

Ten Good Reasons Why University Tuition Fees Are A Bad Idea

Emma Clery

Tuition fees at public universities in England are now, on average, the highest in the world. The reform has already been judged by monitoring authorities to be a bankrupt idea. It is without question a rushed and ill-considered experiment, out of line with the policies of other Western democratic nations. The arguments against this high fees regime are many and various. This blog looks at the new system from different angles in order to show the impact it will have on individuals and on society as a whole, on universities and on the national economy, offering ten good reasons why university tuition fees are a bad idea.

Reason 4: Graduate Debt Damages Life Chances

17 year olds are being required to sign up to a potential lifetime of debt, with the accompanying anxieties and pressures. Few can understand the likelihood that new economic conditions and new government policies could increase their debt out of all expectations. On the one hand, they and their parents are persuaded that the failure to obtain a degree could have devastating economic consequences. On the other, they are reassured by the 'buy now, pay later' promise, backed by the full weight of government authority.

But the loan system is volatile for individuals as well as for the economy at large. Terms and conditions can change, repayment rules can become tougher. Already the earning threshold for repayment has been lowered by freezing it at £21,000, while wages and the cost of living rise. These adjustments are built into the contract, which states 'You must agree to repay your loan in line with the regulations that apply at the time the repayments are due *and as they are amended*. The regulations may be replaced by later regulations.' It is claimed that the graduate repayment system is not commercial, that there will be no threatening debt collectors; but there is no guarantee that this won't change. It is crucial to understand that the student loan is unique, in that *borrowers are not protected by the terms and conditions that existed when they took it out*.

Martin Lewis, the financial pundit responsible for the influential website *MoneySavingExpert.com* who was enlisted by the government to explain the loan system and reassure potential students and their parents, has pledged to run a campaign to oppose this freeze, on the grounds that it would amount to a betrayal and a mis-selling of university education. As Lewis has pointed out David Willetts, the minister responsible for the introduction of the high fees regime, gave repeated assurances that the terms of the loans would not change. He is now one of those arguing that they should change, due to the catastrophic miscalculation about the cost of the scheme discussed which will be discussed in the next posting.

In addition, the Conservatives have been actively seeking to sell off the student loan book to a private company. The Liberal Democrat minister Vince Cable blocked a Conservative attempt to sell off £12bn of student debt in 2014. It was said in justification at the time that the proceeds would fund further expansion of student numbers and reduce the government's exposure to unpaid debt. It's only a matter of time before a majority Conservative government begins to consider this option again.

Supporters of the high fees regime claim that it is progressive, on the basis that those earning little could pay back nothing. In other words, they envisage generations of graduates living on or near the breadline. For those whose income is in the low-middle range, the regime creates a perverse incentive to earn less than the threshold of £21,000. Although student loans don't appear on an individual's credit files, they are taken into account when calculating the affordability of mortgages, and will be a continuing pressure on personal budgets, particularly for those starting a family and faced with the childcare and other educational costs into their 40s.

High levels of debt have a known psychological impact. The Higher Education Statistics Agency records revealed that around 18,000 students declared a mental health problem in 2012-13, compared with less than 8000 in 2008-9, a 132% increase. In 2015 the University of South Carolina published new evidence of the toll of student debt, mentally and physically. Record numbers of undergraduates are forced to work part-time and even full-time to make ends meet while studying for a degree. This affects grades as well as general health, and in turn damages life chances. One of the chief aims of higher education, to prepare and encourage independent-minded and forward-thinking individuals who can help to shape a better future, is fundamentally undermined by a system that will enslave many of them to the money-lender for a large part of their adult lives.

Sources

Akers, Beth (2015), '[Unanswered questions on student debt and emotional well-being](#),' *Brookings.edu*

Dorling, Danny (2014), '[Tuition fees: a bonanza for the 1%](#)', *Guardian*, 30/9/14.

Havergal, Chris (2105), '[Funding fears as mental health demand soars](#),' *Times Higher Education*, 23 July, 2105

Lewis, Martin (2015), '[Warning: Govt may retrospectively hike student loan costs – if it does I pledge to organise protest](#),'

McGettigan, Andrew (2013a) *The Great University Gamble: Money, Markets and the Future of Higher Education* (London, Pluto Press). Print.

---, (2013b), '[Why privatise student debt?](#)' *Guardian*, 16 June 2013.