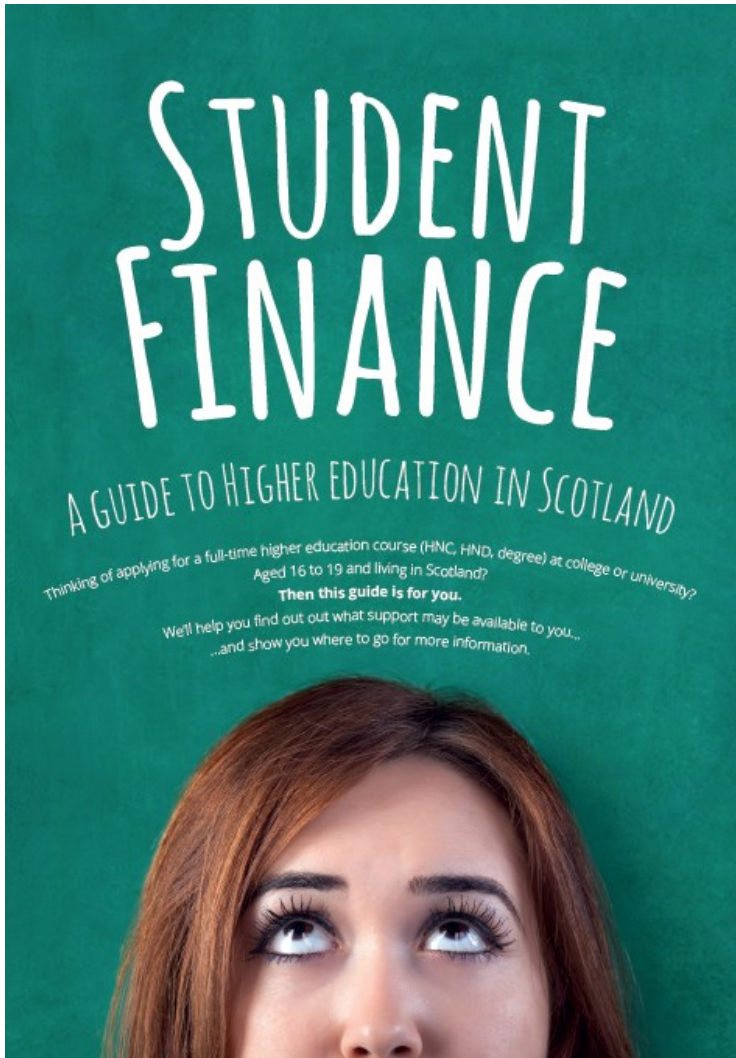




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Young people's views on student finance

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2 ESRC funded research projects



- **ESRC Senior Fellowship: HE in Scotland, the devolution settlement and the referendum on independence**
 - interviews with 148 young people aged 14-19 in Scotland and the north of England
 - see <https://www.youtube.com/watch?v=Alc1XzblgpE>
- **ESRC Impact grant: Improving young people's knowledge of student finance**
 - developed a guide to improve young people's knowledge and understanding of student finance in Scotland
 - collaboration with SAAS, NUS Scotland, LEAPS, Gateway Shared Services, S6 pupils and current university students



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Attitudes towards debt

- Young people in Scotland substantially more debt averse than those in north of England (especially those from deprived areas)
 - Majority of interviewees in Scotland were debt averse and viewed loans as a 'last resort', including those from:
 - a) poorer backgrounds intending to live at home, and
 - b) more affluent backgrounds relying on family support
 - But debt was normalised in the north of England
- Attitudes to/ fear of debt shape HE choices even in the context of free tuition
 - key factor in young people's decision to live at home



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Knowledge and understanding



- Attitude to debt informed by level of mis/understanding of student funding and support
- Knowledge worse in Scotland, and amongst those from more deprived areas and/ or first in family applicants
- Confusion in relation to:
 - When loans are repaid
 - Interest rates
 - English and Scottish loan repayment thresholds
 - How RUK fees are paid (upfront charge?)
 - Link between student loans and credit ratings



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Why is knowledge and understanding worse in Scotland?



- Confusion caused by:
 - Different funding systems within the UK
 - Rhetoric of free tuition vs reality of student debt for many
 - Media reporting/ public debate
 - Mis-information from student finance websites
 - Parental attitude to debt





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Poor knowledge and understanding is an access issue



- Those from poorer backgrounds have the least knowledge and are the most worried about debt
 - Yet 67% of Scots take out a loan and borrowing rates are higher at lower incomes
- Challenge is to encourage students to be realistic about student debt without deterring would-be-applicants
- All young people need access to accurate student finance to inform their HE decisions – not just the most affluent
 - Schools
 - Parents
 - Time at which information is provided
 - Targeted information, advice and guidance

