

# STUDENT FINANCE EXPLAINED

# A quick note

- I do not work for the UK Government!
- This presentation **is not** designed to advocate, endorse or promote the current system.
- I simply want to make sure everyone who is thinking about university (plus their parents or guardians) has a basic understanding of how student finance works.

# Student finance in the headlines:



Are university degrees an expensive mistake?

## Students face loans chaos

Thousands without funding at the start of new academic year

More than 10,000 students are expected to be without funding at the start of the new academic year, according to a report by the Student Finance Society (SFS). The report says that the problem is caused by a combination of factors, including cuts to the number of places available on courses, and a failure to fund all the places that have been advertised. The SFS says that the problem is particularly acute for students who are starting their first year of study, and that it is likely to affect a significant number of students in other years as well.

## Cornwall student considers studying medicine in Romania

## Students face cost-of-living crisis, suggests NUS data

By Judith Burns

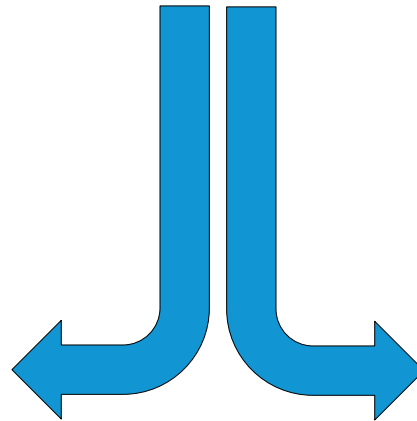
## Student fees cap must go, says Patten

Chancellor of Oxford calls for £3,200 limit to be abolished so British universities can maintain their world-class status



# The cost of university

**1. Tuition Fees**



**2. Living Costs**

# 1. Tuition Fees

- Universities can now charge between £6,000 and £9,250 a year for their courses.
- The Teaching Excellence Framework allows universities to increase their Tuition Fees in line with inflation.
- Students **will not** have to pay any tuition fees upfront!
- Both full and part-time students can have their fees covered by a **tuition fee loan** (providing it's their first degree)
- You do not see this money!

# 1. Tuition Fees

- University has a cost but...
- Getting a degree brings the chance of long-term financial benefits including:
  - Increased employability
  - Higher earning potential
  - Access to professions
- Higher Education is about more than just financial gain:
  - New opportunities and experiences
  - Develop new skills (independence)
  - The chance to study a subject you love
  - Socially and culturally enlightening
  - Contribute towards the country's economy
  - You might even have fun!

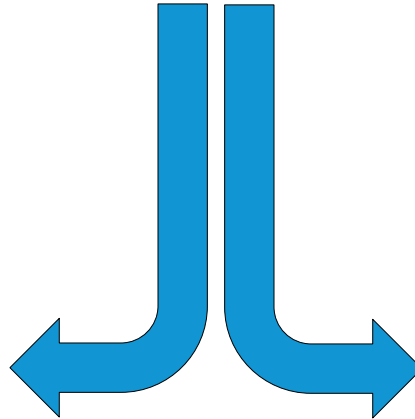
# 1. Tuition Fees

**NHS Bursary**



# The cost of university

**1. Tuition Fees**

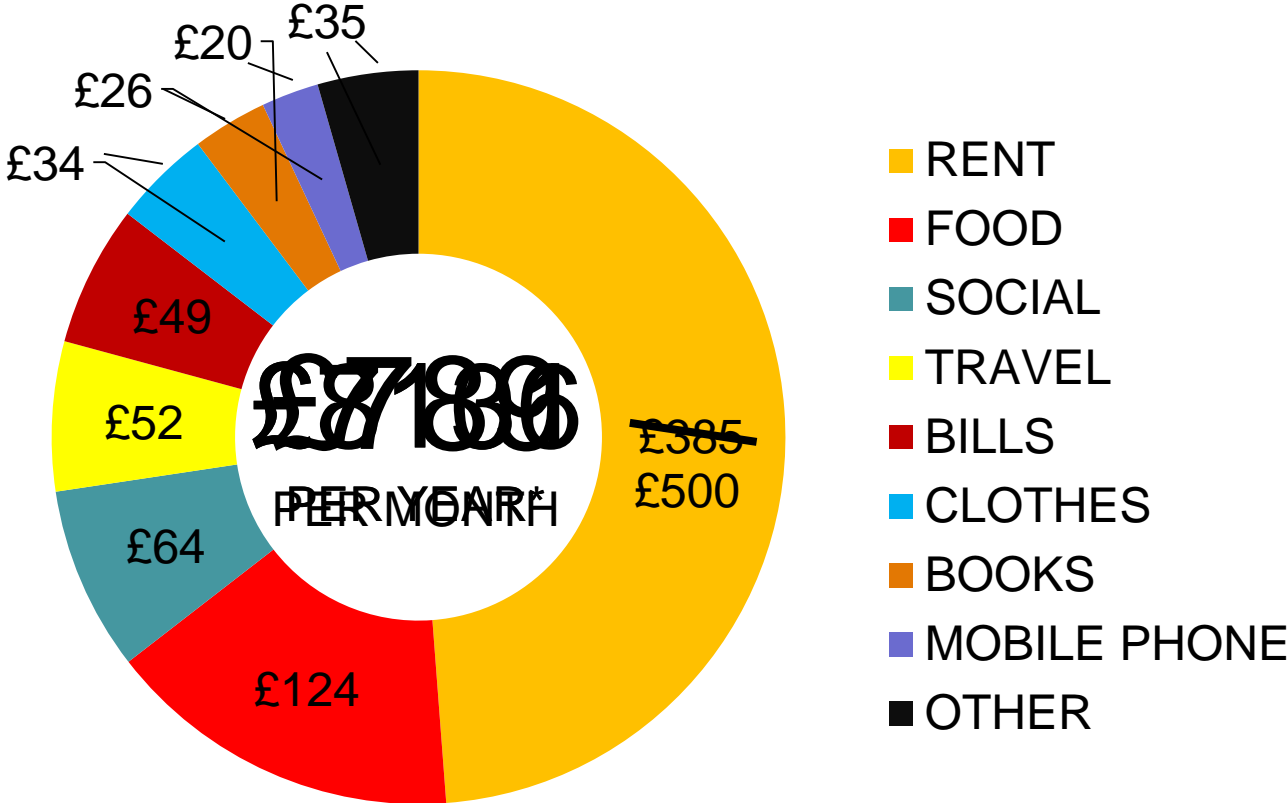


**2. Living Costs**



# 2. Living Costs

- What do students spend their money on?



\*9 months

2,127 students surveyed nationally  
Savethestudent.org National Student Money Survey (2016)

## 2. Living Costs – Maintenance Loan

- All full time students can apply for a loan to cover living costs.
- Paid at the start of every term direct into student's bank account.
- This money has to last!
- Rates apply according to household income (means tested), where in the UK you study and if you move out of home.
- As a result, everyone will receive a different amount.
- If there is a change in your circumstances...

## 2. Living Costs – Maintenance Loan

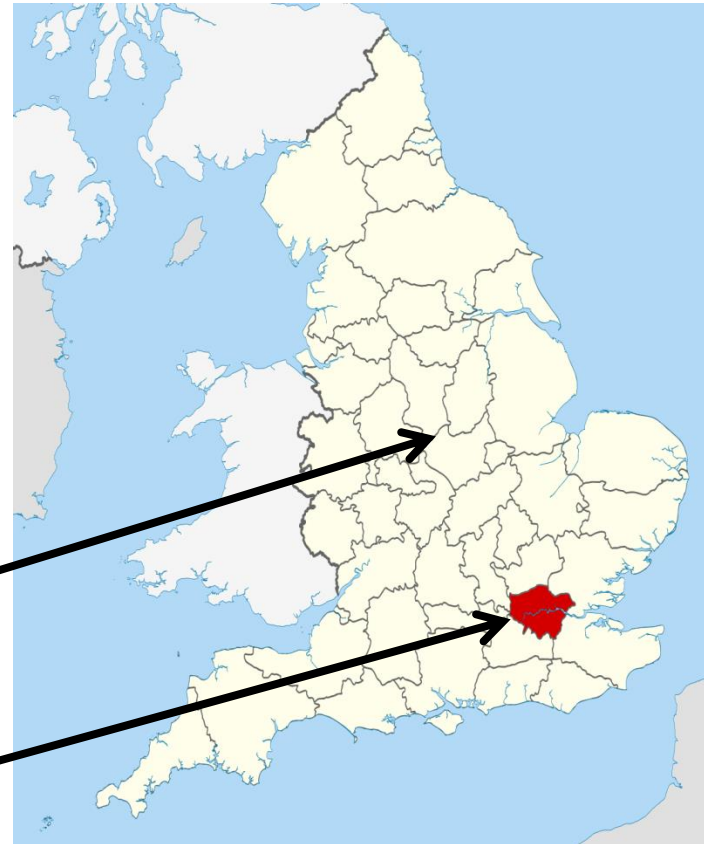
- Student is living....

At home:  
**£6,904**

Away from  
home/independent:

Outside Greater London:  
**£8,200**

Inside Greater London:  
**£10,702**



**Maintenance  
Grant**

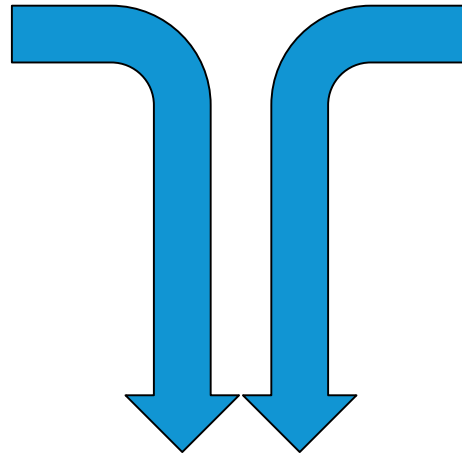


**Tuition Fee**

**Maintenance**

**Loan**

**Loan**



**Student Loan**

# Repayment of Loans

- You will only start repaying your student loan:
  - When you are earning over £21,000.
  - The April after you graduate/leave university.
- Repayments are **always** dependent on your income and are deducted automatically from your pay through the tax system.
- Monthly repayments amounts are **not** affected by the amount borrowed.
- Having a student loan will not affect your credit rating.
- After 30 years, **any** outstanding repayments will be written off!

# Repayment of Loans - Examples

- Repayment rate is 9% of earnings above £21,000

£21,500: £4.00 per month

£25,000: £30.00 per month

£30,000: £67.50 per month

£40,000: £142.50 per month

- Interest rates do apply to your student loan.

# Extra Sources of Funding

**Special Support Grants**

**Access to Learning Fund**

**Parents' Learning Allowance**

**Disabled Student Allowance**

**Childcare Grant**

**Travel Grant**

**University Bursaries**

**Adults Dependent Fund**

**University Scholarships**

**Part Time Work**

**University Hardship Funds**



# How to apply

- You must reapply **every** academic year!
- You can usually apply after submitting your UCAS application (although these are not linked!)
- Student Finance England - [www.gov.uk/student-finance](http://www.gov.uk/student-finance)
- Apply by **30<sup>th</sup> May** to guarantee your funding is ready for the start of your course
- For specific university bursaries, you'll need to apply directly to the respective university and deadlines will vary.

# Summary

- Nothing is paid upfront!
- Tuition fees are paid on your behalf by the UK Government.
- Lots of support is available to help with living costs (Maintenance Loan). The level of support will depend on your individual circumstances.
- Repayments are manageable and are only paid when you are earning over £21,000 (wiped after 30 years).
- **The cost of university can be daunting, but do not let this be the reason you don't go!**

**Any questions?**