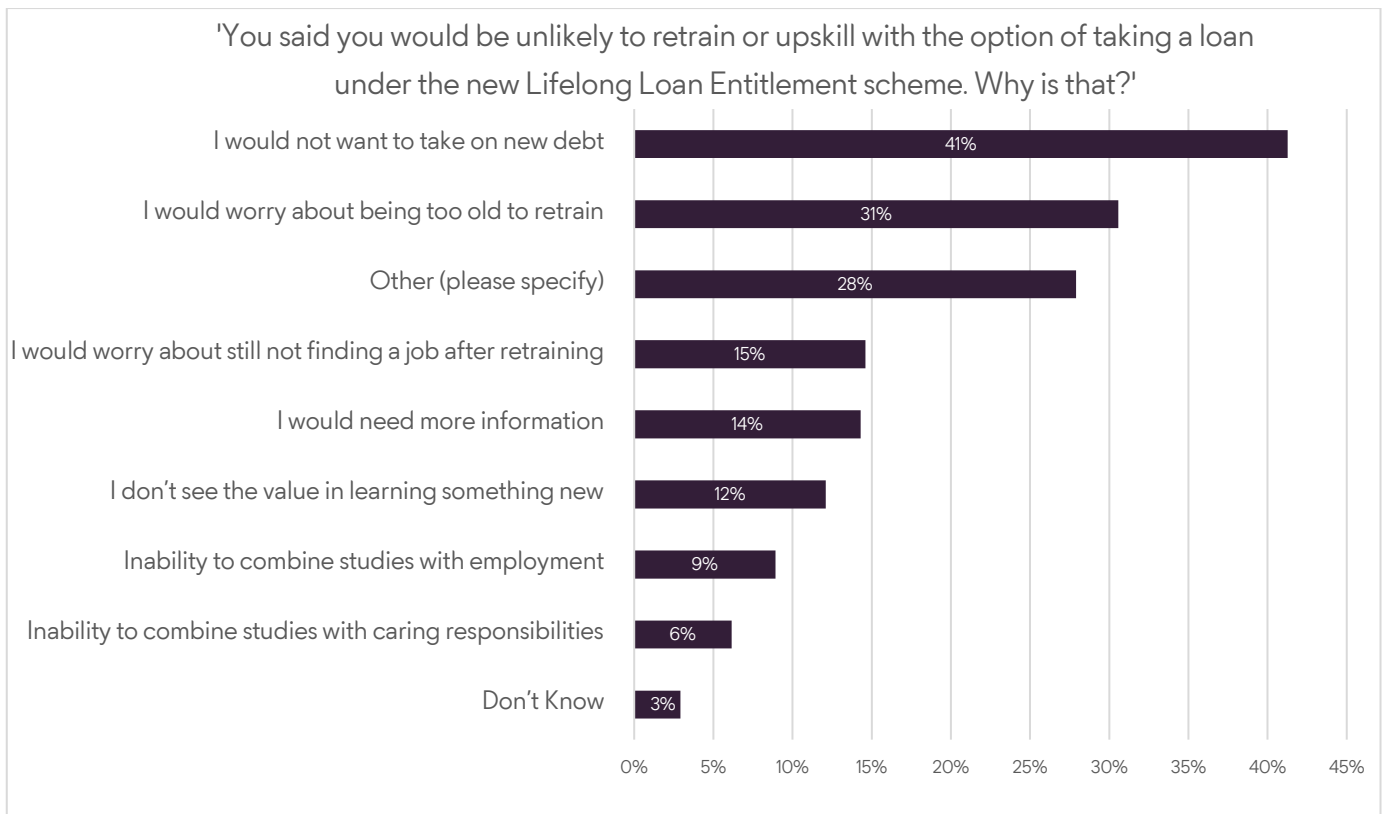
There were strong views from some participants in the focus groups that we did not need more academic degrees, and instead wanted to see a focus on more work-relevant training (on which more in our answer to Q4).

However, our assessment from the research we have conducted to date is that in its current form, the LLE may struggle to ‘cut through’ to members of the public and successfully encourage them to train or retrain, especially when it comes to mid-life and older workers. We cover much of this in response to subsequent questions, but in summary our key recommendations to government are as follows:

**1) Reconsider whether grants or bursaries may be needed for elements of the LLE.**

Both our polling and focus groups found strong hostility to taking on a loan to fund further study. We are concerned that the fully loan-based system as proposed for the LLE will not have the transformational effect we or the government wants it to.

In the polling, we presented respondents with a range of scenarios, related to their circumstances, to test whether they would be interested in accessing the LLE (for example asking them to imagine they were at risk of losing their job). Across all three of these scenarios, we found *the LLE made no statistically significant difference* in whether participants in our poll would retrain or not. This was a stark finding – the information we gave participants about the proposed LLE did not change their willingness to retrain. Following on from these scenarios, we asked people who said they would be unlikely to retrain via the LLE why this was the case. By far, the most common reason cited was not wanting to take on new debt (41%) – the next response down was being too old to retrain or upskill (31%). Interestingly, middle-aged respondents were more likely than older respondents to not want to take on new debt (53% of 45-54 year olds vs 45% of 55-64 year olds). Similarly, middle-aged respondents were marginally more likely than older respondents to feel they were too old to retrain or upskill (37% of 45–54 year olds vs 32% of 55–64 year olds).



This was strongly supported by the results of our focus groups where participants told us they had absolutely no interest in taking on additional debt at this point in their lives. Many had heard the recent 'horror stories' of high levels of interest on student loans and were adamant this was not for them. We therefore believe that the LLE risks being significantly underutilised by mid-life and older workers if it remains fully loan based.

*"...you're going to be paying this with interest, it could grow every year without you being able to pay it off, and it's just going to put people off"*

Finance Manager of an SME, 56

*"Why would you want to incur a debt in your mid-life?"*

Adult Carer, 61

Indeed, we would hypothesise that mid-life and older workers may have an even greater antipathy for additional loans than younger ones, as they have greater experience of other loans and mortgages and are therefore more likely to make comparisons between the interest rates on student loans and their own experience, even if they are not directly comparable:

*"...most people can just go to a bank and get a loan anyway, can't you?... So I don't see it's an improvement on anything we've got already."*

Construction Manager, 63

Of course, individuals will always have a preference for a grant over a loan – this is not new. But what we hypothesise on the back of these findings is that individuals' antipathy to loans in this specific case could be enough for significant numbers not to engage with the LLE at all. It is also worth noting that a grant or bursary does not have to originate from government – it could be that provider bursaries or employer grants are used to subsidise the training, as an alternative to loans.

## **2) Consider how to effectively target messaging at mid-life and older workers.**

In the poll, as referenced above, debt was followed closely by 'worrying about being too old to retrain or upskill' as a reason not to make use of the LLE. Indeed, a large number of respondents also expressed (through free text responses) simply not seeing the need to retrain at their age/while retired. This was echoed in our focus groups:

*"It's still there at the back of your mind, but I think, am I too old now?"*

Stockroom Coordinator, 50

*"When you get to a certain age, you think, am I wasting my time?"*

Construction Manager, 63

This demonstrates that part of the challenge for the LLE will be to convince many mid-life and older workers or retirees that there is merit in them undertaking further training. The system will both need to be designed with mid-life and older workers in mind, and communications will need to be tailored to encourage mid-life and older workers to engage with it.

We noticed in our focus groups that mid-life and older workers reacted positively to general discussion about retraining and reskilling, but became much more lukewarm on the formal scheme proposed by the government, even before we mentioned the loan element. In some cases, they feared there was an ulterior motive, questioning (unprompted) whether they were getting anything free or if it was a loan, and also wondering if this would be used as an excuse to raise the pension age:

*“Well, regarding anything the government comes up with, I’m deeply deeply suspicious. I’m afraid to say I think they’ve usually got some kind of ulterior motive... I think money will be at the root of it somewhere and it’ll be trying to claw back money from us somehow, like, for instance, this course I’m being put on, if I don’t finish it, I have to pay £1000s”*

Residential Careworker for Young Adults, 54

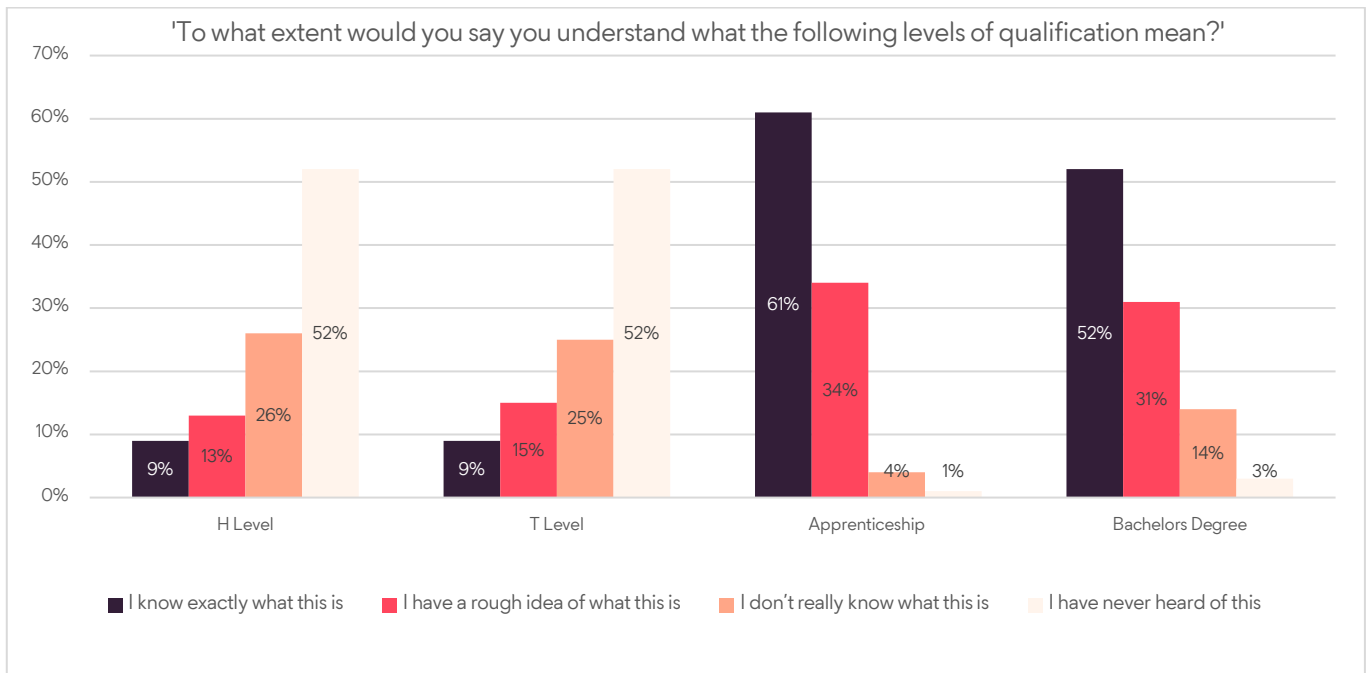
*“They’re just gonna keep moving the pension age.”*

Finance Manager of an SME, 56

We also noticed that much of the language currently used to discuss training and retraining was, for our focus group participants, associated with younger workers. For example, any mention of apprenticeships typically elicited responses about participants’ children or other young people they knew who were doing them.

All of this suggests to us that in advance of, or in tandem with, the roll out of the LLE, the government (working with the sector) should launch a messaging campaign to prepare the ground for the LLE to land. The LLE must not be seen solely as a standalone ‘government initiative’, but rather part of a genuine movement which is supported across the sector and beyond. And, crucially, mid-life and older workers must feel it is a scheme aimed at and designed for them, and for positive reasons, not underhand ones. In its current form, the risk is it will simply not cut through to mid-life and older workers, or be largely ignored as not relevant to them. At worst, it risks being dismissed as an attempt to make money from mid-life and older people either through loans or increasing the retirement age.

A cautionary tale for the government on this issue comes from findings in our polling around awareness of T levels. Similarly, to the LLE, T levels are a relatively new initiative which need public buy-in to succeed, and indeed the department has invested much time and resources in raising awareness of them. We asked our sample of over 2,000 people whether they had heard of a range of qualifications, including apprenticeships, A levels and T levels, and we also included a fictional ‘H level’ as a control question. We found that *awareness of T levels is almost identical to the awareness of fictional H levels* (in both cases only 9% of respondents said “I know exactly what this is”). This only highlights further the challenge that will face the government in driving up awareness of the LLE before it is launched.



### 3) Reconsider the name of the LLE.

As part of the messaging around these proposals, we would strongly recommend that the government reconsiders the name of the product itself. A very clear finding coming out of our focus groups was that the name of the LLE risks being off-putting. Participants in our focus groups barely spotted the word entitlement and immediately honed in on the words 'lifelong loan'. The inclusion of the word loan in there was already problematic (see our first recommendation) but coupled with the word 'lifelong' it immediately generated responses such as:

*"They'll pass it on to your children, guaranteed. It's a millstone."*

Residential Careworker of Young Adults, 54

*"It will be a lifelong loan!"*

Residential Careworker of Young Adults, 54

We think a better name would be one which emphasised the positives of the policy – its flexibility and its ability to improve the lives of people who make use of it. It is important to signal what the money will actually be used for, not just how you access it. We are planning further focus groups on this issue and would be happy to discuss potential names with government officials in future, if they would like to test them with our groups.

### 4) Communicate early with employers and ensure they can support individuals to use the LLE.

As highlighted already, our polling demonstrated the lack of people who have been offered training in their workplace under the status quo. 61% of those in work said they have not been offered any formal training through their job in the last 12 months. This was higher among older respondents (67% of 45-54 year olds vs 54% of 25-34 year olds), respondents in lower socioeconomic groups (71% DE vs 52% AB), and respondents with lower levels of education (69% of those with GCSEs vs. 55% of those with a postgraduate degree).

At the same time, our focus groups found that the sort of training and retraining mid-life and older workers are more inclined to engage with is ongoing CPD linked to their jobs:

*"...of course, if you haven't been trained or updated in 10 years, you become yesterday's chip paper. So, again, on the job training is really important."*

Water Surveyor, 64

Focus group participants also wanted a clearer sense of the payoff linked to completing the training, either from their current or a prospective employer:

*"...although it sounds good, you're good if you've got a job at the end of it, if I don't, I'm stuck with the debt."*

Stockroom Coordinator, 50

We take from this that employers are crucial to the success of the LLE, and that part of the positive impact of the LLE will be in engaging employers more with the world of training and retraining. In the same way as there is a behavioural challenge in encouraging individuals to make use of the LLE, there may also be a similar challenge in changing cultures in workplaces which do not currently offer formal training.

However much messaging around the LLE may 'cut through' to individuals, if it is not ingrained in the existing working culture that they find themselves in, this will make individuals less likely to take any action on the back of the messages they receive. In particular, it is not clear from the government's consultation who individuals will be able to go to for questions or support around the LLE – and we would hypothesise that employers, including managers, colleagues and HR departments, will surely be a natural port of call, especially if the training involved is designed to support promotion within an existing profession. Indeed, it is clear from our focus groups that participants want to know there is a job, or other benefit such as a promotion or a pay rise, at the end of any retraining they complete – and this communication must come from employers themselves. This is most pertinent for people who have been working previously – the training needs to tangibly help them progress further, it cannot simply be a route into 'a job', which may be more the aim at the start of people's working lives.

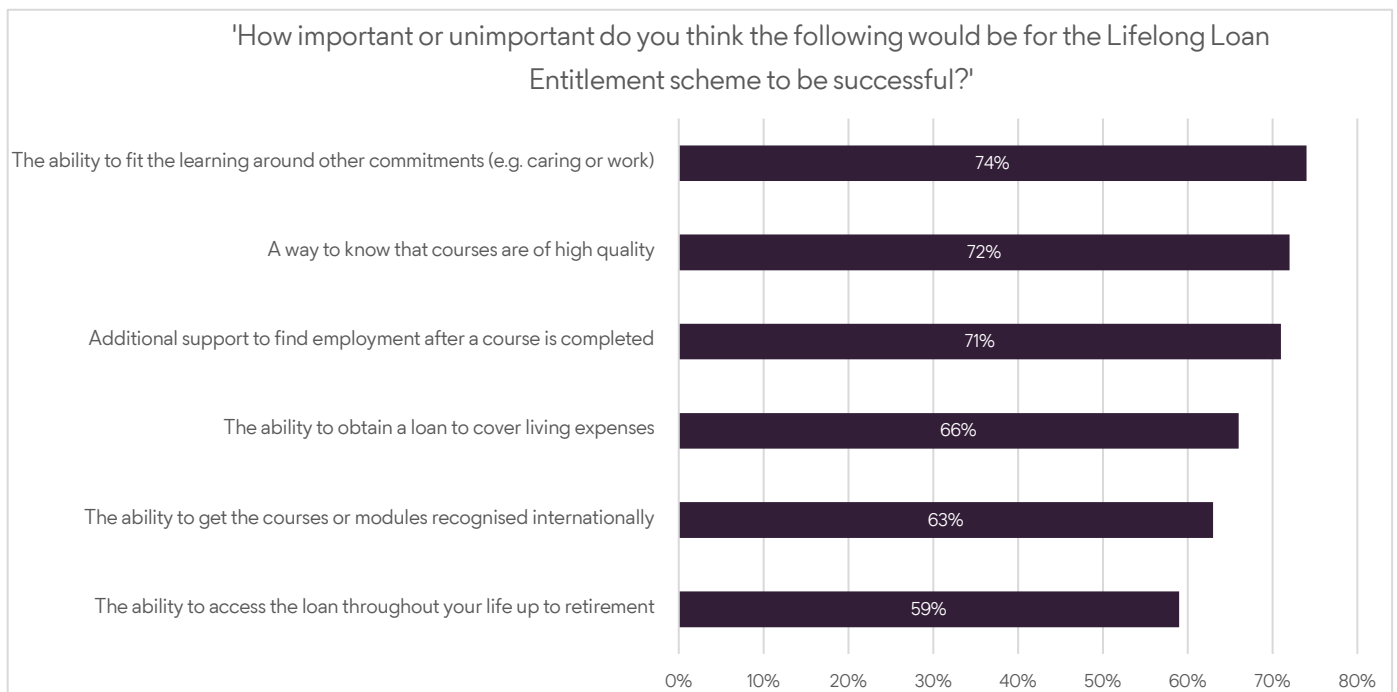
So, whilst there is of course a benefit to giving individuals control of their training and the funding pot associated with it, we believe there would also be a substantial benefit to integrating the LLE offer more via employers, so that it is simple and easy for individuals to access training. We propose this could be done through an existing mechanism – the mid-life MOT (<https://www.yourpension.gov.uk/mid-life-mot/>). The mid-life MOT consists of free online support to encourage people in their 40s, 50s and 60s to undertake more active planning in the key areas of work, wellbeing and money. It is aimed at both employees and employers and can help individuals make choices designed to achieve the future retirement they want. A series of online modules show individuals options for retraining/the next steps of their career. It also helps people to plan holistically, looking at work, skills, health and their wider life. Linking the LLE to the mid-life MOT would utilise an existing avenue for changing behaviour, meaning the government may need to spend less time and effort developing new routes. Behaviour change is hard, and we believe that if the LLE is going to have the impact we all need it to, it is vital the government thinks strategically about the best 'touch points' between individuals, especially those in mid to late career, employers and training providers.



## 5) Keep flexibility, quality and practicality at the heart of the proposals as they move towards implementation.

When we asked participants in our poll what they thought would make the LLE scheme successful, they ranked their answers as follows:

- The ability to fit the learning around other commitments (e.g. caring or work) (74%)
- A way to know that courses are of high quality (72%)
- Additional support to find employment after a course is completed (71%)
- The ability to obtain a loan to cover living expenses (66%)
- The ability to get the courses or modules recognised internationally (63%)
- The ability to access the loan throughout your life up to retirement (59%)



Our polling found that a majority of people believe the current higher education system does not cater for people with caring responsibilities (57%) or people in employment (50%). We take from this that flexibility and quality are both paramount in the development of the LLE. This was echoed in focus groups where participants were clear that training or retraining would need to fit around existing commitments:

*"And I'd have to reduce hours at my work, I'd have to take time off work which I can't afford to do at this moment in time. So you know, it's a catch 22 really, isn't it?"*

Stockroom Coordinator, 50

They were also clear that qualifications needed to mean something, adding genuine value in some way:

*"You get yourself in thousands of pounds worth of debt. And then I've got a diploma or something that's not even worth the paper it's written on!"*

Carpenter, 63

We would welcome hearing more from the government about how the LLE might differ from the status quo in being tailored to those with existing work or caring responsibilities, as well as how they intend to communicate information about the quality of courses, especially new courses, to prospective applicants. In particular, it will be important that the format and environment of training engages and meets needs of mid-life and older workers.

In addition, in our poll most people thought that the government should incentivise people to pursue degrees and qualifications where we currently lack skills in the country (63%), rather than enabling people to pursue whatever degrees and qualifications they want irrespective of skills gaps (26%). This was echoed in our focus groups, for example:

*"...I think it's absolutely vital that people get trained in some sort of skill, creative things, which machines can't do yet..."*

Construction Manager, 63

We would welcome further detail from the government, as we move into the next phases of work on the LLE, as to how it will ensure that individuals are incentivised to train or retrain in the skills we most need as a society. We would expect this to include greater engagement with employers on their key role in this.

## **Q2. What barriers might learners face in accessing/drawing on their LLE and how could these barriers be overcome?**

As mentioned in our response to Q1, across three scenarios put forward to our poll respondents, we found that offering them the hypothetical option of utilising the LLE *made no statistically significant difference in whether participants in our poll would retrain or not*. Following on from these scenarios, we asked people who said they would be unlikely to retrain via the LLE why this was the case. By far, the most common reason cited was not wanting to take on new debt (41%) and worrying about being too old to retrain or upskill (31%). A large number of respondents also expressed (through free text responses) simply not seeing the need to at their age/while retired. It is therefore clear that both the funding mechanism for the scheme (a loan) and age are seen as a barrier. Our polling also found that a majority of people believe the current higher education system does not cater for people with caring responsibilities (57%) or people with employment responsibilities (50%).

Digging into both elements further, our focus groups found concerns around work commitments, financial worries, and caring responsibilities, as well as simply having the confidence to 'take a leap':

*"And I'd have to reduce hours at my work, I'd have to take time off work which I can't afford to do at this moment in time. So you know, it's a catch 22 really, isn't it?"*

Stockroom Coordinator, 50)

*"...we've all got mortgages, and if you've got children that depend on you... you look at it and go, but what if I absolutely hate it and I look back and go, I wish I'd stayed where I was. The older you get, the worse that is."*

Train Driver, 42

*"...where we take people on for training, we get them young, because if you're 35 years old, with family, you can't survive on the training allowance, you know, the training wage."*

Transport Manager - Haulage, 47

*"Ideally I would go back to college and learn something, but it's difficult. It's a challenge to be able to support the family financially and go to school."*

Retail Assistant, 47

*"... it's just having the confidence and the oomph to do it, to actually take that step and do it... because of my age, I just think should I or shouldn't I?"*

Stockroom Coordinator, 50

#### **Q4. How can we best ensure that the LLE will enable learners to access technical as well as academic courses at levels 4 to 6?**

As we alluded to in our response to Q1, findings across our polling and focus groups show that there is a very strong desire for there to be courses available which are technical in nature.

An overwhelming majority of people agreed that we place too much emphasis on university degrees when many jobs could be done without one (75%). When asking people about their views on the proportion of people pursuing various higher education routes, almost half (49%) of people said they thought that not enough people are doing apprenticeships, compared to 27% for level 4 and 5 qualifications and 12% for university degrees. On the other hand, a far greater proportion of people said they think too many people are pursuing university degrees (36%) compared to the other two qualification groups.

This was echoed in focus groups where many of our participants were adamant that too many young people were pursuing academic routes unnecessarily, for example one woman whose daughter had completed a masters degree but could not find work in that field:

*"But my daughter, she's got a master's degree in psychology and sociology, and she can't get a job in that field. So she's doing something completely different and cannot get a job and what does it stand for that piece of paper? Was it worth doing?"*

Stockroom Coordinator, 50

When asked about retraining for themselves, participants were softer on this issue, but still leaned towards practical skills such as digital or language skills, or training on child or adult social care. We conclude that it will therefore be of vital importance that the LLE facilitates access to a range of high quality technical qualifications.

**Q6. Do you think the move to the LLE will have any particular impacts on people with protected characteristics? If so, which groups and in what ways? Your answer could include information about both the potential challenges and the positive equality outcomes of this policy.**

Phoenix Insights believes that the LLE has the potential to support mid-life and older workers. As we have already set out in our strategy document (<https://www.thephoenixgroup.com/sites/phoenix-group/files/phoenix-group/Phoenix%20Insights/over%20work/phoenix-insights-strat-doc.pdf>) average life expectancy in the UK has risen significantly over the last two centuries. Our increased longevity is a fantastic success story of human ingenuity in areas like public health, nutrition and medical science. But much of how we structure and organise society is just not suited to support people with 80, 90 or 100 year-long lives, and the gap in healthy life expectancy between rich and poor is growing.

In previous generations, the traditional path of life followed a relatively simple pattern of education first, then on to working and perhaps raising a family, and ending in retirement. But as we live for longer, how long we work for, the jobs we do, how and when we learn and acquire new skills, and how and when we care for others, needs to change. We need public policy to help us navigate these more complex, flexible lives. We continue to lag behind other countries in our investment in adult skills and learning to support people to reskill and retrain throughout their lives.

We have already set out a range of recommendations in response to Q1, which are designed to ensure that mid-life and older workers – as well as retirees – are able to benefit from the LLE. In response to Q2 we then elaborated on some of the barriers mid-life and older people face in particular, including caring responsibilities, financial concerns, balancing training with work commitments, and a lack of confidence. We would at this stage like to highlight two key risks:

**1) That the LLE is not adequately targeted and tailored to mid-life and older workers.**

It is clear from the polling and focus groups we refer to throughout our consultation responses that mid-life and older workers have distinct needs and wants. Our focus groups highlighted a range of things in particular, for example the fact that mid-life and older people may find it more daunting to switch profession, and that they may be more sceptical of taking on a student loan.

Some of our participants also highlighted fears about being the ‘old person’ in the classroom

*“...if you are stuck in with a load of youngsters that are learning things, lightning fast, and you're really the slow kid in the class, it's not nice.”*

Construction Manager, 63

We believe it is therefore vital that the LLE is designed in such a way as to appeal directly to mid-life and older workers. If this is not done successfully, the LLE risks failing to attract older individuals to utilise it, meaning that mid-life and older workers – as well as retirees – would be at a comparative disadvantage in the labour market.

## 2) That changes are made to the LLE which actively restrict the ability of mid-life and older individuals to secure financial support.

Despite the opportunity the LLE presents, the reality is that for mid-life and older workers the proposed LLE does not change their eligibility for a student loan, which they already have under the status quo. Later on in this consultation Q21 implies, somewhat ominously in our opinion, that the government is actively considering an age cap or restriction of some sort. We do not know what lies behind this question, but we can speculate that proposals could include capping the age people are eligible for the LLE or making pensions count as income for the purposes of repaying the loan (i.e. pension income would be used to pay off the loan for retirees). Any proposal of this kind would, in our view, not only lead to the risks highlighted in the preceding paragraph, but also directly discriminate against older individuals in terms of access to training and retraining opportunities. We would urge the government not to pursue any such policy changes, and we reiterate this directly in response to Q21.

## Q7. What barriers might learners with protected characteristics face in accessing/drawing on their LLE and how could these be overcome? Your answer here could include previous consideration of an alternative student finance product for students whose faith has resulted in concerns about traditional loans.

As we set out in response to Q2, across three scenarios put forward to our poll respondents, we found *the LLE made no statistically significant difference in whether participants in our poll would retrain or not*. Following on from these scenarios, we asked people who said they would be unlikely to retrain via the LLE why this was the case. By far, the most common reason cited was not wanting to take on new debt (41%) and worrying about being too old to retrain or upskill (31%). A large number of respondents also expressed (through free text responses) simply not seeing the need to at their age/while retired. It is therefore clear that both the funding mechanism for the scheme (a loan) and age are seen as a barrier. Our polling also found that a majority of people believe the current higher education system does not cater for people with caring responsibilities (57%) or people with employment responsibilities (50%).

Digging into both elements further, our focus groups found concerns around work commitments, financial worries, and caring responsibilities, as well as simply having the confidence to 'take a leap':

*"And I'd have to reduce hours at my work, I'd have to take time off work which I can't afford to do at this moment in time. So you know, it's a catch 22 really, isn't it?"*

Stockroom Coordinator, 50

*"...we've all got mortgages, and if you've got children that depend on you... you look at it and go, but what if I absolutely hate it and I look back and go, I wish I'd stayed where I was. The older you get, the worse that is."*

Train Driver, 42

*"...where we take people on for training, we get them young, because if you're 35 years old, with family, you can't survive on the training allowance, you know, the training wage."*

Transport Manager - Haulage, 47

*"Ideally I would go back to college and learn something, but it's difficult. It's a challenge to be able to support the family financially and go to school."*

Retail Assistant, 47

*"...it's just having the confidence and the oomph to do it, to actually take that step and do it... because of my age, I just think should I or shouldn't I?"*

Stockroom Coordinator, 50

**Q11. We are proposing that all HTQs should be in scope of the LLE. Should approval as an HTQ be the sole route for qualifications that are ALL-funded to become eligible for the LLE? If not, why not, and what alternative route(s) would be appropriate? Please include detail on the process and eligibility criteria that would be used in any alternative route.**

Our findings suggest that it is vital the LLE is as wide-ranging and flexible as possible in the qualifications it gives learners access to, and we would like to see the government explore in more detail the potential for industry-led and other non-HTQ qualifications to be included in the scheme.

We heard clearly from participants in our focus groups that they have specific interests and needs when it comes to training. They are less minded to engage with qualifications if they see them as predominantly tailored to younger students, as this is likely to make them feel more self-conscious. They warmed much more to the opportunity when it was described as 'relearning' or 'revision', and cooled off substantially if it was pitched as about doing a qualification like an apprenticeship or an NVQ:

*"I've got to say an apprenticeship is a good idea. But for older people who have been in full time employment, it generally says no money or less money. It's not really a viable option."*

Water Surveyor, 64

*"...for mature people, training is perfect because you're relearning. You're waking up your brain, you're bringing something new into your life, and you're going to be doing something different."*

Road Traffic Management, 52

We therefore see an opportunity here for mid-life and older workers to engage in shorter courses, including industry-led qualifications that would allow them to use particular products or programmes in their job or one they are looking to apply to. For mid-life and older workers who particularly need to be convinced of the direct applicability of their training in a work context, this could be an excellent opportunity to ensure the LLE truly caters to those workers.

## Q18. What impact could modular study have on study mobility across the UK?

Participants in our focus groups were generally positive about the idea of flexibility, often telling us that they were not considering going back to full time study but were more interested in short courses or CPD. Specifically, participants were tentatively positive about the idea of modular study, and the flexibility this could bring them – though this was not something we were able to test in any great depth at this early stage. For example, one participant said:

*“...he picked so many modules, and he can pick the ones he wants which I think will work... well for him. Another person might want something totally different out the same course and come out with the same qualification.”*

Finance Manager of an SME, 56

## Q20. What should be the most important considerations when determining how the lifetime entitlement will work?

As we set out in response to Q1, when we asked participants in our poll what they thought would make the LLE scheme successful, they ranked their answers as follows:

- The ability to fit the learning around other commitments (e.g. caring or work) (74%)
- A way to know that courses are of high quality (72%)
- Additional support to find employment after a course is completed (71%)
- The ability to obtain a loan to cover living expenses (66%)
- The ability to get the courses or modules recognised internationally (63%)
- The ability to access the loan throughout your life up to retirement (59%)

Our polling also found that a majority of people believe the current higher education system does not cater for people with caring responsibilities (57%) or people with employment responsibilities (50%). We take from this that flexibility and quality are both paramount in the development of the LLE. This was echoed in our focus groups where participants were clear that training or retraining would often need to fit around existing commitments:

*“And I'd have to reduce hours at my work, I'd have to take time off work which I can't afford to do at this moment in time. So you know, it's a catch 22 really, isn't it?”*

Stockroom Coordinator, 50

They were also clear that qualifications needed to mean something, adding genuine value in some way:

*“You get yourself in thousands of pounds worth of debt. And then I've got a diploma or something that's not even worth the paper it's written on!”*

Carpenter, 63

We would welcome hearing more from the government about how the LLE might differ from the status quo in being tailored to those with existing work or caring responsibilities, as well as how they intend to communicate information about the quality of courses, especially new courses, to prospective applicants.

In addition, in our poll most people thought that the government should incentivise people to pursue degrees and qualifications where we currently lack skills in the country (63%), rather than enabling people to pursue whatever degrees and qualifications they want irrespective of skills gaps (26%). This was echoed in our focus groups, for example:

*"...I think it's absolutely vital that people get trained in some sort of skill, creative things, which machines can't do yet..."*

Construction Manager, 63

We would welcome further detail from the government, as we move into the next phases of work on the LLE, as to how it will ensure that individuals are incentivised to train or retrain in the skills we most need as a society. We would also be interested in how employers and/or sector bodies can contribute to shaping this work moving forwards.

## **Q21. What, if any, age-related restrictions should be in place for the LLE that would impact an individual's ability to access their loan entitlement?**

Despite the opportunity the LLE presents, the reality is that for mid-life and older workers the proposed LLE does not change their eligibility for a student loan, which they already have under the status quo. We do not know what lies behind this question, but we can speculate that proposals could include capping the age people are eligible for the LLE or making pensions count as income for the purposes of repaying the loan. Any proposal of this kind would, in our view, directly discriminate against mid-life and older individuals in terms of access to training and retraining opportunities. We would urge the government not to pursue any such policy changes.

If the government is committed, as we hope it is, to using the LLE to drive up the productivity of the country, mid-life and older workers and retirees are a key demographic. There are millions of mid-life and older workers who have substantial work experience and skills to offer, and both they and society benefit if they are able to work for longer. Given it is an explicit policy objective of the LLE to encourage more mid- and late- stage career workers to retrain, we do not believe that can be reconciled with any proposed policy changes which would restrict access to finance for older workers and retirees.



### **Q23. In a system where modularised study is widespread, how can we ensure that learners and employers understand what programmes of study deliver the skills that employers need?**

As we have already set out in response to Q1 of this consultation, delivering the LLE hand in hand with employers is crucial. This is not to say that the structure of the LLE should be any different to what is proposed – it can still be an ‘account’ to which individuals have access. Rather this is about how individuals become aware of and are supported to access this account. For those out of work, this may be through a job centre or similar. But for those in work we believe ensuring employers are aware of and encouraged to promote the LLE will be crucial. And we think the mid-life MOT could be an excellent mechanism to do this. There are strong links between different areas of government policy in this space, and we need to ensure there is effective join up between these. State pension age policy, fuller working lives, lifelong learning – all of these affect and complement each other.

The mid-life MOT consists of free online support to encourage people in their 40s, 50s and 60s to make more active planning in the key areas of work, wellbeing and money. It is aimed at both employees and employers and can help individuals make choices designed to achieve the future retirement they want. A series of online modules show individuals options for retraining/the next steps of their career. Linking the LLE to the mid-life MOT would not only utilise an existing avenue for influencing behaviour, but also give a direct route for employers to talk to staff about the benefits or otherwise of different training and retraining routes. It would, in effect, tie employers and the LLE together through an existing product, making it more likely that employers and individuals would have good quality conversations about the programmes of study which could best support individuals’ progression and employers’ needs.

### **Q26. Do you think a future system should include a facility for provider-based bursaries, which providers allocate directly to students?**

Both our polling and focus groups found strong hostility to taking on a loan to fund further study. We are concerned that the fully loan-based system as proposed for the LLE will not have the transformational effect we or the government wants it to.

In the polling, we presented respondents with a range of scenarios, related to their circumstances, to test whether they would be interested in accessing the LLE (for example asking them to imagine they were at risk of losing their job). Across all three of these scenarios, we found *the LLE made no statistically significant difference* in whether participants in our poll would retrain or not. Following on from these scenarios, we asked people who said they would be unlikely to retrain via the LLE why this was the case. By far, the most common reason cited was not wanting to take on new debt (41%) – the next response down was being too old to retrain or upskill (31%).

This was strongly supported by the results of our focus groups where participants told us they had absolutely no interest in taking on additional debt at this point in their lives. Many had heard the recent ‘horror stories’ of high levels of interest on student loans and were adamant this was not for them. We therefore believe that the LLE risks being significantly underutilised by mid-life and older workers if it remains fully loan based.

*"...you're going to be paying this with interest, it could grow every year without you being able to pay it off, and it's just going to put people off"*

Finance Manager of an SME, 56

*"Why would you want to incur a debt in your mid-life?"*

Adult Carer, 61

Indeed, we would hypothesise that mid-life and older workers may have an even greater antipathy for additional loans than younger ones, as they have greater experience of other loans and mortgages and are therefore more likely to make comparisons between the interest rates on student loans and their own experience, even if they are not directly comparable:

*"...most people can just go to a bank and get a loan anyway, can't you?... So I don't see it's an improvement on anything we've got already."*

Construction Manager, 63

Whether through government grants, provider bursaries or employer investment, we therefore believe it is vital that the government ensures there are elements of funding available for study, particularly for mid-life and older workers, which do not have to be repaid.

## **Q27. Should maintenance support, like fees, be proportional, so that e.g. modules which amount to one-quarter of a full-time year of study carry an entitlement to one quarter of the maintenance support that the latter does?**

This is not something we were able to test at this stage with our focus group participants, though we may do so in future as the government moves to the next phase of work on the LLE.

However, if modules are small in size, but intensive in nature, we believe the government may wish to consider a minimum threshold for maintenance loans – otherwise, there could be a danger that amounts become so small as to not be able to meet fixed costs such as transport or rent. We know that mid-life and older workers value flexibility and are broadly positive about the prospect of doing short modules or courses as opposed to full year qualifications. It is therefore important that the funding system for the LLE does not disincentivise this, including through its maintenance loan provision.

## **Q29. Currently means-tested elements of the maintenance system relate to family income. Should this be reconceptualised for a system with more adult participation, and if so, how?**

It is vital that this system is fit for purpose in supporting adults, especially older adults, to get the support they need to retrain. In our polling, the majority of people thought that if the LLE enabled people to obtain maintenance loans, these

should be based on the financial circumstances of the applicant (50%, vs 31% who think maintenance loans should be available to all). When asked about which factors should be taken into account, the most common ones were personal income (69%) and whether there are dependents (49%), whilst less than a third of people thought partner's income and tenure should be taken into consideration (31% and 30% respectively).

### Q31. Do you think a maintenance offer should differ by course type, mode of study (e.g. part-time), or learner circumstances such as age, income, or caring responsibilities?

As outlined in response to Q1, when we asked participants in our poll what they thought would make the LLE scheme successful, they ranked their answers as follows:

- The ability to fit the learning around other commitments (e.g. caring or work) (74%)
- A way to know that courses are of high quality (72%)
- Additional support to find employment after a course is completed (71%)
- The ability to obtain a loan to cover living expenses (66%)
- The ability to get the courses or modules recognised internationally (63%)
- The ability to access the loan throughout your life up to retirement (59%)

This puts the ability to obtain a loan to cover living expenses as 4th in the list, with 66% of participants having selected it. We therefore think the ability to obtain maintenance support is likely to be a consideration for the majority of learners seeking to access the LLE.

As we set out in response to Q2, financial worries and caring responsibilities are both key barriers for mid-life and older workers and retirees in accessing training and retraining opportunities. It is therefore vital that age and caring responsibilities are fully taken into account when designing the maintenance loan system:

*"And I'd have to reduce hours at my work, I'd have to take time off work which I can't afford to do at this moment in time. So you know, it's a catch 22 really, isn't it?"*

Stockroom Coordinator, 50

*"...we've all got mortgages, and if you've got children that depend on you... you look at it and go, but what if I absolutely hate it and I look back and go, I wish I'd stayed where I was. The older you get, the worse that is."*

Train Driver, 42

*"...where we take people on for training, we get them young, because if you're 35 years old, with family, you can't survive on the training allowance, you know, the training wage."*

Transport Manager - Haulage, 47

*"Ideally I would go back to college and learn something, but it's difficult. It's a challenge to be able to support the family financially and go to school."*

Retail Assistant, 47

*"...it's just having the confidence and the oomph to do it, to actually take that step and do it... because of my age, I just think should I or shouldn't I?"*

Stockroom Coordinator, 50

As we said in response to Q29, family income is not a good indicator to use in a system with increasing adult participation, and we set out there what our polling shows could be preferable, alternative indicators.

Overall, we believe the LLE has the potential to positively impact the ability of mid-life and older workers to retrain; supporting more people to effectively stay in work across their lives and increase productivity. We would be happy to continue to contribute through sharing our evidence and insights in this area, including through discussions with DfE and other officials if helpful.

For any additional information please contact Patrick Thomson, Head of Research, Analysis and Policy, Phoenix Insights  
Email: [patrick.thomson@thephoenixgroup.com](mailto:patrick.thomson@thephoenixgroup.com)