MONEY SHE

smart women invest

Breaking the **Graduate Trap**

A Fairer Deal Between Students, Workers and Pensioners - and Why Women Pay the Highest Price

By Gina Miller

Founder, MoneyShe | Co-Founder, SCM Direct

White Paper • March 2026

Executive Summary

England's student loan system is broken. Outstanding debt stands at £267 billion.[1] The average graduate leaves university owing £53,000.[20] For most, that debt grows faster than they can repay it.

Only a third of Plan 2 borrowers will ever clear the balance [13] - the rest pay 9% of their income for up to 40 years.

Women are hit hardest. Women now account for 57% of university students, yet lower earnings, career breaks, and the 9% graduate levy during their prime earning years directly reduce pension contributions.[6] The student loan system is not just unfair to young women - it is a pipeline that compounds pensioner poverty for women 30 years from now.

Meanwhile, the state pension triple lock costs £15.5 billion per year more than simple earnings-linked indexation. This White Paper proposes a six-part reform package:

1. **Abolish or sharply reduce tuition fees** for future students, funded through general taxation.
2. **Provide retrospective justice** for existing Plan 2 borrowers: reverse the threshold freeze, offer voluntary interest rate conversion, cap lifetime repayments, recalculate RPI-based interest, and refund overpayments.
3. **Reduce the Plan 5 repayment period** from 40 to 30 years.
4. **Replace the triple lock** with sustainable earnings-linked uprating.
5. **Protect vulnerable pensioners** through strengthened Pension Credit and a minimum income guarantee.
6. **Close the gender gap** across the lifecycle.

The incremental cost is £7.0 billion per year, roughly 0.3 - 0.4% of GDP. Pension uprating reform releases comparable savings. The reforms are fiscally credible, the evidence is robust, and the case for change is overwhelming.

[1] House of Commons Library (2026). Student loan statistics: England and UK. Research Briefing SN01079, updated Feb 2026
[20] Student Loans Company (2025). Student Loans in England: Financial Year 2024–25
[13] IFS (2026). 'How do Plan 2 student loans work, and how have they changed over time?' IFS Explainer, Feb 2026
[21] Martin Lewis confrontation with Chancellor Rachel Reeves, 31 Jan 2026, re Plan 2 threshold freeze
[6] Women's Budget Group (2024). Gender impact of student finance and pension policy
[4] OBR (2024). Fiscal risks and sustainability report 2024

Foreword from Gina Miller

For over 30 years, I have worked in financial services. I have spent my career helping people - and increasingly women in particular - take control of their money, invest wisely, and build the financial independence that gives them genuine freedom and choices.

When I founded MoneyShe, it was because I could see a stark and growing injustice. A gender investment gap that is not an accident, but the cumulative result of lower pay, career breaks for caring, and a financial services industry still not focused on equity and fairness.

With two of my children and many of their peers starting university in the last three years, I have become increasingly alarmed by another injustice that compounds all these problems: the student loan system.

Through MoneyShe, I meet young women doing everything right. They are educated, ambitious, working hard and thinking about their future. Yet they are trapped. They carry debts of £50,000 or more. They pay 9% of their income above a threshold that the government keeps freezing.

Their debt grows faster than they can repay it. And when I tell them they should also be saving into a pension, they look at me as if I am speaking a different language. The money simply is not there. **This is not just unfair. It is economically illiterate.**

We are systematically preventing the most educated generation in British history from building wealth during the years when it matters most. And women, who already face a lifetime of financial disadvantage, are hit hardest of all.

Meanwhile, the state pension triple lock guarantees that pensioner incomes rise every year by the highest of earnings, inflation, or 2.5%, regardless of what is happening to everyone else. I do not begrudge any pensioner a decent income. But I do question a system that automatically enriches one generation while loading ever-heavier costs onto another.

This White Paper proposes a way forward. It is not about robbing grannies to pay students. It is about a holistic policy approach that makes fair choices across generations and genders. The reforms are fiscally credible, the evidence is robust, and the case for change is overwhelming.

The time to act is now.

Gina Miller

Founder, MoneyShe | Co-Founder, SCM Direct | March 2026

The Problem: How We Got Here

£267bn	£16,000	£74,000	51%	40%
Student loan debt (England)	Cost of broken promises per graduate	Repaid by top half of graduates	Marginal rates for graduates	Women's pension gap versus Men

The scale of the debt

- Total UK student loan debt exceeded £292 billion by 2025, with England accounting for approximately £267 billion.[1]
- The average debt for 2024 English graduates reached £53,000.[20]
- Over 150,000 graduates owe more than £100,000, with some individual debts exceeding £250,000.
- Projections suggest the loan book could reach approximately £500 billion (in 2023–24 prices) by the mid-2040s.[26]
- In 2024/25, interest added to loans vastly exceeded repayments collected - the debt is growing, not shrinking.[20]

Three plans, three different injustices

	Plan 1 (pre-2012)	Plan 2 (2012-2022)	Plan 3 (2023+)
Repayment threshold	£26,065	£28,470*	£25,000
Interest rate	RPI or base+1% (lower of two)	RPI to RPI+3% (up to 6.2%)	RPI only (3.2%)
Write-off period	25 years	30 years	40 years
Threshold uprating	RPI	FROZEN to 2030	RPI from 2027
Max marginal rate (with tax + NI)	~40%	~51%	~51%
Govt expects full repayment	N/A	~32%	~56%
Average graduate debt	~£20,000	~£50,000+	~£50,000+

**Rising to £29,385 from April 2026, then frozen at that level until April 2030.[19]*

The IFS estimates that the highest-earning half of Plan 2 graduates can now expect to repay approximately **£74,000 in total** - vastly more than they originally borrowed, driven by compound interest at up to RPI+3%. These are not graduates who defaulted. They are the system's supposed success stories - and even they repay roughly 150% of what they borrowed.

Plan 2 graduates are arguably the worst-treated cohort in the history of English higher education. They face the highest interest rates of any plan, a repeatedly frozen repayment threshold, and a 30-year repayment period during which, for most, their debt grows faster than they can repay it.[13]

[1] House of Commons Library (2026). Student loan statistics: England and UK. Research Briefing SN01079, updated Feb 2026
[20] Student Loans Company (2025). Student Loans in England: Financial Year 2024–25
[26] DfE (2025). Student loan forecasts for England, Financial Year 2024–25
[19] GOV.UK (2025). Student Loans Interest and Repayment Threshold Announcement for Plan 2 and Plan 3 loans. Nov 2025
[13] IFS (2026). 'How do Plan 2 student loans work, and how have they changed over time?' IFS Explainer, Feb 2026

The generational cliff edge

IFS analysis shows that graduates who started university in 2022 can expect to repay approximately £20,100 more over their lifetimes than someone who started just one year later in 2023. This applies to the top-earning half of the 2022 cohort and represents more than a third increase in lifetime repayments, purely because of the accident of timing.[13]

The damage is even starker when measured against what these borrowers were promised. IFS estimates that middle-earning graduates from the 2022 cohort now face lifetime losses of approximately **£22,000** compared with the terms in place when they applied to university - **a cohort disproportionately made up of women in teaching, nursing, and public sector roles.**

The threshold freeze: a ‘stealth tax’

At the Autumn 2025 Budget, the Chancellor announced that the Plan 2 repayment threshold will be frozen at £29,385 from April 2027 until April 2030.[19] When Plan 2 was introduced, the government told students that the threshold would rise annually in line with average earnings. It was frozen at £21,000 from 2012 to 2018, prompting campaigner, Martin Lewis, to threaten judicial review.[21]

Combined with the freeze in income tax thresholds until 2031, graduates now face **‘double drag.’** The IFS estimates the freeze will cost the average 2022 graduate an additional £3,000 in lifetime repayments.[13]

The IFS finds that the combined impact of both freezes falls hardest on borrowers in the third decile of lifetime earnings - those earning around £30,000 – £35,000 - who can expect to repay approximately £5,000 more over 30 years. **These are precisely the teachers, NHS workers, and social care professionals who form the backbone of public services, and who are disproportionately women.**

HIDDEN POLICY CHANGE

The Autumn 2025 Budget also froze the interest rate thresholds for Plan 2 loans - the bands that determine how much interest is added to balances. The IFS notes this change was not mentioned explicitly in the Budget documents published by HM Treasury. The effect is a stealth increase in the interest rate for mid-earning borrowers. Graduates are not only being charged more; the government is not even telling them it is happening.

DEVOLUTION CONTRAST

Wales has explicitly refused to follow England in freezing the Plan 2 threshold, stating it has ‘no intention’ of applying the freeze to Welsh borrowers. This divergence is itself powerful evidence that the freeze is a political choice, not a fiscal necessity.

[13] IFS (2026). ‘How do Plan 2 student loans work, and how have they changed over time?’ IFS Explainer, Feb 2026
[19] GOV.UK (2025). Student Loans Interest and Repayment Threshold Announcement for Plan 2 and Plan 3 loans. Nov 2025
[21] Martin Lewis confrontation with Chancellor Rachel Reeves, 31 Jan 2026, re Plan 2 threshold freeze

The 51% marginal rate

Graduates earning above £50,270 face combined marginal deductions of 51%:

- 40% Income Tax
- + 2% Employee NI
- + 9% Student Loan Repayment.

With a postgraduate loan, this rises to 57% - higher than a millionaire pays on dividend income.[5] A graduate earning £50,000 keeps just 49p of every additional £1 earned, compared with 58p for someone on the same salary without a student loan.

The RPI interest rate scandal

- RPI is a discredited inflation measure - the ONS itself advises against its use for new purposes, yet it remains the basis for student loan interest [23]
- A 2018 Treasury report found 'no justification' for using RPI instead of CPI, and that charging interest while students are still studying is 'punitive' [18]
- A typical graduate needs to earn at least £66,000 per year before their repayments exceed the interest accruing on their loan
- When RPI surged above 13% in 2022, an emergency cap had to be introduced - proving the system was never designed for real-world conditions
- The interest rate operates in reverse of commercial lending: higher earners are charged MORE interest, not less. **No FCA-regulated lender would be permitted to operate on these terms.**

[5] House of Commons Library (2026). Student loans: Interest rates and repayment thresholds FAQs. Updated Feb 2026
[23] ONS (2018). Reclassification of student loan accounting treatment
[18] HM Treasury (2018). Review of RPI and student loan interest methodology

Why this constitutes a ‘trap’

Economically inefficient

The 51% marginal rate suppresses consumption, saving, homeownership and family formation among a key productive demographic. The lower threshold under Plan 5 (£25,000 vs £28,470) means deductions begin at barely above full-time minimum wage.[5]

Socially regressive

Students from wealthy families can avoid the system entirely by making an upfront payment, while peers on identical salaries pay 9% extra over 30–40 years. Lower- and middle-earning graduates pay for decades but never clear their balance, while high earners clear quickly and stop paying.

Gender-biased

Women earn approximately 14–15% less than men on average, are more likely to work part-time, and take longer career breaks for caring.[6] They are therefore more likely to remain in repayment for the full 30–40 year term without ever clearing the balance. Single mothers carrying student debt face particularly acute financial pressure.

Psychologically damaging

Graduates describe feeling ‘demoralised’ and ‘misled’; many believe their loans were mis-sold.[12] The growing balance despite monthly payments creates ‘learned helplessness.’ Graduates who feel trapped are less likely to invest, save into pensions, become entrepreneurs or plan financially.

The result is that emerging evidence shows student debt is a factor in the rising emigration of young, talented British professionals.

A FINANCIAL SERVICES PERSPECTIVE

The government itself only expects about one-third of Plan 2 graduates to repay their loans in full. For the remaining two-thirds, the system is a badly designed, opaque graduate tax - one no consumer lender would be permitted to operate under FCA regulation.

[5] House of Commons Library (2026). Student loans: Interest rates and repayment thresholds FAQs. Updated Feb 2026
[6] Women’s Budget Group (2024). Gender impact of student finance and pension policy
[12] LBC / YouGov (2026). ‘Graduates slam unfair student loan interest rates.’ Feb 2026

The Lifecycle Trap: How Student Debt Increases Pensioner Poverty for Women

The double bind

The student loan system does not merely disadvantage women during their working years - it directly exacerbates the pension gap that then hurts them in retirement.

- The 9% student loan deduction reduces income available for pension contributions during a woman's prime earning years (25–45)
- Career breaks for caring further reduce both earnings and the window for pension saving
- By the time the student loan is written off (age 51–55 for most women), the compound growth opportunity has been lost
- Women accumulate roughly 40% less pension wealth than men by retirement [6]
- Women are more reliant on the state pension and live longer, requiring resources to stretch further

THE MONEYSHE INSIGHT

The student loan system is not just unfair to young women - it is a pipeline that manufactures pensioner poverty for women 30 years from now. Reform is not merely about fairness to today's graduates; it is about preventing the next generation of women from retiring into hardship.

Three women, three traps

Sarah, 28, primary school teacher (£32,000)

Plan 2 graduate. Pays £35 per month in student loan repayments, but her balance has grown from £46,000 to £52,000 since graduation. Cannot save for a house deposit. Her student loan deductions reduce her mortgage eligibility by approximately £15,000. She has made no pension contributions beyond the auto-enrolment minimum.

Priya, 34, NHS manager (£45,000)

Returned to work after maternity leave. Paying £124/month in student loan repayments plus £1,200/month in childcare. Her combined marginal rate means that working overtime adds only 49p to every £1 earned. She has paused her additional pension contributions.

Kezia, 24, graduate trainee (£26,000)

Plan 5 graduate, first in her family to attend university. Will begin repayments in April 2026 and will pay for potentially 40 years - until she is 64. She has no savings and is not yet enrolled in a workplace pension.

THE POWER OF STARTING EARLY

Two women each invest £150 per month at a 5% real annual return. Woman A starts at age 25 (40 years old): invests £72,000 and accumulates approximately £183,000.

Woman B starts at age 35 (30 years old): invests £54,000 and accumulates approximately £100,000. Starting 10 years earlier results in almost double the final pot. This is why freeing income from student loan deductions in a woman's 20s and 30s has such a transformative long-term impact.

[6] Women's Budget Group (2024). Gender impact of student finance and pension policy

The Solution: A Six-Part Reform Package

1. For future students: abolish or sharply reduce tuition fees

- Restore meaningful maintenance grants targeted at low- and middle-income students
- Replace graduate loan charges with direct public grants to universities, funded through progressive general taxation
- Remove or convert the 9% graduate repayment charge into a transparent, time-limited contribution with clear endpoints (maximum 20–25 years)

2. For existing Plan 2 borrowers: retrospective justice

Measure A: Reverse the threshold freeze

Re-link the Plan 2 repayment threshold to average earnings growth, as originally promised. Abandon the 2027–2030 freeze. Wales has already done this.

Measure B: Voluntary interest rate conversion

Allow existing Plan 2 borrowers to voluntarily opt into Plan 5 interest terms - RPI only (currently 3.2%) rather than RPI+3% (currently up to 6.2%) - in exchange for an extended repayment window. HEPI and University Watch have both endorsed this approach.

The fairness of this conversion is underscored by IFS analysis: under Plan 5 terms, graduates would not be expected to repay more than they borrowed in real terms, even if they go on to become high earners. Under current Plan 2 terms, high earners repay approximately £74,000 on a £50,000 debt. The conversion simply asks: should graduates be charged real interest, or punitive interest? The answer should be obvious.

The ONS has confirmed that this measure could reduce government borrowing.[23]

Measure C: Lifetime repayment cap

Cap total lifetime repayments at 1.2x the original amount borrowed in real terms (adjusted for CPI).[15] This gives borrowers a clear, tangible target — converting an open-ended obligation into something with a defined finish line.

Measure D: Retrospective interest recalculation

For borrowers charged interest based on the discredited RPI measure at rates exceeding the prevailing market-rate cap, recalculate balances using CPI as the base index.[23] The difference between RPI and CPI has typically been 0.5–1.0% annually; over a decade of compounding, this represents thousands of pounds per borrower.

Measure E: Proactive overpayment refunds

Require the Student Loan Company to proactively identify and refund all historical overpayments - an estimated 5 million - rather than placing the burden on individuals to claim.[11]

[23] ONS (2018). Reclassification of student loan accounting treatment
[15] HEPI (2026). 'Three ways to tackle the current student loan crisis.' Feb 2026
[11] Martin Lewis / MoneySavingExpert (2026). 'On a Plan 2 Student Loan? The Govt is freezing the repayment threshold.' Blog, Jan 2026

Measure	Estimated annual cost	Fiscal note
Reverse threshold freeze	~£400m (foregone revenue)	Restores original terms; Wales is already doing this
Interest conversion	Potentially net positive	ONS: lower interest + more repayment = lower PSNB
Lifetime repayment cap	Medium-term: low	Provides certainty; reduces distortionary behaviour
Interest recalculation	One-off balance adjustment	Aligns with ONS guidance on RPI
Overpayment refunds	One-off: ~£500m–£1bn	Already owed to borrowers

What existing borrowers have already lost

Borrower profile	Years paying	Approx. paid	Current balance	Original debt
Teacher, £32k, started 2012	13 years	~£10,400	£54,000+	£40,000
NHS worker, £40k, started 2015	10 years	~£12,500	£56,000+	£42,000
Solicitor, £65k, started 2012	13 years	~£40,000	Cleared	£38,000
Part-time worker, £22k	10 years	£0 (below threshold)	£58,000+	£44,000

The solicitor on £65,000 cleared their debt and stopped paying. The teacher and NHS worker will pay for 30 years and never clear their balance. The part-time worker - disproportionately likely to be a woman - has paid nothing yet watched her balance grow by £14,000 in interest alone.

3. For existing Plan 5 borrowers: term reduction

- Reduce the Plan 5 repayment period from 40 years to 30 years
- Raise the Plan 5 threshold to align with Plan 2 by 2030

4. Reform the pension triple lock

The triple lock guarantees the basic state pension rises each year by the highest of average earnings growth, CPI, or 2.5%. It has proven far more expensive than anticipated. The OBR now projects it will cost £15.5 billion per year more than earnings-only indexation by 2029/30 - three times its original estimate.[24] Over the next 50 years, it will push up state spending by around 1.6 % of GDP.[4] State pension spending alone was £146 billion in 2025/26.

[24] OBR (2025). Fiscal Risks and Sustainability Report. Cost of triple lock projected at £15.5bn/year more than earnings-only by 2029/30
[4] OBR (2024). Fiscal risks and sustainability report 2024

WHY THE YOUNGEST ARE MORTGAGING THEIR FUTURES

The intergenerational arithmetic is stark. The state pension costs £146 billion per year [10] - funded entirely by today's workers through taxation and National Insurance. The ratio of workers to pensioners is declining from 3.2:1 today to a projected 2.5:1 by 2050.

Each working-age person bears an increasing share of this cost. Meanwhile, the triple lock guarantees pensioner incomes rise in real terms regardless of whether the workers funding it see any real wage growth at all. Since 2012, real wages for working-age people have barely recovered to pre-financial-crisis levels.[7]

At the same time, those same young workers are paying 9% of their income above the threshold to service student debts that grow faster than they can repay. They face the highest housing costs in history. They are the first generation expected to be less wealthy than their parents at the same age. The triple lock ensures one generation's living standards rise automatically while another's is squeezed from every direction. Is this really fair?

Proposed reform

Replace with triple lock earnings-linked uprating or a carefully designed double lock (higher of earnings and inflation, removing the 2.5% floor).[25] The British Progress Foundation estimates a reformed lock could save £6.2 billion per year by 2030.[28]

1. Redirect savings towards higher education and training investment

2. Embed regular parliamentary review mechanisms every five years

COULD A REFORMED TRIPLE LOCK PAY FOR A REFORMED STUDENT LOAN SYSTEM?

Yes. The numbers are striking. The OR projects that the triple lock will cost E15.5 billion per year more than earnings-linked uprating by 2029/30. The incremental cost of replacing tuition fees with tex funding is 7-10 billion per year. Moving to a smoothed earnings link would save approximately £6.2 billion per year by 2030.

Even a modest reform removing just the 2.5% floor to create a double lock - would release substantial savings. The question is not whether we can afford to fix this. It is whether we can afford not to.

5. Protect vulnerable pensioners

- Strengthen Pension Credit with proactive outreach and simplified applications [10]
- Establish a minimum income guarantee for older people, separate from the main uprating mechanism
- Ring-fence and enhance housing, disability, and caring support for low-income pensioners
- Gender-sensitive implementation: target communications at older women, carers, and single pensioners most likely to be in poverty

[10] DWP (2024). Pensioner income trends and the triple lock. DWP Analysis
[7] Resolution Foundation (2024). Intergenerational fairness and the lifecycle tax burden
[25] IFS (2025). 'What are the effects of the triple lock and how could it be reformed?' Oct 2025
[28] British Progress (2025). 'Fix the triple lock to save it.' Projected savings of £6.2bn/year by 2030 from reformed lock

6. Close the gender gap across the lifecycle

- Removing the 9% graduate charge frees income for pension contributions during women's prime earning years
- Sustainable pension reform with robust low-income protections targets support where most needed
- Universities should introduce financial literacy programmes for all Year 1 students
- Require the government to conduct a mandatory gender impact assessment of any future changes to student loan repayment terms
- Exempt women returning from career breaks for caring responsibilities from student loan repayments for the first 12 months of re-employment

Making It Happen

The fiscal case

The £292 billion student loan book is an accounting asset representing expected future repayments, not cash. The government already anticipates that 30–45% of loan value will never be repaid (the RAB charge for Plan 2 is 32%).[26] The relevant question is not 'How do we recover £292 billion?' but 'What is the annual net public cost of providing higher education, and how should it be raised?'

Once existing write-offs, subsidies, and foregone revenue are netted off, the incremental cost of a largely tax-funded model for England is estimated at £7–10 billion per year = roughly 0.3–0.4% of GDP.[3] UK annual tax receipts exceed £1 trillion; total public spending exceeds £1.2 trillion. This is a question of political choice and distributional fairness, not absolute affordability.

Phase	Timing	C
Phase 1: Immediate relief	Years 1–2	Raise Plan 2 and Plan 5 thresholds, link to earnings. Launch the interest conversion option. Enhanced maintenance grants. Announce pension reform.
Phase 2: Structural transition	Years 2–4	Reduce fees to the interim level (£3,000–£6,000). Transition triple lock to double lock. Implement retrospective relief. Strengthen Pension Credit.
Phase 3: Full reform	Years 4+	Abolish or minimise fees. Remove or convert 9% charge. Embed regular review mechanisms. Complete retrospective interest recalculations.

International context

England's system is an outlier among comparable European economies. Scotland charges no fees to Scottish students. Germany charges no fees. Australia's HECS-HELP system demonstrates that income-contingent loans CAN work fairly: interest is indexed to CPI (not RPI+3%), average debt is substantially lower, and the system enjoys broad public legitimacy.[9]

Most OECD countries link state pensions to wages, prices, or a blend of the two, but few have an automatic ratchet equivalent to the triple lock.

[26] DfE (2025). Student loan forecasts for England, Financial Year 2024–25
[3] London Economics (2023). The cost and benefit of alternative approaches to student finance. Report for Universities UK
[9] OECD (2024). Education at a Glance 2024: OECD Indicators

Recommendations

For Government

1. Commission HM Treasury and DfE to model phasing out the 9% graduate charge over 5–10 years [2]
2. Immediately reverse the Plan 2 threshold freeze and index to average earnings growth
3. Launch the voluntary Plan 2-to-Plan 5 interest conversion within 12 months [22]
4. Introduce a lifetime repayment cap of 1.2x original borrowing in real terms [15]
5. Commission the SLC to recalculate balances using CPI rather than RPI
6. Mandate proactive overpayment refunds within 12 months of enactment
7. Announce a clear timeline for transitioning from triple lock to earnings-linked uprating [25]
8. Establish an independent commission to review HE funding and pension sustainability every Parliament

For Universities

- Prepare for transition by engaging with the government on direct funding models
- Introduce financial literacy programmes for all Year 1 students

For Employers and Financial Services

- Promote financial education and workplace pension enrolment, including a specific programme targeting young women
- Recognise that student loan deductions affect mortgage affordability and pension contribution capacity

For Individuals — Particularly Women

- Start investing early: even small, regular contributions to pensions and ISAs compound powerfully
- Check for overpayments: over 1 million were recorded in 2024/25[11]

[2] IFS (2024). Higher education funding and student finance in England. Briefing Note BN234
[22] HEPI (2026) and University Watch (2026). Proposal to allow voluntary Plan 2 to Plan 5 conversion
[15] HEPI (2026). 'Three ways to tackle the current student loan crisis.' Feb 2026
[25] IFS (2025). 'What are the effects of the triple lock and how could it be reformed?' Oct 2025
[11] Martin Lewis / MoneySavingExpert (2026). 'On a Plan 2 Student Loan? The Govt is freezing the repayment threshold.' Blog, Jan 2026

Conclusion

The current settlement is neither fair nor sustainable. The IFS, HEPI, Martin Lewis, the NUS, campaigners, commentators and the public are all converging on the same conclusion: **the system is broken.**

What is missing is a unified reform proposal that addresses not only the future of higher education funding but also the injustice already suffered by those who have been paying under unfair terms for over a decade. This White Paper aims to fill that gap.

Reform is unavoidable. The choice is whether politicians continue tinkering or manage it deliberately.

OUR COMMITMENT

'Breaking the Graduate Trap' offers a route to a fair settlement: a balanced package that is fiscally responsible, intergenerationally fair, and sensitive to the challenges women face across their lifecycle.

It reflects MoneyShe's founding mission: to empower women with the tools, knowledge, access, fairness and systemic conditions to achieve genuine financial independence.

Gina Miller, Founder, MoneyShe

Appendix A
Anticipated Objections and Responses

“This is unaffordable”

The incremental cost is £7–10 billion per year — roughly 0.3–0.4% of GDP.[3] Pension uprating reform releases comparable savings.[24] The retrospective relief package adds approximately £400 million annually (threshold unfreeze) with other measures being one-off or potentially fiscally positive.

“This punishes pensioners who have worked hard”

Reform protects low-income pensioners through targeted benefits and a minimum income guarantee. It moderates blanket generosity that disproportionately benefits better-off pensioners. Younger workers have also ‘worked hard’ and face higher lifetime tax burdens, housing costs, and debt.[7]

“Students will just waste free education”

UK graduation rates and employment outcomes are strong. Other countries with low or no tuition fees — such as Scotland, Germany, and Scandinavia - have excellent participation and completion rates.[9]

“This is just robbing grannies to pay students”

This is a balanced package: sustainable pension uprating plus robust protections for vulnerable older people. It addresses a structural imbalance where one generation enjoys guaranteed real-terms income growth while another faces decades of high marginal taxes.

“Women benefit from the triple lock, so this hurts them”

Older women in poverty are protected through targeted measures. Younger women are the primary beneficiaries of removing the graduate charge. The current system creates a lifecycle trap: high deductions when young, inadequate pensions when old. Reform addresses both ends.

“Existing borrowers agreed to the terms”

They agreed to terms that included an earnings-linked threshold and specific interest rate methodology. Those terms were subsequently changed to their disadvantage by regulation.[17] In any other consumer context, changing the terms of a financial product after sale without consent would constitute mis-selling.

“The write-off protects borrowers, so no relief is needed”

The 30-year write-off is not a safety net - it is a design feature. The write-off does not address the decades of reduced disposable income, suppressed savings, and psychological distress that precede it.

“Retrospective changes are too complex to implement”

The SLC already holds complete records of every borrower’s loan history. Recalculating balances is a computational exercise, not a policy impossibility. HMRC and SLC already operate five different repayment plans simultaneously.[16]

[3] London Economics (2023). The cost and benefit of alternative approaches to student finance. Report for Universities UK
[24] OBR (2025). Fiscal Risks and Sustainability Report. Cost of triple lock projected at £15.5bn/year more than earnings-only by 2029/30
[7] Resolution Foundation (2024). Intergenerational fairness and the lifecycle tax burden
[9] OECD (2024). Education at a Glance 2024: OECD Indicators
[17] GOV.UK (2026). Student loans: a guide to terms and conditions 2025 to 2026
[16] Student Loans Company (2025). Student Support for Higher Education in England 2025

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smart women invest

Michelin House, 81 Fulham Road, London, SW3 6RD

enquiries@moneyshe.com | moneyshe.com

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