



Jack Britton, University of York and IFS
Nick Ridpath, IFS
Carmen Villa, University of Warwick and IFS
Ben Waltmann, IFS

26 February 2025

@TheIFS

Did the Education Maintenance Allowance improve outcomes?



Economic
and Social
Research Council



What is the EMA and why was it introduced?



- A weekly payment for students from disadvantaged backgrounds, first introduced in 1999.
- Worth up to £30 per week, or up to £1,400 per year.
 - At the time of introduction, worth:
 - $\frac{1}{4}$ of a full-time working wage at youth minimum wage.
 - $\frac{1}{4}$ of per-pupil 16-18 funding given to FE colleges.
- Introduced to address long-term problem of youth inactivity
 - Background: >10% 16-19 'NEET' rates
- Scrapped in England in 2011.
 - Still in place in Wales, Scotland and Northern Ireland

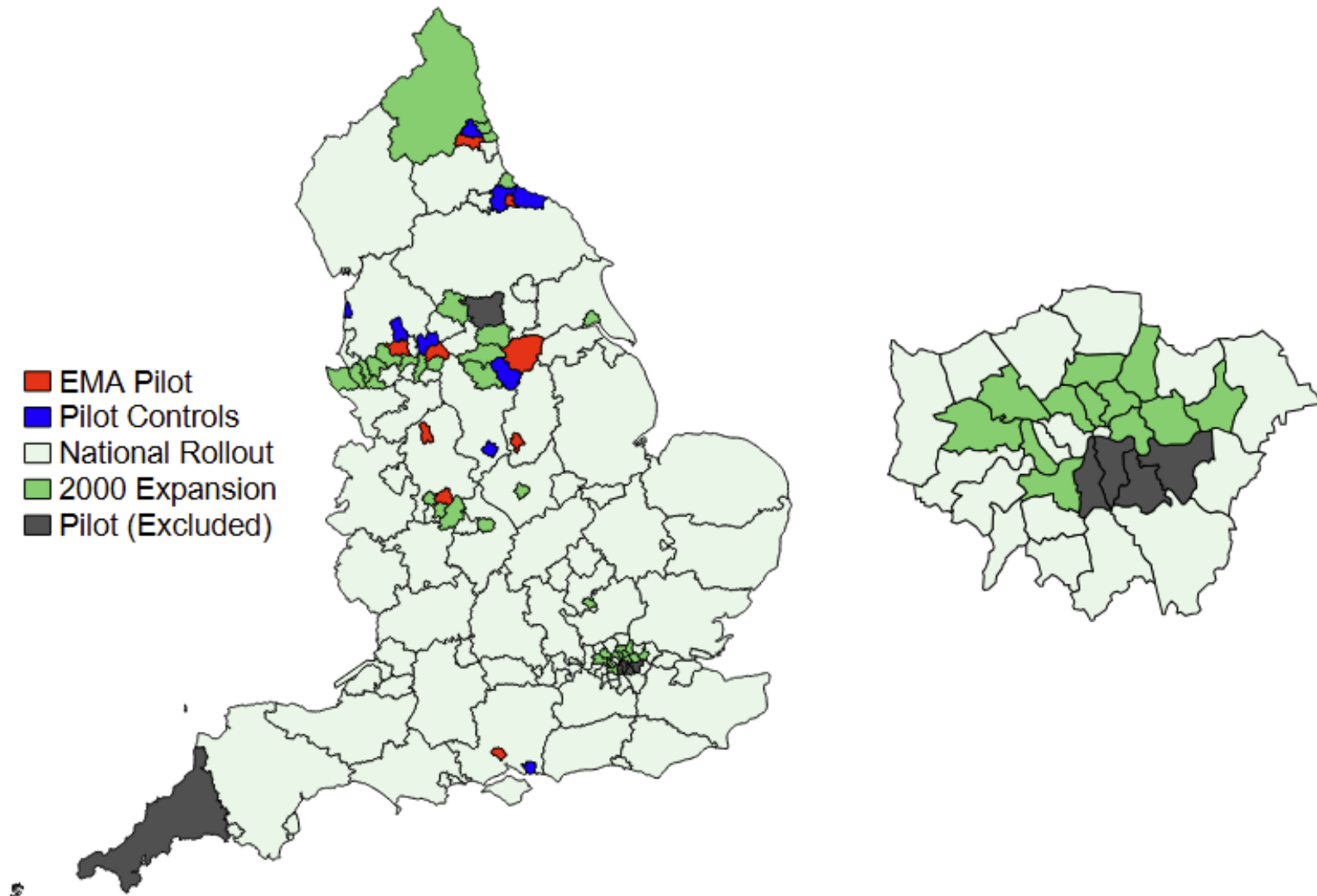
Rollout of the EMA



- EMA was rolled out in stages across different areas
- Initially introduced to 15 English LAs in 1999
- Additional one third of LAs in 2000, full rollout in 2004.
- It could be claimed for up to two years between 16 and 19.
- Full-time non-advanced education
 - Excluded apprenticeships and other training schemes

Parental income	% of children	Weekly EMA award
£0–£19,630	40%	£30
£19,631–£24,030	10%	£20
£24,031–£30,000	10%	£10
£30,001+	40%	£0

Rollout of the EMA



Did the Education Maintenance Allowance improve outcomes?

Data sources and outcomes

- Longitudinal Education Outcomes data – education choices, qualifications, earnings
- Ministry of Justice data – criminal convictions
- Focus on students eligible for Free School Meals – 99% eligible for full EMA award.

Evaluation method

- Estimate the effect of the expansion of the EMA in England in 2004.
- Use the difference between changes in education decisions and outcomes between cohorts in areas that already had the EMA in 2004, and areas that first got it in 2004.

Past evidence

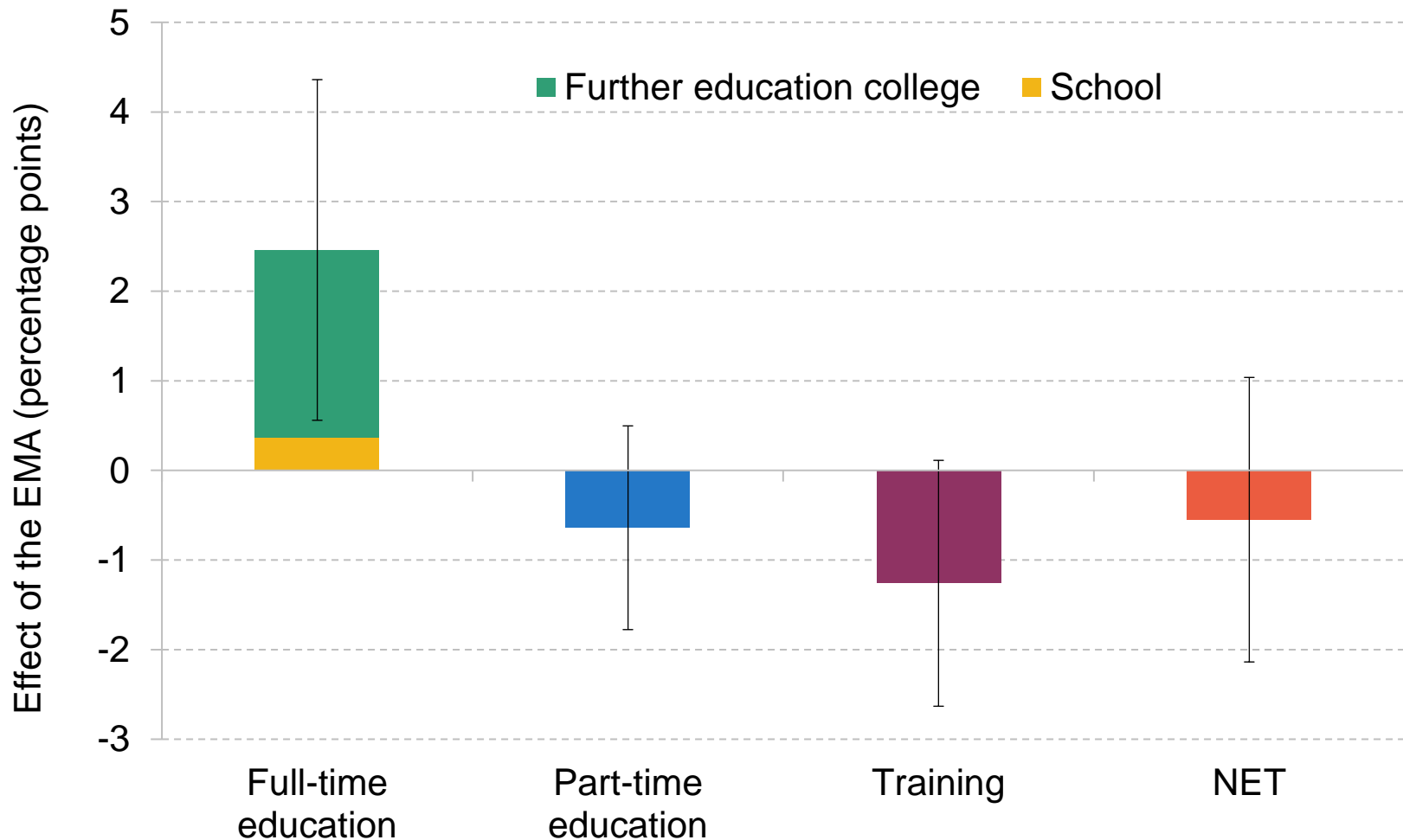
- Previous work (including by the IFS) looked at the initial introduction in 1999
- Found large effects on education participation (4-6 percentage points), but only focused on short-run outcomes.



Results

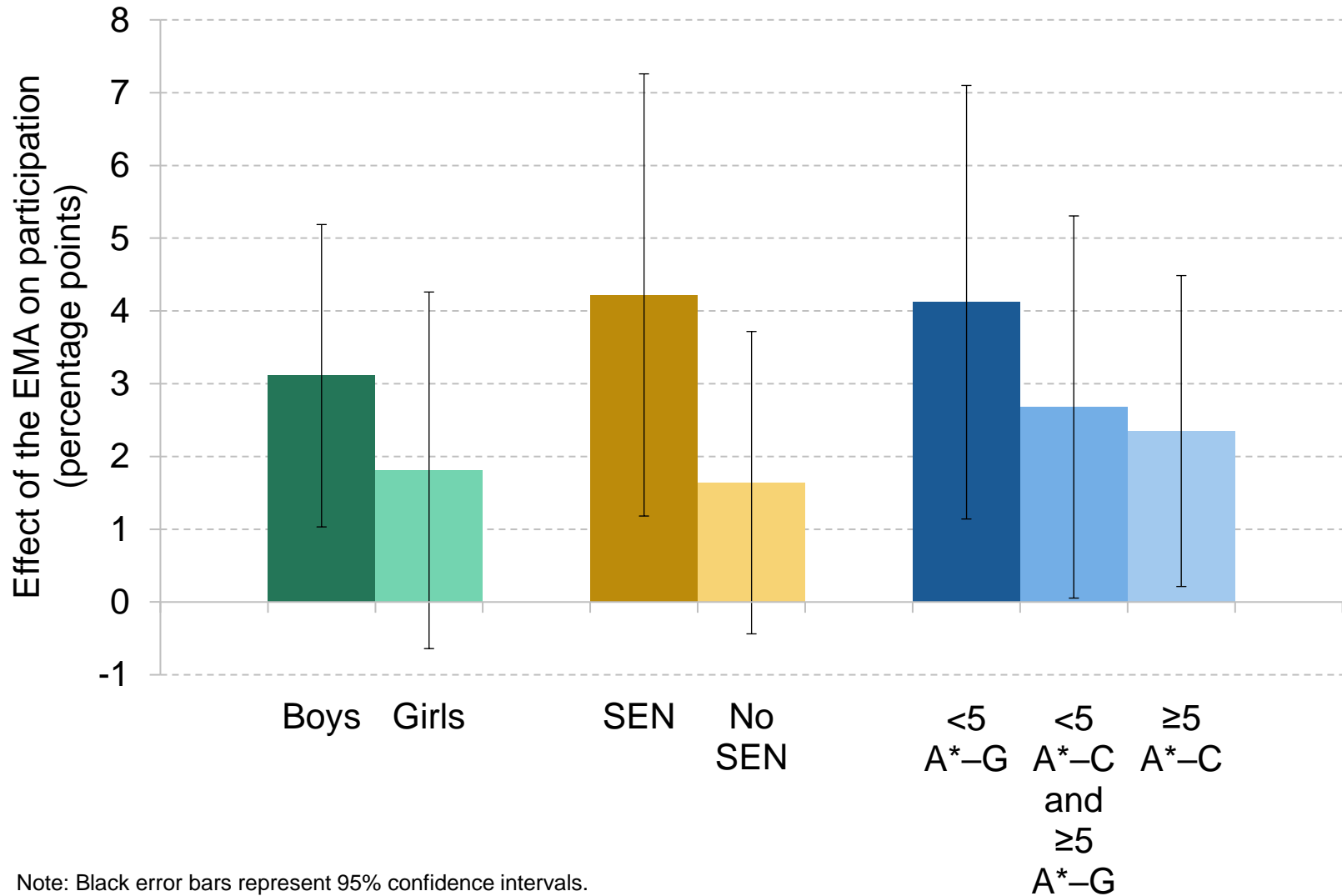
Did the Education Maintenance Allowance improve outcomes?

Age 16-17 Education Decisions



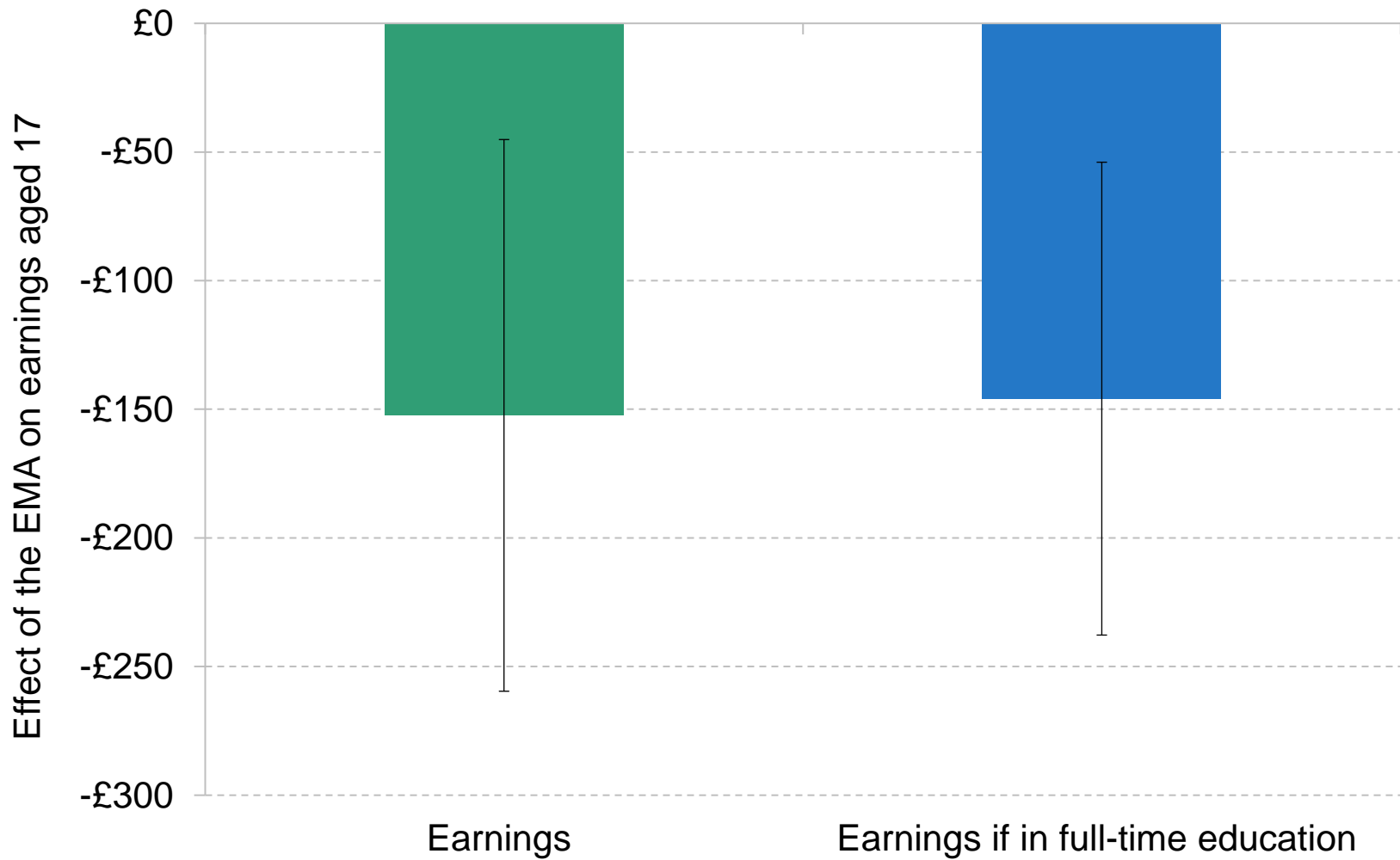
Note: Black error bars represent 95% confidence intervals. NET stands for not in education or training

Education decisions across subgroups



Did the Education Maintenance Allowance improve outcomes?

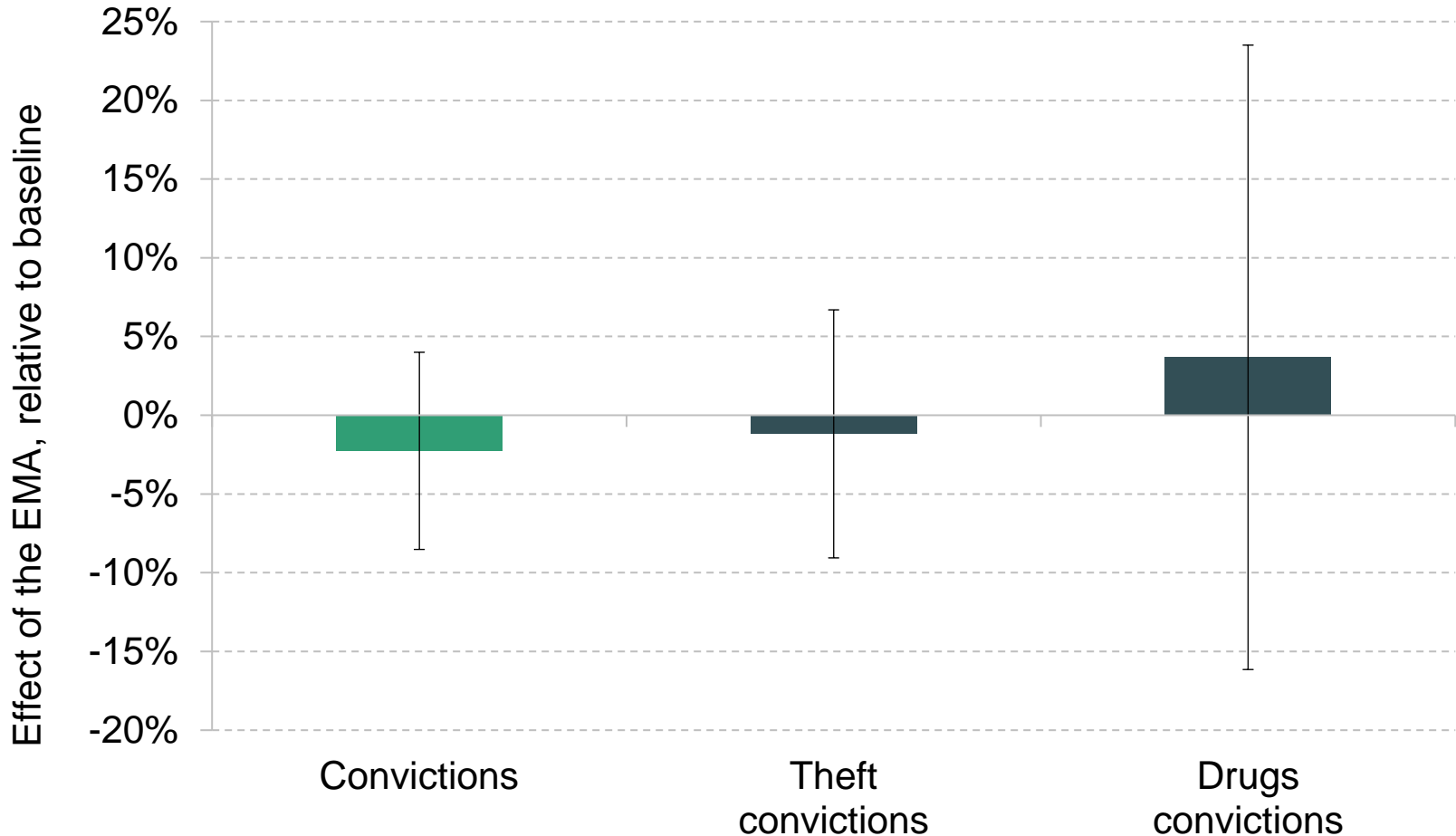
Age 17 Employment



Note: Black error bars represent 95% confidence intervals. Baseline for overall earnings is £2,200, baseline for earnings if in Full-time Education is £1,350.

Did the Education Maintenance Allowance improve outcomes?

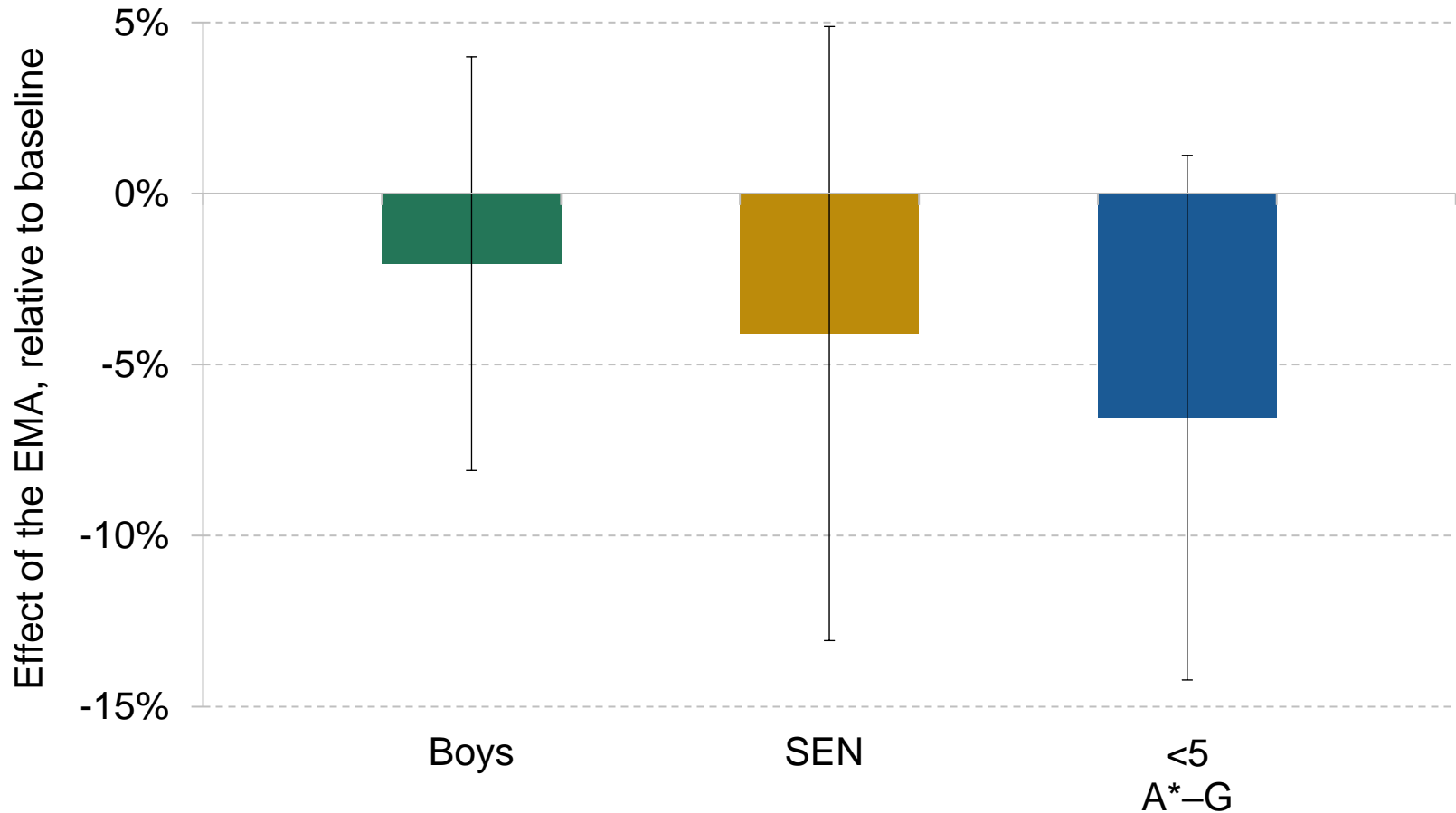
Age 16-18 Criminal Behaviour



Note: Black error bars represent 95% confidence intervals.

Did the Education Maintenance Allowance improve outcomes?

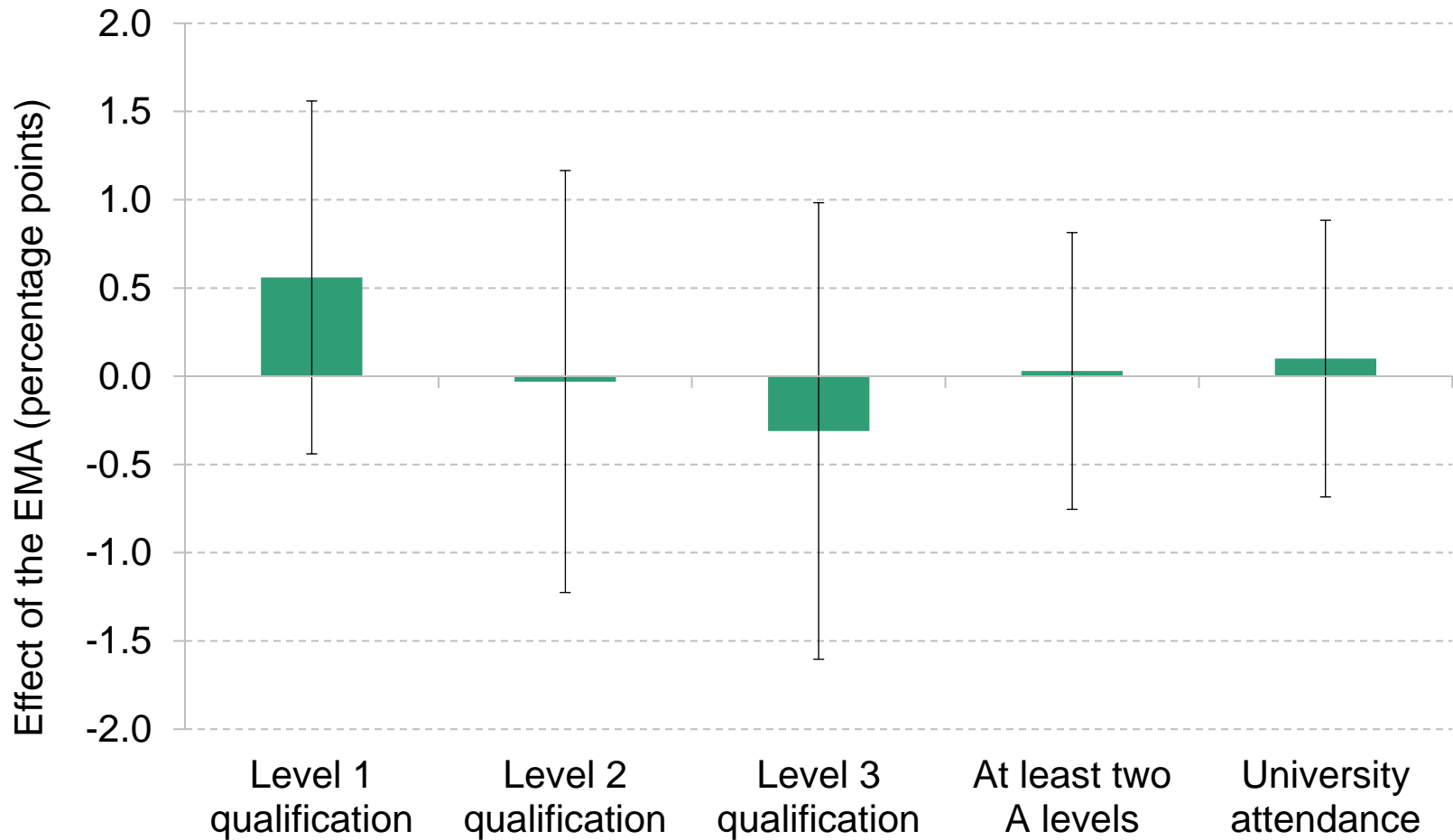
Criminal behaviour across subgroups



Note: Black error bars represent 95% confidence intervals.

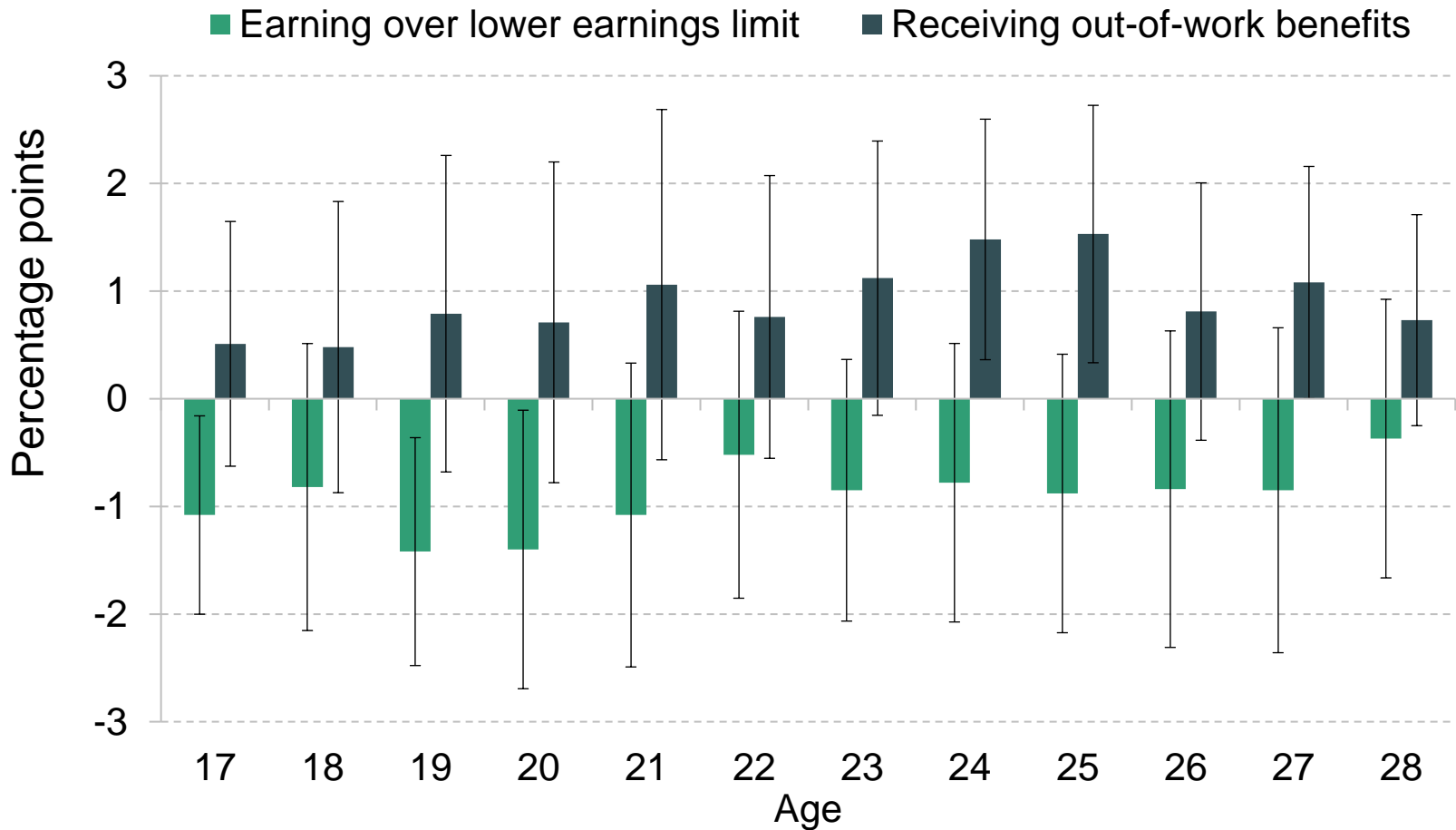
Did the Education Maintenance Allowance improve outcomes?

Qualifications



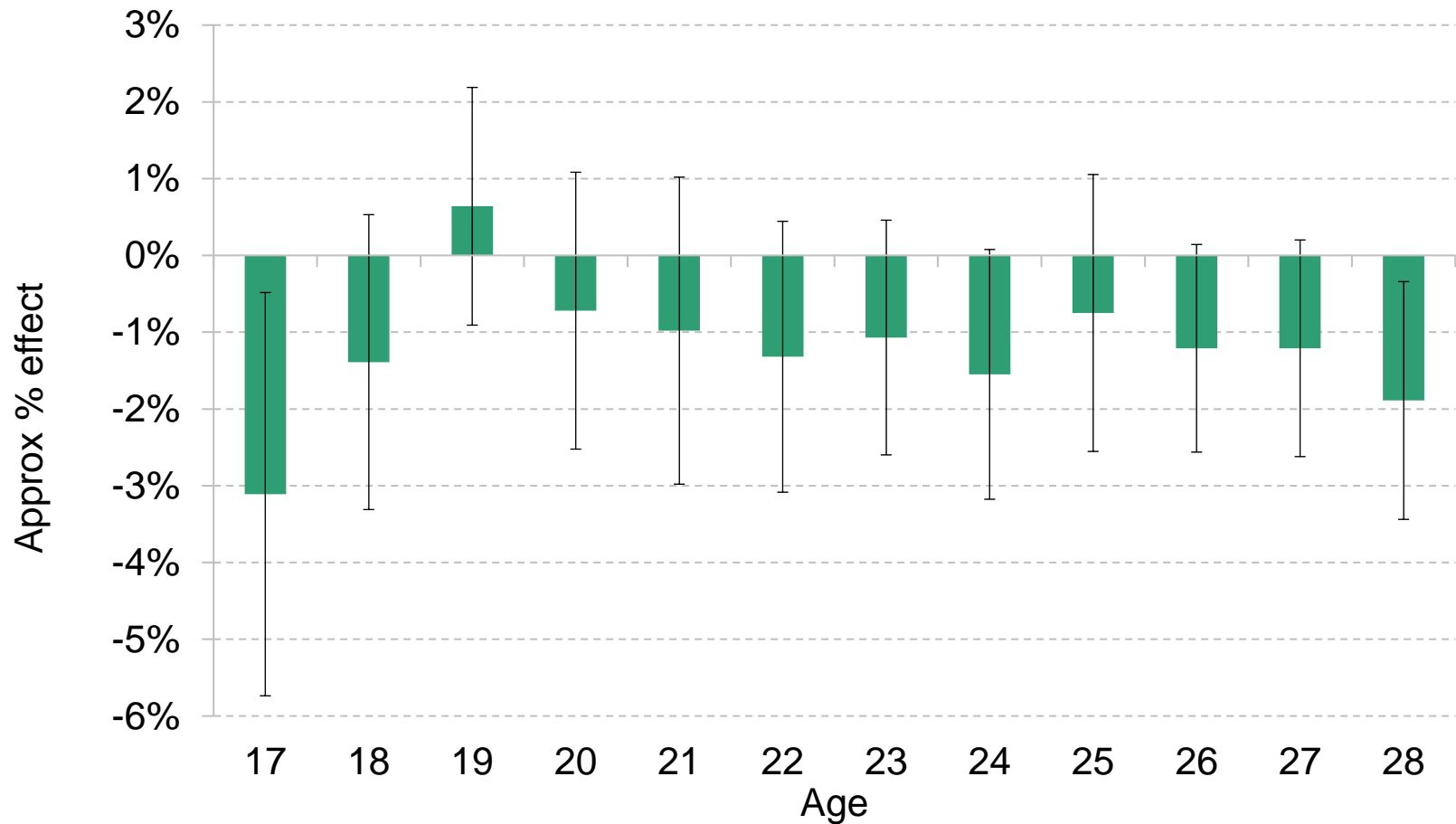
Note: Black error bars represent 95% confidence intervals. Outcomes up to age 23 considered.

Employment in the long run



Note: Black error bars represent 95% confidence intervals. Lower earnings limit was approximately £4000 in 2004.

Earnings in the long run



Note: Black error bars represent 95% confidence intervals.

Calculating the costs and benefits

Costs to government (per FSM-eligible student)

- Direct transfers to students: **£2,230**
- Additional direct costs: **£335**
- Long-run:
 - Reduced tax revenue: **£430**
 - Increased benefit spending: **£175**
 - Savings from reduced crime: **£90**

Benefits only **39%**
of total cost,
despite being a
direct transfer

Benefits

- Benefits come from direct transfer: **£2,230**
- Lost long-run income: **-£1,460**
- Reduced crime victimhood: **£120**

Summary of findings

- Increase in participation in full-time education
 - Mostly at FE colleges, among those with poor GCSEs
 - At expense of training, rather than NEET
 - Effects smaller than suggested by past evidence
- Drop in labour supply at 17, some evidence of a drop in crime
 - Did not lead to improved attainment or qualifications
- No evidence of increased earnings – some evidence of a drop
 - Evidence of reduced time in work and reduced wages
 - Possibly due to diversion from useful work-related activities

The Institute for Fiscal Studies
7 Ridgmount Street
London
WC1E 7AE

www.ifs.org.uk

