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Examining the problems experienced by individuals benefiting from student loans during the repayment process

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ABSTRACT

This study aims to evaluate the problems faced by university graduates who have benefited from the student loan program offered in Türkiye since 1962 during the repayment process. Many students choose to use scholarships or student loans to cover educational expenses such as accommodation, tuition, stationery, food, and social activities during their higher education. To evaluate the difficulties experienced in repaying these loans, a case study model, one of the qualitative research methods, was used. The interview technique, a qualitative data collection method, was used to identify the existing problems. Semi-structured interviews were conducted with 11 university graduates who had received student loans and subsequently encountered repayment problems. These recordings were transcribed electronically by the researcher before a comprehensive analysis. Significant findings emerged regarding the participants' views on repaying student loans both during and after their studies; their views on various repayment methods; the specific problems they encountered; alternative strategies they used to fulfill their obligations; and the overall impact of borrowing and repayment on their lives. According to the results, unemployment was identified as the most significant obstacle to loan repayment. Based on these findings, recommendations are offered to practitioners and future researchers.

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Introduction

University education is considered highly important for meeting nations' needs for qualified labor, enabling individuals to specialize in a field, and allowing them to develop socially, educationally, personally, culturally and psychologically. Education is an initiative to secure the future of a country's most valuable capital—its people—by equipping them with the necessary knowledge and skills (Gedik, 2011). Viewing education solely from this perspective ignores its multifaceted impact on the individual. The English word education derives from Latin roots: educare and educere. Educare means to train or instruct a learner in a particular skill, whereas educere means to lead out or bring forth (Özsoy, 2011). In the context of education, educere emphasizes the individual's holistic development: beyond imparting skills, education serves many functions, including sociological, historical, psychological, economic, political, and philosophical functions and its sole purpose cannot be said to be securing individuals' futures. Education should be a movement of liberation rather than a means to limit human growth, impede the formation of trust and love, or restrict the activity of the mind (Kiraz, 2022).

Moreover, when we consider today's youth unemployment problem, we face the reality that many view education primarily as a pathway to obtaining a profession. Individuals enroll in higher-education institutions to acquire the qualifications needed both to pursue a career aligned with their interests and abilities and to contribute to their country's skilled workforce. The recent surge in demand for university education can likewise be linked to students' desires to develop themselves in various fields and to secure professional status. According to Article 35, paragraph 1, of Law No. 1739 on National Education, under the heading "Higher Education: Aims and Duties," "Students shall be trained, in accordance with their interests, aptitudes, and abilities, to meet the scientific policies of our country and the nation's high-level and diverse labor-force needs," which implies that graduates of higher-education institutions will fulfill the country's human-resource requirements.

Higher education equips individuals with scientific, cultural, and technical knowledge and yields personal and societal benefits—but it also imposes significant financial burdens on students and their families due to costs such as housing, food, transportation, stationery, and tuition fees. The cost of education encompasses both the institutions that provide educational services and the consumers of those services (primarily families) (Kaya, 2011). In Türkiye's system, higher-education financing is similarly shared: the government covers part of the cost, while students and their families bear the remainder. Student contributions may take the form of tuition fees, scholarships, or loans. Because scholarships are limited in number and awarded mainly to high-achieving students with low financial means, many students turn to student loans to cover part of their educational expenses, thereby taking on debt. As demand for higher education grows, so does demand for student loans; thousands of young people borrow money, struggle to repay it, and many fail to do so. Therefore, it is crucial to address the repayment difficulties these graduates face and the problems arising from them. Individuals who benefit from student loans graduate with a debt burden immediately upon completing their studies. Many young graduates face not only the challenge of finding employment but also the psychological stress of debt. For some, installment payments may not pose an issue, but for those earning minimum wage or less—or for unemployed graduates—repaying their loans becomes a serious problem.

This study is based on the financialization literature, which explains the shift of public education

financing to individual borrowing mechanisms following the withdrawal of the welfare state. Within this framework, student loans are not merely a financing tool; they are a form of governance that places individuals in the position of "indebted citizens" (Lazzarato, 2012). Beyond being an economic burden, debt reshapes an individual's career choices, life cycle, and risk perception.

This study conceptualizes the student loan repayment process as a borrowing mechanism within the financialization literature. It analyzes repayment problems not only as administrative/technical deficiencies but also as a structural problem intertwined with labor market insecurity. In the Turkish context, it contributes to the literature by revealing the impact of debt on class and occupational differentiations. At the policy level, it reopens the theoretical discussion on alternatives (grants, interest-free models) that strengthen public responsibility instead of credit-based financing.

Problem Statement

In line with the general aims and fundamental principles of national education, the role, objectives and duties of higher education are stated unambiguously: to equip students with the knowledge and skills needed to meet the country's demand for human resources. To this end, individuals prepare for an entrance examination, and if they achieve a sufficient score, they earn the right to study at various higher-education institutions.

Higher education is defined—both in Article 34 of Law No. 1739 on National Education and in Article 3/a of Law No. 2547 on Higher Education—as "All levels of education and instruction, based on secondary education, covering at least four semesters (two years)." In order to obtain a professional qualification, individuals wish to complete at least these two years at any higher-education institution.

Among all educational stages, higher education incurs the highest cost and also receives the largest portion of the education budget, an indicator of the value placed on it. Universities constitute the core of higher education (Aslan, 2015). A university education equips individuals with the professional skills necessary to practice a profession. At the same time, it pursues essential, undeniable aims: to cultivate researchers and scientific instructors; to train those whose work contributes to the nation's development and progress and to produce solutions to obstacles hindering that development. However, in Türkiye today, the goal of imparting professional skills has eclipsed all other purposes of university education, driving up demand for admission to institutions that are widely seen as gateways to opportunity.

Obtaining a high-quality university education entails significant expense varying according to the institution, the field of study, housing and food costs, stationery and transportation needs. Some students cover these costs and their living expenses by working, often in insecure, low-paid part-time or full-time jobs in the service sector; others rely on scholarships or student loans. In Türkiye, diploma, bachelor's, master's and doctoral students may benefit from scholarships and loans and Turkish students studying abroad under exchange agreements may, likewise, receive these supports.

A scholarship is "A grant awarded without repayment to successful and financially needy higher-education students, pursuant to Law No. 5102 on the Provision of Scholarships and Loans to Higher-Education Students" (General Directorate of Credit and Dormitories, 2025). A student loan is "A repayable fund provided—without any mandatory service obligation—to Turkish-citizen students enrolled in higher-education institutions, in order to support them financially and to facilitate their

social and cultural development, for the normal duration of their studies" (General Directorate of Credit and Dormitories, 2025). A contribution loan is "The portion of the per-student current-service appropriation determined by the Council of Ministers that exceeds the state's contribution and that is paid, on behalf of the student, to the institution's account in return for borrowing" (General Directorate of Credit and Dormitories, 2025).

Scholarship funds come from various public agencies, the General Directorate of Credit and Dormitories Institution (GDCDI), private organizations, associations, and individuals. Student loans are administered by the GDCDI, affiliated with the Ministry of Youth and Sports, through Ziraat Bank, to eligible applicants.

According to the legal framework, "Student loans have been granted since 1962 under Law No. 351 on the Higher Education Credit and Dormitories Institution; contribution loans since 1985 under Law No. 2547 on Higher Education; and scholarships since 2004 under Law No. 5102 on the Provision of Scholarships and Loans to Higher-Education Students" (General Directorate of Credit and Dormitories, 2025).

Contribution loans, however, were abolished by the Council of Ministers decision published in the Official Gazette (No. 28396) on August 29, 2012, which waived student contributions for first and second-cycle and open-education students for the 2012–2013 academic year; as a result, GDCDI no longer provides contribution loans.

Priority for scholarships and loans goes to children of martyrs/veterans, individuals with a certified disability of 40 percent or more, those who completed their secondary education in state-run orphanages, graduates of Darüşşafaka High School, amateur national athletes, and students who have lost one or both parents (General Directorate of Credit and Dormitories, 2025). Because scholarships are limited and contingent on both merit and need, many students turn to loans, which are easier to obtain.

Student loans are, however, subject to interruption under various conditions such as withdrawal, dismissal, voluntary leave, suspension of studies, transfer to another institution, prolonged academic failure, closure of the institution, expulsion from dormitories, or criminal conviction (General Directorate of Credit and Dormitories, 2025). Loan repayments, calculated from the date the funds were first disbursed until the end of the standard period of study or the date of interruption, are indexed by Türkiye's Domestic Producer Price Index (TDPPI) but may not exceed three times the original amount (General Directorate of Credit and Dormitories, 2025). Repayment begins two years after graduation, in installments; students who are late or who request it may defer for up to one additional year.

For those who remain unemployed or whose income barely covers living expenses, repayment becomes a heavy burden. Unpaid balances are transferred to the Tax Office, creating tax debts and damaging credit scores, which may preclude future borrowing. As a result, many graduates defer repayment, miss payments, incur penalties or ultimately face tax-liability status and garnishment.

Providing scholarships and loans undoubtedly promotes equality in education and ensures that individuals regardless of religion, language, ethnicity, or wealth can access education. However, for scholarships and loans to truly ensure equality in education, they must be provided to students as non-repayable grants. For students admitted to university but facing financial hardship, these supports represent an opportunity. Yet, because not all applicants qualify, and because conditions

apply, the system falls short of true equity, offering only partial relief. Moreover, because students depend on this income, they strive to maintain academic standing and avoid asserting any rights that might jeopardize their funding.

Another issue is whether the loan amounts suffice even for basic needs. According to the scholarship/loan amounts valid throughout 2025, undergraduate students will receive 3,000 TL, master's students 6,000 TL, and doctoral students 9,000 TL in scholarships/loans for two months. While these sums may cover minimal educational costs, they fall far short of providing a decent standard of living when compared with grants in more affluent countries. Students also have social, recreational, and career-related expenses. Consequently, many seek additional scholarships, work part-time or full-time or rely on family support.

Offering loans and scholarships can also be seen as a means of encouraging enrollment, thereby increasing the pool of qualified human resources. However, in the context of high youth unemployment, this also risks generating "qualified unemployment." Eliminating financial barriers for those who otherwise could not attend university indeed fosters hope, but without addressing the underlying causes of poverty, such measures merely create the illusion of equality through marginal improvements.

In this study, we examine the perspectives of university graduates who took out student loans and subsequently experienced and, in some cases, continue to experience repayment difficulties. We focus on the specific problems they faced and their ongoing challenges in meeting their obligations.

Purpose

The purpose of this study is to analyze the problems experienced during student loan repayment and their effects on individuals' lives by examining the views of those who have benefited from the student loan opportunities offered since 1962.

In line with this general aim, the following questions were addressed:

1. What problems do individuals who have benefited from student loans encounter during the repayment process?
2. What effects does the repayment of student loans have on an individual's life?
3. How do individuals cope with this problem?

Significance

In many nations, higher education is considered the most significant investment because it supplies skilled labor; accordingly, investments in post-secondary education are substantial. However, if we regard higher education primarily as a field of research, these investments often prove inadequate. As a result, cost-sharing policies have been implemented in the financing of higher education. Individuals bear part of these costs through tuition fees, scholarships, or student loans. When the time comes to repay the loans they have taken out, however, problems begin for the borrowers. This study is seen as very important for identifying those problems, viewing the issue from the individuals' perspectives and understanding their difficulties. The findings of this research will reveal what kinds of problems university graduates experience when repaying their student loans and are expected to inform and support future studies in this area.

Method

This section describes the research design, the study group, the data-collection instruments, the data-collection process, and the steps taken in the analysis and interpretation of the data.

Research Model

The aim of this research is to analyze the problems encountered by those who have benefited from student loan opportunities offered since 1962, during repayment. A case study is a methodological approach that involves collecting multiple data points to systematically gather information about how a bounded system is implemented and its scope and examining the details of that system (Chmiliar, 2010). Merriam (2013) defines a case study as an in-depth description and analysis of a bounded system. These are research approaches in which one or more specific cases (such as an individual, family, school, hospital, association, or workplace) within a population are examined in depth and comprehensively, with the aim of reaching a judgment about that particular case (or situation) (Karasar, 2019).

Qualitative research is conducted as a qualitative process that aims to reveal perceptions and events in their natural context and holistically, using qualitative data collection methods such as observation, interviews and document analysis (Yıldırım & Şimşek, 2018). The case study method was used to uncover the "how" and "why" of the phenomena experienced. Hancock and Algozzine (2006) define a case study as "The examination of the detailing of events occurring in natural environments and the achievement of a rich explanation using various data collection tools under time and space constraints." The interview method was chosen among the qualitative data collection tools. "Through interviews, we try to understand those who cannot be observed, their experiences, attitudes, behaviors, intentions, actions, mental perceptions, and reactions" (Yıldırım & Şimşek, 2018). When information about an individual's views or the reasons behind them on a particular subject is needed, direct interviews with individuals are considered the most appropriate method. Interviews conducted in semi-structured sessions with open-ended questions allow for a more precise understanding of the information obtained from different segments and parts of the interviews (Türnüklü, 2000). In this research, semi-structured interviews, one of the interview techniques, were used. In semi-structured interviews, the researcher prepares the questions based on the information to be collected beforehand. However, the researcher can continue the interview by asking additional questions and allowing participants to elaborate on their answers (Türnüklü, 2000). These interviews were conducted at times convenient for the interviewees and in a comfortable environment. The aim was to ensure that those in the room felt comfortable and could answer the research questions honestly.

Study Group

The study group consisted of university graduates who had received student loans, experienced difficulties in repayment and were currently repaying or in default. Since the researcher resided in Tokat, face-to-face interviews were conducted with participants living there, while interviews with those living in other provinces were conducted via video conference. A total of 11 interviewees (8 women and 3 men) participated in the study.

To ensure diversity in the study, snowball (chain) sampling and maximum diversity sampling methods were used. The snowball method is effective in providing researchers with a rich source of information. In this method, contact is made with one individual in the population. After contact is

established, help is sought from another person and then another person is contacted in the same way. Thus, the sample is grown in a chain-like manner using the snowball method (Kurt, 2013, p. 84; Yıldırım & Şimşek, 2018, p. 122).

The individuals forming the study group were reached through acquaintances of the interviewees participating in the study. The aim of creating a maximum diversity sample is to try to find whether there are common phenomena among diverse situations and to reveal different dimensions of the problem according to the diversity achieved (Kurt, 2013, p. 85; Yıldırım & Şimşek, 2018, p. 119). In this research, in order to achieve maximum diversity, an attempt was made to determine whether there were common phenomena in the thoughts and experiences of individuals who benefited from student loans in different years and graduated from university.

Data Collection Tools

This research utilized a semi-structured interview technique, a type of interview method. In a semi-structured interview, the researcher prepares pre-planned questions. However, the researcher may ask new questions according to the flow of the interview to allow for a more detailed examination of participants' responses (Türnüklü, 2000). The most important advantage this method provides to the researcher is that it offers systematic and comparable information because the interview is conducted within the framework of pre-prepared questions. Therefore, it is a more suitable technique for educational research (Türnüklü, 2000).

In this study, the process of preparing the interview questions was carried out in the following stages: question preparation, question testing, interview setup and interview implementation. Relevant literature was reviewed while preparing the semi-structured interview form. To test the comprehensibility of the interview questions, a preliminary interview was conducted with a participant who had benefited from student credit and experienced problems. It was observed that there were no problems with the comprehensibility of the questions and the application was carried out.

A voice recorder was used during the interviews, and consistency was ensured in the reporting of the interviews. Interviews continued until the answers given to the questions began to repeat. In this study, the repetition of answers began with the 8th interviewee, but a total of 11 interviews were conducted to ensure maximum diversity.

Data Collection Process

In order to identify and evaluate university graduates who have benefited from student loans, are experiencing difficulties in repayment, are currently repaying, or are unable to repay, the interview method was adopted in the research data collection process. Interviews are an effective technique for understanding individuals' characteristics, behaviors, attitudes, experiences and complaints (Sevecan & Çilingiroğlu, 2007).

After determining the subject, method and data collection tool for the research, it is necessary to collect an appropriate and sufficient amount of data to ensure that the study yields results consistent with its purpose. In the interview method, the researcher has the opportunity to arrange the interview environment in a way that allows for a comfortable, quiet, and effective interview. In this way, the researcher can change the order of questions during the interview (Kurt, 2013).

In this research, the researcher conducted interviews at times convenient for the participants and in

places where they felt comfortable. The aim of this was to ensure that the participants felt comfortable and gave sincere answers to the research questions.

Ethics Committee Approval

Ethical approval was obtained from the Tokat Gaziosmanpaşa University Social and Human Sciences Research Ethics Committee on April 27, 2022 (Decision No. 07.42).

Data Analysis

The audio recordings of the interviews conducted with university graduates who had benefited from student loans and experienced repayment difficulties, whether they were still repaying or had defaulted, were transcribed into electronic text and then analyzed by the researcher. The data derived from these interviews were subjected to content analysis, one of the qualitative data analysis techniques.

> The primary aim of content analysis is to identify the concepts and relationships that can explain the collected data. Whereas descriptive analysis summarizes and interprets the data, content analysis subjects it to a deeper level of processing, uncovering concepts and themes that may not emerge through a purely descriptive approach. For this purpose, the collected data must first be conceptualized, then logically organized according to the emerging concepts, and finally the themes that explain the data must be determined (Yıldırım & Şimşek, 2018, p. 242).

In this study, participants' responses to the interview questions were organized by theme and analyzed in a manner that addressed the research objectives. During the analysis, frequent direct quotations from interviewees who had taken out student loans and encountered repayment problems were included. Quotations were coded as follows: MI1, MI2, FI1, FI2, …, where M = Male, F = Female, I = Interviewee, and the numeral distinguishes each individual respondent.

Findings and Interpretations

This section presents the research findings and interpretations based on those findings.

Participants' Use of Scholarships or Loans Before University

Participants' opinions on whether they had received scholarships or loans from any institutions or private individuals before entering university were obtained, and the collected data were examined and presented in Table 1.

Table 1

Participants' Use of Scholarships or Loans before University

Theme	Sub-Theme	Participant Codes
Use of Scholarship/Loan	Benefited	MI1, FI3
	Did Not Benefit	MI2, MI3, FI1
		FI2, FI4, FI5, FI6, FI7, FI8

The participants' views on whether they benefited from scholarships or loans during their university-preparation period or before are divided into two subthemes, "Benefited" and "Did Not Benefit". Some participants' comments on this subject are as follows:

> Yes, I did. It wasn't continuous, but from time to time, I received scholarships through a few people. They were from private individuals and covered my needs. While I was at university, I stayed with relatives, so my expenses weren't very high. In fact, the scholarships I received, plus the extra one from the government, were more than enough. During the summer, when there were no classes, I would save my money and give it to my family. That happened too. (MI1)
>
> Hmm, no, I didn't. I didn't need it at the time. (MI2)
>
> No, I didn't. I attended tutoring courses for four years; my family struggled financially but managed. (FI1)

Pursuing education in any branch of higher education is quite expensive when one considers both personal and educational expenses. Moreover, the university-preparation process brings additional costs such as private tutoring, attending course centers and acquiring supplementary materials. To access these opportunities, individuals may apply for various public and private scholarships during secondary school or after graduation, and some families may take out consumer loans to cover these expenses. When evaluating the participants' responses, it was found that although many did not benefit from scholarships or loans during their university-preparation period, some did obtain support in various ways.

University Period Scholarship or Student-Loan Utilization Status

Participants were asked whether they benefited from scholarships or student-loan programs during their university years and to what extent those funds met their needs. The collected data were analyzed and are presented in Table 2.

Table 2

Use of Student Loans during University

Theme	Sub-Theme	Participant Codes
Use of Scholarship/Student Loan	Student Loan	MI1, MI2, MI3, FI1, FI2, FI3, FI4, FI5, FI6, FI7, FI8

In Table 2, participants' views regarding whether they benefited from scholarships or student loans during their university years are categorized under the sub-theme of "Student Loan." Some participants' comments on this subject are as follows:

> After I started university, I applied for a scholarship, but it didn't come through. A student loan did. So I took the student loan. (FI1)
>
> I applied for a student loan. I also applied for a scholarship, but I didn't get the scholarship. I got the student loan. (FI4)
>
> I applied for both but only the student loan was approved; the scholarship wasn't. (MI1)

Table 3

Participants' Views on the Extent to Which Scholarships or Student Loans Received during University Met Their Needs

Theme	Sub-Theme	Participant Codes
Meeting General Needs	Met Needs	MI1, FI2, FI5, FI6, FI7
	Partially Met	MI2, MI3, FI3, FI8
	Did Not Meet	FI1, FI4

In Table 3, participants' views on the extent to which their needs were met by scholarships or student loans during their university years are divided into three sub-themes: "Met", "Partially Met" and "Did Not Meet". Some participants' comments on this topic are as follows:

> Let me put it this way: Since I lived with my family while studying, and they couldn't really open up their finances much, I usually took only a minimum for myself. I gave part of it to my family well, the remainder. (FI5)
>
> My department was somewhat expensive. Overall, it only covered that [department-related] cost. It didn't cover anything extra. (FI8)
>
> The loan I received did not cover my educational needs. I even had a gold bracelet on my arm. I worked while I was a student and I also got a student loan. So the loan felt like a few pennies worth of support. We received such a negligible amount that it only covered my meal costs at school and nothing else. (FI4)

The primary reason university students use scholarships or student loans is, of course, to share the cost of higher education. Students who cannot complete their education on their own resources turn to these supports, work while studying and seek various scholarship opportunities. When evaluating participants' responses regarding whether their loans met their needs, nearly half reported that their needs were met. In this respect, student loans can be said to serve their purpose to a certain extent. However, especially in fields with high educational costs, these loans only cover tuition-related expenses and not additional or social needs. This forces students to work while studying, preventing them from fully dedicating themselves to their education and personal development, which conflicts with the aims of university education. Because the cost of education varies by field and individual needs, tying the student-loan amount to a single, uniform monthly stipend can leave students struggling to cover both educational costs and personal expenses.

Views on the Student Loan Repayment Process

Participants were asked what they thought about repaying their student loans, both while they were receiving them and afterward. The data collected were analyzed and are presented in Table 4.

Table 4

Views on the Student Loan Repayment Process

Theme	Sub-Theme	Participant Codes
Repayment Attitude	No Anxiety	MI1, MI2, FI1, FI2, FI3, FI7
	Anxiety	MI3, FI4, FI5, FI6, FI8

In Table 4, participants' views on repaying their student loans, either while they were receiving them or afterward, are divided into two sub-themes: "No Anxiety" and "Anxiety". Some participants' comments on this topic are as follows:

> Here's the thing: you begin university with great dreams. I'm now a mathematics teacher. I started thinking that my department would bring me many advantages. I said, 'As soon as I finish school, I'll start working. I'll have a good income. I'll easily pay it off.' With the money of that time, I signed up for about 10,250 TL. What is ten thousand lira? For a teacher, a mathematician, I thought. Of course, that was before I started. But once you get into it, nothing is like that. After graduation, I was unemployed at home for up to two years—even three, you could say. Only afterward did I see the real difficulties. (FI3)
>
> Back then, the money was coming in. I was very comfortable. I never even thought about having to repay it. I even started my master's right after graduation. I received it during my master's too—twice as much. It was very comfortable; a very good income. Of course, things changed a bit when it came time to repay. (MI1)
>
> I only became anxious about repayment in the last year. For the first three years, there was no worry. I spent the money freely. But in the final year, one can't help but feel anxious. School is ending. After graduation, if I recall correctly, you have two years before you must start paying. Two years later, you have to begin repayment. It was a huge amount—the first debt I ever took on was a student loan. At nineteen, I signed up for massive debt. And afterward, it caused me great trouble. In fourth year, I panicked. I was in a panic. I even asked my father, "Dad, how am I going to pay this?' He said, 'However you took it, you have to pay it back." (FI4)
>
> Honestly, I never had any anxiety at that time about not being able to repay. (FI7)

Having an income—beyond one's own resources or family support—during university is of course a great advantage. Beyond educational expenses, being able to meet social and personal-development needs means a student can make the most of their time in higher education. Every young person begins university with big dreams. No one wants to think that after graduation they will struggle to find a job, face financial problems, or end up unemployed. However, placing young students pursuing their chosen fields under a debt burden via student loans naturally brings anxieties such as "How will I repay this? Will I be able to find work? Will the interest be too high? Will I get a good job?"

When evaluating participants' thoughts on repaying their student loans—either while they were receiving them or afterward—it was found that, for the most part, individuals did not experience anxiety about repayment while studying and benefiting from the funds but they did develop various anxieties about repayment, especially in their final year or during the period of post-graduation unemployment.

Views on the Form of Student-Loan Repayment

Participants were asked for their opinions on how the student-loan repayment system should be structured. Their responses were analyzed and are presented in Table 5.

Table 5

Views on the Form of Student-Loan Repayment

Theme	Sub-Theme	Participant Codes
Repayment Structure	Income-Based	MI1, FI1
	Interest Free	MI2, FI4, FI7
	Unconditional	MI3, FI2, FI3, FI6, FI8
	Insured Employment	FI5

In Table 5, participants' opinions on how the student-loan repayment should be structured are divided into four sub-themes: "Income-Based Repayment", "Interest-Free", "Employment with Social Security" and "Unconditional (Non-Repayable)". Some participants' comments on this topic

are as follows:

> Here's the thing: I graduated in 2010. I was supposed to start repaying in 2012. I began working in 2011 and in 2012, my salary was minimum wage—so the amount I was supposed to pay was almost a quarter of my income. It wasn't enough. I didn't make payments then. I wish the government had done this: demand payments in proportion to my income. (FI1)

> Well, at the very least, if it's going to be repaid, it should be repaid only the amount received or, if the state really supports students in this way, make it unconditional. Just as there are non-repayable educational scholarships from foundations, I think the state should provide the same opportunity to every student. (FI5)

> I think there should be no interest on repayment. Whatever amount we received, repayment should only begin once we're employed in a job that pays us a salary sufficient to live on. (FI7)

> In my view, if you promise this to a student—an eighteen-year-old—and get their signature, then repayment should only begin once they have secured stable, insured employment with a decent income. Because that is what the state should require. Otherwise, don't offer it at all. (FI3)

For anyone who has taken out a student loan, the most important issue is repayment. Graduates often cannot find work immediately, must take Kamu Personeli Seçme Sınavı (Public-Service Exams - PSE), undergo various oral or written qualifications, and face inexperience, all of which pose major obstacles to repayment. When evaluating participants' views on repayment structure, the consensus was that repayment should only begin after securing stable employment. At the same time, widespread support emerged for an interest-free repayment model.

Regarding interest on student loans, Article 16 of Law on the Higher Education Credit and Dormitories Institution was amended by Article 5 of Law No. 7420 (effective 3 November 2022) to read: "The debt of students who have received student loans shall be limited to the amount of the loan granted" (Milli Eğitim Temel Kanunu, 1973). However, no studies have yet examined those who still owe interest because they could not repay on time or those who repaid punctually. Furthermore, proposals also include tying repayments to post-graduation income levels or providing the funds as unconditional grants. It appears that the greatest barrier graduates face in repaying their loans is the time it takes to find employment or outright unemployment.

Problems Experienced in Student-Loan Repayment

Participants were asked about the problems they encountered in repaying their student loans. The collected data were analyzed and are presented in Table 6.

Table 6

Problems Experienced in Student-Loan Repayment

Theme	Sub-Theme	Participant Codes
Repayment Problems	Unemployment	MI1, FI2, FI3
	Asset Seizure	MI2, FI1, FI4
	Payment Orders	MI3
	Spending Savings	FI5
	Insufficient Salary	FI6, FI7
	Interest	FI8

In Table 6, participants' views on the problems they experienced in repaying their student loans are divided into six subthemes: "Unemployment", "Seizure of Assets", "Payment Orders", "Spending

Savings", "Insufficient Salary" and "Interest". Some participants' comments on this topic are as follows:

> Well, when repayment started two years later, we had no savings left, only the gold we'd put aside when we got married. We actually had other plans for it but because we were mentally terrified of legal enforcement, we wanted to pay off the debt as soon as possible to free ourselves from that worry. So we sold our gold and paid the loan. (FI5)

> My debt had been transferred to the tax office. When I found that out, I went there. No interest had been applied yet just a tiny amount. I immediately restructured it into monthly payments. But my salary at the time wasn't enough to cover those payments, so my family and I paid it together. Of course, once payments stopped, the interest began to accrue even more. That's what I'm suffering from now. (FI6)

> I did have a salary but since it was minimum wage, the installment was about a quarter of it, so I didn't pay. While I thought I'd pay later, the balance grew from 7,500 to 20,000 lira. Then, almost a year ago—in June of last year—all my cards were blocked. The bank seized my salary and my funds. When I went to the tax office, they told me I had to pay a certain amount. I paid 5,000 lira and the blocks on my cards were lifted. But they then told me, Whenever you have money, bring it and pay. In reality, I needed to restructure the debt. About fifteen days later, my cards were blocked again. When I spoke with the tax office, they informed me that it had to be restructured and paid month by month. I had already paid nearly 8,000 lira; the remaining balance was 12,000, so we split it into ten installments and now with the restructuring. I pay 1,200 lira every two months. (FI1)

Many problems arise in repaying student loans: unemployment, interest accruing on debts, tax debts, seizure of salary or assets and insufficient income. What began as support to ease students' educational journeys often becomes their worst nightmare. When evaluating participants' views on the problems they encountered in loan repayment, the most significant issues were unemployment and the initiation of seizures because of unpaid debt. Additionally, not knowing when the debt must be repaid and receiving no notification about it, having a salary too low to cover installments, being forced to spend savings meant for marriage or starting a business, and watching interest rates climb day by day all featured among the participants' struggles. While forgiving interest would certainly help, it must not be forgotten that the core problem is the inability to secure stable, skilled employment. Therefore, in structuring repayment, individuals' employment status, income and circumstances should be taken into account rather than applying a one-size-fits-all approach.

Methods Used in Student-Loan Repayment

Participants were asked about the methods they used to repay their student loans. The collected data were analyzed and are presented in Table 7.

Table 7

Methods Employed in Repaying Student Loans

Theme	Sub-Theme	Participant Codes
Repayment Strategies	Spousal Support	MI1, FI3, FI5, FI7
	Family Support	FI1, FI2, FI6
	Sufficient Salary	MI2, FI8
	Side Job	FI3
	Additional Borrowing	FI4

Participants' views on the additional methods they employed to repay their student loans are

divided into five sub-themes: "Spousal Support", "Family Support", "Sufficient Salary", "Side Job" and "Taking on Additional Debt". Some participants' comments are as follows:

> I was able to repay it thanks to my spouse and her family's support. (FI7)
>
> Rather than family support, I worked part-time while I was at university. I even had the chance to buy gold—because I didn't know what would happen after I graduated. When my job prospects didn't pan out, I had to tell my family about my situation. I had an aunt who was a teacher; thankfully, she helped me with the payments. (MI3)
>
> The installments became too heavy. Unfortunately, it went all the way to legal enforcement, so I had to take out another loan to pay off the student loan. (FI4)
>
> I wasn't working—my spouse was. There was no way we could have paid that accumulating debt on a single income. So my father-in-law paid off my loan. (FI2)

A student loan is a form of borrowing that individuals choose to use during their university education, with the obligation to repay it after a specified grace period. Although taking out these loans is voluntary and undertaken with full awareness of the consequences, it must be remembered that higher education is very costly, and many feel compelled to take out loans to meet their needs. The scarcity of non-repayable scholarships also drives students toward student loans. Ultimately, repaying these loans is a requirement and borrowers turn to various methods. When evaluating participants' experiences, most relied on support from their spouse or family to make repayments, an outcome that can be deeply disheartening for graduates who have become part of the skilled workforce. Others, facing insufficient income in their chosen professions, took on side jobs beyond their normal standards of living. Some even took out new loans to pay off old ones or sold personal assets to cover their debts. The constant search for ways to service these debts, clearly, is a draining and stressful process.

Discussion

Being a university graduate means specializing in a field of science and possessing the ability to meet its professional requirements. In Türkiye, the belief that one cannot secure a skilled job without a university degree is widespread. As people's educational levels rise, it is naturally expected that employment rates will increase as well. This expectation drives many graduates to pursue master's and doctoral degrees. Since the elimination of minimum-score thresholds for university entrance exams in 2022, participation in those exams has climbed. As of the 2022 Higher Education Institutions Exam (HEIE), the Basic Proficiency Test (TYT) and Field Proficiency Test (AYT) cutoff scores for associate and bachelor-degree programs (previously 150 and 180 points, respectively) were abolished (YÖK, 2022a). That year, 3,234,318 candidates registered for the exam; 226,031 did not sit and 258 had their results invalidated (ÖSYM, 2022). Official data show that 99 percent of all university seats were filled in 2022 (YÖK, 2022b), an exceptionally high rate in terms of both capacity and quality. Overcrowded classrooms and the proliferation of institutions that lack scholarly depth undermine universities' core mission, turning them into ordinary teaching factories rather than centers of research and innovation.

Growing demand for university places also fuels demand for student loans, scholarships, and part-time work. Thousands of young people rely on loans and thereby take on significant debt obligations. One of the greatest hurdles in repaying these loans is simply not finding and thus not earning the kind of qualified income needed. As the number of graduates rises, so too does youth unemployment among degree holders. According to Turkish Statistical Institute (TSI) data for

January 2023, the unemployment rate for those aged 15–24 rose by 0.5 percentage points to 20.2 percent compared with the previous month, with rates of 16.5 percent for men and 26.6 percent for women (TSI, 2023). More broadly, overall unemployment among those aged 15 and over fell by 0.5 points to 9.7 percent in January 2023, with 3,424,000 people unemployed, a drop of 166,000 from the previous month; male unemployment stood at 7.7 percent, female at 13.7 percent (TSI, 2023). Historically, in the nineteenth century, the unemployed were stigmatized as lazy people unable to work due to personal failings (Zaim, 1986). Today's youth, however, are largely university graduates and yet they too face barriers: many must pass PSE or other qualifying tests, despite already having demonstrated their expertise in their field. Subjecting graduates to additional testing merely keeps them out of the labor market by design. Those unable to find work in the public sector often resort to precarious, uninsured jobs in the private sector and even there, competition from surplus labor, lack of experience, skill gaps, and absence of professional references make securing employment difficult. Long-term unemployment further erodes a person's prospects: as Aslan and Aslan (2017) note, "Those exposed to long-term unemployment grow discouraged in their job search and naturally disconnect from the labor market." Yet the right to work remains a fundamental entitlement.

The social-welfare conception of the state, one pillar of capitalist governance, once upheld citizens' social and economic rights, including the right to work. In the neoliberal era, however, that right has all but evaporated; unemployment has become a quotidian reality (Kiraz & Taşkıran, 2020). The university, the institution entered with the hope of gainful employment, now too often fails to meet graduates' expectations. When work itself is devalued, education no longer guarantees protection against joblessness (Kiraz & Taşkıran, 2020). Graduates, therefore, pursue ever-higher qualifications to secure work. Education remains the key determinant of employability (Ünal, 1991); yet each successive degree, whether bachelor's, master's, or doctoral, brings additional costs. Student-loan debts mount and repayment anxieties deepen.

Our findings confirm that participants struggled with unemployment, earned too little to cover repayments, relied on family or spousal support, sold assets to pay debts and suffered under ballooning interest and enforcement measures. These challenges impose heavy psychological and social burdens, anxiety over repayments, shame before family and community and ongoing stress. Unless youth unemployment is addressed, repayment problems among loan recipients will only multiply, evolving from individual hardships into a broader societal crisis. As Kiraz and Kurul (2018) warn, "High educational attainment has not shielded people from unemployment's negative effects; graduate-level joblessness is increasingly felt as a social problem." Unresolved, these pressures breed anxiety, feelings of failure, stress, dissatisfaction and even depression, which, as Kurt (2006) observes, may inflict more serious psychosocial damage on individuals, families and society than mere economic loss. In short, without systemic solutions to poverty and unemployment, forgiving interest alone will not solve the crisis of student-loan repayment. Real relief requires tackling these foundational issues head-on.

Conclusion and Recommendations

This section presents the research findings in line with the purpose and sub-purposes of the study.

Problems Encountered in Student-Loan Repayment

A total of 11 participants contributed to the study. Their experiences with repaying student-loan

debts were evaluated. According to these results, the greatest problem faced by participants in repaying their loans was unemployment. Difficulty finding work after graduation emerged as the primary barrier to making timely loan repayments. Consequently, delayed payments led to increases in the loan's interest rate. Among the repayment problems, participants also reported that their debt loads grew due to accumulating interest. Although interest on new student loans was abolished by a 2022 regulation, no studies have examined borrowers with outstanding debts from earlier years and they have access only to occasional restructuring options.

Another problem was the inability to secure a sufficiently qualified income. An oversupply of "reserve labor" pushed graduates into low-wage work, leaving them unable to service their student-loan obligations even while maintaining a basic standard of living. Some participants sought side jobs to bolster their finances and attempt repayment. Others, unable to pay, resorted to spending their savings selling cars or wedding gold, for example. Many relied on family support when they could not repay. Those who remained unemployed and ultimately faced enforcement actions saw spouses, parents, or in-laws assume their debts.

Additionally, several participants delayed repayments simply because they neither tracked their repayment schedule nor received any payment instructions, a situation partly attributable to individual oversight. Conversely, a few participants who initially struggled and accrued interest but later secured professional employment reported that their repayment difficulties then disappeared.

Effects of Student-Loan Debt on Graduates' Lives

Graduates who took out student loans and then encountered repayment difficulties whether still repaying or in default experienced adverse material and psychological effects. Most participants reported no anxiety during the borrowing phase, though some felt apprehension about finding employment and repaying the debt even as they applied for the loans. During the post-borrowing period, participants frequently experienced stress and anxiety over non-repayment and mounting interest. Relying on family support for repayment fostered feelings of inadequacy. However, at least one participant noted that after securing stable employment and beginning repayments, they no longer felt any negative emotions.

Recommendations

Based on the study's findings, the following recommendations are offered to practitioners and researchers.

For Practitioners

- To minimize repayment problems, allow graduates sufficient time to secure employment in their field of expertise before requiring loan repayment.
- Instead of a one-size-fits-all repayment schedule, tailor payment plans to each individual's income level.
- Require borrowers to have a sufficient, stable income before commencing repayment.
- Offer debt-restructuring and flexible-payment options for those with large outstanding balances or whose debts have been transferred to the tax office.
- Adjust the monthly loan amount according to the university and program attended, rather

than setting a uniform stipend.

- Since living costs vary by city, calibrate scholarship and loan amounts to the standard cost of living in each university's location.

For Researchers

- Expand this study with a larger interview sample to gather more comprehensive data on educational financing issues.
- Reapply the research to recent graduates to examine post-2022 developments after interest was abolished.

Declarations

Ethics statement: This study was approved by the Tokat Gaziosmanpaşa University Social and Human Sciences Research Ethics Committee. Ethics approval was granted on 27.04.2022 (Decision 07.42). All procedures involving human participants were conducted in accordance with institutional and national ethical standards, the Helsinki Declaration, and applicable regulations. Informed consent was obtained from all participants.

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