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# Young people's attitudes towards tuition fees and debt in Scotland and England

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### **Abstract**

This paper explores the attitudes of senior school pupils and sixth form students in Scotland and the north of England towards tuition fees and student debt. Devolution, and consequently different fees regimes across the four UK jurisdictions, adds an extra layer of complexity to young people's decisions as to where to study and how much it may cost. Limited information is available on tuition fees, student loans, government bursaries/ grants and university bursaries and scholarships. Data gathered from interviews with young people in England and Scotland reveals that Scottish students are just as concerned about the costs of higher education as their English counterparts, and have substantially poorer knowledge of student finance.

### **Introduction**

Whilst participation rates in higher education have increased rapidly since the 1960s, the most selective universities across the UK continue to be dominated by young people from the most socially advantaged backgrounds (Raffe and Croxford 2012). Successive Scottish and UK governments have stressed the need for increased participation in higher education in order to meet the needs of a knowledge economy, but have also emphasised the need for fairer access in order to increase social mobility. Since 1997, there has been a growing expectation that students and their families will make a significant contribution to the cost of higher education by shouldering part of the burden of tuition fees and living expenses. This policy has led to anxiety that students from poorer backgrounds, who are already under-represented, may be deterred from accepting a university place. Indeed, the danger of deterring poorer students was the main justification for the abolition of the graduate endowment in Scotland in 2007 (Hunter Blackburn, forthcoming).

This paper begins with an overview of the literature on UK attitudes to tuition fees and student debt. It then draws on interviews with young people in Scotland and England to explore their views of fees regimes in different parts of the UK, contrasting the attitudes and awareness of those from more and less socially advantaged backgrounds.

The specific questions addressed are as follows:

- What are young people's views on the distribution of the costs of higher education between the individual student and the state?
- How do young people in Scotland and England from different social class backgrounds feel about student debt?
- How knowledgeable are young people about student finance in different parts of the UK?

## **Public attitudes to the funding of higher education: messages from the literature**

### *Student debt and participation rates*

Since the publication of the Dearing and Garrick reports in 1997, researchers have investigated the impact of growing levels of student debt on patterns of participation. In 2002, Callender and colleagues conducted a survey of more than 2,000 prospective students across the UK, using a stratified random sample of schools and colleges (Callender 2003, Callender and Jackson 2005, Callender and Jackson 2008). The study found that students from lower social class backgrounds were more debt averse than those from other social classes, and were far more likely to be deterred from going to university because of fear of debt. Furthermore, fear of debt appeared to have a strong impact on the choices of students from lower social class backgrounds, causing them to apply to universities where they were likely to incur lower living costs and good term-time employment opportunities. However, fear of debt did not appear to influence their choice of qualification and subject. Students from low income backgrounds were more likely to perceive the costs of higher education as a debt rather than an investment. Callender and Jackson (2005) concluded that Westminster government policy on student funding, predicated on the accumulation of debt, was likely to deter the very students at the heart of widening access policies. The challenge for government was to move from a model of student funding which actively deterred students from disadvantaged backgrounds, to one which had a positive impact on participation rates. This was likely to involve the targeting of financial support on those from low income backgrounds via grants and bursaries.

Developing this analysis further, Dearden, Fitzsimons and Wyness (2011) used historical data to examine the combined impact of tuition fees and student support on rates of participation in the UK. Writing before the 2012 tuition fee increases, they noted that the UK had seen two dramatic changes to HE finance, the first occurring in 1998 following the Dearing and Garrick reports and the second taking place eight years later in 2006/07. Maintenance grants for the poorest students were also increased substantially at this time. Labour Force Survey data from 1992 to 2007 were used to examine the effect of these changes on entry to university. The study attempted to benchmark the combined impact of both fees and grants, and concluded that a £1,000 increase in tuition fees reduced university participation by 3.9 percentage points, while a £1,000 increase in maintenance grants increased participation by 2.6 percentage points. These findings, the researchers noted, are consistent with US studies using similar methods, but inevitably miss out some of the fine detail, including the relative impact of a cluster of support mechanisms (including means-tested bursaries) on students from different social class backgrounds. Furthermore, the study did not make cross-UK comparisons. It is noted that, following the decision to abolish tuition fees in 2000, Scotland would have provided an interesting point of comparison with the rest of the UK. However, the researchers argue, the introduction of the graduate endowment and grants at this point means that there was not a 'clean' policy change, making analysis difficult.

In general, quantitative research on student attitudes to debt suggests that those from poorer backgrounds are the most risk averse. However, some qualitative work presents a

different picture. For example, an interview study conducted in the aftermath of the 2006 changes indicated that students from poorer backgrounds expressed positive views about debt, believing that it would offer them the opportunity to access higher-level careers (Harrison et al. 2015).

It should be noted that the majority of research exploring the link between student debt and participation rates has been undertaken in England. Within the Scottish context of free tuition for Scottish/EU domiciled students, the question of how the cost of higher education impacts on participation remains under-explored despite the fact that the majority of Scottish students take out maintenance loans and those from lower income backgrounds incur the greatest debt.

#### *Who should pay for higher education?*

Despite the Scottish Government's abolition of tuition fees in 2000 and the graduate endowment in 2007, public attitudes towards the funding of higher education in Scotland and England are, perhaps surprisingly, broadly similar, with a majority in both countries believing that better off individuals should make a contribution to the overall cost. Data from the Scottish and British Social Attitudes Survey (Curtice and Ormston 2011, Curtice 2014) show that in 2000 about a third of people (38% of Scottish and 30% of English respondents) agreed that no one should have to pay towards the cost of university tuition. By 2010, support for free tuition had fallen, with just 20% of people in Scotland and 18% of people in England believing that university education should be free for all students regardless of family income. In 2013, about two thirds of both Scottish and English respondents supported the proposition that some students or their families should make a contribution towards the cost of tuition, depending on their financial circumstances. About a quarter of Scottish respondents believed that no student should pay (i.e. the cost should be entirely borne by the state), and 8% said that all should pay (ScotCen 2013). Despite the strong political support for free tuition within the Scottish Government, this does not appear to be backed up by public attitudes. Indeed, in 2014, 38% of those surveyed by Panelbase (2014) said that it was likely that in the next ten years students in Scotland would have to pay for university tuition. Just over a third (35%) said that the introduction of tuition fees was unlikely, whilst 27% were unsure.

Surveys of student attitudes reveal lower levels of support for tuition fees compared with public attitudes more generally. The *Futuretrack* survey found that just over half (54%) of students agreed with the statement that 'students in HE should contribute to its cost if they can afford to'. Young people in Scotland were less likely to agree that students should make a contribution compared with those in the rest of the UK. Scottish students were also more likely to disagree with the statement that 'student loans are a good idea' and that 'all universities should charge the same annual fees'.

#### *Higher education policy and family finances*

Relatively little attention has been paid to the impact of higher education policy changes on the private world of the family. As noted by West et al. (2015), the existence of means

testing to determine access to various forms of student support assumes that parents are responsible for the financial maintenance of the student/child throughout their higher education. This contrasts with the situation in Sweden, where students are assumed to be financially independent of their parents, thus requiring support from the state rather than the family. Across the UK, Ahier observed, parental contributions to students' living expenses, are 'based upon notions of what good parents are expected to contribute to their children's higher education' (Ahier 2000, 686). Drawing on interviews with 28 parent/student dyads, West et al. (2015) investigated the extent to which such support was occurring in practice and the impact of these financial assumptions on family relations. The study found that more affluent families felt responsibility for their children's financial situation, acting to avoid, minimise or cushion the debt. By way of contrast, less affluent families were unable to support their children, thus creating a new form of intra-generational inequality. Whilst Willetts (2010) has argued that those born after 1980 have been affected by new forms of inter-generational inequality, West et al. suggest that the picture is more complex, with those from more affluent backgrounds benefiting from the transfer of accumulated wealth from parents to children, whereas those from poorer backgrounds, without access to inherited wealth, experience both inter- and intra-generational inequality.

#### *Student finance and the growth of consumerism in higher education*

In the light of escalating student debt and the expectation that students will act as critical consumers, there is growing emphasis on access to reliable financial information by students and their families. Survey and interview studies have shown that many prospective students do not understand the full extent of study related costs and the various forms of financial support to which they may be entitled (Hutchings 2003, Christie and Munro 2003, NUS 2009, Mangan et al. 2010). There is also some evidence that students from low-income families, who are most in need of reliable information, may be particularly poorly informed (Purcell et al. 2008, NUS 2009). In recognition of the new role of the student as the driver of the higher education market, since 2012 the consumer affairs organisation *Which?* has published annual reviews of the value for money of different universities and courses, based on a range of metrics including post-graduate employment rates and student satisfaction surveys (Which? 2014). The growing emphasis within UK universities on 'the student experience' indicates the extent to which the ideology of consumerism is now firmly embedded.

To summarise, young people, particularly those from low income families, report negative attitudes to tuition fees, but paradoxically this is not reflected in the increase in student numbers, including the growing proportion of those from less socially advantaged backgrounds. Some qualitative data suggests that middle class families are likely to provide significant levels of financial support to their offspring during their university years, in contrast to lower income families who are less able to support their children. This suggests that the growth in student debt is likely to have a particularly adverse effect on those from poorer backgrounds, exacerbating intra-generational as well as inter-generational inequality. Young people and their families, particularly those with fewer economic resources, tend to be poorly informed about tuition fees and student support. Despite

escalating levels of student debt, about two thirds of people in Scotland and England appear to support the principle that, depending on their financial circumstances, students and their families should contribute to the cost of higher education. Students, on the other hand, are fairly evenly divided between those who believe that the state should bear the cost of higher education and those who think that individual beneficiaries should contribute to the cost. Scottish students are less likely to endorse the idea of a student financial contribution compared with those in the rest of the UK. In the following sections, I outline findings from the ESRC project on the attitudes of young people in Scotland and the north of England towards the funding of higher education.

## **Methods**

This paper is based on research conducted as part of the ESRC funded project, 'Higher education in Scotland, the devolution settlement and the referendum on independence'. Young people's views of higher education in Scotland and England were sought using semi-structured interviews conducted with 148 school and college students aged 14 to 19 from Scotland and the north of England. The interviews covered participant's views of the different funding systems within the UK and their attitudes to debt, as well as the pros and cons of HE, issues around widening access and their thoughts on the referendum and the lowering of the voting age.

The research was conducted in two stages. In the first stage, 89 young people in nine Scottish schools and a Scottish college were interviewed on film in pairs or threes with each interview generally lasted about 20 minutes. Film clips from these interviews formed the basis of a short youtube film, 'Our Future: Young people's views on higher education in Scotland' (<https://www.youtube.com/watch?v=Alc1XzblgpE&feature=youtu.be>). Along with a set of accompanying teaching materials (<http://www.ed.ac.uk/schools-departments/education/rke/centres-groups/creid/projects/he-in-scotland/he-in-scotland-teaching>), these were intended to stimulate discussion among young people in the run up to the referendum and were sent out to all Scottish secondary schools in January 2014. In the second stage of the research, a further 59 young people (32 in Scotland and 27 in the north of England) from six secondary schools/ sixth form colleges took part in in-depth interviews. Pupils were interviewed either in pairs or groups of three and each interview lasted around an hour.

Participating young people were selected by school and college contacts. Three-quarters of interviewees said they planned to go to university upon leaving school, while a further one in ten were considering college. Due to self-selection and teacher bias, the interviewees cannot be considered representative of the wider 16 to 18 school and college population, but should be seen as representing the views of a particular sub-group of young people who are considering pursuing higher education.

All interviewees were asked for the postcode of their family home, which was classified according to the Scottish Index of Multiple Deprivation (SIMD) or the Index of Multiple Deprivation Affecting Children (IDACI). SIMD and IDACI are measures of neighbourhood rather than individual deprivation, with 1 being the most deprived and 5 being the least

deprived area. There is a strong association between individual and neighbourhood deprivation, although of course not all families living in areas of deprivation are low income and vice versa.

Consent was obtained from all young people, and the parents of those who appeared in the film. In both stages of the research, interviews were recorded and transcribed and entered into NVivo. Data was analysed thematically. Emerging patterns and differences were explored by country, gender and social background. Pseudonyms are used throughout the paper.

## Findings from student interviews

### *Views of higher education funding policy*

Young people in Scotland and the north of England expressed different views with regard to whether students should be expected to contribute to the cost of higher education. The majority of Scottish interviewees (around three quarters) believed tuition should be free for all with funding provided entirely by the state, while the majority of English interviewees supported the principle that students should contribute towards the costs of higher education.

Scottish interviewees were supportive of Government policy, perceiving free tuition as a means of ensuring participation by young people from low income backgrounds. In both Scotland and, to a lesser extent, the north of England, interviewees saw higher education as 'a right, not a privilege' because of its capacity to improve life chances and assist social mobility. Young people pointed out that a growing number of jobs required degree level qualifications and the state should ensure that labour market needs were addressed.

Scottish interviewees suggested that prospective students in England, especially those from disadvantaged backgrounds, might be deterred from participating in higher education by tuition fees and the fear of greater debt. Young people from low income families commented that without free tuition they would not have applied to university. Steven from Glasgow said:

*It's easier for us because we've got the tuition fees covered. But if I was going down to study in England, the tuition fees would definitely put me off because I'm not in a financial situation where I could afford it. I know you can take loans and all that. But it's the tuition fees that you receive here, it makes your life easier in the future 'cause you don't have to pay back all these loans and have debt on your shoulders. (Steven, 16, SIMD 1, Scotland)*

Young people's views of who should pay for higher education were informed by ideas of 'fairness'. There was a strong view that everyone should be treated 'the same' or 'equally' regardless of their background. Consequently, many interviewees in both countries believed that it would be 'unfair' to charge pupils from better off families if others were exempt from tuition fees. Others believed that student support should be redistributive, so those from higher income families should pay more. Some young people, particularly those from the most, deprived neighbourhoods, suggested that it would be 'fairer' if those from richer

backgrounds were asked to contribute so as HE tuition remains free for the poorest. Similarly, and perhaps more surprisingly, some of those from more advantaged areas also believed that the better off should pay:

*I think it's a good system (free tuition in Scotland) but whether I agree with it is different because I feel that there are some people out there who could definitely easily pay for higher education. If they keep taking money off the government to go to the university then eventually they might have to stop because we can't fund it. And that would be a shame because then all of a sudden you're going back to the previous [situation] where only the rich could go to university. (Ross, 16, SIMD 4, Scotland)*

In contrast, interviewees in the north of England were more likely to believe that all students should contribute to the cost of tuition and regarded it as an 'investment'. They emphasised the individual benefits of higher education, referring to the graduate premium for example, with little recognition of the wider social benefits. Harry, from a deprived area in the north west of England, said he supported tuition fees because 'it's your choice' to go to university', noting that 'if you want a job that's a bit higher qualified you should have to pay for it'. Another pupil, David, who lived in an area of high deprivation in the north east, said 'it's like an investment into your future. The more you spend on your tuition, the more it should return'. Many interviewees in England, and to a lesser extent Scotland, felt that students were more likely to value a university degree if they had contributed to its cost. They believed that students should use their time wisely and not 'waste time' with degrees which might not lead to employment. A number of interviewees in the north of England felt great pressure to do well at university given the debt they were accruing, while some Scottish interviewees said free tuition encouraged young people to go to university 'for the sake of it'. This was seen as particularly likely where young people studied non-vocational subjects:

*I feel like some people don't necessarily really want to go to university. And they don't know what they'd study but they'd feel like they should, and then they end up going. And especially when it's free tuition fees, it's almost a waste of money cause they either drop out and once they've finished they don't do anything related to that or they don't really get a job that's benefitted from them having that degree. (Lucy, 17, SIMD 4, Scotland)*

A report based on a University Lifestyle Survey (Sodexo 2014) stated that 'students in Scotland are less job-focused when choosing their course than those at English institutions – an idealistic streak arguably linked to the absence of tuition fees for Scottish residents'. However, Scottish interviewees in this study had a strong focus on finding employment after university and both English and Scottish students described higher education in instrumental terms. These utilitarian attitudes may be indicative of a wider cultural shift not necessarily related to the payment of fees.

The majority of young people regarded gaining a degree as a route to employment, and were concerned about graduate employment opportunities, particularly in light of higher education expansion and credential inflation. This led a sixth form student from the north of



England to argue that charging tuition fees retains an element of 'elitism', ensuring degrees retain their value in the labour market.

Amongst those who supported the principle of tuition fees, there was a general view that the current fees level of £9,000 a year was too high. Instead, £3,000 - £4,000 a year was seen to be more manageable and unlikely to deter prospective students. Some English interviewees expressed anger at the trebling of fees in 2012, questioning its necessity. They called for greater transparency in showing how the fees were used by universities, suggesting that young people are increasingly embracing the role of consumer and demanding better information on how funds are being spent. This change was noted by John, a working class pupil from the north east, who argued that the rise in fees has meant universities are now much more like businesses where 'the product's the education'. In his view, 'university is becoming a luxury [...] for people with more money'.

### *Understandings of student finance*

In both England and Scotland, understandings of student finance, including arrangements for loan repayments, were sketchy, particularly amongst those from more deprived areas who were likely to be the first in their family to go to university. However, understanding in Scotland was substantially poorer than in England. A number of Scottish young people misunderstood how student debt is repaid, with some worrying that they would have to repay it in full upon graduating. Others believed that in England tuition fees must be paid up front, and many were unaware of the different loan repayment thresholds in Scotland and the rest of the UK. This lack of understanding of the student finance system contributed greatly to students' attitudes to debt and the extent to which they were comfortable in taking on student loans.

In the following sections, I categorise Scottish and English students' attitudes towards debt.

### *Scottish students' attitudes to debt*

Despite the fact that free tuition means that average levels of debt in Scotland are significantly lower than in the rest of the UK, the majority of Scottish interviewees could be categorised as debt averse. They were apprehensive about getting into debt, feeling 'worried', 'daunted', 'stressed', and 'scared' by it. Many said they would take out loans only as a 'last resort', and planned to avoid student loans either completely or by keeping their debt to a minimum.

Students who intended to avoid debt tended to come from families with intermediate or lower occupational backgrounds where neither parent had been to university and were living in the most deprived neighbourhoods. These young people intended to avoid loans by attending a local university and living at home to avoid the costs of accommodation. They planned to work part-time during term time and anticipated some family financial support. Data from the Department for Business, Innovation and Skills confirm that more than 50% of Scottish domiciled students live at home (compared with 30% of other UK students) and that these students are more likely to come from lower income families (BIS 2014). They may prioritise minimising debt over obtaining a degree from a higher status institution,

which might lead to a higher paying job in the long term. For example, Joanne was a first generation entrant who had applied to study at a local post-92 institution and intended to live at home while studying. Her father was self-employed whilst her mother did not work outside the home. She saw university as a route to employment and had carefully investigated which degree would bring the best employment outcomes:

*The [benefits] have to [outweigh the costs] because ...jobs are so tight at the moment I think this is the only way you're going to get a good job. (Joanne, 17, SIMD 2, Scotland)*

She planned to live at home while studying and hoped that by relying on family support she could avoid taking out a student loan. Her family was a key influence on her plans and on her attitude towards debt:

*My family, they don't see the idea of student loans and getting into debt at the end of it, so it's just that if you stay at home you've got a lesser chance and it's going to be a minimal [loan] even if you do have to get a debt or whatever. We've got the facilities here to be able to stay here so if you have the opportunity why not stay here instead of moving away and getting just the same education? (Joanne, 17, SIMD 2, Scotland)*

Some debt avoiders in Scotland came from higher earning families and planned to rely almost entirely on family support to cover the costs of going to university. These pupils tended to come from managerial and professional backgrounds and from the most affluent SIMD neighbourhoods. In contrast to those who intended to live at home to reduce costs, these young people planned to move away from home but remain in Scotland, with parents and other family members agreeing to cover substantial amounts or all of their living costs. Some independent school pupils spoke of the benefits of studying in Scotland rather than England because they would not incur any student debt as a result. Other pupils from state schools explained that their parents or extended family members had been saving towards the costs of them going to university for some time, and that this would allow them to avoid or reduce the amount of debt they would incur.

*Well, I'm kind of lucky because I've been putting money aside for University and the family has been since I was very young. So there's been a lot of money saved up for it. And because of like no tuition fees, it's really just the costs. Cause I knew that if there were tuition fees then you would have to take out like loans and stuff. So, I'm lucky that the family sort of prepared for it. (Orlaith, 16, Scotland)*

One pupil planned to take out a student loan but place the funds in a savings account as her family had said that they would support her through university. Another pupil's parents were so keen for their children to avoid student debt that they had taken out commercial loans to support them through university, although this was likely to be a poor financial choice because of relatively high interest rates.

Possibly as a result of their disinclination to take out student loans, most Scottish students were unaware of how the repayment system operated. Christina, who planned to study at an ancient university, was unusual in understanding that student loans attracted interest:

*And it compounds interest 'cause that's what I'd worry about, 'cause what if you can't pay it off for ages, but then suddenly you can? Like, not so long that it gets cancelled or whatever, but I don't know how much you're going to end up owing, 'cause it depends how much time you take [to repay]. So... I'd like to avoid it if I can. (Christina, 17, SIMD 4, Scotland)*

The third group of Scottish interviewees were more relaxed about student debt and pointed to the benefits of having loans to support them through their studies. They tended to have more realistic estimates of levels of debt they might incur and a better understanding of the student finance system. Most of the pupils in this group came from managerial and professional backgrounds and lived mainly in the least deprived SIMD quintiles. They also tended to come from families where parents or siblings had been to university and therefore had prior knowledge of the loan system, believing that debt repayment would be manageable. Like English students, they were able to distinguish between low interest student debt and 'real' or commercial debt and believed that student debt should be seen as an 'investment'.

By way of illustration, Lucy, 17, came from a managerial and professional background and lived in the most affluent SIMD quintile. Her mother had been to university as had her siblings. She planned to study at a Russell Group university in England and estimated she would incur debts of £45,000 which would include tuition fee loans and maintenance loans. Lucy believed students should contribute something towards the costs of going to university:

*I feel everyone's saying 'oh my goodness, it's £9,000 a year,' but ...English students have no problem with that, I have English cousins, they have no problem. It's not that big a deal 'cause everyone has to do it. I don't see why it should be such a big deal for me. If they can cope doing that and we worked it out that actually a lot of people see it as a debt, but if you look at it as just an extra tax of about £30 a month, once you're earning over £22,000, £30 a month just over the course of your life is not [that great]...Everyone's expecting that you have to pay the nine thousand there and then, but if you do it in a sensible way then I don't feel it's any different than if I was going to a Scottish university. (Lucy, 17, SIMD 5, Scotland)*

### **English students' attitudes to debt**

Interviewees in the north of England were on the whole less debt averse than their Scottish counterparts, despite average debt in England being substantially higher than in Scotland. Young people acknowledged the inevitability of taking out student loans, and saw it as a necessary aspect of student life. Some, however, were more resistant to this idea than others. The following paragraphs illustrate the range of attitudes amongst this group of students.

The majority of interviewees in the north of England, many of whom came from working class backgrounds, were resigned to student debt and their views could be characterised as 'pragmatic acceptance' (Brennan 2005). When asked how they felt about the debt, young people frequently replied 'I'm not bothered'. They recognised the need to get a degree and

were determined to go to university despite the cost. While worries were expressed about the level of debt they would incur, these concerns were outweighed by optimism about future employment prospects, the graduate salary premium and the chance to study a subject they loved. Fears about debt were also allayed by an understanding of the tuition fee and student loan system. Interviewees were reassured by the income contingent nature of debt repayment and the fact that the debt would be cancelled after 30 years. Some interviewees believed that they would never have to repay their loan in full.

Despite this, few young people were able to estimate the level of debt they would have when they graduated, and frequently said 'I don't want to think about it'. Additionally, some did not know what fees were charged by the universities they had applied to and were avoiding 'shopping around' to find the best value for money. A number of interviewees were likely to have been entitled to grants, but few had investigated eligibility and the extent to which a grant or bursary would reduce the funds they would need to borrow to cover living expenses.

Ross, 19, was a working class pupil living in the most deprived IDACI quintile and was the first member of his family to go to university. He had originally chosen medicine but had failed to achieve the right AS Level grades and therefore planned to study biomedical science at a Russell Group university with a view to transferring to medicine at a later point. Consequently, he estimated that he might leave university with a debt of up to £100,000.

*...if I was to stay in England, if I was to do biomedical science and then medicine, it would probably be approaching £100,000. I seem to take it considerably less seriously than my friends do, in that it doesn't go on my credit record, and it's just going to be a bit of money each month. [...] Yeah perhaps I'm just being naïve. But I'm trying to avoid worrying about it because I don't think it's going to have too much effect. (Ross, IDACI 1, England)*

His concerns were mitigated by the monthly repayments which would reflect his income:

*I wasn't too bothered about [the loan] because it'll get paid off gradually over decades. ...some people liken it to student tax. It's just going to be a little thing that I don't see every month - so not really. Although I am slightly envious of Scottish people who don't pay anything. (Ross, 19, IDACI 1, England)*

A minority of interviewees in the north of England were resigned to the idea of taking out a student loan, but were much more concerned about the level of debt at the end of university and the long-term consequences. Interviewees within this group expressed anger at the level of tuition fees and the fact that they had increased so dramatically in a short space of time. They were much more likely to think about the longer term problems they might face from having such large amounts of student debt, and consequently questioned the value of going to university. These interviewees tended to be from middle income families and were ineligible for means-tested grants and bursaries. On the other hand, they felt that they could not rely on their parents for financial help. They were highly critical of coalition reforms of A-levels which they believed would impact negatively on widening access efforts, and knew of people who had decided against going to university because of tuition fees.

These young people were well informed about fees and student loans. Reflecting the views of those who said they were 'not bothered' about debt, John, (18, IDACI 2) suggested that young people were going to university without considering the consequences of such high debt. Working on the basis that he would owe a baseline figure of £40,000 (three years' fees at £27,000 plus £13,000 maintenance) he estimated the final amount he would have to repay would be around £120,000. He said, 'nobody really knows. To be honest we don't know how much debt we're going to be in. [It's hard to work out] because the interest rates go up all the time'.

Such worries encouraged some interviewees to apply for vocational subjects such as Nursing, where bursaries covered tuition fees, or to seek an apprenticeship. For example, Aalya (18, IDACI 4) had opted to study an NHS affiliated degree, meaning she would not have to pay fees. However, her parents, neither of whom had been to university, were very worried about student debt and encouraged her to get a higher level engineering apprenticeship instead. She too had great misgivings about repaying student debt:

*It's worrying, and I feel genuinely scared. I know they say that it won't affect your mortgage or anything like your credit notes and stuff, but for me it's just that ...yeah if you ever fell behind with any of your payments, what's the interest that's going to come on it? How long will they be paying it for? [...] For us it will go on until we have retired. (Aalya, 18, IDACI 4, England)*

Aalya also worried about the saturated graduate labour market, leading her to conclude, 'So I just think sometimes, is a degree really worth it? There are always doubts in my mind about going to uni'.

## **Conclusion**

Drawing on interviews with prospective students in Scotland and England, this paper explored young people's views of the funding of higher education, as well as attitudes to student debt and knowledge of the operation of the funding system both north and south of the Border. Overall, Scottish interviewees were supportive of free tuition but had concerns about its sustainability, leading some to suggest that those from the most affluent backgrounds should contribute to the cost of higher education. Young people in the north of England questioned the trebling of tuition fees but on the whole accepted the principle of student contribution. In both England and Scotland, interviewees expressed concern that tuition fees may deter young people from poorer backgrounds from going to university.

The young people interviewed in England have grown up in an era of tuition fees and have clearly internalised the message that higher education delivers private benefits, and as a result individuals are expected to contribute to its cost. Little mention was made of the wider social benefits of higher education. The extent to which young people were prepared to adopt the role of critical consumers, as envisaged by the government, was a moot point. Young people from poorer backgrounds had not yet investigated the means tested grants and bursaries which might be available, but were setting their sights on local higher education options to reduce costs. The cost of tuition appeared to less of a concern for students from wealthier backgrounds, most of whom were aware of the greater labour

market value of degrees from higher status institutions. Overall, English students seemed to have decided that there is 'no point worrying' about recent fees increases, with many expecting that they would not have to pay back their debt in full. The future impact of emerging from university with very high financial liabilities was clearly not a cause for worry at this point in their lives. However, as noted by the Higher Education Commission (2014), the 'Class of 2012' is clearly a guinea pig generation, for whom the cumulative impact of high housing costs and tuition fees, coupled with a diminishing graduate premium, is unknown (Brown, Lauder and Ashton 2012).

Many Scottish interviewees, especially those from lower socioeconomic backgrounds, intended to avoid student debt as far as possible. Despite Scotland's policy of free higher education tuition, student finance plays a significant role in determining Scottish young people's choice of university, with students from disadvantaged backgrounds favouring local institutions on cost grounds. This presents something of a paradox, since free tuition seems to have made Scottish young people more, not less, debt averse. Some of the young people interviewed in Scotland had not yet applied to university and said that they intended to research higher education in greater depth. However, even those who had already been offered a place were still vague about student finance.

Closely linked to debt aversion among the Scottish interviewees was a poor understanding of the real costs and benefits of going to university. Although interviewees in this research expressed great reluctance at the idea of taking out a loan, Hunter Blackburn's research (2014) shows that 67% of Scottish students do so (rising to 87% among those from families with incomes of less than £10,000). There is clearly a gap between Scottish students' aspirations of emerging from university without debt and the reality of being compelled to do so to meet living costs (NUS 2009). Interviewees noted that little information was provided about the practicalities of going to, and paying for, university or college, and that often this information was provided after applications were made to UCAS. If pupils are to make informed decisions about their future, such information needs to be improved, provided sooner and possibly targeted at those from lower income backgrounds.

Hunter Blackburn (forthcoming) has also shown that in Scotland students from families with lower incomes take on the greatest levels of debt, although the interviews discussed in this paper show that debt aversion was greatest among this group. This study focused on those who had decided to apply to university, but there are also important questions around which students are cooled out of higher education at an earlier stage because of the prospect of debt. While these issues are beginning to be explored in the English literature, the question of student debt has been ignored in Scotland because it is assumed that the abolition of tuition fees has obviated the need such a discussion. The points raised by young people in this paper suggest that, far from being settled, student debt in Scotland remains a serious issue, with fear of debt having a major impact on many young people's higher education decisions. A much wider debate on student debt in Scotland is sorely needed.

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