Hidden Voices: Graduates' Perspectives on the Student Loan System in England

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Higher Education Policy Institute

CENTRE FOR GLOBAL HIGHER EDUCATION

HEPI Report 145

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Acknowledgements

This research was supported by the Economic and Social Research Council, the Office for Students and Research England under Grant ES/M010082/1. We are grateful to Bright Penny Research who conducted the interviews and to Moonlight Research who oversaw the fieldwork. We thank Dr Kerris Cooper for her contribution to the analysis of the interviews. We are indebted, most of all, to the graduates who participated in the study.

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Executive summary

Since the 1990s England's higher education funding system has been reformed many times, leading to a system predicated on high tuition fees and student loans. In 2021, there are once again debates about how to build a sustainable and fair funding system while reducing public expenditure on higher education.

Yet these debates are missing something essential: the voices of graduates. Graduates have distinctive and personal knowledge and understanding of the realities of repaying student loans and how the different features of the loans shape the burden of their student debt.

This research is based on the thematic analysis of 98 in-depth semi-structured interviews with English graduates – 48 of whom were subject to the 2006 funding regime (cohort 1) and 50 to the 2012 regime (cohort 2). The results provide much needed insights into graduates' perspectives of, and feelings about, the English student loan system and its different features.

Graduates experience student loan debt as a burden, albeit to different degrees. In cohort 2 especially, it is a more pressing concern – something they think about a lot and that causes stress and anxiety. In both cohorts the sheer size of their debts weighs upon graduates' minds while the repayments feel endless, and their outstanding debt seems ever-growing because of the accrued interest. For those in cohort 2 the psychological burden of debt is exacerbated by the knowledge they will likely never repay their entire debt. However, even among those who are able to push their debt to the back of their minds or appear indifferent to it, there are strong negative emotional responses when reminded of the scale of their debts.

What works for graduates

- **Income-contingent student loans facilitate access to higher education.** Compared to paying for their studies themselves, graduates see income-contingent student loans as both an enabler, making their studies affordable, and as an equaliser, potentially giving access to everyone regardless of their socio-economic background.
- **The repayment system is manageable.** According to graduates, three features of the repayment systems help make it manageable:
  - The income repayment threshold: Graduates see the threshold as an insurance policy against low-earnings or unemployment. They appreciate that non-repayment is a safety-net built into the design of the system and has no immediate financial consequences for them.
  - Affordable monthly repayments: Graduates find the amount of their monthly repayments are manageable while the sums involved do not trigger financial distress.
  - Automatic repayments taken from their pay-packets: Graduates appreciate not having to manage repayments actively, which tempers the student debt burden. They value the fact that repayments are deducted at source, attenuating the loss of money they never feel is theirs.

What does not work for graduates

- **Tuition fees are too high.** Graduates think tuition fees of £9,000 and over are excessive. They resent the tripling of the face value of tuition fees in 2006 and in 2012, which they feel were not justified by changes in their university experience. In the context of higher fees, they also question whether their degrees provide value-for-money.[1]

- **Amount of debt owed is a burden.** Graduates experience some emotional and psychological disturbance – including anxiety and despair – because of the size of their student loan debts. They believe they will never repay their loans because the amount owed is so high. The sum is so large it becomes meaningless. Graduates purposely tend to distance themselves from the debt as a way of coping with the stress it causes.

- **Interest rates are too high.** Graduates in both cohorts think interest rates are high and unfair, even when the rate is linked to inflation. Cohort 2 graduates who are subject to the 2012 funding regime – and whose debt can accrue real interest rates – have particularly strong feelings about the rates. Graduates are annoyed at seeing their outstanding loan balances grow particularly at times when they are not required to repay.

- **Repayment period is never-ending.** Graduates feel their student loan debt hangs over them and will seemingly last forever, heightening the burden of their student debt. These feelings are present despite outstanding student loan debt being written off after 25 or 30 years. However, graduates are sometimes confused about this valuable student loan feature.

While new changes to the higher education funding system are being considered, it is time to listen to the voices of graduates. This is especially important because the 2012 funding reforms exacerbated the very features of the student loan system graduates already found problematic.

Consequently, post-2012 graduates are considerably more negative about their student loans. They factor student loans into many life choices, which curtails their opportunities. Integrating the voices of graduates into the funding debate in England is essential to avoid damaging the lives and aspirations of future generations.

Although this report focuses on England, the lessons are also likely to resonate: in Wales, where high fees are also in place; in Northern Ireland, where the funding regime resembles the previous regime in England; in Scotland, where higher education funding remains contentious; and in other countries with income-contingent loans or reforming their loan system.

Introduction

Since the 1990s, policymakers have reformed England's higher education funding system on numerous occasions.[2] Their cost-sharing policies have transferred more of the costs of higher education away from government and taxpayers to students (as graduates) and their families. The policies are informed by the idea that those who benefit from higher education should contribute to its costs. Student contributions, paid on graduation, are deemed affordable because of the financial benefits most graduates reap from their higher education and because of the income-contingent nature of the loan repayments.

Recently, these cost-sharing policies have sought to reduce public expenditure. Specifically, undergraduate tuition fees for full-time students were introduced in 1998, and subsequently increased in 2006 and 2012. When tuition fees rose to £3,000 per annum in 2006, higher education institutions continued to receive funds directly from the Government for their teaching. However, in 2012 when fees increased to £9,000, government funding for teaching was reduced, with the 'lost' income replaced by tuition fees. In 2015/16, when most full-time undergraduates fell under the post-2012 funding system, the recurrent teaching grant was 69 per cent lower in real terms than in 2011/12.[3] This change in direct government contribution made institutions more dependent on tuition fee income. The 2006 and 2012 tuition fee hikes were underpinned by a system of income-contingent student loans, where repayment depends on the borrower's income.[4] In 2016, maintenance grants were also abolished and replaced with bigger loans.[5]

The increasing use of student loans to fund higher education is a global phenomenon, fuelling higher education expansion and supporting social mobility. In England, income-contingent loans also helped make the tuition fee increases of 2006 and 2012 more politically and socially acceptable because higher education remained free at the point of entry (for first-time students) and loan repayments were linked to the ability to pay. The 2012 changes also enabled the removal of student number controls, allowing more people to benefit from higher education.

An increase in the student loan repayment threshold in 2018 lead to a rise in the costs of student loans to the Government. By the summer of 2021 there were further calls to reduce public expenditure on higher education in England, to make its funding more financially sustainable and to redress the balance of funding between higher and further education. In 2019, the Augar report had recommended cutting tuition fees, extending the student loan repayment period, freezing the repayment threshold and launching a new Lifelong Learning Loan entitlement.[6] The Government's 2021 White Paper *Skills for Jobs: Lifelong Learning for Opportunity and Growth* and the 2021 Queen's Speech confirmed the Government's commitment to introduce a Lifelong Loan Entitlement by 2025:

> *which will give individuals access to the equivalent of up to four years' worth of student loans for level 4-6 qualifications that they can use flexibly across their lifetime, at colleges as well as universities.*[7]

This proposal will demand a radical overhaul of the student loan system in England. It signals the expansion of the current student fee loan system to other parts of the post-compulsory sector.

In anticipation of further public funding cuts to higher education spending, HEPI has suggested there are three main ways of reducing public expenditure on undergraduate students: cutting the number of funded places; spending less on each student; or lowering the proportion of student loans that are written off by tweaking the parameters of student loans. HEPI has also published modelling by London Economics on the cost implications of changing some student loan features, including removing real interest rates, increasing the repayment period and reducing the repayment threshold. HEPI's report concludes that lower interest rates would increase the costs to Government while the other options would reduce them.[8]

Missing from this debate, government documents, political rhetoric, modelling and existing research are graduates' voices.[9] Graduates' views are ignored by politicians and policymakers despite forming a growing proportion of the electorate. Yet their perspectives are vital. Graduates are the group most immediately affected by any changes to student loan repayments. They know and understand the realities of repaying these loans. Their experiences can provide distinctive insights that need to be taken account in any proposed reforms. This paper offers such insights by exploring graduates' experiences of student loans based on the findings from 98 in-depth interviews with English graduates.

To help inform policy, this paper focuses on graduates' views on the parameters of student loans. While the influence of loans on graduates' life-choices have been examined in-depth elsewhere, this paper concentrates on the features of the funding and loan system graduates appreciate and those they find problematic.[10] It questions if some of the loan features promoted as progressive, fair and harmless by policymakers and others are experienced as such by two cohorts of graduates.[11]

1. The policy context

Income-contingent loans, first introduced in Australia in 1989, now exist in several countries, with each country adopting a different approach.[12] In all these income-contingent loan schemes, repayments are related solely to the borrower's income and not the amount borrowed. This system provides automatic insurance against an inability to repay during periods of low income or unemployment. They are designed to protect borrowers from excessive loan repayments which can cause financial hardship and from defaulting on their loans, which can affect borrowers' ability to access credit.[13] The overall repayment rates and the costs to government of providing loans are influenced by the loan income repayment thresholds, interest rates, repayment periods and loan recovery mechanisms.[14] These loan parameters also have a direct impact on graduates repaying their loans.

All English-domiciled full-time undergraduate students attending a UK higher education institution and studying for their first degree are eligible for tuition fee loans covering all their fees. They also all qualify for maintenance loans towards their living costs, which are partially means-tested.

The rise in full-time tuition fees from £3,000 per annum in 2006 to £9,000 in 2012, alongside the abolition of maintenance grants in 2016, has led to both increased rates of borrowing and in the amounts borrowed. All but the wealthiest students must borrow to fund their higher education (though some students also seek to avoid loans for religions reasons).[15] In 2018/19, 96 per cent of full-time undergraduate students had taken out an income-contingent tuition fee loan and 91 per cent a maintenance loan, up from 80 and 83 per cent respectively in 2009/10.[16] Students who graduated in 2020 left higher education with average student loan debts of £45,060, more than three times the average amount owed by those graduating in 2009.[17]

Students usually become liable for repayments in the April after they leave higher education and once their income reaches a threshold. They then pay 9 per cent of their earnings above the threshold until their loans are paid off and any outstanding debt is forgiven after a set number of years. Under the current repayment conditions, it is expected that around 80 per cent of graduates will not repay their loan in full.[18]

The loan recovery system in England also facilitates repayment. HM Revenue and Customs (HMRC) collects student loan repayments from employers through the UK tax system. If graduates are self-employed, they repay through self-assessment when completing their tax return. So for most graduates, repayments are automatically deducted from their monthly wages. Student loans in England can accumulate interest. However, the accrued interest will only be paid if the principal has been fully repaid before the forgiveness cut-off.

By design, our study included two groups of graduates. Cohort 1 started their Bachelor's degree courses in 2006, 2007 or 2008 and cohort 2 started in 2012 or 2013. The two cohorts were subject to different loan parameters because of policy changes (Table 1).

Cohort 1 paid tuition fees of £3,000 to £3,225 per annum. Until April 2012, their annual repayment threshold was £15,000 but subsequently rose in line with inflation to reach £19,390 when interviewed in Autumn 2020.[19] The interest rate these graduates accrue on their loans is not a real rate of interest. The rate is equal to inflation (Retail Price Index (RPI) in the preceding March) or the Bank of England base rate plus 1 per cent, whichever is lower. In essence, the interest rate is capped and because of this safeguard graduates' debts rise in line with inflation at most, but sometimes below the rate of inflation. This interest rate is charged from the day these graduates first took out their loans, at the start of their higher education studies. Any outstanding debt is written-off 25 years after the April the graduate became liable to repayment.

These loan parameters changed in 2012 and again in 2018. Cohort 2 graduates entered higher education after the 2012 reforms and paid £9,000 tuition fees per annum. Their annual loan repayment threshold was initially £21,000, rose to £25,000 in 2018 and by the time they were interviewed in Spring 2021 had reached £26,575. Cohort 2's loans accrue real interest rates, unlike cohort 1's loans. Their loans attracted an interest rate of RPI plus 3 per cent while studying. Once they graduated, the interest is variable and income-contingent rising from RPI to RPI plus 3 per cent. However, some safeguards are built into the system. The Government must introduce temporary interest rate caps if the student loan interest rate is higher than average commercial banks interest rates.[20] Any outstanding debt is written-off after 30 years.

These features of income-contingent loans have led some commentators to characterise the system of income-contingent loans as 'progressive and benign'.[21] However, as will become clear, this is not how all graduates necessarily experience them.

Table 1: Funding arrangements for cohorts 1 and 2[22]

	Cohort 1	Cohort 2
Tuition fees	£3,000 in 2006	£9,000 in 2012
Repayment threshold when plan started	£15,000	£21,000
Repayment threshold when graduates interviewed[23]	£19,390 (Autumn 2020)	£26,575 (Spring 2021)
Repayment rate over the threshold	9%	9%
Repayment period	25 years	30 years
Interest rates	The lowest between: • RPI of the previous March • Bank of England base rate plus 1%	While studying: RPI +3% After leaving higher education*: • RPI if income <£27,295 • RPI + up to 3% if income between £27,295 to £49,130 • RPI + 3% if income >£49,130[24]
Interest rate when graduates interviewed	1.1% (Autumn 2020)	RPI +3% = 5.6% (Spring 2021)
Average loan balance at graduation	2010 repayment cohort: £14,670	2017 repayment cohort: £32,350

* The interest income brackets change annually. The £27,295 and £49,130 thresholds are for the period from 1 September 2020 to 31 August 2021.

2. Method

This study is based on in-depth semi-structured telephone interviews with 98 graduates. While this number represents a very small proportion of the graduate population, the sample was constructed to reflect the diversity in the population of graduates. To achieve this, the specialist recruiters employed were given broad demographic targets to work to based on HESA student data.

All graduates selected for interview were: English-domiciled when studying; had studied full-time for a Bachelor's degree at a publicly funded university in England; had taken out a loan for their tuition fees and / or maintenance from the Student Loans Company; had started their Bachelor's degree course in 2006, 2007 or 2008, or in 2012 or 2013; and were subject to the new tuition fee structure of 2006 and 2012, respectively.

Table 2 shows the demographic characteristics of the graduates interviewed compared with the characteristics of the population of full-time undergraduates when they entered higher education. Graduates from lower socio-economic backgrounds were oversampled to compensate for their under-representation in the graduate population, as were non-white graduates because of the particular challenges they face in the graduate labour market. As a result of the graduates' characteristics observed in both samples, our findings can be construed as reflecting the diversity of voices in both graduate cohorts.

Table 2: Socio-economic characteristics of graduates interviewed compared the overall population[25]

	Cohort 1 %	Total population %	Cohort 2 %	Total population %
Gender				
Male	46	45	46	45
Female	54	55	54	55
Age at enrolment				
Under 21	76	79	76	80
Over 21	24	24	24	20
Ethnicity				
White	62	80	62	79
Non-white	38	20	38	21
Parental Social Class				
NS-SEC Classes 1-3	62	71	56	67
NS-SEC Classes 4-7	38	29	44	33
HEI type				
Russell Group	24	26	24	26
Other pre-1992	10	15	10	16
Post-1992	66	59	66	58
Total (N)	**48**	**790,665**	**50**	**1,130,740**

Prior to their interviews, graduates filled out a timeline of their life since completing their Bachelor's degree with details of their career, any further study undertaken, their living situation, relationships and family formation.

The telephone interviews focused on gaining insights into:

- graduates' attitudes towards their student loans including their awareness of, and interaction with, the loans;
- the advantages and disadvantages of the student loan system;
- the influence of student loans on graduates' lives and decisions since graduating and how they see its future influence;
- the influence of loans on life choices including further study, career choice and employment, health and wellbeing, day-to-day finances and long-term saving, living situation and property ownership and family formation; and
- their reflections on using a loan-based system to finance undergraduate study.

Forty-eight interviews were conducted between 13 October 2020 and 11 December 2020 (cohort 1) and another 50 between 8 March 2021 and 28 April 2021 (cohort 2). Each interview lasted about an hour, and all were recorded and then transcribed.

The interviews were analysed thematically. Numerous themes emerged, including those related to their attitudes towards loans, how they experienced student loan debt, their emotional reactions to debt, how they labelled and managed debt, the impact of debt on their choices, their knowledge about student loans and views on the features of loans. Here we focus primarily on graduates' perspectives on the parameters of loans that affect their repayments, and which may be subject to reform.

3. Research findings

Student loan debt is experienced as a burden by graduates to various degrees but especially among those who entered higher education after the 2012 funding reforms. These graduates describe the debt as draining, weighing them down or on their shoulders. They talk about feelings of anxiety, pressure, worry and dread about the ever-present and growing debt hanging over them. In both cohorts, the sheer size of their loan debts weighs on graduates' minds while repayments feel never-ending, feelings which are exacerbated by the interest accruing on their loans. They are keen to be free of their debts, but most cohort 2 graduates believe they will never repay the money they borrowed – adding to the psychological toll of student loan debt. Even those who seem indifferent to their loan debt and manage to put it to the back of their minds often have strong negative emotional responses when reminded of the scale of their debts.

Some graduates begrudge loans, believing higher education should be 'free' and funded through taxation because of its social benefits. Others, often looking at other countries, think there are more beneficial, equitable and fairer ways of funding higher education which do not require large loan debts that linger for most of their working lives.

Graduates, especially in cohort 2, also question the long-term financial sustainability of the current student loan system driven by a recognition that most loans will not be repaid before the write-off date. They sometimes worry about potential future changes to the terms of their loans which might make their loan repayments less manageable.

Although graduates in both cohorts express negative feelings towards student loans, they also recognise the advantages of a system that ultimately allowed them to get a degree and is financially manageable. Graduates therefore often convey mixed feelings towards student loans, highlighting both positive and negative features of the system. As such, graduates do not fall neatly into two groups, with some who see the advantages and others who see the disadvantages.

The following sections explore in more depth those mixed feelings, analysing both the design features graduates appreciate and the ones they resent. This report sets out to analyse the voices of two groups of graduates and therefore only distinguishes graduates based on the cohort they belong to, not on other characteristics.[26]

4. What works for graduates

Both cohorts recognise some positive features of the system. Graduates acknowledge a key benefit of income-contingent loans is facilitating access to higher education. Additionally, three main features of the repayment system make it more manageable: the repayment threshold; low monthly repayments; and the automatic system of repayments.

Income-contingent student loans are seen as facilitating access to higher education

Graduates in both cohorts see the main advantage of income-contingent student loans, in a system with high tuition fees and few alternative sources of financial aid, as allowing access to higher education. The loans are a financial 'enabler'. Graduates recognise that if they had to pay for their studies themselves and if loans were unavailable, their higher education would have been unaffordable. They would not have gone to university:

> *There wasn't really any other option for me. It was: I take the loan or I don't go to university*. (D66 – cohort 2)

Or graduates would have made different university choices, such as attending a local university so they could live at home, working during their studies or studying part-time:

> *That's the advantage for me, is that to take it on, it afforded me the opportunity – and I suppose afforded is certainly the right word, the opportunity – to be able to go to university and to gain a degree.* (D40 – cohort 1)

> *So, I rang up the Student Loans Company and just like asked them about it […] when they started telling me about the loan […] I was like, 'Oh, well actually, I could go to university.' Because I think for so long I just thought, 'I'm not someone who could afford to go to university', because of my background and things.* (D76 – cohort 2)

In addition, graduates value income-contingent student loans, as an equaliser – an instrument of equity in a system with high tuition fees that would be unaffordable for many in the absence of student loans. They recognise that because of student loans anyone qualified can potentially go to university regardless of their personal circumstances. Graduates are particularly sensitive to those from working-class and low-income backgrounds, acknowledging that loans give them similar opportunities to those from more affluent families:

> *So [the student loan is] the only way, otherwise, everyone that goes to university will just come from … be born with a silver spoon in their mouth, won't they? […] it will just be a never-ending cycle of all the people that are born posh end up rich and everyone else isn't. So this system allows people like myself to do well in life.* (D36 – cohort 1)

> *[The student loan is] definitely advantageous in terms of opening up higher education to large numbers of people who otherwise wouldn't have the ability to go to university and I am a firm believer in there being equity in terms of access to universities and the people who come from less affluent backgrounds should not be barred from education through a circumstance which is no control of their own.* (D55 – cohort 2)

Beyond the equity role of loans, graduates also appreciate how loans enhanced their university experience. Graduates, particularly in cohort 1, link their loans closely to their life aspirations – seeing the loan as a 'stepping stone' to fulfilling their life objectives, both in terms of their career and life in general. As one graduate explains:

> *it was a tool that enabled me to essentially build my life and you know, build it to where I am now.* (D19 – cohort 1)

Significantly, by comparison, few graduates in cohort 2 see their student loan as enabling their life and career, suggesting greater negativity towards their student loans.

The repayment system is considered manageable

Three main features of income-contingent student loans make graduates' loan repayments more manageable.

i) Graduates feel the repayment income threshold protects them

Graduates in both cohorts only start repaying their loans once their earnings are above the loan repayment income threshold. If they earn below the threshold, they make no repayments. While the repayment threshold is very different for the two cohorts (Table 1), to the advantage of cohort 2, both cohorts appreciate its protective functions.

Graduates regard the threshold as an insurance policy against low earnings, ensuring they only start repaying their loans when they can afford to. It tempers feelings of stress that are provoked by the amount of debt they owe and more general concerns about managing financially along with uncertainty about the future:

I was never anxious about it … because I was never in a position where I couldn't pay it and if I had been in a position where I couldn't pay it, I wouldn't be paying it. (D27 – cohort 1)

I just think it's the way it's structured because if you're not paying anything back until you earn over £25,000, that's quite a lot … before you start paying anything back and even then, it's only 10%. So, I think the way it's structured means that no matter how much you earn, really, it shouldn't be a big financial hardship. (D59 – cohort 2)

Graduates also recognise how the loan repayment threshold acts as an insurance policy against employment shocks, which helps reduce their worry about the student loan. They know that if they stopped working or were furloughed or fired, repayments would stop:

I might get worried about maybe not having a job, but then, I don't worry about not being able to pay off the student loan because I'm aware that if you don't have a job, you can't pay it back anyway, so yes, I don't worry about it in that sense. (D31 – cohort 1)

If I'm not earning, I don't need to pay and if I earn so much, then I can start paying it, so I haven't got to worry about trying to find money if I'm not in a job. So, it kind of put me at ease. (D51 – cohort 2)

Graduates in both cohorts are very conscious of the advantages of the repayment threshold when compared with the repayment arrangements of other types of loans or debt. The 'safety net' the threshold provides is a significant relief for them. Not repaying is an integral part of the loan system with no immediate consequences for graduates, unlike other debts:

> *The government aren't going to come and knock at your door and give you big red letters if you don't pay it back.* (D15 – cohort 1)

> *So if we were to miss the bills or to miss the mortgage payments, there would be immediate consequences in the form of losing the house or having the power turned off. If we were to lose our jobs and not be able to pay the student loans, we wouldn't have to pay the student loans if something were to happen to our income.* (D67 – cohort 2)

Graduates, especially in cohort 2, also mention their relief that the student loan does not affect their credit score, unlike other loans. As this graduate states:

> *it doesn't have any impact on your credit score or ability to do anything financially. I think if it did, it would carry a huge burden*' (D71 – cohort 2)

For graduates in cohort 2, whose repayment threshold was £26,575 when interviewed, the threshold became a benchmark of expected graduate earnings associated with a graduate-level job. Sometimes they described being happy they earn enough to make repayments as this means they are doing well. Others talk positively about reaching the threshold in the future as it would mean they are successful in getting a good salary and are therefore not worried about repayments. Some feel disappointed or lack optimism about being able to earn above the threshold:

When I first started paying it back in the tiny amount on my payslip … I did get a momentary positive feeling of, 'Oh, at least I'm actually earning the amount that I'm expected to'. There was a sense – and it was an entirely internal feeling, but I suppose because you've taken out a loan and all of this debt, when you're told this is the threshold you pay it back at, it does feel like that threshold is like if you're below it, you're not earning as much as you should be. I think that's probably a stress, actually. (D66 – cohort 2)

Slightly disappointing because I'd like to be … you don't think at 27 you'll still be doing the job you had when you were 16. I'd like to be earning more and it would be nice to know I was paying it off and making a difference to it; but more from a … status is the wrong word, but something … you know, I feel like I'd be doing better in life if I were paying it off. (D95 – cohort 2)

ii) Monthly repayments are deemed affordable

Another important design feature of the student loan repayment system is the proportion of earnings graduates contribute to repayments. Graduates in both cohorts pay 9 per cent of their earnings above the repayment threshold (Table 1). Consequently, they see repayments as 'mirror[ing their] life path' (D11 – cohort 1). They value this feature, which makes the student loan debt affordable for them today and eases concerns about affordability in the future:

It goes up and down with your finances, it's never like: if I do this, I won't be able to afford my student loan. If I can't afford my student loan, my student loan will reduce because my salary's reduced. (D72 – cohort 2)

On the whole, graduates in both cohorts feel their student loan repayments are manageable because the monthly loan deductions from their pay are 'small' and 'reasonable'. They compare these deductions to the cost of small everyday items such as 'a round of drinks' (D06 – cohort 1), 'a tank of fuel' (D10 – cohort 1) or 'a subscription to TV' (D84 – cohort 2). They also describe the amount taken as smaller than necessities, including bills and rent.

The 'manageable' and 'small' loan repayments also mean graduates' every-day budgets are largely unaffected. Their student debt repayments do not force them into experiencing financial difficulties but can affect other financial decisions:

> *When I first started paying it back, the amount wasn't an astronomical amount. As I've gotten older, it's been a bit more and because I've earned more, it's sort of gone hand in hand, but I haven't noticed it affecting my finances and I think from what they take out of it, it's just about right that it doesn't burden you financially.* (D41 – cohort 1)
>
> *I've got my dream job and everything and I pay back £20 a month from my salary. It's not exactly like it's hundreds or thousands that's coming out of my pocket; it's just a little bit, so it's not hindering anything.* (D51 – cohort 2)

Not all graduates think their loan repayments are low. In cohort 1, where graduates are further along in their careers compared to cohort 2, some graduates feel repayments are high. This seems to be linked to their career progression and subsequent higher salaries, triggering larger absolute repayments. For instance, one graduate found out during their interview they pay upwards of £200 a month, describing it as 'quite worrying.

[…] That's a massive, that's a huge amount of money' (D20 – cohort 1).

Although the size of the loan repayments does not push graduates into financial hardship, some graduates are aware they could have used the money for other things. For instance, the loan repayments affect their ability to save, including delaying building up savings for a deposit for a house:

> *But I think it probably just makes everything slower, because the amount that you could potentially save is a few hundred less every month, which does have an impact. You know, that £200 that I could be saving, could be going into a Help to Buy ISA.* (D80 – cohort 2)

iii) Automatic repayments are regarded as valuable

Monthly repayments for student loans are taken directly from employee-graduates' pay-packets, with the student loan deduction appearing as a line in their payslip. Graduates value this arrangement. They welcome not having to organise the payments themselves and the ease of making such repayments. In this regard, graduates compare student loan repayment to National Insurance, pensions or taxes – just another line of deduction on their payslip.

What matters to graduates is their take-home pay, the money deposited monthly in their bank account. Because student loan repayments are deducted at source, it is money graduates never have, and do not see, meaning there is rarely a feeling of loss. One graduate explains:

> *I just saw it as dead money, like that's just gone; it's not there; make do with the budget that you have*. (D53 – cohort 2)

These features help reduce the burden of the student loan debt. Graduates do not have to manage their student loan debt actively or think about their repayments every month. This contributes to a low level of awareness of student loans and is a key mechanism in allowing graduates to put the loan in the background of their life:

> *The only number that I'm looking at when I'm looking at my payslip is the amount that's going to be hitting my bank account come the end of the month. So, anything before that is a short-lived burden because I consider it as spent money and so it's that: I pay tax, I pay National Insurance, so therefore, I pay student loan as well. Beyond that, it's then put to the back of my mind*. (D45 – cohort 1)

> *You know, I don't see what we're going to do if we challenge it or whatever, like it's just about the fact that you don't really see it anyway, because it comes out pre-tax, so you're not aware and what you don't see doesn't hurt. That's the mentality that I've just got, yes?* (D81 – cohort 2)

If student loans were repaid through direct debit or transfers, like other debt, graduates would find it much more demanding. They would bear the responsibility for making sure payments are successfully made. It would be money they have and then must give away, money they account for in their budget. The loss of this money would constitute a bigger psychological burden and the student loan debt would weigh more heavily on graduates' minds than it does with automatic repayments taken from their pay packets:

> *I guess if it was the other way round: if I had to physically do it, I think that probably would be just a lot more of a*

frustrating reminder of just how much I need to pay and just of the debt. So, I just think it's just a mental thing, because I just don't physically see it, but you just know it's there, so I guess that's just what makes the difference. (D30 – cohort 1)

I think as well, because it comes out of your salary. If it came out of a direct debit from your account, you'd probably consider it more. Like you know, I have a direct debit for like £8 for something and I still calculate that in my monthly budget; but because it comes out before I get paid, it doesn't even feature in that, in my budget. (D71 – cohort 2)

However, the automatic repayments are not always appreciated. Graduates with variable earnings have the burden of correcting overpayments and requesting refunds when their earnings spike, provoking annoyance and difficulties, especially for cohort 2 graduates. Furthermore, when graduates receive a bonus or work overtime, the amount they receive is less than they expect because of student loan deductions, which graduates in both cohorts find frustrating:

It's really frustrating … especially if it's a bonus or if it's overtime; you've worked extra time or you've worked really hard to earn your bonus throughout the year and then to have the student loan come in and take a bit of it and kind of just look at your pay and go, 'Oh, OK, she's done extra work, so we'll take a little bit extra from her this month.' That's frustrating. (D31 – cohort 1)

When you get paid a bonus of £1,000 on a £26,000 salary, they calculate it as if you're paid £3.1K a month. So as *an annual salary, that's £37,000, so yes, I get the same repayment on a £1,000 bonus on top of my normal salary, as if I'm paid at an annual salary of £37,000 for that single month. So, when I called up, I explained that to them, but any amount taken – granted that you meet the minimum annual threshold – means that you're not eligible for any refund. So that did feel like I was trapped in a bit of a scheme really; that was a lesson for me.* (D66 – cohort 2)

5. What does not work for graduates

Despite some of the more positive features discussed, graduates had negative experiences of several other features of the student loan and cost-sharing system. This section explores graduates' perspectives on tuition fee levels, the amount of debt they have accumulated, interest rates and the duration of the loan repayment period – all of which contribute to graduates' feelings that student loans are a burden.

Tuition fees are seen as too high

The two cohorts paid very different amounts of tuition fees. Cohort 1 paid £3,000 to £3,225 per annum and cohort 2 £9,000. Both cohorts entered higher education soon after an increase in tuition fees (in 2006/07 and 2012/13 respectively) and comment on the change. Cohort 1 are frustrated they missed out on paying lower tuition fees or none at all.[27] Similarly, cohort 2 resent strongly the tripling of tuition fees to £9,000, especially those who entered in 2012 immediately after the tuition fee rise:

> *I think it's a bit of a cheek … Obviously, I think it's quite a hard pill to swallow when knowing just a few years before me – I think maybe even two years before me – it was £3,000 a year and then if you go a few years before that, it was free.* (D80 – cohort 2)
>
> *Obviously, I was the first year for the fees to go up to £9,000, so that was really disappointing to learn, that the Government didn't want to support for people going to university anymore*. (D54 – cohort 2)

Graduates in both cohorts do not believe the tuition fee rises were justified by, for instance, a different educational experience compared with students paying lower fees. They lament the lack of transparency in the reasons for the tuition fee increases and how universities use what they perceive as additional revenue:

> *I went to a good uni – and my husband as well – so I really loved my university, but the experience wasn't worth £3,500, I don't think, when we just came from having a free education, you know? It just wasn't.* (D37 – cohort 1)

> *One of my best friends [who enrolled before 2012], literally, he paid his student loan off, I think it was last year and he was able to do that because obviously it was so low and he always jokes around and, 'What does it feel like? How's your student loan going?' 'Oh yes, cheers mate,' it's like, you know, it's, 'Were your slides gold-plated or anything?' I'm saying, 'No, no; same as yours'.* (D77 – cohort 2)

Both cohorts also question whether the higher fees represent value for money and whether their degree was worth getting into debt for, as it might not always deliver on the hope of a high-paid graduate job:

> *I think it's expensive and it's even more expensive now than when I went and I think there's a lot of jobs out there that don't pay – even with a degree – that well, so I think it's about the ratio of the debt and the job and I think that my debt it's actually a lot, so I feel that what current tuition fees are at is like another level and it feels like they've just tipped the balance in terms of fairness.* (D13 – cohort 1)

> *I'm not entirely sure, but maybe it's partly wrapped up in having gone to university and made this decision to spend such a significant amount of time in doing that and not*

being sure if it's worth it and particularly in the context of a job market that's not ever so forgiving. And then paying all this money on top of it, it's like you've made a decision to be in all of that debt. (D95 – cohort 2)

Graduates in cohort 1 referred to their tuition fees of £3,000 as affordable compared to current fees of over £9,000, which they describe as 'excessive'. They think of themselves as 'lucky' they did not have to pay £9,000 and consequently have less student debt. They feel the current level of tuition fees might have affected their university choices. They believe that had they been subject to the £9,000 tuition fees, they 'would have thought twice about it [going to university]' (D24 – cohort 1), or even would not have attended:

> *I think the amount that students have to pay is just ridiculous and honestly, if I had to pay the amount that students today have to pay, I probably wouldn't have gone to uni at all.* (D38 – cohort 1)

Amount of debt owed is experienced as a burden

Tied to the issue of high tuition fees (and the interest rates discussed below) is the amount of student loan debt graduates owe. The sheer size of their debt weighs on graduates' minds in both cohorts, despite cohort 1 owing less on average than cohort 2 (Table 1).

Graduates describe some level of emotional and psychological disturbance from their debt, albeit with varying intensity, arising from seeing their name attached to a large debt figure. These emotions are mostly experienced on receipt of their annual statement from the Student Loans Company, which can create an unpleasant cognitive shock and sense of unease, despair and anxiety at being reminded of the sums owed. In cohort 2, some graduates also describe physical sensations in the pit of their stomach. It tends to be a short-lived disturbance that fades relatively quickly when day-to-day preoccupations push it to the back of their minds. For some, however, the disturbance is more prolonged or persistent, especially among cohort 2 graduates. The debt is experienced as an ongoing burden – a source of anxiety and stress that can negatively affect graduates' mental health.

Graduates in cohort 1 characterise their outstanding debt as 'daunting' and 'painful', something that is 'hanging over [them]'. By comparison, cohort 2's responses to their overall debt tend to be even more negative. Their reactions move from their loan debt dragging on their lives to the more pronounced feelings that their debt is a pressing concern or burden. For instance, one graduate in cohort 2 describes her outstanding balance as:

> *an insane amount of money! Like that's just ridiculous; it's beyond comprehension of what anybody in my position could earn.* (D61 – cohort 2)

Such intense reactions are linked to the widespread belief, particularly among cohort 2 graduates, that they will never pay off their student loan debt because it is so large. The size of their debt prompts a sense of futility in trying to pay it off, which saps their motivation to try and repay it. Consequently, they fully expect their debt to persist through to the write-off period:

> *When I initially went into uni, that was the intention: to try and get rid of the student loan as soon as possible; but*

> *then that very quickly changed, once I saw the amount that there was and how much interest it was earning; it was just then, 'Well I'm never going to pay it back anyway, so I'm not going to try'.* (D53 – cohort 2)

This marks a fundamental difference between cohorts 1 and 2: what these expectations do to the graduates' relationship to their debt; to the underlying emotional impact; and to their sense of the credibility and respect for the loan-based system. One cohort 2 graduate likens the student loan debt to a 'running joke' (D55 – cohort 2) while another describes checking their balance online 'for a laugh' (D60 – cohort 2).

In both cohorts, the amount owed is so high it can become abstract and meaningless. Such feelings can help reduce the burden of having the debt. It allows graduates to adopt a range of coping strategies such as ignoring their debt, putting it in the background or dismissing it:

> *Because when you look at the statement, it's like, 'This is really a lot of money', and it almost becomes abstract, you know; it's just numbers. So definitely it wasn't just like one solid feeling of … but it all centred around it being a large amount of money. It was either going to be insurmountable or something that just … it's just something that you have to pay off as well as you can.* (D08 – cohort 1)

> *As far as I'm concerned, I don't think I'm ever physically ever paying that figure off, so kind of like it can say what it wants to say; like it can say any figure, to be honest. It could say £100,000 because it doesn't really matter. So, it doesn't get me down because it's just ridiculous.* (D72 – cohort 2)

To exclude the ever-present debt burden from their day-to-day thinking, graduates disengage or distance themselves from the debt because it is too stressful to think about. For instance, some graduates, particularly in cohort 2, report deliberately not looking at their student loan statements, while others ignore their payslips to avoid engaging with their debt:

> *I try and shut my head off from it, to be honest; I try to ignore it. So, I try not to look at my payslips to see … I try to avoid seeing how much goes out.* (D83- cohort 2)

Others try to manage their debt, within the limits of a system in which they have little control, by staying informed about their debt. A significant minority in both cohorts made, or considered, voluntary overpayments as a way of taking control of their student loan debt and relieving their stress and their burden:

> *I think of it like a ball and chain, you know; it's always present and you know it doesn't get paid off … as my pay has increased, I have been increasing the voluntary payments that I make every month, to try and accelerate the repayment of this loan … I'm hoping to pay it off by hopefully the beginning of 2022.* (D29 – cohort 1)

> *It's always at the top of that chunk on the list, it's always student finance. It's always there, on my sort of spreadsheets of my finances and stuff. That goes right at the top because I can't change it, I can't make it smaller, I can't break it down; all I can do is pay it off earlier, to reduce the chunk.* (D77 – cohort 2)

In cohort 1, the significance of the amount owed in graduates' minds is reflected in the relief felt by those with small loan balances. In cohort 2, it is mirrored in the relief and happiness felt by the minority who managed to fully repay their loans, with two graduates describing crying with happiness when they made their final payments.

Interest rates are regarded as too high

The interest rates student loans attract differ widely for cohort 1 and cohort 2 graduates (Table 1). Cohort 1's loans attract no real interest rate, as the interest rate is equal to or below inflation. It is, however, presented as interest to graduates and that is also how they experience it.[28] The higher real interest paid by cohort 2 (once earning above the threshold) aimed to make the student loan system more progressive, whereby higher earning graduates pay more interest.[29] In both cohorts, the interest is only paid once the principal has been paid off. However, in the statement graduates receive from the Student Loans Company, their outstanding 'debt' includes interest.

The differences in interest rates are felt in our study. Cohort 1 graduates' feelings are mixed. Some feel the loan with its zero real interest rates (or below) is fair, others find the interest rates high and yet others perceive the mere presence of interest as unfair.

For cohort 2 graduates, the higher real interest rates are experienced as a contentious and inflammatory element of student loans, despite the safeguard of a cap on interest rates and interest rates equal to inflation for low-income graduates. The accruing interest is central to the dominant belief that they will never pay off their loans, contributing significantly to the burden of student loan debt.

One graduate had a visceral reaction to the interest being charged:

> *It makes you feel sick and horrible, you know: an absolutely horrible feeling inside your chest, your stomach … it's not so much how much is left to pay, you know, it's wiped off … But it's: 'How much money have I paid that was just interest, that wasn't actually money I borrowed?'*

He continues:

> *It's not that I won't be able to repay it because of how much I borrowed; it's I won't be able to repay it because of how much interest is being charged.* (D83 – cohort 2)

The high interest rates also add to graduates' feeling that the student loan debt is nonsensical and the repayments are meaningless, particularly in cohort 2:

> *I think what's kind of bad about it is the interest rate and because it is on such a big sum of money, it actually is a real disincentive to try and pay it back because no matter how quick I pay it back, the interest is going to add up quicker, so unless you're a really, really high earner, I think it's a real challenge to pay it back, so that's kind of a bit of a disincentive to do so.* (D59 – cohort 2)

In both cohorts, negative sentiments about the interest rates are tied to graduates' disappointment and frustration at seeing their outstanding loan balances go up, or down slowly, on their student loan statements. They are annoyed at failing to reduce the amount they originally borrowed, while repaying interest.

Graduates' lack of control over the interest rates reflects their lack of agency to constrain debt-growth:

> *I think with the student loan, you're just always sort of like moving one step forward and then two steps back and … or like there's this whole rush of a river coming in and you're just trying to just stop the flow, but it just keeps coming in because no matter what you do, the interest rates go on increasing.* (D30 – cohort 1)

> *Despite the fact you're paying thousands of pounds back each year, ultimately, what you owe is going up by thousands of pounds each year, so it's sort of a big hit to you and mentally and morally, it's just a case of: 'Will it ever go away?'* (D83 – cohort 2)

Graduates in both cohorts also think that interest building up while studying or during a period of non-repayment is unfair even when set at the rate of inflation. It is seen as unfair in principle that interest is charged when graduates cannot afford to repay and are not required to repay, either because they are studying or because their income is so low:

> *I wasn't paying it, obviously, because I wasn't earning enough; but interest was being added and that was an honest surprise to me … So at that point, I was a bit like, 'Wow! How do you pay this off then, if the interest is being added and added and added?' It kind of feels like you're never going to have chance, unless you're earning the big bucks.* (D35 – cohort 1)

For those in the position to do so, the high interest rates are a strong incentive to prioritise paying off their student loans by making voluntary repayments. For some Muslim graduates in cohort 2, whose faith prohibits loans attracting interest, the interest caused considerable distress. One such graduate suffered extreme anxiety. She started to repay her loan while still studying by returning to live at home, eating frugally and cutting out all social spending. On graduation, she took the first job available, diverting her career aspirations, so she could repay her loan despite earning below the repayment threshold.

The repayment period feels never-ending

Outstanding loan debt is written off after 25 years for graduates in cohort 1 and 30 years for graduates in cohort 2. However, the size of graduates' debt and the interest growth on the debt amount together with the highly valued low repayment levels mean for most graduates, their debt will be with them for most of their working life. Graduates know and feel it. They perceive the loan as a 'lifelong' debt, a 'never-ending' debt which will follow them 'till pretty much [they] die' (D32 – cohort 1).

Consequently, graduates experience student loan repayments as 'dragging out', 'hanging over [their] head', contributing to the burden of student loan debt. This is paradoxical, because the write-off period is meant to be a progressive feature of the student loan system, but it seems to heighten the psychological toll of carrying student loan debt:

> *I don't see a light at the end of the tunnel. Unless I qualify and get into a very good paying job immediately, then I won't really see the benefits of it; I will just be in debt for the rest of my life, shall we say?* (D34 – cohort 1)

> *I'd say that the disadvantages are the fact that I have this kind of lifelong debt that probably isn't going to be paid off anytime soon or whatever. A lot of people I've discussed*

it with are just kind of just like, 'Yes, that's just a tax for the rest of your life now until you pay it off or it gets written off; it's just there'. (D52 - cohort 2)

These feelings are all-the-more present for cohort 1 graduates. They express surprise and concern at how slow the repayment process is. A decade after leaving higher education, they are frustrated that they are still paying off the loan and can see no short-term end to the repayment process:

I don't know how many years it's going to take me to pay my student loan off and it's something I've actually never worked out because it would probably be quite a depressing amount of years. (D24 – cohort 1)

Exacerbating the feelings that student loan repayments will last forever is graduates' struggle to comprehend the concept of debt forgiveness. They can describe forgiveness as a myth, something they might have heard about or read about online but cannot guarantee it is real:

I can't remember if this is real or something I read a long time ago, but I think it was 25 years … Then I think it gets wiped off. But again, genuinely, I can't remember if that's something I've read or it's actually true. (D39 – cohort 1)

I might be wrong here, but I feel like … for some reason, I feel like it clears after a certain period of time. I don't know how long that period of time is; I may have even made that up! But for some reason I've got that in my head, that it clears after a certain period of time. (D67 – cohort 2)

Even when graduates are aware of forgiveness, there is a lot of confusion about when their student loan gets written off. Graduates are unsure about the exact timing or tend to believe the write-off is age-related.

The widespread misunderstanding about forgiveness prevents graduates from reaping the psychological benefits of this valuable feature of student loans. More aware graduates in cohort 1 feel that because:

> *after 25 years, if you haven't paid it back, it kind of gets underwritten and stops, so yes, there's no sort of real pressure there*. (D15 – cohort 1)

For them, forgiveness balances out some of the negative aspects of the loan.

Conclusion

Amid the calls for further reforms to England's higher education funding system, many voices are heard. Yet the voices missing from the debate are those of graduates.

This report attempts to help fill that gap. It focuses on graduates' experiences of, and feelings about, student loans and the different features of these loans, which lie at the core of the main suggestions for reforming England's higher education funding system. Graduates' differing perspectives are important because they have first-hand experience of paying high tuition fees by income-contingent loans and in repaying these loans. They shoulder the burden of student loans and of a higher education funding system predicated on student loan debt. Their views are vital for building evidence-based, sustainable and fair funding policies.

Our research included two cohorts of graduates – cohort 1 paid tuition fees of around £3,000, were repaying their loans if earning above £19,390 and will have their debt written off after 25 years. Cohort 2 were subject to the 2012/13 funding reforms and subsequent amendments. They paid tuition fees of £9,000, were repaying their loans if earning above £26,575, face higher real interest rates and will have their debt written off after 30 years.

In both cohorts, graduates appreciate how income-contingent loans, when faced with high tuition fees and few alternative sources of financial aid, facilitate access to higher education and are an instrument of equity. They value the protective features of income-contingent loans – including the income repayment threshold and the modest size of monthly contributions – which help make the repayments affordable.

They largely welcome that their monthly loan repayments are automatically deducted from their pay packets. Together, these loan features make the repayment system manageable.

However, graduates in both cohorts think that tuition fees and interest rates are too high, the amount of debt owed is a burden and the loan repayment period never-ending. These features of the student loan and cost-sharing system which graduates resent most of all are some of the ones the 2012 reforms altered and magnified. By changing design features that graduates already found problematic, these reforms exacerbated the burden of student debt. Specifically, the 2012 reforms tripled the face value of tuition fees, reaching levels graduates describe as excessive. The increased tuition fees and real interest rates charged have resulted in far larger amounts of student loan debt, raising graduates' debt-related anxiety. Despite the economic logic behind the introduction of above-inflation real interest rates and their progressiveness, these differentiated interest rates led to frustration, and even despair, over growing debt balances. They fuelled graduates' expectation that they will never pay off their loans. They heighten the psychological burden of borrowing money that graduates feel cannot be repaid.

Together, the 2012 changes mean most graduates will be repaying their student loan debt for most of their working life and will not repay in full prior to write-off. One 2012 change – the five-year extension of the repayment period – intensified graduates' feeling that the student loan repayments would last forever.

Consequently, cohort 2 graduates, who entered higher education after the 2012 reforms, are considerably more negative than cohort 1 about their student loan debt. While some graduates remain indifferent to the debt, the feeling that the student debt is an ongoing burden and / or a source of anxiety is undeniably present. The stress associated with large amounts of student loan debt cause post-2012 graduates, and to a lesser extent pre-2012 graduates, to factor student loans into their decision making and life choices. Debt directly influences choices about further study. For some the debt is an enabling factor, as the amount of debt they already owe is so large, adding to it for further studies does not seem to make a difference. However, others describe being deterred from further study because they do not want to add to the considerable amount of debt they had already accrued. Debt also plays a role in job decisions, such as feeling under pressure to get a well-paid job so that repayments can start. In doing so, some people divert away from a career path connected to their degree. Others describe attempts to avoid or minimise repayment of their debt, by factoring the earnings threshold into their decisions about taking better paid jobs, working overtime and how much they pay themselves when self-employed. Student loans, designed, *inter alia*, to promote opportunities including by allowing the end of student number caps, can restrict them too.

And student debt shapes financial decisions too, undermining graduates' quality of life and life goals. It could influence their day-to-day spending, such as cutting out some discretionary spending so they can afford their loan repayments, and their long term-saving, such as a deposit for a house. These experiences suggest student loan debt can change graduates' behaviour. Debt can also take a psychological toll on graduates arising from the size and longevity of the debt, and / or the interest charged. All can potentially damage the lives and aspirations of future generations.

Our findings suggest that it is important to listen to graduates' different views and integrate them in debates on the future of higher education funding in England. Graduates offer a distinctive perspective on student loans. Their experiences may not be easy to listen to. The loan features causing graduates the greatest problems and anxiety may not be the ones policymakers and higher education stakeholders want to change for political and economic reasons. Even so, future reforms should consider the way different features of the cost-sharing and student loan system are experienced by graduates and how they affect the psychological cost of student loan debt. When redesigning the system, one objective should be to reduce the burden of student debt for graduates. Ill-devised changes could come at the expense of graduates' life choices and opportunities – affecting the lives of generations to come and of a growing proportion of the electorate.

Annex: Interview topic guide

The following lists the main topics addressed in the semi-structured interviews with both cohorts 1 and 2. The emphasis of the interview questioning varied slightly between cohorts 1 and 2 to take account of differences in each cohort's age and stage in their lives.

i. Introduction to respondent and confirmation of key demographics

ii. Overall attitude to their student loan debt and confirmation of status

- Feelings about student loans and why (inc. advantages and disadvantages of student loans)
- Understanding of the system
- Student loan status

iii. Impact of their student loan debt on their life decisions

iv. Detailed assessment of possible influence of student debt loan on life choices

- Financial support during undergraduate studies
- Further study
- Career choice
- Living situation and property ownership
- Family formation
- Health and wellbeing
- Day-to-day finances and long-term savings

v. Final thoughts on the student loan system as a way to finance higher education

Endnotes

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26 Graduates' perspectives on student loans may differ by their demographics and socio-economic characteristics. Any such differences will be explored in future publications.

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28 For example: Student Loans Company, *How interest is calculated – Plan 1*, 2021.

29 Department for Business, Innovation and Skills, *Students at the heart of the system*, 2011.

England's higher education funding system has been reformed many times, leading to a system based on high fees and loans. Undergraduate tuition fees for full-time students were introduced in 1998 and rose to £3,000 a year in 2006, increasing further to £9,000 in 2021. Through a series of in-depth interviews, this report from Professor Claire Callender and Dr Ariane de Gayardon explores the views of 48 graduates from the 2006 funding regime and 50 graduates from the 2012 funding regime, with the results providing much needed insights into graduates' perspectives of the English student loan system.

HEPI was established in 2002 to influence the higher education debate with evidence.

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November 2021 ISBN 978-1-908240-87-3

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Printed by BCQ, Buckingham

Typesetting: Steve Billington, www.jarmanassociates.co.uk