

## Oxford University record donation cuts fees for poorest



Oxford University will use a record donation to abolish the tuition fee increase for its poorest students - keeping fees at £3,500 per year.

In a bid to remove financial barriers, eligible students will also receive funding for all their living costs.

With matched funding, a £75m donation from Michael Moritz and his wife Harriet Heyman is set to rise to £300m.

This is being claimed as the biggest such financial support package in European university history.

At the launch of the scholarships, Oxford's vice-chancellor, Andrew Hamilton, spoke of the importance of "ensuring that all barriers - real or perceived - are removed from students' choices".

### **University self-supporting**

Mr Moritz, chairman of the US-based venture capital firm, Sequoia Capital, spoke of his own family's debt to benefactors, when they had been refugees from Nazi Germany.

"I would not be here today were it not for the generosity of strangers," said Mr Moritz.

The financial package will be worth about £11,000 per student per year - and will be available for students from families with an income below £16,000 per year.

This will continue in perpetuity - using the investment income from the donation - in a way similar to the endowments that underpin the finances of major US universities.

It also marks a UK university taking a greater step towards self-funding some students - and loosening its students' reliance on the state-funded student finance system.

Under the scholarship scheme, students will only have to borrow the £3,500 per year, rather than the £9,000 which will be charged from this autumn.

Professor Hamilton - and student Charlotte Anderson - spoke of their concerns about the deterrent effect of the debts facing students, when fees are £9,000 per year.

Ms Anderson, studying German, said she was the first person in her family to go to university - and that debt had been a major cultural obstacle for her family.

"All they saw was a huge debt - they couldn't see beyond it."

She said that attending a summer school made her change her mind about seeing Oxford as a credible option.

## **Reaching out**

Jo Dibb, head teacher of Elizabeth Garrett Anderson School in north London, said that parents were often "desperate to support their children" - but lacked the money and feared the debt.

Mr Moritz, who went to school in Cardiff and attended Oxford in the 1970s, said that for families with £16,000 per year, the level of student debt represented a "terrifying figure".

## **OXFORD v HARVARD**

**Oxford's** annual income £920m

Expenditure £908m

Endowment assets £856m (there are also individual college-based assets)

Tuition fee £9,000 per year

**Harvard's** annual income £2.4bn

Expenditure £2.5bn

Endowment assets £24bn

Fees and charges £37,000+ per year, includes accommodation

About one in 10 of Oxford's students are from families with an income below this threshold - and the first wave of scholarships will be awarded this autumn.

The intention is that within three years half of all eligible students will receive this support package - with the later aim of rolling it out to all students from such low-income families.

Earlier this week, the university admissions service, Ucas, published figures showing that applications had fallen by 8.9%, raising concerns that potential students were being deterred by the increase in fees.

Last week, the Office for Fair Access published a report showing that universities were switching more of their funding into outreach projects, such as summer schools.

The fair access watchdog also produced figures comparing the proportion of students eligible for full state support - with Oxford having among the lowest levels of such poorer students.

The university has been investing heavily to attract students from a wider range of social backgrounds, putting £2.5m into outreach and £6.6m on bursaries.

Oxford's latest announcement of such a large-scale scholarship programme will raise comparisons with leading US universities.

The income from endowments allows them to offer places to the most talented, regardless of income or nationality, with means-testing then determining any level of fee.

Harvard's operating income is mostly drawn from its endowments, worth £24bn at present. Fees provide only about a fifth of its operating costs.

Students at Harvard from families earning below £42,000 do not have to pay any tuition fees.

Sean Coughlan - BBC education correspondent