

Britain: university student debt reaches record levels

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A number of recent studies have highlighted the escalating level of debt university students in Britain are forced to accumulate. The eleventh Barclays Annual Graduate Survey shows that students who graduate this year will have accumulated debts totaling almost £2.5 billion.

Total outstanding student debt in the UK rose 18.7 percent in the same period, and now stands at just over £14.6 billion. The average graduate now owes £13,500—a 12 percent increase in just twelve months.

If the present trend continues, those starting a three-year degree course this autumn are likely to graduate with debts of £20,000—and this does not even take into account the additional costs imposed by the Labour government's new "top-up fees" that will add as much as £3,000 a year to the cost of a degree.

Graduates now find themselves burdened with large loans that will negatively affect their ability to purchase their own home and invest for their retirement. The debt crisis is likely to see large numbers of school leavers, particularly those from working class backgrounds, deterred from ever entering university.

According to the Global Higher Education Report 2005 from the Washington- and Toronto-based Education Policy Institute (EPI), Britain is now ranked the third most expensive place to study in the world, behind only Japan and New Zealand. The report's authors noted that the introduction of top-up fees would likely see Britain climb another place on the list.

A British higher education is more expensive than that of almost every other nation because it places the burden of payment on the student in the form of loans. Britain is also ranked as one of the most expensive places to live.

These factors outweigh the relatively low tuition fees—currently £1,150 a year. In the US, uncapped costs

mean a year at a top university can cost up to £20,000 for tuition, but more generous bursaries and added financial support are often available to students, leaving Britain more costly overall.

The vice-president of EPI and one of the report's authors, Alex Usher, told *The Times Higher Education Supplement*, "On some measures, education in the US is about one third less expensive than in Britain, even if private four-year colleges are included. Reasons include Britain's high cost of living, lower average incomes and weak student grant programmes."

The student debt crisis is forecast to get worse. According to the Liverpool Victoria Friendly Society, by the time today's toddlers have graduated, they will owe an average of almost £44,000. The society estimated that total graduate debt in 2023 will be approximately £90 billion.

Taking a more immediate focus, the National Institute of Economic and Social Research recently conducted a survey investigating the likely effect of the introduction of variable tuition fees next year. After interviewing 4,000 third-year students at four universities, the institute concluded that graduate debt in England could rise by more than 54 percent.

"Our finding that, on average, the full fee cost was passed into debt means that the same cannot be ruled out for top-up fees," researcher Hilary Metcalf said. "In this case, the average student in our sample would have debts of around £15,000 at the end of their course, nearly triple that of students prior to fees." All of this, Metcalf explained, would have the most negative effect on those "where financial disadvantage was already present."

Aside from the negative financial effects of increasing student debt, the precarious financial situation of many university students has serious social

and health consequences. Research carried out by Adrian Scott of the University of Bath and presented to the British Psychological Society showed that worries about money added to levels of depression, anxiety and stress among university students. The study found that while most students are now resigned to incurring massive debts during their time at university, the day-to-day struggle to cover living expenses often has terrible psychological effects.

Full-time students often have to accept poorly paid and casual work to get by. More than half of all students work full-time or part-time jobs between semesters, and the introduction of tuition fees is expected to force even more onto the job market. Temporary student workers are predominantly absorbed into the low-wage economy, finding work in places such as offices, 24-hour supermarkets, out-of-town retail parks, and the biggest growth sector—call centres—where the average pay is £6 per hour.

For increasing numbers of potential students, the attraction of higher qualifications and the possibility of a better paid career are offset by the exorbitant costs of tertiary education. With working class and lower-middle-class youth particularly affected, the institutions of British academia are becoming ever more the preserve of the sons and daughters of the social elite.



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