

Debt in the first degree

Attitudes and behaviours of the first £9k fee paying graduates

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Foreword

This year's graduates are the first of potentially many participants in an elaborate experiment thought up by the previous Coalition Government and now continuing and expanding under the current Conservative government.

The experiment began three years ago when these graduates applied to university, but it does not end when they graduate: it lasts many years, even decades beyond this.

For these graduates were the first to pay up to £9,000 a year in fees for their undergraduate degree. There's nothing particularly different about the degree; it just costs *them* nearly three times as much.

So as these graduates begin to map out their futures, they do so laden with debt, so much that many of them will not pay it all back. What effect does this have on them? Do they think differently about their prospects to those just a year before them? Do they reflect on their degree and think it was worth the huge cost?

These are all questions we would like an answer to. They are questions that are not asked by the National Student Survey, which measures satisfaction as a stand-alone item, not as something related to its value to a student, or the price they had to pay.

Therefore, this report marks the beginning of our research into just how the Coalition's market experiment in higher education is impacting on the lives of students.

We have already shown in great detail the structural failures of this experiment. How the market has failed to improve quality or choice, has failed to save the taxpayer any money, and has devastated part-time study. But what has it done for the students who have been the government's guinea pigs in this experiment?

The Coalition wanted to test the limits of state withdrawal from higher education. Transfixed

by their own ideology, they attempted to impose market forces on universities with all the expectation that it would flourish and work in the public interest.

They were wrong: this year's graduates are evidence of this. The majority leaving having thought that their degree wasn't worth the cost in tuition fees, some wishing they hadn't bothered to go at all. So much uncertainty as they look to their future, rightfully worried at how their student debt might affect their lifestyles, down to key things such as saving up for a house or paying into a pension.

The current government should take note of this, particularly as they have already started cutting more of the support structures in place for students. The results of this survey ask questions of the decision to scrap the maintenance grant. The grant is a key driver in getting people from disadvantaged backgrounds into university and it gives them a fighting chance in tackling their debt when they leave.

This report is a critical piece of evidence to help students fight back against a tide of marketisation that is harming students and their universities. The Coalition have made an indelible scar on the higher education landscape. The evidence is clear. Government now must face the facts rather than passing the mistakes on to students or academic staff.

In unity,



Sorana Vieru, NUS Vice-President (Higher Education)

Executive Summary

NUS conducted a survey as part of its research into the attitudes and experiences of full-time students graduating under the post-2012 system of fees and loans, which has led to the majority of English students charged around £9,000 a year for their undergraduate degree.

2015 marks the first year that students under the new fee system will have graduated. We want to better understand what impact the higher fees and levels of debt may have had on their perceptions of their degree and their future prospects.

We found that the majority of new graduates had a good experience of university and valued many aspects of their degree. Despite this, the majority did not believe that their degree was worth the fees they were charged for it.

- 56% of graduates believed that their degree was not worth the cost of their tuition fees, with 17% believing it was worth considerably less.
- 1 in 20 graduates said that if they could go back, they would not have gone to university at all, citing cost of study and level of debt as the main reasons.

Many graduates were concerned about their levels of debt when leaving university and believe it will have an impact on their future lifestyle.

- 77% of graduates were worried or very worried about their student debt.
- 43% of graduates believe their standard of living would be affected by the cost of repaying their student loan; only 27% disagreed.
- Only 45% of graduates expect to fully repay their student loan debt.

While the majority of graduates seemed to understand the student loan system and its benefits in comparison to commercial debt, graduates from black and minority ethnic backgrounds seemed less well informed.

- A third of BME graduates believed that student loan debt was just as bad as other forms of debt such as bank loans or credit cards.
- BME graduates were also more concerned about the interest of student loans and much more likely to want to repay them as soon as possible.

The cost of study had an impact on the choices students made when applying and then during their study.

- Cost of study had an impact on choice of institution in 45% of cases.
- 29% of graduates said cost of study had a major impact on where they chose to live during term time and had at least some impact in 60% of cases.
- Almost two-thirds of graduates said that cost of study had an impact on whether they chose to work part-time.

We asked graduates what they would have done differently if they could go back.

- 45% believed that they would have tried harder in their studies.
- A considerable number said that they would consider changing their subject (28%) or their university (23%), often because their course didn't live up to what was marketed to them.
- 40% of graduates would have gone straight into work if they had not gone to university.

There are currently concerns about transition rates to postgraduate study. We found that the majority of graduates were at least considering postgraduate study, but finance and lack of information remain significant barriers.

- 60% of graduates were considering postgraduate study.
- Only half of graduates were aware of the government postgraduate loan scheme due to be implemented for 2016-17, but four out of five thinking of staying on would consider it as an option for finance.

We identified a number of key differences in the attitudes and behaviour of graduates with maintenance grants.

- Graduates who had received a grant were statistically less likely to consider not going to university because of the cost.
- 27% of grant recipients were not worried at all about their loan debt compared with 18% of non-recipients.
- Recipients of grants were considerably more likely to consider postgraduate study, by 67% to 54%.

Finally, we looked at how graduates voted at the General Election in May.

- Turnout was higher among graduates than the general public.
- Graduates voted disproportionately for Labour, but also with unusually strong support for the Green Party compared to the rest of the electorate.
- The most important issues were the NHS, jobs, and the economy. Tuition fees were only a major issue for a small but distinct minority.

About the Survey

Our survey aimed to capture the views of students who were eligible to pay tuition fees of up to £9,000. Responses were collected online during June and July 2015.

There were a total of 664 valid responses to the survey. All of these students identified as final year students graduating in summer 2015.

30 respondents to the survey identified themselves as not paying tuition fees. A further 17 respondents were Welsh students studying in England who therefore were receiving a partial fee subsidy from the Welsh government. Where necessary, these respondents have been omitted from the analysis.

The sample size of the survey is smaller than usual for similar NUS research. There have been a number of reasons for this. The actual size of the population we were aiming at was smaller than usual as we were only interested in graduates who began their course under the post-2012 fees system. The timing of the survey, albeit necessary to capture the views of students as they graduated, also meant that response rates were lower, as some students would no longer be checking their university emails and would be busy planning for their graduation and beyond.

The sample contained a disproportionate number of women respondents to men compared with the wider population. There were 511 women in the sample and 142 men. Two respondents thought of themselves in another way. We have therefore, where necessary, used a statistical weight to address this. The weight is based on HESA data to find the gender balance of the target student population, which is approximately 56% women students and 44% men students. The weighted sample contains 368 women and 285 men.

The sample contains a broad mix of higher education institutions and wide range of disciplines. There is also a fairly strong

representation of different ethnic groups, students with dependents and disabled students and we have highlighted instances where these particular groups appear to hold different attitudes and behaviours to other graduates.

We are, therefore, confident that the sample size and representativeness of the sample is sufficient to produce accurate results, and we have ensured that the results published in this report have been scrutinised with relevant statistical tests.

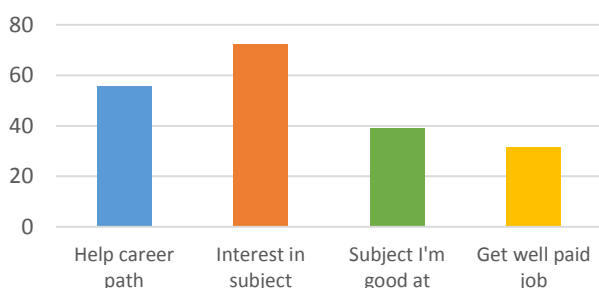
Before university

Motivations for study

We asked graduates to reflect on their reasons for choosing their particular course and university.

The most common reasons for choosing a particular subject were general interest in the subject (77%) and helping a career path (56%). Graduates of Science, Technology, Engineering and Maths (STEM) subjects were statistically *more* likely than in other subjects – by 42% compared to 29% – to have chosen their subject in order to get a well-paid job. Graduates of Humanities and Social Science (HSS) subjects were statistically *less* likely to have chosen their subject to help pursue a particular career path (49% of HSS students compared to 63% non-HSS). Graduates of arts subjects were statistically *less* likely to choose their subject in order to get a well-paid job (only 12% in arts compared with 35% in other subjects) but *more* likely to have taken the subject because they were good at it (cited by 51% of arts graduates compared to only 38% in other subjects).

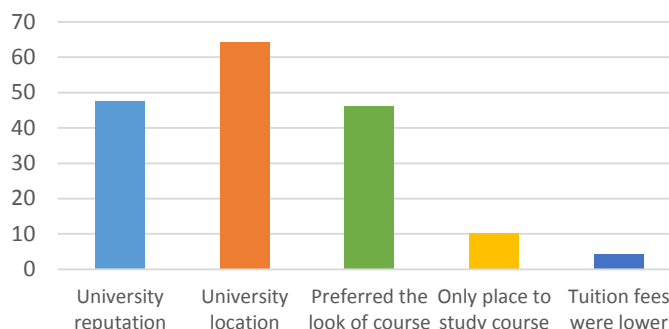
What were the main reasons why you chose to study your subject at university?



The most common reason for choosing a particular university was its location (64%), followed by the university's reputation (48%) and preference for the look of the course (46%). These results differed by type of institution, with location being more important

for lower-tariff institutions in TRAC groups C, D and E, and reputation being much more important in the high-tariff research-intensives in TRAC groups A and B.¹

What were the main reasons why you chose to study at your university?



Very few graduates said that they chose a university because their fees were lower. This is likely to be because of the lack of price competition in the sector, with most universities now charging the £9,000 maximum. However, there was a statistical relationship between TRAC groups and a student's choice based on fee level. The probability of students choosing an institution because of a lower fee increased as one moved down the TRAC groups from A to E (Group F was excluded due to small sample size).

¹ TRAC (Transparent Approach to Costing) is a methodology used by the higher education sector to cost activities. Based on an institution's submission to TRAC, they are placed in a peer group with other

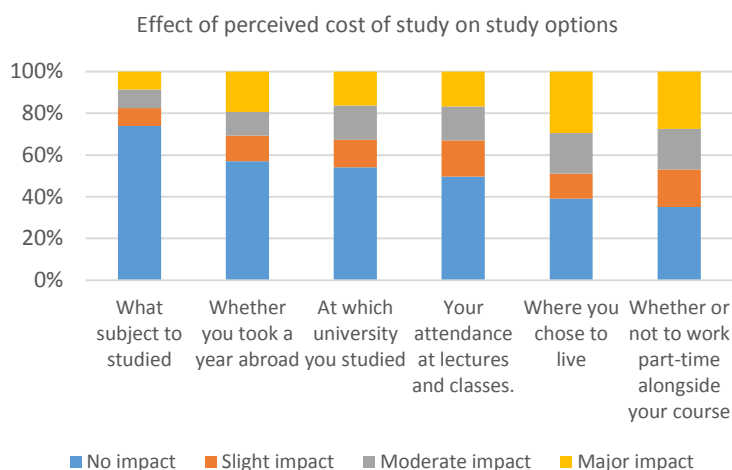
institutions of similar financial returns in order to allow benchmarking. See <http://www.hefce.ac.uk/funding/finsustain/trac/>

Does cost of study affect choices?

We were interested in what the post-2012 fee paying graduates thought about the cost of study when they were first preparing to go to university. We asked them how their perceptions of the overall cost of study impacted on the choices they made.

We found that perceptions of the cost of study were most likely to affect whether a student decided to work part-time alongside study and where they decided to live. Women graduates were statistically more likely to claim that cost had a major impact on these two particular options. In choosing whether or not to work alongside study, women were twice as likely to consider cost as having a major impact compared to men.

There were no major differences in the results by subject areas. However, graduates from independent schools showed a lower perception of impact on their choice of where to live and whether to work alongside study.



We also asked graduates about their initial perceptions of the cost. Around 10% said that they almost decided not to go to university because of the cost. A further 19% said that the cost made them consider whether or not to attend university. This group was more likely to be made up of students that were not eligible for maintenance grants. Only 7% of students with maintenance grants said that they had almost not gone to university because of the cost, compared to 12% of students without grants. This may indicate the importance of maintenance grants in lowering the associated financial risks of undergraduate study for students, thus increasing the likelihood of people from disadvantaged backgrounds attending university.

The true value of a degree

What do students value from their degree?

Students graduating under the post-2012 fee regime appeared to greatly value their degree, but a majority did not feel that its value matched the overall cost in tuition fees.

The vast majority of graduates thought that their degree increased their knowledge and skills. They were also likely to agree that it improved their job prospects, improved their ability to critically analyse the world, participate in society, enhance their social connections and give them confidence. They were least sure in its ability to help them choose the right career path or to empathise with others.

The results vary by subject areas. Arts graduates were the least likely to agree that their degree improved their chances of getting a job, and slightly less likely to agree that their degree improved their knowledge or skills. STEM students were less likely to agree that their degree helped them to empathise with others or to participate in society, while HSS students were most likely to agree that their degree helped them to participate in society.

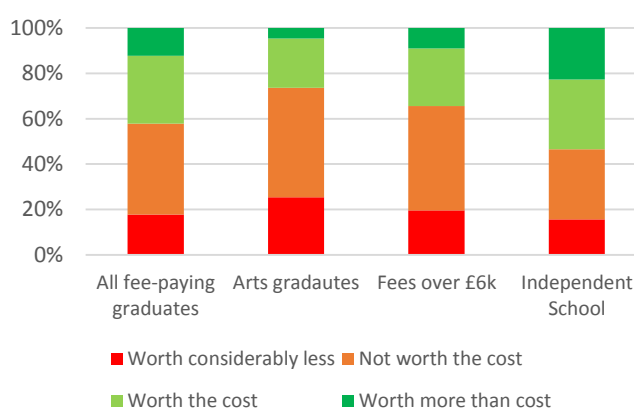
Does the value of a degree meet the cost in fees?

When asked to weigh up the above benefits against the overall cost of their tuition fees, 56% of graduates believed that their degree was not worth the cost of their tuition fees, with 17% believing that their degree was worth considerably less than the fee they paid. 41% believed that their degree was worth the cost.

When we compared those on fees above £6,000 to a control sample of other graduates who had paid lower fees, there was a statistically significant difference in the responses to the question. 64% of graduates on the higher fees believed that their degree was not worth the cost, compared to only 37% of those on lower fees.

There was no statistical difference between STEM and HSS graduates' perception of cost and value. However, graduates of arts subjects were more likely to believe that their course was not good value for the cost of tuition fees. 70% of arts graduates believed their course was not worth the cost of their fees, with 24% believing their course was worth considerably less.

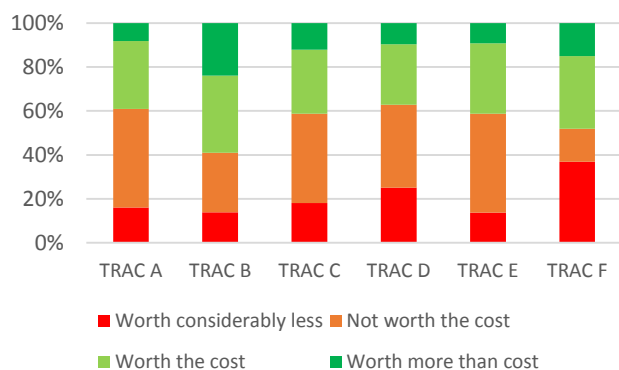
Perceptions of degree value compared to tuition cost



We also found a fairly strong positive correlation between attending independent school and believing your degree was worth the cost. This effect remains statistically significant after controlling for other important factors such as fee levels, subject, type of institution and gender. There could be a number of reasons for this effect, but a reasonable theory would be that students who have attended fee-paying schools are already accustomed to large costs being attached to their education, therefore changing their perceptions of cost against value when they attend university.

Graduates were most happy with the value of their degree in TRAC peer group B, which mainly includes research-intensive universities outside of the Russell Group. Around 24% of graduates at peer group B institutions thought that their degree was worth more than the cost of tuition, compared to just 8% of graduates in peer group A, made up mainly of highly-selective Russell Group institutions.

Perceptions of degree value compared to tuition cost - by TRAC university peer group



The main reason why graduates did not think their degree was worth the cost was the level of their fees, with 55% claiming it was high fees that made their course bad value, rather than anything particular wrong with the quality of provision. This is hardly surprising, when you consider that these graduates have been attending university alongside others who were under the previous fee regime paying considerably less than them for the same education. Students are aware that the government's decision to pass more costs on to the individual has not led to any obvious improvement in quality.

The link between high fees and perceptions of poor value was subsequently tested using regression analysis, which also found that high fees have a large negative impact on perceptions of value, along with how concerned graduates were about their student debt. However, there was a significant positive effect on value perceptions from graduate's attitudes towards their student loan terms. Those who believed that student debt was more favourable than other forms of debt were more likely to think that their course was worth the cost.

Of those who believed their degree was worth the cost, the most common reason (cited by 44%) was because they expected to benefit from it financially in the labour market. 32% believed their degree was worth it because they had a great experience at university.

Doing things differently

We were interested in knowing what graduates thought they would have done differently if they had the opportunity to go back and start their degree all over again.

If graduates could go back and start their degree again, they were most likely to want to work harder on their studies. 45% believed that they would have wanted to try harder in their studies.

A considerable number said that they would consider changing their subject (28%) or their university (23%). Graduates were most likely to consider switching university because they were not provided with the experience they were advertised, suggesting that some universities are getting away with mis-selling courses because of the difficulty in switching university. They were most likely to consider switching courses because they liked the look of a different one. 17% would have considered changing their accommodation.

34% would have liked to have spent more time socialising with friends. We cross referenced this with those who stated they wanted to work harder. As expected, it appears that these are mainly two separate groups of students, although 15% of students did claim to want to work harder as well as do more socialising, suggesting that this smaller group saw no conflict or detriment in having a work hard, play hard attitude to university.

A small but significant 5% of graduates stated that if they could go back, they would not have gone to university at all. We find it considerably worrying that one in twenty students would have chosen not to go to university at all, were they able to go back. When we asked this group of graduates to explain why they would not have gone to university, most gave reasons which related to the cost of study and the level of debt they had accumulated. Other reasons were that they felt they could have achieved more by going straight into work, or simply that university and the lifestyle just "wasn't for them".

Graduates were asked what they would have done if they had not have gone to university. The most common response (40%) was to have gone straight into work, followed by those who didn't know (27%). Just 4% would have considered going to a further education college.

Debt and future expectations

The impact of higher debt

We asked graduates to consider a number of different factors relating to the overall student loan debt accumulated from their degree and how it might affect their future decisions.

Most graduates were worried about their student loan debt: 28% were very worried, and just 22% were not worried at all. STEM graduates were the least worried and arts graduates the most worried.

Graduates who had been in receipt of maintenance grants were statistically less likely to be worried about their student debt. This suggests that grants have a positive effect on the wellbeing of students from less advantaged backgrounds, something which will disappear if the grants are scrapped.

Only 45% of graduates expect to fully repay their student loan debt. As things stand, graduates are perhaps a little optimistic. It is likely that almost 75% of graduates will not repay their student loan in full under the new system.²

When it comes to understanding the nature of student loan repayment, graduates generally appear confident that the terms of the loan are more favourable than other forms of private credit. Two thirds of graduates agreed or strongly agreed with the statement: "Student loan debt is not as bad as other forms of debt like a bank loan or a credit card." However, 59% were still worried about the interest they would have to pay.

We are concerned, however, about BME students' understanding of the student loans system. Across both Black and Asian minority groups, there appeared to be a strong belief that student loan debt was just as bad as other commercial forms of debt. 33% of BME graduates disagreed with the idea that student

loans were *not* as bad as other forms of debt, compared with just 13% of non-BME graduates, suggesting some confusion over how the loans system works. BME students were also more worried about the interest on the loans: 71% were concerned (37% very concerned) about the interest on student debt, compared to only 56% of non-BME graduates.

Around half of graduates agreed that they wanted to start paying off their loan as soon as possible. However, this was higher for BME graduates, with 70% wanting to repay as soon as possible, again raising some concerns over whether BME graduates fully understand the comparative benefits of income-contingent repayment and debt cancellation after 30 years.

There appears to be a real issue with how student loans are perceived by BME students, which may come down to information about the loans not being so well transmitted or received, or it may be a more systemic issue in financial information, advice and guidance not reaching minority groups. Whatever the cause, this could be having a serious effect on the way BME graduates plan their finances in the future, not to mention the added stress that they may be taking on.

Many graduates suggested that their student debt would have an impact on their future career and lifestyle choices. 43% of graduates agreed that their standard of living would be affected by the cost of repaying their student loan; only 27% disagreed.

It is particularly worrying that 66% of graduates thought that the repayment of their student loan would mean it would take longer for them to save up for a house, and 46% of graduates thought they would have to wait longer before paying into a pension. Home ownership and financial security in retirement are already being squeezed by lower wages and higher living costs, particularly for young

² Crawford, C. & W. Jin (2014) *Payback Time? Student Debt and Loan Repayments: What will the 2012 reforms mean for graduates?* IFS Report R93

people. Student loan repayment is very likely to aggravate this further, so graduates have a right to be concerned.

Even so, 52% of graduates expect their financial position to improve over the next year, compared with 30% who do not. There is a positive correlation between graduates who believed that their degree would help them find a well-paid job and graduates who expect their financial position to improve. There is a stronger negative correlation between graduates worried about their student debt and their expectations of their financial position.

Postgraduate study

Graduate attitudes towards postgraduate study are of considerable importance. NUS argued back in 2012, when this current cohort of graduates were just beginning their course under the new fees system, that postgraduates needed better access to finance.³ We called on the government to introduce a student loan scheme for masters students, and thanks to our members' lobbying and campaigning, from 2016-17 a new loan system will be in place.

However, with much higher undergraduate student fees and debt, there are concerns that this may act as a disincentive for graduates to consider taking on further student debt to undertake a masters degree. We asked graduates for their thoughts on postgraduate study and the possibility of taking out a postgraduate student loan.

We found that 60% of those graduating under the post-2012 system of fees and loans were considering postgraduate study.

We know that transition rates to postgraduate study are affected by a number of factors including social class, subject, and institution type. We therefore looked at the figures in more detail.

When analysing the results by school type, there was a difference between the intentions of graduates from independent schools

compared to state schools. 65% of graduates who studied at an independent school were considering postgraduate study compared with 58% of graduates who studied at state school. Graduates at high-tariff institutions also seemed slightly more likely to consider postgraduate study, although this was not a statistically significant finding.

Of the 40% that were not thinking of postgraduate study, the most common reasons for not continuing study were: they had had enough of studying (25%), they had already got a job lined up (19%), that they would not be able to afford the fees and/or living costs (16%), or that study was too expensive (12%).

| Why are you not considering PG study? | % |
|-----------------------------------------------------------------|-------|
| I have had enough of studying | 24.81 |
| I have a job lined up already | 19.18 |
| I won't be able to afford postgraduate fees and/or living costs | 16.16 |
| It's too expensive | 11.73 |
| I don't want to get into anymore debt | 7.23 |
| I don't need a postgraduate qualification for the job I want | 5.39 |
| I want to get a job straight away | 5.33 |
| I am concerned about my current levels of debt | 2.93 |
| My undergraduate results are not / won't be good enough | 2.8 |
| I don't see any value to gaining another qualification | 2.03 |
| I won't have the time / too many other commitments | 0.9 |
| I don't know | 0.3 |
| Other | 1.2 |

A further 10% said that they either didn't want to get into further debt or that they were too concerned about their current levels of debt to take on postgraduate study.

These results appear to indicate that perceptions about the cost of study and access to funding are a considerable factor in non-transition from undergraduate to postgraduate. This appears to be a greater barrier than the attitudes towards student debt. This is an important reason for providing better access to funding for students wishing to take up postgraduate study and curbing excessive fee increases on master courses.

³ NUS (2012) *Steps toward a fairer system of postgraduate taught funding in England*

When asked how they expected to fund a potential postgraduate degree, graduates provided a mixture of responses. The most common answer was to self-fund part or all of the costs through savings or wages. A third of graduates expected to take out a student loan for postgraduate study. However, as many as 40% of those who expected to take out a student loan were not aware of the government's proposals for a postgraduate loan scheme in 2016-17, suggesting that they may not have been fully aware of the current lack of student finance at postgraduate level.

Overall, the awareness of the government's plans for a postgraduate loan scheme in 2016-17 has potentially only reached half of graduates so far. However, when asked if they would consider taking out a postgraduate student loan on similar terms to their undergraduate loan, 82% of graduates thinking about postgraduate study said they would consider one as an option for funding a masters. This suggests a clear willingness to take on a postgraduate loan if it is on favourable repayment terms.

Graduates with Maintenance Grants

With government planning to scrap maintenance grants, we thought it would be worth taking a look at this year's graduates who benefitted from such grants to see if they had a measurable effect on attitudes and experiences. There were a total of 273 graduates in the sample who received a maintenance grant as part of their student funding package.

We found that graduates with maintenance grants were less concerned about their levels of student loan debt, possibly because the overall level of loan debt might be smaller due to the grant. 27% of grant recipients were not worried

at all about their loan debt compared with 18% of non-recipients. By scrapping grants and replacing them with larger loans, the level of student loan debt will increase considerably, meaning that future graduates could have much greater concerns about their debt when leaving university.

In terms of the maintenance grant's importance for encouraging participation in higher education, we found that graduates who had received a grant were statistically less likely to have concerns over the cost of study when applying to university. Only 7% of maintenance grant recipients nearly decided against going to university because of the cost, compared to 12% of non-recipients.

Maintenance grant recipients were more likely to see tuition fees as the main reason why their degree was not worth the cost they paid for it. This may suggest that maintenance grant students are more concerned than other students about tuition fee levels, despite being less likely to be put off university initially by the overall cost of study. With the removal of grants and potential fee increases in the future, students from disadvantaged backgrounds may begin to make different choices as individual cost increases along with the sticker price.

Recipients of grants were considerably more likely to consider postgraduate study, by 67% to 54%. They were also more likely to know about, and consider taking out, a new postgraduate student loan from government. This should immediately raise concerns about what might happen to demand for postgraduate study should grants be scrapped. Students from disadvantaged backgrounds are already less likely to go into postgraduate study. By removing grants and increasing loan debt, it may well further discourage poorer students from staying on.

Graduates at the General Election

Turnout

In the run up to the 2015 general election, there was a great deal of focus on how students would behave. Questions were raised about student turnout and whether the new individual registration system would lead to more students being left off the electoral register. There was also a debate over what issues mattered to students at the election and whether or not tuition fees and the broken pledge made by the Liberal Democrats would be a main driver in student voting behaviour.

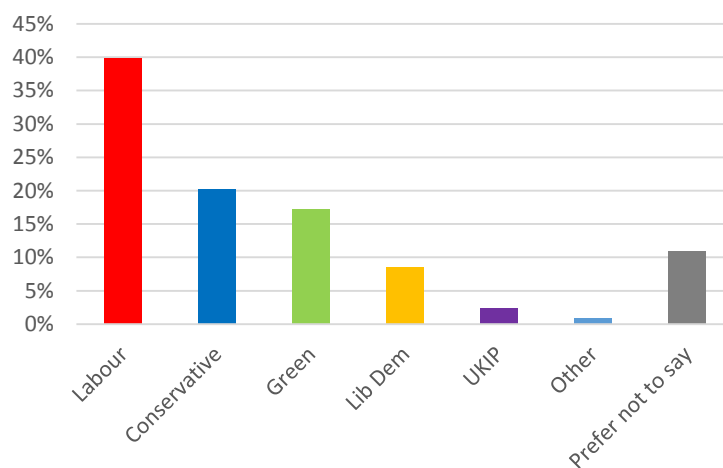
We found that a total of 74% of post-2012 fee paying graduates voted in the General Election, considerably higher than turnout for the wider electorate. A Youthsight exit poll of university students put turnout for all HE students at 69%, again higher than the wider electorate.

However, turnout was much lower for BME graduates (64%), particularly Asian graduates (55%). This is an issue that deserves further exploration in the future.

Voting Behaviour

In terms of party preference, graduates showed disproportional support for the Labour Party, taking 40% of the vote, with Conservative Party a distant second on 20%, and the Green Party close behind on 17%. Liberal Democrat support was reduced to 9%. In the 2010 general election, polling had student support for the Lib Dems at between 44% and 50%⁴, suggesting a far sharper fall in support compared to the rest of the population.

First Degree Graduates' vote at General Election 2015



Around 11% of voters preferred not to share who they voted for and it is unknown as to whether the voting behaviour of this group followed a pattern. There is some evidence that there may be a “shy Tory” effect here, with more Conservative voting students preferring to keep their vote private, thus deflating the visible Conservative support. YouthSight polling had Labour only 8% ahead of the Conservatives in the run up to polling day, so either there was a sudden surge for Labour (perhaps from a slight collapse of the Green vote, who were polling higher 8% higher than in the exit poll) or the real level of Conservative support is being suppressed by those who preferred not to answer.

Another hypothesis is that a disproportionate number of the “prefer not to say” voters are shy Lib Dems. This hypothesis is given some credibility by the results of the British Election Study post-election survey which had Lib Dem support among students at 16%, around 6% higher than non-students in the sample.⁵

⁴ Hillman, N. & Fisher, S. (2015) *Do students swing elections?* HEPI; <http://www.youthsight.com/student-vote-series-labour-dominated-the-student-vote-ukip-and-lib-dems-soundly-rejected/>;

⁵ BES 2015 Wave 6, data available at <http://www.britishelectionstudy.com/>

The results from graduates seem to follow the general voting behaviour of students, as shown by YouthSight's student exit poll for the 2015 general election, which put Labour on 39%, the Conservatives on 19%, the Greens on 13% and Lib Dems on 7%.⁶ A further 13% in their poll preferred not to say. This was, of course, a sample across the UK, whereas our survey was primarily of English domiciled students voting in English constituencies, thus suppressing support for Plaid and the SNP. But it nonetheless seems to show a similar picture, with Labour a clear favourite, disproportionately high support for the Greens, and huge falls in support for the Lib Dems.

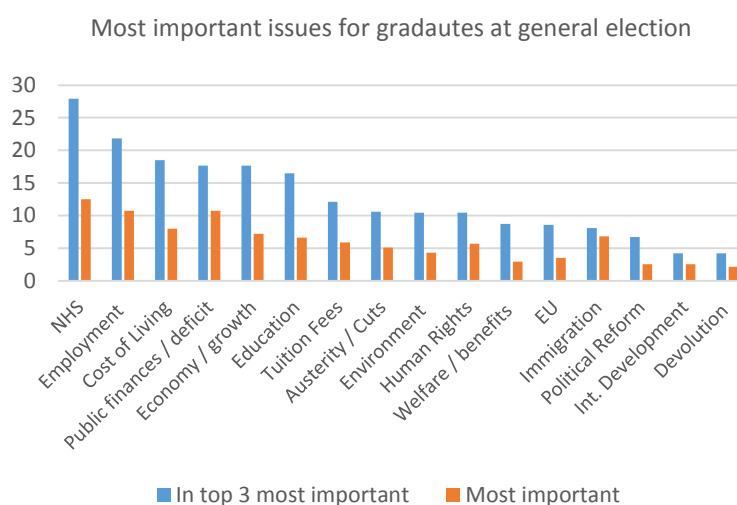
While there were no clear differences between the voting behaviour of men and women, we did find that BME graduates were far more likely to support Labour (69% BME to 35% non-BME) and far less likely to support the Conservatives (9% to 22%) or Liberal Democrats (1% to 10%).

Most important issues

Turning to look at the main issues that the 2015 graduates saw as important at the election, we found that, broadly speaking, the most salient issues corresponded to those of the wider electorate, with the major exception of immigration. While graduates followed the general trend of emphasising the importance of common valence issues such as the NHS, the economy and public finances, they tended not to see immigration as a major issue, in stark contrast to sections of the wider electorate. However, those in the minority who did see immigration as important were most likely to see it as their number one issue, which is common for "wedge" issues that are often politically divisive and controversial.

Employment and living costs also featured prominently as general election issues for the 2015 graduates who would have perhaps had a more heightened awareness of how such issues would affect them when they finished university.

Analysis of the British Election Study's post-election survey data also shows HE students at all levels of study citing general economic issues and the NHS as most important, with educational issues gaining little importance on aggregate. The BES 2015 data also shows a similar difference in the importance of immigration as an issue between student voters and the wider electorate. This suggests that these trends are identifiable across the student population and were not specific to our graduate cohort.



While education and tuition fees may have been a more prominent issue for the graduates compared to the wider electorate, they were certainly not anywhere near the most salient issues for them at the general election. This suggests that arguments which tended to see student voting behaviour as mainly a reaction to tuition fee policies may not correspond to how students behaved at the 2015 general election.⁷ A small but significant group of students did see fees as an issue and they mainly voted for the Greens or Labour, the two parties with explicit manifesto pledges either to cut or scrap fees. But this was a specific minority group of students who had observably different interests at the election; the majority of students did not consider fees to be a key issue and instead focused on more common valence issues.

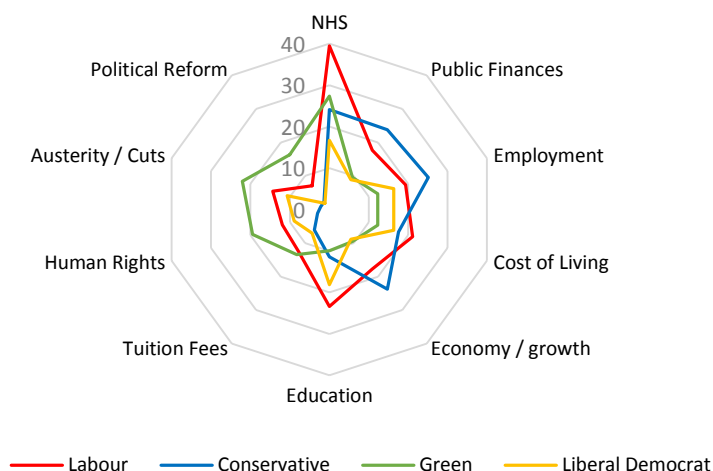
⁶ <http://www.youthsight.com/student-vote-series-labour-dominated-the-student-vote-ukip-and-lib-dems-soundly-rejected/>

⁷ See Hillman, N. & Fisher, S. (2015) *Do students swing elections?* HEPI

Many of the key issues at the general election were correlated with each other. Those who stated the budget deficit in the top three general election issues also put the economy up there too. Devolution and political reform were highly correlated, as are devolution and international development. Political reform and environment are also strongly correlated. The EU and international development were correlated, as were immigration and international development. Tuition fees as an issue is rather stand-alone; it is not strongly correlated with any other cited issues.

We cross-referenced the main issues of graduates with their party preferences and found some interesting contrasts. The NHS featured high up on the list for all of the parties, but was most important to Labour voters. Labour voters were also concerned about living costs and education. Conservative voters were most likely to be concerned about jobs, the NHS, the economy, and public finances. Green voters tended to be concerned with austerity, human rights, and, of course, the environment. Lib Dems were more likely to be concerned about educational issues, but not tuition fees.

Most important issues by party vote in GE2015



Conclusion

The NUS 2015 Graduates Survey has provided a rich evidence base to build on our understanding of how the new generation of students are responding to the higher level of fees and debt that they must accumulate in order to take advantage of higher education.

The results show how the myth of consumer empowerment is being questioned by graduates who, on reflection, are able to see that the quality of the student experience is not linked to the higher cost they paid. New graduates are feeling aggrieved and asking whether the cost really has any tangible link to the quality of a degree or the future benefits they will gain from it. In the arts in particular, there are considerable challenges to the idea that the cost of study is an investment that assures reasonable returns in the labour market.

Graduates are rightfully worried about their future, not only in terms of finding a graduate job, but also in how their finances will be affected by larger debts that the majority will be repaying until they are in their 50s. There are serious issues to consider, such as how our graduates today will manage in retirement, with pension income and home ownership constrained by long term student loan repayment.

We must, of course, reserve some caution, in that the first graduates under the new, and more expensive, system will always feel aggrieved. They have watched people in the year above them, and indeed others studying and then graduating alongside them who deferred entry or took a year abroad, gain pretty much the same education for almost a third of the cost. The question is whether graduates will continue to see such a mismatch between cost and value, and continue to worry so much about student debt, when they no longer have such a clear comparison to make.

However, time will not only play a part in sedimenting the system of high fees and debt

into place, it will also reveal the effects that long term student loan repayment could have on graduates. With the proposed freeze of the loan repayment threshold, incomes will be further squeezed by student debt. As graduates enter their 30s with tens of thousands of pounds of debt, while those before could have nearly wiped the slate clean, the concerns that graduates have today could very well be proven right, with serious economic, social and political consequences.

We urge government to take note of the views of students and the real concerns they have about student debt, particularly those from widening participation backgrounds. Cuts to maintenance grants in particular could seriously harm access, as our evidence suggests that students from poorer backgrounds may think again about university if they have to incur higher debts.

We urge institutions to take note that student satisfaction scores are not an indicator that students don't care how high their fees are. Students do care, especially as they have not seen higher fees lead to higher educational value. In certain courses, wider economic and social changes beyond an institution's control will make the cost of study harder and harder to justify.

We intend to continue our research of the 2015 graduate cohort in order to track how attitudes might shift as they enter the labour market or postgraduate study. We wish to see how student debt impacts on their lives after graduates begin to enter the repayment channel. In the meantime, we will also follow up this survey with qualitative analysis from focus groups.

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