Levels of debt among final-year dental undergraduates in the UK

Introduction

This ‘BDA Findings’ summaries learning from a recent survey of the financial circumstances of final-year dental students, focusing on their level of indebtedness and the composition of that debt at the end of their final year.

In May/June 2013, the BDA conducted a survey of final-year dental students about their financial circumstances, focusing on borrowing and debt. The survey included all final-year student BDA members for whom the BDA had up-to-date contact data available and where appropriate permission had been granted to receive communications from the BDA (N=654). Of these, 157 responded (a response rate of 24 per cent). Among these, some partially completed the survey (N=7), five were not UK residents, and two were not final-year students.

Among the final sample, 123 were undergraduate and 18 were graduate-entry students. They attended dental schools located across the UK – all four countries in the UK and a variety of English regions are represented in the sample.
Among all respondents,

- almost seven out of ten were female (68 per cent)
- eight out of ten were aged under 25 years
- over one quarter identified themselves as Asian or Asian British with around two-thirds identifying their ethnicity as White
- Most undergraduate students who responded came from more affluent or economically advantaged backgrounds; e.g. 60 per cent were from managerial or professional backgrounds

**Overall levels of debt**

- The average total debt among final-year undergraduate dental students completing their degrees in 2012/13 was £24,734 with 88 per cent of this consisting of student loans.
- Almost all (94 per cent) of undergraduate dental students completing their degrees in 2012/13 had some debt.

**Levels of debt from different sources**

- Almost all final-year undergraduate students’ final year debt consisted of outstanding student-loan borrowing (making up around 88 per cent of total average debt).
- Around three-quarters of undergraduate respondents (excluding Scottish domiciled students) had taken out a student loan to pay their tuition fees during their studies. On average, these students owed around £12,470 (N=74) in tuition fee loans by the end of their degree.
- Almost nine out of ten undergraduate respondents said they had taken out a maintenance loan to support them with their living and study costs, owing £16,197 on average (N=94). The average across all respondents, including those who held no debt from this source, was £13,968 (N=109).
- Altogether then, 52 per cent of undergraduate students in our sample had some commercial debt (from any source) and on average these students owed £3,079 to these sources (hire purchase, credit cards, commercial borrowing, and overdraft). The corresponding figure for
all students, including those with no commercial debt was £1,595. Overall, commercial borrowing made up about six per cent of students’ total final-year debt.

- More than one-third of undergraduate students in our sample said they had an outstanding informal loan of £100 or more to repay, owing on average £3,809 (or £1,416 across all cases, including those with zero debt from this source).

Perceptions of debt

- Dental students’ attitudes towards debt and what they count as debt is likely to vary according to the source of borrowing.
- Even when they did owe significant amounts of money from a variety of sources such as student loans, some respondents did not necessarily view themselves to be ‘in debt’.
- Most of those who did not perceive themselves to have any debts had previously reported having outstanding amounts to repay on student loan(s) for example.
- Around six out of ten undergraduate respondents said they were in debt and there were a minority of students who reported being particularly heavily indebted.

Future debt

To gauge what future levels of debt might be with the introduction of £9,000 tuition fees, we sought to estimate how much it could potentially cost an English-domiciled student to take an undergraduate dentistry course in England. We assumed that our hypothetical student commenced their degree in 2013/14, comes from a middle-income household, studies at a dental school outside London, and lives away from home.

If such a student borrowed the maximum amount available to them in loans for fees and maintenance, then they might expect to graduate in 2018/19 with a final-year debt of at least £60,786, with almost all of this consisting of student loan debt.
Suggestions for further research

The learning from the research reported here and in BDA (2013)\(^1\) point to a number of areas which would benefit from further research.

Student debt is a growing concern in dentistry, which is bound to increase in future years with the introduction of tuition fees of up to £9,000. The BDA needs to continue monitoring students’ financial circumstances (including, but not exclusively focusing on debt levels). This needs to take into account country-specific changes in funding regimes. How student funding regimes are designed and how they evolve have implications for the development of the UK dental profession. So it is important to periodically review each UK country’s funding regime and its cross-border hybrids.

A key question for future research in this area is how dental students’ attitudes towards debt mediate their borrowing decisions and vary according to their social, cultural and economic circumstances. Qualitative research could be conducted to better understand differences in students’ perceptions of debt and borrowing.

Another central question thrown up by our research is how students combine different sources of income to meet their study and living costs, how this varies according to students’ social and economic circumstances, and the role that borrowing plays in this mix. In particular, gaps in provision need to be identified and monitored and the BDA needs to learn more about how students from less advantaged backgrounds bridge those gaps, and the impact this has on their studies. Future research in this area needs to develop a better understanding of how borrowing practices fit into the diverse strategies that students adopt to finance their studies.

Further information


You can contact the British Dental Association’s research team at: Research@bda.org for further information about this research.