# Is it fair to charge £9,250 for university tuition fees?

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Karl Marx: "If higher education institutions are also free that only means in fact defraying the cost of education of the bourgeoisie from the general tax receipts."



Nick Barr: "Free is just another word for some other sucker pays" People at private schools are **4 times** more likely to go to university than those on free school meals

# And 20 times more likely to go to a

**Russell Group university** 









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2. Low social benefits & high private benefits

the individual should pay







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3. High social benefits & low private benefits the taxpayer should contribute







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Everyone from the UK is entitled to a loan to cover 100% of their tuition fees...



... and some of their living costs

Student Loans Company

Average debts of £50,000

All loans are income contingent



Age



## £50,000 mortgage at 2%, for 30 years



## **£185 per month every month for 30 years**



People at private schools are **4 times** more likely to go to university than those on free school meals

## These gaps were almost entirely explained by attainment at 16

# And 20 times more likely to go to a

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### Full time enrollments





## Change in participation through 2012 by Socio-Economic Background

#### Part time enrollments





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## Harvey



Age

## Harvey



Age

## How much are they repaying?


#### How much do people actually pay for their degrees?



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Poorest 10% Graduates ranked on their lifetime earnings

Richest 10%

#### Natalie



#### How much are they repaying?



#### How much are they repaying?



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#### How much are they repaying?



Regressive features only apply at the very top

Only **17%** fully repay their loans (if they follow the repayment schedule)

This is very unpredictable

### Some concepts of fairness

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receives a loan subsidy of more than 80%



#### Loan subsidies by subject area

Creative arts									1
Agriculture & vetsci									
Comms & media									
Education									
English									
Social studies									
Allied to medicine									
Biosci									
Architecture									
History									
, Foreign lang									
Business									
Physsci									
, Law						I			
Maths & compsci									
Engineering									
Economics									
Medicine	_								
	0%	10%	20%	30%	40%	50%	60%	70%	80%





#### Up front government spending on higher education



#### Never mind the students, tuition fees are a bad deal for the taxpayer *Martin McQuillan*

The government borrows to finance student debt, then sells it cheap to loan companies. It's like buying a sofa on HP and offloading it on eBay to pay the bills



▲ Students protesting about tuition fee increases in central London last year. Photograph: Alamy

he defining moment of this year's general election was when a nurse who said she hadn't had a real-terms salary increase for eight years asked the prime minister about pay awards in the public

### So is it fair?

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## Thanks for listening



#### Earnings returns to university at age 29 women



Earnings returns to university at age 29 women

Earnings returns to university at age 29 women





#### Earnings returns to university at age 29 for men



Earnings returns to university at age 29 women

• Other • Post-1992 • Pre-1992 • Russell Group





• Other • Post-1992 • Pre-1992 • Russell Group

Earnings returns to university at age 29 men



#### Earnings returns to university at age 29 men



	Women	Men
LSE		
Imperial		
Cambridge		
Manchester	£35,000 (32.9%)	£39,000 (10.8%)
Liverpool		
Lancaster		
Manchester Met		

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LSE		
Imperial		
Cambridge		
Manchester	£35,000 (32.9%)	£39,000 (10.8%)
Liverpool	£32,000 (37.7%)	£36,000 (8.8%)
Lancaster	£29,000 (23.5%)	£34,000 (9.5%)
Manchester Met		

	Women	Men
LSE	£55,000 (93.7%)	£60,000 (58.2%)
Imperial	£48,000 (67.5%)	£52,000 (47.3%)
Cambridge	£43,000 (28.6%)	£52,000 (34.2%)
Manchester	£35,000 (32.9%)	£39,000 (10.8%)
Liverpool	£32,000 (37.7%)	£36,000 (8.8%)
Lancaster	£29,000 (23.5%)	£34,000 (9.5%)
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Manchester Met	£25,000 (16.2%)	£29,000 (-1.7%)

#### **Bio Sciences** Allied med **£1.1 billion Business Creative arts** £90 million Education **Economics** Architecture Languages Agriculture English Comms Law Maths Medicine History Engineering **Phy Sci Social Stud**

### Around **£9bn** per cohort is spent on HE

#### **DISTRIBUTION OF GOVERNMENT SPENDING**

# How universities went on a building spree as tuition fees pour in

A spending spree on university buildings is great for research, but students may wonder if there are links to their debt



▲ The new library at Birmingham University has more than 40 miles of shelving and nearly 2,000 work stations. Photograph: David Sillitoe for the Guardian


## **Degree class shares**



## Graduate debt is a ticking time bomb, warns NUS president

Published: September 12, 2012 Posted in: Employers and recruitment, graduate debt, Graduate Jobs, Graduate unemployment, Politicians, Unpaid internships, Wages

## MILLIONS STRUGGLING TO REPAY "WEIRD" LOAN WILL CREATE "ECONOMIC CRISIS" IN YEARS TO COME

The president of the National Union of Students has warned that graduate debt is a ticking "time bomb" that could have a huge impact on the national economy in years to come.

Liam Burns told today's Metro he is concerned about the long-term impact of

student loans. Although students have decades to repay their debt, he expects



many to be keen to wipe the slate clean as soon as possible, even if that means delaying buying a house or having a family. He said: