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‘We will never escape these debts’: Undergraduate experiences of indebtedness, income-contingent loans, and the tuition fees rises

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Abstract

This paper critically examines how undergraduate students in a Northern Red Brick University have experienced the three-fold rise in tuition fees since 2012, with particular attention on how they have begun to understand and negotiate the process of indebtedness. Drawing on a corpus of 118 interviews conducted with a group of 40 undergraduates across their whole student lifecycle, analysis is directed toward examining how students have variously sought to: respond to the policy; reconcile the debt with their decision to study at university; and, how they are beginning to negotiate a life of everyday indebtedness. The findings are located in the context of wider neoliberal policy trends that have continued to emphasise ‘cost-sharing’ as a mechanism for increased investment within the HE sector generally, and individual fiscal responsibility specifically. Given the lack of any other viable career pathways for both low and higher income students, they had to accept indebtedness as inevitable and take what comfort they could from the discourses of ‘foregone gain’ that they had been presented with. Evidently, and as the students in our sample well recognised, whether those discourses actually reflect the future remains to be seen. There is also no evidence within our data that students anticipated the subsequent changes to the repayment terms and conditions - a fact that is likely to compound feelings of economic powerlessness and constrain their capacity for financial agency yet further.

Key words: Student debt; indebtedness; student experience; debt attitudes; higher education

Introduction

The changes made to the system of funding Higher Education in England in 2012 restated the UK Government's commitment to mass education on one hand, whilst further enhancing the 'privatisation of social risk' on the other (Palfreyman & Tapper 2014; Antonucci 2016). In the form of an income-contingent loan for maintenance and a three-fold increase in tuition fee liability - up to £9,000 per year - the policy required individual students to shoulder both the immediate financial costs of Higher Education *and* the economic uncertainty of their own futures. These changes continued to reflect the neoliberal restructuring of global Higher Education policy that was initially pursued in earnest by the Thatcher Government of the 1980s in the UK, and the corresponding Reagan administration in the USA. Treating knowledge - and its reproduction - as a commodity to be managed through the market, this ideology perceived the costs of HE to be best shared between Government, individual and family, because that was who best benefitted from it (Johnstone & Marcucci 2010; Radice 2013).

Whilst much initial commentary about the 2012 changes was directed toward the impact on entry rates and social mobility - not to mention the value of Higher Education more generally - recent interest has considered both the financial literacy of students and their experience of indebtedness (Bachan 2014; Harrison et al. 2015; Jones 2016; Wilkins et al. 2013). Drawing on the results of an innovative three-year longitudinal study that followed a group of undergraduates at an English Northern Red Brick University across their 'whole student lifecycle' (Bathmaker et al. 2016; Purcell & Elias 2010), this paper makes a contribution to this emerging literature by exploring how post-2012 students have responded to the financial landscape they now operate within. It charts how they have started to understand and negotiate the process of increased financial liability accrued from tuition fees and maintenance grants, and in doing so, demonstrates how their experiences of *indebtedness in situ* relate to both past understandings of debt and their future expectations of managing it. Locating these qualitative findings within the context of the contradictions that exist between the rhetoric of the policy and the experience of it in practice, discussion is directed toward a consideration of the ability of income-contingent loans to influence individual attitudes and behaviours within HE, and financial decision-making more generally.

Indebtedness, Higher Education, and the State

Indebtedness can be taken to mean a state of obligation to repay another (c.f. Greenberg 1980). Whilst the position of being financially bound can sometimes be comforting, it is often taken to be aversive, and it is usually assumed to have motivational properties in that the greater the magnitude of debt, the stronger the attempt to reduce it. Psychologist Martin Greenberg, for example, suggests that indebtedness: enhances feelings of restricted action; implies a loss of power and status relative to the donor; and, emphasises and anticipates the costs of repayment thus influencing behaviour (Gouldner 1960; Blau 1964).

The issue of student indebtedness, however, is tacitly taken to be the level of financial debt that is incurred as a result of studying for a degree level programme. In the context of the UK, estimates suggest that in 1994 the average loan taken out by students domiciled in England and Wales was £686. This figure rose to £1509 in 1999, and again to £2338 in 2006. Overall student indebtedness, however, has been estimated to be £2047 in 1994; £4270 in 1999, and £8929 in 2006 (Bolton 2009; Bachan 2014). This is in stark contrast to those recent estimates that suggest that average student debt generated from tuition fees and maintenance grants alone will be in excess of £44,000 for post-2012 students (Crawford & Jin 2014)[1]. Although the costs of Higher Education to students have been rising globally (Johnstone & Marcucci 2010), the costs associated with HE in England are now thought to be one of the highest in the world.

These increases are largely seen to reflect international policy trends whereby an expanding neoliberal ideology has been the blueprint for wide-scale reform of university funding (Olsen & Peters 2005; Hill & Kumar 2009; Antonucci 2016). Whilst this ideal-type has yet to be fully realised, these changes are broadly concerned with the transformation of the global HE sector into a capitalist market, with degree-level education being a commodity that is subject to buyer-seller market relations (Marginson 2013). A central challenge to such an ideological conceit however, is the fact that the costs associated with HE tend to rise in excess of increases in revenue - particularly where that revenue is raised through taxation. As a result, forms of 'cost-sharing' have been central in maintaining upward investment (Johnstone & Marcucci 2010). These policy innovations variously concern the attempt to shift the costs of higher education from an exclusive reliance on Government/taxpayer toward one that is shared between parents, students, and the State. In the UK, this began with the introduction of income-contingent loans (ICLs) to cover tuition fees in 1998, with subsequent increases in fees and loans in 2006, and a three-fold increase in fees in 2012.

ICLs carry a contractual obligation for the bearer to repay a percentage of future earnings over a specific period of time or until the loan is repaid (Johnstone & Marcucci 2010). Following the changes in 2012, all students were entitled to borrow up to £9,000 a

[1] Following further increases in the tuition fee to £9,250, and increases in the maintenance loan, this estimate has now risen to £57,000 (Belfield et al. 2017).

year in fees, plus a maximum of £5,500[2] toward living costs (BIS 2011). These figures, however, will be compounded over time by an interest rate equivalent to RPI inflation, or RPI inflation plus 3% depending on how much they earn[3]. Indeed, the nature of ICLs means that any fee associated with tuition is not the same as the cost of the degree. Instead, the total cost of a degree is dependent on future earnings, not the initial price or the total amount borrowed. Whilst the format of such loans can be prone to both misunderstanding and misrepresentation (Johnstone and Marcucci 2010), such loans are sometimes considered to be a more equitable response to the classical liberal economic critique of free tuition that would see the children of the wealthy disproportionately benefit from HE (Barr 2001).

However, 'cost-sharing' initiatives such as ICLs are more than a pragmatic response to the growing needs of HE investment, the demands of State austerity, and an apparent inequity of free tuition. From an ideological position that encourages rational actors to invest in their own 'human capital', debt acts as both a prohibitive cost against passive entry *and* as an incentive to enhance gains wherever possible. So, within the neoliberal imaginary, not only does the anxiety of indebtedness encourage the more risk averse to maximise any profits associated with degree-level education, it should also help ensure that both individuals and services are more responsive to the needs of the market (Saunders 2010).

Unsurprisingly, how such policy developments have been realised and experienced in practice is more complex (Marginson 2013). Indeed, within the context of the UK, academic interest in student indebtedness has been directed toward three general areas: the 'value' of a

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[2] Maximum amount of maintenance loan for student studying away from home, outside of London for the academic year 2012/2013. .

[3] When the policy was launched, the minimum repayment threshold was set at £21,000. This figure was originally supposed to rise annually with earnings. However, in 2015 this repayment threshold was frozen until 2021. In September 2017, the Conservative Prime Minister Teresa May announced further plans to raise the threshold to £25,000.

degree and the purpose of HE more generally; the barriers to accessing higher education; and, attitudes toward student debt and the experience of indebtedness (c.f. Harrison et al. 2015).

In the first instance, the stark rise in the cost of a degree has focussed attention on the value of study and its influence on the employment trajectory of individuals who graduate from university (Green & Zhu 2010; Macmillan & Vignoles 2013). That is to say that there is considerable interest in the balance of the eventual cost of the debt, against the accumulated benefit of the degree. This literature has variously emphasised: those more or less likely to accrue debt and/or pay it off (Agnew & Harrison 2015; Jones 2015); the nature of debt in the HE sector (Christie & Munro 2003; West et al. 2015); and, the impact of debt on the student experience (Cooke et al. 2004; Harrison & Chudry 2011).

In the second instance, research has echoed public concern and has sought to explore the impact that these changes could have on particular groups on the lower end of the socio-economic scale (Callender & Jackson 2005; Wilkins et al. 2013). Following earlier changes to the system of funding in 2006, much early commentary suspected that some 'non-traditional' groups would be effectively priced out of HE specifically, and social mobility more generally (Mangan et al. 2010; Boliver 2011).

Whilst the evidence continues to be mixed, some analyses have continued to suggest that working class students *are* more likely to be worried about the student debt associated with university (Callender 2003; Callender & Mason 2017). Evidence also suggests that university experiences and outcomes can vary by both class and location. Indeed, the assessment of 'Assumed Parental Contribution' that is embedded within the post-2012 changes - parents are expected to contribute to student budgets - necessarily reproduces those inequalities that already exist between students, with wealthier families better able to offer such support (West et al. 2015; Antonucci 2016; Hordósy & Clark Forthcoming).

The final strand of the literature on student indebtedness has sought to explore the experience of being 'in debt' more directly (see Marriott 2007; Harding 2011; and, Harrison & Agnew 2016). Harrison et al (2015), for example, highlight that student attitudes, knowledge, and opinions of the various types of debt - student loan, commercial debt, and familial lending - are highly nuanced. That is as much to say that student understandings and experience of indebtedness within *and* between particular socio-economic categories is far from homogenous. Neither does it correspond with stereotypical images that would picture students as having a 'devil may care' attitude toward money *or* one that would imagine them as impoverished malcontents resentful toward previous generations. However, although experiences of indebtedness are acknowledged to be fluid, Harrison et al do present some ideal types that attempt to describe the bandwidth through which understandings of debt operate within. These are: debt positive, debt savvy, debt resigned, debt oblivious, debt anxious, and debt angry. The 'centre of gravity' within which these understandings mainly operate is reported to be somewhere between debt savvy and debt resigned. This is described as an experience that sees many surviving on limited means with some knowledge that the future debt would be, in some way shape or form, manageable.

Within the context of the changes to the landscape of HE in post-2012 England, such exploration of the experience of indebtedness is more than welcome. However, there remains little critical discussion of the processes by which post-2012 students have reacted and responded to the problem of indebtedness that they have been confronted with as a result of their tuition fees and maintenance loans, and how they perceive their transition into indebted adults. This is as much to ask ‘what do students feel about indebtedness?’, ‘what are they doing about it?’, and ‘what *should* they do about it?’

Perhaps more importantly, there is a paucity of literature that specifically seeks to examine the inherent challenges and contradictions within the rhetoric and the everyday realities of the policy as they are experienced by undergraduates across the ‘whole student lifecycle’ (Bathmaker et al. 2016; Purcell & Elias 2010). That is to say that the exploration of one facet of what is often termed ‘the student experience’, needs to be set within the inter-dependencies that exist within, and across, all of the key arenas of university participation. Concentrating on the debt incurred directly from Student Finance England, this paper aims to address these concerns by outlining how post-2012 students reacted to the imposition of the new tuition fee and maintenance grant regime, how they proceeded to understand their indebtedness, and, how they are beginning to absorb it into their financial understandings and practices.

The Research Study

This paper is based on the results drawn from an innovative longitudinal project that sought to examine the experiences of a total 40 home domiciled, full-time undergraduates as they transitioned into, through, and out of an English Northern Red Brick University (NRBU). ‘Red Brick University’ is a term given to those UK Universities that were formed in the late 19^{th} and early 20^{th} Centuries. Typically non-collegiate and civic in origin, they are widely perceived to have a research-intensive focus and are considered to be selective, attracting some of the highest achieving students in the country. Beginning their studies in 2013, the sample was taken from a population of over 4400 students who enrolled within one of

NRBUs five faculties. In 2013/2014 6.3% of the total entrants were mature students, and 8.2% were from a low participation neighbourhood[4] (HESA 2015, Table T1a).

Beyond the case-study design, the sampling strategy of the study incorporated a two-step process that utilised the technique of maximum variation at both case and unit levels (Patton 2002; Yin 1994). The purpose of the strategy is to capture and describe central themes and interests that cut across a great deal of individual variation (c.f. Patton 2002, 234). Any patterns that do emerge across this diversity are, therefore, likely to be indicative of the core experiences of the wider population.

At case-level, two or three departments were selected from each of the five faculties that make up the academic structure of the university. To ensure that the sample reflected the different types of departments within the institution, an inclusion criteria was devised with respect to the following: the nature of department (traditional, vocational, quasi-vocational); relative size (small, medium, large); and, ratio of widening participation students (low, medium, high). Corresponding to the needs of the maximum variation strategy, departments were selected to ensure the sample reflected this diversity. In the Faculty of Social Science, for example, one department sampled was considered to be quasi-vocational, small, and low in WP students, another was traditional, medium, high, and a final one vocational, large, and medium in terms of ratio of WP students.

Inclusion criteria at the unit level involved balancing the sample based on gender, age and ethnicity. However, in order to reflect the principles of maximum variation sampling, the

[4] The POLAR classification that bands small areas in terms of higher education participation was developed by the Higher Education Funding Council for England. All areas of the UK are ranked according to their higher education participation and this ranking is then divided into quintiles with the same proportion of young people. Here we report the ratio for the lowest participation areas, Quintile 1.

study purposefully over-sampled students with the lowest household incomes (n=18). This status was assessed by whether the student was eligible for the university's fee-waiver scheme and is signified with FW (fee-waiver) and NFW (no fee waiver) in the results[5]. Levels of indebtedness also varied across the sample. The lowest level of total debt related to the loan within the sample was *at least* £25,500 upon graduation, with the highest being *at least* £43,500. Participants were initially drawn from a randomised list of students within each target department and approached via institutional and personal emails, and then via phone, to participate in the study.

Table 1. General Characteristics of Participants (total N = 40)

	Respondent
Gender	
Female	26
Male	14
Faculty	
Arts and Humanities	7
Engineering	5
Medicine, Dentistry, and Health	7
Science	11
Social Science	10
Age	
18 years	23
19-20 years	11
21+ years	6
Ethnicity	

[5] NRBU's fee-waiver scheme was part of the National Scholarship Programme. Providing students with financial assistance in the form of a tuition fee waiver and/or financial assistance, the scheme was designed to support those students who were in the lowest 10% in terms of household income (see Hordósy & Clark Forthcoming, for further discussion).

White	27
Black	3
Asian	5
Mixed/Other	5
Parental education	
Yes, have been to HE	20
No, have not been to HE	16
Prefer not to say / Don't know	4
Postcode	
Local Postcode	9
Other or missing	31

Once participation had been negotiated, semi-structured interviews were conducted with participants toward the end of the second semester of each year of their degree course. This data provided a rich and detailed picture of individual student life-courses, with interviews directed to the discussion of five overarching aspects of university life: finance; learning and teaching; social life; health and well-being; and, careers and future trajectories. As part of the finance section of these interviews, participants were asked to reflect on their experience of indebtedness. Two students declined to be interviewed during their final year. All of the interviews were conducted in accordance with the host University's regulations on research quality and ethical practice.

Using QSR Nvivo, emergent data from each year were analysed in accordance with the process of thematic analysis as outlined by Braun and Clarke (2006). Theoretically and methodologically transparent, this type of analysis offers a robust and flexible approach to data that is both sympathetic to the emergent themes of interviewees *and* those that are actively chosen by the researcher as being of interest. This process revealed three thematic categories of interest regarding tuition fees and future indebtedness; these are presented below.

The cost of higher education: Anchoring the debt

Everyone's got to have a student debt; it's one of them things... (Hannah, NFW, First interview)

Anchoring is generally considered to be a cognitive bias that provides points of reference from which to both interpret information and make subsequent judgements. This idea, popular with both organisational psychologists and behavioural economists, suggests that that the careful framing of anchor points can influence both attitudes and behaviours so that future responses resonate with the original anchor. In short, anchoring can influence whether prices are perceived to be acceptable or not (Wansink et al. 1998).

To this end, the presentation of the changes to the tuition fee regime were carefully stage-managed by the Department of Business, Innovations and Skills (BIS) who variously sought to emphasise: 'the beneficiaries of higher education would need to make a larger contribution towards its costs'; 'more support to students for their living costs'; 'a "pay as you earn" system… [where] people are only ever asked to contribute toward the cost of their education once they can afford to do so'; and, that 'graduates will only be expected to pay a portion of their salary towards the cost of their education once they were earning over £21,000' (BIS 2011, 4). The rise in the cost of tuition was, therefore, narrated as a 'foregone gain' rather than a 'direct loss'. This representation of the fee as a portion of future earnings sought to avoid the impression of immediate deficit, with the emphasis on benefits similarly lessening the perception of cost.

However, the problem for those students who had enrolled at university, but had not yet successfully completed a programme of study, was that their own experience of the debt incurred did not sit neatly with these key points of reference. Indeed, everyday understandings of indebtedness were also anchored in relation to both self and others, *and* past and future – with these anchors being more negative in tone. Expressions of discomfort tended to emphasise three aspects of their indebtedness: the inequity that they felt existed between themselves and significant others; a general feeling of debt-aversion; and the relative uncertainty of outcome. Whilst some found relief in the similarity of their particular cohort, others pointed to the difference in the financial literacy between themselves and previous generations.

Perhaps the strongest objection to their indebtedness was the perceived inequity between their situation and those who were fortunate to enter university before the changes took place. Reflecting research elsewhere, interviewees tended to regard the previous version of the funding regime as the ‘original’ £3,000 fees (Bates & Kaye 2014). Indeed, the recognition that others just two years their senior accumulated substantially less debt for the very same education was a particular point of contention, especially where these inequalities occurred between siblings. Megan, for example, points to the quantity of contact hours as being the same as students just two years before her:

> I do think nine grand is too much to be paying for what I’m getting. I obviously really like it, but I’m getting the same standard of teaching that someone who pays three grand is getting and there’s no difference: there’s absolutely no difference. I only have eight, ten hours a week, so I don’t know how it costs nine grand. (Megan, NFW, First interview)

In this case, the measurement of the quality of the education was equal to the amount of contact hours. James further highlighted:

> Why should I have to pay for University when all of my [siblings] have gone to University, and my parents have gone to University. It's something that benefits society and that is a part of people's lives. Why should education not be free? (James, FW, First interview)

However, having made the distinction between then and now, he went onto make the distinction between himself and others who he could otherwise be similar to, having come from a low participation neighbourhood:

> I'm just trying to better myself. I don't want to work in a fish and chip shop like the majority of my friends from High School do... I'm not happy with just quitting A-levels and dealing weed on the side (James, FW, First interview)

Other students, however, found some comfort within the shared experience of their cohort. In spite of the resignation they felt individually, the fact that they thought they understood the terms and conditions of the income-contingent loan, as well the fact they all shared that burden, helped to create a common sense of identity:

> You have a Student Loan and you have the 36K fees [for a four year programme], but it's sort of an acceptable debt because you don't technically have to pay it back. My parents don't get that concept and they were like "oh no". They were saying "oh, we should save up and pay for the fees up front", and I was trying to explain to them that no-one does that because it's so much money. No-one pays for fees up front, and everyone gets a loan. (Sophie, NFW, First interview)

However, this sense of communality was supplemented by a general awareness of their individual circumstances and potential futures. Indeed, six of the interviewees made cynical remarks about the low chances of repaying their loan at all:

> The amount is insult to injury, but the injury is the very fact that the tuition fee is there at all. In my head I've still got dreams of running off to Brazil and hiding there until the debts don't exist anymore. But I think David Cameron [the then Prime Minister] is doing his best to ensure that we will never escape these debts. (Samuel, FW, First interview)

Generational inequalities were also front-staged with interviewees often making comparisons between themselves and parents. Within these accounts, their parents' generation was often pictured as debt-averse with little understanding of the mechanisms of the current funding regime:

> My dad went to a polytechnic for a year or something, but my parents didn't go to uni, so they didn't really get it. They didn't get student finance either, because they're from the old generation - and they don't like debt. (Sophie, NFW, First interview)

In fact, a quarter of all the interviewees remarked upon the largely negative attitudes of parents toward taking on debt for the sake of education.

To pay or not to pay?: Taking a path of least resistance

If I didn't go to University, I wasn't sure what I was going to do. (Mo, FW, First interview)

It is a well-established principle in both psychology and behavioural economics that any deviation from the 'normal' choice is a decision that requires an increase in both the effort of deliberation and perceived responsibility. Any decision to deviate from a set pattern can also increase the fear of regret. Taken together, this means that actively deciding *not* to do something is often cognitively more difficult than continuing with what is already planned (Festinger 1956). Indeed, for the students in our sample, and regardless of financial background, acquiescing to the rise in the cost of the degree was clearly preferable to the uncertainties associated with choosing *not* to go to university. There were four over-riding reasons for this: the speed of the changes; the apparent lack of viable alternatives; career expectations of themselves and significant others; and, a perceived need to 'stay afloat'.

Whilst it is true enough to suggest that the recent changes have built on longer policy shifts, the actual decision to nearly triple tuition fees happened within a very short timeframe. Despite one of the coalition partners pledging not to raise university fees in their manifesto for the general election of 2010, changes to the system of HE funding were announced by the Conservative/Liberal coalition before the end of 2010 and were scheduled to take effect from the 2012/2013 academic year. A period of just over 18 months.

Therefore, post-2012 students who had been en route to university had to quickly accept that they would be taking on a substantially higher tuition fee loan than cohorts preceding them, or opt for a different career path entirely. The problem for many of those expecting to go to university, however, was that the pace of this change was not accompanied by the progress of viable alternatives. Not only was youth unemployment generally considered to be high at 600,000+ (ONS 2014), increases in the national minimum wage of 18-24 year-olds have also remained well below inflation.

Given the speed of change, and the constraints on workplace opportunities, it is unsurprising that interviewees continued on their path to university - which had been well established for a long period of time:

> When you're in Year 13, people just see it [university] as the next stages of [schooling], it's like going from Year 12 to Year 13, or Year 11 to Year 12. It's just like that's "the next year" and people forget that it's actually an option, and that you have to pay a lot of money for it. (Mary, NFW, First interview)

Similarly, Lauren pointed out that her previous employment experience similarly influenced long-planned path to HE:

> I always wanted to do law... I'm not quite sure what started me on to do it but I just had an interest in it so then I did some work experience with some solicitors firms. I went to court with the barrister and it was like "Oh, this is pretty cool, I like it..." (Lauren, FW, First interview)

All six mature students in our sample also reported that they had intended to apply to university for over 4 or 5 years. In some cases, this process had been kick-started by a life-changing experience such as having a baby (Amy) or being made redundant (Joshua). In others, it followed from a previous educational experience, and a desire to improve their prospects:

> The way things are going on in the country now with job prospects - the ones in the factory - there are no more jobs... I did my GCSE in English and maths... And from there, gradually I was having interest. I then did my Access course and my personal tutor when I was in college [said] ‘I don’t want you to stop here’. (Ade, FW, First interview)

Clearly, the students in our sample *did* still have a choice whether to continue with their path into university after the changes were announced. However, in addition to the apparent constraints on opportunity associated with the wider labour market, indebtedness was the only option to continue on their current trajectories. It did not feel like much of real choice:

> I just, I don’t have much of a choice really. Clearly if you’re going to go to university, you’re going to have to pay £9,000 because everywhere is £9,000. (Kai, FW, First interview)

The perceived lack of viable alternatives meant the risks associated with deviating from their current trajectories, and the fear of being ‘left behind’, were considered to be too great. The uncertainties associated with the alternatives outweighed the disadvantages of the status quo.

Paying the debt: Negotiating a life of everyday indebtedness

It’s just the idea that you’d be paying it for the next 30 years that I don’t like. (Dylan, FW, First interview)

Whilst general anchors of both inequity and disempowerment were used by students to understand their indebtedness, there was some resonance between their everyday understandings of the terms and conditions of the debt and the ‘foregone gain’ narrative that had been suggested by BIS. Such an emphasis did, however, tend to orbit around whether they conceptualised student debt as an immediate or distant concern, and whether they perceived themselves as having the means to reduce it in some way. In cases where the interviewees constructed indebtedness as an immediate concern, participants generally attempted to lessen the amount accumulated. For other interviewees, however, the debt was understood to be a future concern that was either 'different from other forms of debt' or 'not (yet) real'.

In the first instance, there were some interviewees who found ways to build up less debt. Two students from wealthier backgrounds received substantial family support throughout their degree that paid for all or a part of their tuition fee. However, both also took the maintenance loan and secured part-time jobs to sustain themselves. A further three students from lower income families similarly tried to minimise the amount of debt they accumulated, either by choosing alternative accommodation, such as living with their parents, or using savings and/or a part-time salary as a substitute for the loan. Dylan, for example, attempted to live entirely from the non-repayable maintenance grant and his savings from his gap-year. In subsequent years he continued to have a part-time job and lived in alternative accommodation away from other students to save money. His relatively low budget, however, meant he had much less freedom in his spare-time, as well as substantial stress regarding his finances. He was clearly worried about his future beyond graduation, having seemingly internalised the debt-aversion of his father:

> That's the one thing I'm not looking forward to. I'm trying to minimise how much I take from them [the Student Loans Company] because when I end up finishing my course I don't want to have that thing on my mind: where I have to pay back all that money. So I like to minimise what I take from them, basically. (Dylan, FW, First interview)

However, these students were comparatively unusual within our sample, and most students attempted to negotiate understandings of their indebtedness by other (non-fiscal) means. One popular method involved questioning the likelihood of ever earning enough to begin paying it back:

> I might not have to pay the entire thing back if I don't get a high enough paying job. I mean it's not good, but I guess it's kind of manageable when I get into work. (Sara, FW, First interview)

However, echoing the exhortations that were made in continuing popular campaigns, as well as BIS themselves, Sara later reflected on her own understanding of the loan as a contribution towards her future:

> But I think that the way they sell it which is kind of true, you shouldn't see it as a loan it's more like an investment in your career, which I kind of get. (Sara, FW, Third interview)

In these terms, both the repayment amount in the future and the total cost of the loan were not given visibility within their immediate financial landscapes. On one hand, the loan repayment just 'comes out of your wage', whereas the total tuition fee loan 'goes straight to pay the university':

> Yeah, I’ve got the tuition fee, which just like comes in and goes straight out, and then I’ve got student finance, which, because of my family income, I just like get the baseline amount [of student loans]. (Sadie, NFW, First interview)

Interviewees also compared the debt to, and pointed out the difference from, commercial bank loans or mortgages. This was because they recognised that the repayment terms and conditions were different. Claudia for example reflected on her own reactions and views on the student debt, drawing parallels with commercial credit:

> In a strange way, I don’t think of student loan debt as ‘real debt’ because it’s so different. It’s not like you’re going to get loan sharks or anything, and you pay it back in an affordable and easy way. And obviously it’s written off if you’ve not paid enough back if you’re not earning enough after a certain amount of time. So it’s not great, but it’s also not like the biggest problem in the world for me. (Claudia, FW, First interview)

Generational differences also emerged when comparing their indebtedness with that of their parents’ mortgages. Hannah, for example referred to her mother’s financial worries:

> I don't think she [mother] understands that I'm not the only person in debt. I don't think she understands that the student debt is different to normal debt, with repayments and stuff. I did try and tell her, but she doesn't listen... I mean it doesn't go towards your mortgage, does it? And everyone's got to have a student debt; it's one of them things. If you want to go to university you need to get money to go for it. (Hannah, NFW, First interview)

Other students, however, went further by referring to the time spent as a student as something other than 'real life'. Instead, they constructed it as a liminal period of the life-course that precedes adulthood and financial independence:

> I've kind of got into this little vicious cycle of thinking I can do anything 'cause I've had more money than I've ever had before. It's bad. It's really bad, because I'm just thinking about the time when I really grow up and I have to pay the rent as well… I wouldn't say we were adults. I wouldn't say we were grown up at uni, especially not me. Like I'm not independent. I'm 'independent' like in inverted commas, but I can just run home if things go wrong. (Rachel, NFW, First interview)

There was also some evidence to suggest that concerns around indebtedness were influencing the way lower income students were beginning to think about their futures. Katy, for example, found that her experience of her degree choice did not live up to expectations. She faced a difficult choice between continuing on a path she was not comfortable with, or starting again on another programme. Although she thought she would benefit from transferring, she decided against it:

> I had to rethink it all; did I want an extra year in uni with debt or could I do [a postgraduate qualification] next year with less debt on top of me? I'd still get to the same place, so in my mind it was one year less of debt and I would still be at the same position as I was just a year earlier. (Katy, FW, Third interview)

Elsewhere, Mo initially hoped to go into medicine after his current degree. However, over time he came to the realisation that he simply would not be able to afford the debt that it would incur:

> You can’t get like a proper student loan [for fees for the graduate route into medicine]. You’d have to get kind of like a proper [private] loan for it and so you’d have to make paybacks regular for it and a lot of the people that I know doing it they’re just from really well off families and that’s why they can do an undergrad [beforehand]. (Mo, FW, Third interview)

With his family unable to support him, and unwilling to turn to private creditors, Mo well recognised the inequalities that lower income students like himself could face after graduation.

Discussion

This paper explores how students have responded to the changes in the system of tuition fees in England with particular attention directed toward charting how they have begun to understand and negotiate, what will be for many, a lifetime of indebtedness.

There are, of course, a number of limitations to the present study. Firstly, and whilst great effort was made in the sampling of participants to maximise variation, the context of the wider case-study design is centred on a single Red Brick university. Whether the results will resonate elsewhere is largely undetermined. However, whilst statistical generalisation from sample to population is not possible in purposive sampling strategies such as this, Williams (2000) highlights that the careful analysis of qualitative data can be subject to what he terms 'moderatum generalisations'. These are not fixed sweeping statements about populations and are instead modest and pragmatic expressions concerning the nature of everyday life-worlds. In these terms, the findings offered here reveal key dimensions by which students have responded to indebtedness and incorporated it into their everyday experiences. As such, whilst they might not be exhaustive of every individual, they do provide a robust and instructive framework by which student indebtedness can be understood in more general terms.

Secondly, the study cannot, necessarily so, reveal anything about those who chose not to go to university because of the changes in funding. This is an outstanding problem in the literature on widening participation that has yet to be fully resolved (Gorard & Smith 2006). Thirdly, it remains to be seen as to whether successive cohorts respond to indebtedness in the same way. Indeed, the imposition of fees on the 2012 and 2013 cohorts is likely to be different in some respects from those cohorts who have had some time to prepare for their entry - or not - into HE. Further research would be necessary in all these areas to explore how the results from 2013 entrants presented here might resonate in subsequent cohorts.

Despite such limitations, the findings are particularly informative when set against literature that seeks to explore how the recent Governmental trends in policy are structured through an ideology informed by libertarian paternalism on one hand and Red Toryism on the other (Corbett & Walker 2013). The purpose of this ideologically-driven policy-making is to devolve the power of the State through the apparatus of the market, using it as a mechanism to shape the choices available to those individuals who could/would otherwise act irrationally. From such a perspective, the feelings of restricted action and disempowerment caused by indebtedness should help to encourage financial self-reliance across the life-course (Wilkins, Shams, & Huisman 2013).

The problem of this, however, is that several studies are beginning to demonstrate that whilst policy-makers might prefer a market-orientated approach to HE, such systems can only operate effectively if the actor is both fully informed and able to act upon the product of their decision-making process (Jerrim 2011). This does not appear to be the case with the new policy of ‘full’ tuition fees. Bachan (2013), for example, has demonstrated that many students are unable to form realistic assessments of both future earnings and their debt, whilst Esson and Ertl (2016) similarly provide evidence to suggest that the restricted nature of choice may actually encourage students to see their indebtedness as a responsibility of the State. Esson and Ertl further highlight that any decisions associated with going to university are largely made intuitively without recourse to what data is already available. Indeed, the findings presented here make a direct contribution to this literature by demonstrating that students who are funded through ‘cost sharing’ schemes have difficulty in forecasting both expected earnings and expected debts. Whilst they did understand that these things are likely to matter at some point, the uncertainty associated with future employment markets meant there was little incentive to pursue more informed calculations - and in many cases such calculations would have been impossible. The lack of any viable career alternative to enrolling at university similarly constrained the decision-making process. Whilst there was a pervading sense that obtaining a degree was worthwhile, if only to keep up with everyone else, the nature of the struggling youth employment market and the lack of opportunity elsewhere meant that going to university was a ‘path of least resistance’. For some, this was an active career strategy, but for many, it was passive compliance to a system that only ever seemed to be pointing towards one destination. Compounding this sense of powerlessness - and unlike the rhetoric of equity and fairness that is often involved in the presentation of ‘cost-sharing’ approaches - the imposition of fees at such a late stage was considered to be both unfair and inequitable. In these terms, further changes to the policy that have seen the threshold level of repayment changed - rather than rising with inflation as initially suggested - are liable to exacerbate the resigned expectation of a lifetime of indebtedness imagined by many post-2012 graduates.

Indeed, beyond a surface understanding of the less negative aspects of the terms and conditions of the debt, most students were resigned to the structural imposition of indebtedness which led them to take little more than a ‘hit and hope’ approach to financial planning and decision-making. Experienced as something of a denial of agency, the reality of the situation did not appear to encourage specific engagement with the financial costs and benefits of a degree, or make them question the terms and conditions of the loan. This is hardly surprising in an environment where the complexity of the system, as well as the changing predictions on repayments, have provided little certainty (McGettigan 2013). In the form of a debt that will last 30 years of their working life, there are clearly tensions in a policy that, on one hand encourages people to take individual responsibility for their education in the form of indebtedness, and on the other does not appear to give them the requisite tools to do so. At the outset of their university education, the current policy does not offer the experience of an alternative between education, training providers or employment, and cannot begin to explicate the economic, political, and social conditions necessary to fully understand the risks associated with the debt. Furthermore, not only do the financial implications of the policy unseat traditional cultural inclinations toward debt-aversion - recent estimates suggest most will never pay it off (Crawford & Jin 2014, Belfield et al. 2017), so taking as much as possible is not necessarily financially unwise – the policy has also negated the broadly accepted principle that terms and conditions are, by and large, agreed by both parties from the outset of the loan.

Therefore, whilst this paper can attempt to outline what students think about their indebtedness, and describe what some are doing with respect to it, it cannot offer any answers to the questions ‘what *should* students feel about indebtedness?’ and ‘what *should* they do about it?’. Given that the terms of the debt do not really correspond to any other form of credit or loan, the fact that the loans have been represented *and* understood to be ‘different’, and that the actual cost of the loan is largely undetermined, it remains to be seen whether student indebtedness will encourage individual financial responsibility or well-informed decision-making in later life. In the context of pension crises, unaffordable housing, and continuing austerity, it may compound feelings of financial powerlessness within a whole generation of graduates.

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Table

Table 1. General Characteristics of Participants (total N = 40)

	Respondent
Gender	
Female	26
Male	14
Faculty	
Arts and Humanities	7
Engineering	5
Medicine, Dentistry, and Health	7
Science	11
Social Science	10
Age	
18 years	23
19-20 years	11
21+ years	6
Ethnicity	
White	27
Black	3
Asian	5
Mixed/Other	5
Parental education	
Yes, have been to HE	20
No, have not been to HE	16
Prefer not to say / Don’t know	4
Postcode	
Local Postcode	9
Other or missing	31