



15 August 2007 09:43

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Average student debt to hit £17,500 as top-up fees burden starts to bite

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Published: 14 August 2007

First-year students are totting up record debt levels of nearly £6,000 a year and face leaving university owing more than £17,500, according to a survey today.

The report paints an alarming picture of the financial prospects for young people who signed on for courses in the first year of the Government's new top-up fees regime, obliging them to pay up to £3,000 a year. They clocked up debts of £5,586 in their first year - a 25.5 percentage point increase on the debts incurred by first-year students the previous year.

The figures, published on [Push.co.uk](#) - the organisation that provides a comprehensive guide for new university students - were described as "extremely worrying" by students' leaders.

They come just two days before thousands of teenagers get their A-level results and make decisions about whether to go to university. They also come at a time when house prices and interest rates are rising - presenting graduates with hard choices over when they can afford to buy a house or start a family. With accommodation costs at university likely to rise as a result, today's figures raise the prospect of this autumn's first-year students owing more than £20,000 by the time they graduate.

Gemma Tumelty, president of the National Union of Students, said: "It shows unequivocally that graduate debt is increasing because of the introduction of top-up fees. Graduates are facing ever more difficult choices over whether to invest, start a family, get on to the first rung of the mortgage ladder, start a pension and, of course, which career path to take."

The survey of nearly 2,000 students on 130 university campuses showed that - at present - graduates are leaving university with about £4,000 debt for every year spent on a degree course.

But when first year undergraduates were surveyed, the figures showed they were clocking up debts of £5,586 in their first 12 months - a 25.5 percentage point rise in a year.

Debt varied from university to university - with the average for some universities being as little as £5,000 while at others it was as high as £20,000. It raises the spectre of students at some universities not accessing bursaries to which they are entitled and, as a result, falling even deeper into debt than necessary.

The figures show the universities where students are in most debt are Falmouth - a new university in Cornwall, where students' average debt per year is £8,030, then Glamorgan, where the average debt is £7,942, and then Thames Valley, where the debt is £7,814.

Two of the three universities where students have the least debt are in Scotland - Robert Gordon with £1,103 and Abertay Dundee with £1,123 - where they do not have top-up fees.

Johnny Rich, series editor of [Push.co.uk](#), said: "It's easy to become immune to stories about student debt but this increase is not just another rise. Some students are facing real financial hardship."

Today's survey coincides with a study by financial experts that shows student debt has risen by 167 per cent in the past decade - from £1.2 bn to £3.2bn. The study, by [uSwitch.com](#), says it will take the average student 11 years to clear their debts.

A third study shows that youngsters who opt to go on vocational courses will be as much as £70,000 ahead of their graduate counterparts by the time they have completed their degree at the age of 21.

The Association of Accounting Technicians says that figure is the amount that vocationally trained students will have earned on

average by the time university graduates are looking for work with average debts of £13,000 a year (at present).

However, research by NatWest showed the average debt with which students are graduating this year has fallen for the first time in six years to £12,363 - six percentage points less than those graduating the previous year.

It was being pointed out, however, that those students started their courses before the introduction of top-up fees.

A spokesman for Universities UK, the body that represents university vice-chancellors, acknowledged: "Fear of debt is a real issue that concerns universities." However, he added: "Alarmist headlines do not help prospective students."

"Students are now able to defer paying their fees. In addition, about half are eligible for a non-repayable grant - reintroduced as part of the new fee regime - and universities offer a wide range of bursaries."

Ministers pointed out that record numbers of young people were applying to universities this year - indicating they still felt a university degree would be of value and boost their earnings in later life.

A spokeswoman for the newly created Department of Innovation, University and Skills said: "It is clear that tuition fees are not putting students off applying to university as many predicted."

'If I had not had to earn, I could have got a first'

* MATTHEW JOHN, 20

DEBT: £15,000-£16,000

"I've had to put off studying to be a teacher for a year while I try and clear my debts. I've taken taking several part-time jobs - including working in a super- market and as a private tutor - to clear as much debt as possible in the next 12 months. Then I hope to go on a PGCE course to train as a primary teacher. I've had to move back home to live with my parents to save money. I would have liked to have started the PGCE course this autumn but couldn't afford it."

* VIVIENNE YONG, 20 DEBT: £13,000

"I got a 2:1 degree. If I hadn't had to work, I think I could have done better and got a first. The debt was mainly down to the student loan I had to take out to get through the course. I don't know how long it will take to pay it back. You have to start paying it back when you earn £15,000 a year. I hope I will be able to pay it off within four years. In my last year at university, I worked in the student union bar, acted as a tour guide around the university and took on some research work."

* RICHARD HAYWARD, 21 DEBT: £16,000

"I had no idea the debt would be that large when I started my course. It was the high cost of living but mostly the loan I took out to see me through my degree. I'm hoping I can clear my bank debts of £4,000 by this time next year - but that still leaves me with the £12,000 for the student loan. I'm working full-time for the students' union. I don't think I managed my finances as well as I should have done. I worked full time for two summers but that didn't stop me going into debt."

* MICHELLE BROGAN, 22

DEBT: BETWEEN £13,000 AND £14,000

"If I'd had to pay top-up fees, I would have not gone to university. I reckon the debt would be between £18,000 and £20,000 if I'd had top-up fees. I'd planned very carefully and worked seven days a week from the age of 17 to raise money to go towards the cost of my education. I worked in a supermarket and as a cleaner while I was on my course. I got a 2:1 but if I had not had to work to finance my studies I could have got a first."

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