

student finance

Laurence Crutchlow explores an age-old issue

A look back into the archives of *Nucleus* soon reveals that money has been a concern for students since the inception of the journal in the 1970s. The first article published predates the birth of the present author, and there have been numerous items printed since. A significant amount of Jesus' recorded teaching is on money, so *Nucleus* makes no apology for revisiting an important issue that often looms large in the concerns of medical students of all faiths and none.

Many students anecdotally claim to struggle with money on a day-to-day basis. Learning to be financially independent may be difficult in any case, but the pressures of low income during the university years make this more acute. There are wider concerns that increased levels of student debt may make those who are more debt averse less likely to study medicine. This may lead to a narrowing of the social groups from which future doctors are drawn.

rising debts

An interesting exercise is a comparison of levels of student debt reported by the British

Medical Association (BMA) student finance survey in the past. The average debt incurred by the time someone left medical school in 1995 was reported as £4,273.¹ Adjusted for inflation, this would have represented £5,854 at 2007 values.² However, the same figure from the comparable survey in 2007 (the last year for which figures are available) is £21,057. This represents a near fourfold increase, or an annual rate of 11.3% in real terms.³

Given that spending on education has increased over recent years, why should this be? The government has set a target of 50% of school-leavers undertaking higher education.⁴ Increased student participation means that available funding is more thinly spread. The abolition of student grants, coupled with the introduction of tuition and now top-up fees has significantly increased the costs of being at medical school, even though some costs are deferred until after graduation.



Many would argue that medical students face specific pressures. Longer courses mean more years at university where borrowing may be needed. Long hours during term-time (and shorter holidays later in the course) reduce the scope for part-time work. Professional clothes for the wards and perhaps a car when on far-flung attachments all increase costs.

Salaries for UK doctors have not kept pace with increases in debt. The current basic starting salary of a foundation year one doctor is £21,862.⁵ This is just slightly higher than that offered to teachers and nurses, who spend fewer years at university, although may face similar financial pressures during their courses. Out-of-hours supplements often increase this salary substantially, but trends to reduce junior doctors' working hours have left an increasing number earning just this basic salary for at least part of their first foundation year.

Although the situation for medical students in the UK has worsened, it is still better than for many others. Average final year medical student debt in the

USA was recently reported as \$139,517 by the American Medical Association.⁶ The figure for Canada is little better at around C\$100,000. Although starting pay is comparatively low in medicine, considerably higher final salaries are achieved by many doctors than would be available in teaching or nursing.

how do we respond?

Such figures may make grim reading, but also raise questions for today's student. What does the Bible have to say about debt? How can I minimise the debt I build up? How can I pay it off quickly once I am earning? How can I help future generations of students who might be worse affected? Is there anything I can do politically?

It should not surprise us that there are times when we have less money than others. The Bible is clear that there will always be some inequalities.⁷ Debt crises are not new. Nehemiah came upon such a problem whilst rebuilding the walls of Jerusalem.⁸ Here it appears that lending was being undertaken on unfair terms, breaking the rules set out previously.⁹ Nehemiah was quick to act. The clear ban on the taking of interest from fellow Jews was being ignored. It is



clear that taking on debt in difficult times was permissible.¹⁰ Although the Bible sets terms for lending within ancient Israel, we are not given any choice about the terms on which we borrow from the Student Loans Company. Although not necessarily in accordance with what we see in Leviticus, student loan terms are more generous than those available commercially.

we can exercise some control over borrowing

Although we may not be able to avoid some degree of debt, we can exercise some control over the amount we borrow. The huge variations in amounts of debt reported by the BMA student finance survey suggest that it is not only parental income and city of study that influence total debt. Some undoubtedly choose to borrow, assuming that they'll have plenty of money later. An anonymous student quoted by the BMA states 'I felt I'd rather live well as a student and borrow from the bank knowing I should easily afford repayments when I start working'.¹¹ It is easy to take this mindset, feeling that as we are likely to end our

student days in debt in any case, we shouldn't take too much notice of the total amount.

how can we reduce our debts?

increasing income

This may be possible even as a student. There are relatively long holidays early in the course - at least part of which could be used for paid work. Some may find that studies permit part-time work at evenings and weekends, but this needs to be considered carefully, and may be difficult in the clinical years. Working as a medical secretary or as a nursing auxiliary may make use of skills being learnt during the course.

It is important to ensure we are receiving the maximum support available in terms of loans and grants - particularly by re-assessing this if ours or our parents' circumstances change. There may also be other sources of money such as prizes or scholarships available. Sometimes charities or trusts at our home location may offer support.

reducing expenditure

Not all students spend sensibly.

I had one friend at medical school whose telephone bill whilst on elective ran into four figures, and another who paid every morning for a two minute bus journey to avoid walking the short distance from halls to campus.

Rent and travel are often our biggest outlays. We need to consider our choice of accommodation carefully in the light of cost. It may be possible to cycle rather than use the more expensive bus. If we have to run a car in the clinical years, we may save several hundred pounds by shopping around for insurance.

Avoiding smoking and being sensible about alcohol intake will help our budgets considerably. Pooling expenses with others (particularly on food) may make a big difference. Keeping a careful record of expenses is simple enough. We may be surprised what we are spending, and identify areas in which to cut back if there are problems.

borrowing carefully

There are limits on the amount of money that can be borrowed on favourable terms from the student loans company. Particularly for students who

are older or have already done a degree, there may be a need to look at other sources. The BMA and some banks will lend money specifically to medical students - at higher rates than those of the student loan company, but often more cheaply than would otherwise be available.

we should give according to what we have

Most banks will also allow students a considerable overdraft at little or no interest. Credit cards are often available to students, but remain a very expensive way to borrow, so should ideally be used as a last resort.

The amount and type of debt we incur will have implications for the future. Debt owed to the student loan company is only paid back if our income is over a certain threshold. However, other debt has to be paid back regardless - which may pose problems if we want to spend time at bible college after medical school, for example. This means that we should be especially careful about taking on further debt once we have

exhausted our student loan, and plan carefully how we might pay it back.

where does giving feature?

We may ask whether we should be giving at all if we are struggling financially, and when much of our money is borrowed. Although poorer than some around us, we are also richer than many in other parts of the world. We see that the Levites tithed their own limited income,¹² and many churches today do the same.

Certainly any actual *income* (as opposed to loans) we have should be considered something that we should give from, generously and cheerfully. We should not feel guilty if this is only small amounts, but should give according to what we have.

Giving away borrowed money is a different matter. Although our student loan may feel like income, we will have to pay it back eventually, and it is someone else's money rather than our own. There is little benefit in putting ourselves in debt to help others, and perhaps then needing help ourselves in repaying the debts.

Although we may have little money that we can give as students, we often have more time than many people who are working, particularly during holidays, and should use this precious resource in God's service.

after graduation

It may seem strange in an article for medical students to touch on our attitudes to money after graduation. However, our behaviour as students will shape what we do later, and attitudes formed now under relative financial pressure are likely to stick with us if better off in the future.

There can be two near opposite approaches to finance for the Christian. One is to take a very careful approach - clearing debts quickly, giving willingly but not necessarily extensively, and ensuring we have the money ourselves to finance everything we want to do. This type of person may not necessarily give staggering amounts, but is unlikely to need the support of others in the church either.

The opposite is to take a very day-to-day approach to money - living for the day and giving

away all that is surplus. Although the amounts given may be large, this type of person will often need gifts from others in the church to manage in more difficult times, as no money has been put aside.

what does the Bible say?

It may be surprising to report that the Bible actually affirms both of the models set out above.

*Go to the ant, you sluggard; consider its ways and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest.*¹³

The value of planning independently is clearly affirmed. There are times when it is right to store things in expectation of future need. Joseph's story shows clearly the necessity of this.¹⁴

Yet we also see affirmation of the opposite model:

*Look at the birds of the air; they do not sow or reap or store away in barns, and yet your heavenly Father feeds them.*¹⁵

In the context of a discussion about worry, we are told to trust in the Lord. The birds are given as an example of something that *doesn't* plan, and we are exhorted to follow their example. In the New Testament, we see affirmation of the Macedonian church, who had given beyond their ability.¹⁶

earthly wealth has a guaranteed zero eternal return

How then are we to choose between these models? What should be our attitude? Just how much wealth is it right for us to own? Given that many people are less likely to discuss personal finances than even medical problems, it may not be surprising that this often isn't well understood by Christians.

warnings about wealth

There are many biblical warnings against building up wealth. It is all too easy for material wealth to become an idol, displacing God from his true place.¹⁷ We often value stability, and savings and insurance are an important part of that for many of us. Yet they will never provide absolute

certainty for the future – only the Lord can do that.

As with other idols, wealth fails to deliver. It is never risk free – as recent crises in banking have reminded us. Hence we never accumulate quite enough wealth to feel safe. Our wealth of course will make no difference beyond the grave. The Bible is clear that worldly wealth will be of no worth in the new heavens and earth.¹⁸ Such wealth is the ultimate bad investment - there is a guaranteed eternal return of zero.

In the face of such evidence, should the Christian save or insure at all? Many traditions have been inherently suspicious of savings, with some monastic rules (such as that of St Benedict),¹⁹ renouncing individual ownership altogether.

prudence

Yet there is clear biblical support for wealth under some circumstances. There is no evidence that either Nicodemus or Joseph of Arimathea were expected to give away their possessions to become disciples of Jesus. Although the poor are said to be blessed by Jesus,²⁰ poverty is never positively advocated – and indeed the

Christian is urged to relieve poverty.

Prudence is championed.²¹ To avoid debt, we will inevitably need to save for some purchases. We are also exhorted to fulfil our duties to our families.²² Living on a hand-to-mouth basis may be acceptable when single, but it is very difficult to provide support to dependents in this way.

We are clearly to avoid dependence on others.²³ Victorian Christians in particular were very clear about such a 'work ethic', some seeing saving as liberating from day-to-day dependence on money. Dependence upon charity was frowned upon. Although much charitable provision has been replaced by state systems in the UK, the principle of self-sufficiency would remain the same.

living within our means is vital

resolving the conflict

How should we live, given these conflicting ideas? It is perhaps simple enough to reject the extremes – either of fatalism (where any exercise of planning

In the USA, Medsend²⁶ was set up at the request of our sister organisation, CMDA. Medsend offers student loan repayment grants to healthcare professionals who are working with a recognised mission agency towards a career of missionary service. Over 360 grants have been made which have enabled healthcare professionals to train for and work in the mission field much earlier than might otherwise have been the case. Given that student debt in the UK is inexorably rising, might there soon be a need for a similar project here?

is seen as not trusting God's providence – ie we shouldn't look before stepping out into the road!) – or of protecting oneself against all possible eventualities (in practice indistinguishable from trusting in our own wealth above God – and probably impossible to do anyway). Even so, a wide range of possible approaches seems permissible. Such freedom is often uncomfortable for us. Despite the fact that we live under grace, how many of us when truly pressed, find it easier if there is a set of rules to follow?

It may be that a diversity of practice on this issue was God's intention all along. In the New Testament, exact practice over wealth seems to vary with circumstances. Mary's extravagance is commended when she anoints Jesus at Bethany,²⁴ yet the disciples are sent out with 'nothing for the journey' when they go to teach about Jesus.²⁵

planning ahead

In the midst of this tension, how might we discern which approach we are called to currently? Although these things may seem hard to think through as students when we have apparently little money, attitudes formed now will stay with us. Without planning now, it will be all too easy to take the line of least resistance when the first pay cheque arrives.

We should already be thinking through our major life choices. Are we committed to always working in medicine? Will that be full or part-time? Do we want to marry, or remain single? Are we likely to work in the developing world? Are we likely to struggle without some of the trappings of a middle class lifestyle, or are we able truthfully to manage with less? Our answers to all these questions will play a part in determining how we manage

money, and may have implications very early on. If we are committed to working in the developing world, is it really worth accumulating the extra debt incurred whilst intercalating if the subject we're studying will be of no use there? If we intend to take time out soon after graduating to go to Bible college, we need to be especially careful of unsecured loans for items like cars, which may tie us down. But if we are expecting to stay in the UK and in one place, we may benefit considerably from spending to buy property early on, and reducing any mortgage borrowings prior to having a family.

Who will actually decide our standard of living? So often our pay scale determines this - yet should we not think about this independently? It is very easy for spending to rise to absorb any increase in income.

Living within our means is vital to help us realise the choices we have made. This is often easiest to learn now as a student when we have relatively little money, and limited facility to borrow. Debt is expensive - and whilst many of us will need to borrow to buy a home, we need to examine carefully any other

planned borrowing and be clear of its purpose before taking it on.

We also need to pay off debts! Even as a student we might choose to use any unexpected income to reduced debt - especially if it is debt not owed to the Student Loans Company. It is surprising how many people actually take on *more* debt soon after graduation rather than pay it off - as evidenced by the cars parked outside many junior doctors' accommodation blocks.

Even on a limited student budget, it is possible to prioritise people over property in our spending. Simple things like sharing meals are not expensive. After graduation, when we are often rich in money but poor in time, we may want to use money to effectively 'buy time' - for example by employing a cleaner, or getting shopping delivered.

Our use of money is a key part of our witness as believers. Ostentatiously rich believers are rarely a good witness - but neither is obvious financial recklessness. Our ultimate response to how we handle our money won't be determined by our financial understanding, or even by our views on some of

the questions discussed here. As in all things, we need to ask whether Jesus is truly at the centre of our lives - and if our use of money is suggesting that he is not, we need to repent and turn back to him.

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