

Student Finance

You might already be aware but there is a financial cost to higher education. Initially, this can put many prospective students off the idea of progressing into higher education. For example, you may not be sure how to pay for higher education or how you'll be able to manage financially during your studies.

As such, there are some myths surrounding Student Finance but don't worry, in this section we will demystify common misbeliefs and showcase the range of financial support available for you. Although there is a cost, ultimately you might want to see it as an investment into your future.

The information on this webpage is about the financial support available for students who choose to study in England. Those who live outside of England and choose to study elsewhere, will have different funding schemes available to help support them financially whilst they are a student.

For additional information please visit:

<https://www.ucas.com/undergraduate/student-life/getting-student-support/undergraduate-student-finance-and-support>

Student Finance 'Fact or Myth'

"Only rich students can afford to go to university." FACT or MYTH?

MYTH: Universities and colleges can charge up to £9,250 a year for tuition fees, but there are no upfront costs for students.

"Every student is entitled to a tuition fee loan to cover the costs of their course." FACT or MYTH?

FACT: Yes, all students can receive a loan from the government to cover the cost of their fees, paid directly to their university/college. This is called a Tuition Fee Loan.

"As a student you are told how to spend your money." FACT or MYTH?

MYTH: All students are entitled to a Maintenance Loan to help with their living costs and it is entirely up to you how you want to spend it. The amount you receive is based on your household income. The loan is paid in three instalments, at the start of each term, directly into your bank account (you even receive a text from Student Finance to let you know what day it is due to be paid into your account!)

"Some students may be eligible to receive free money." FACT or MYTH?

FACT: There are grants and bursaries available from Colleges or Universities to help support students who may face financial or personal difficulties. Grants and bursaries are sums of money that are awarded in addition to a maintenance loan and does NOT need to be paid back.

"It will take students more than 50 years to pay off their student loans." FACT or MYTH?

MYTH: Your loan is written off after 30 years, meaning most students will never pay it all back.

“Loan repayments will be really expensive.” FACT or MYTH?

MYTH: You don't have to start paying back your loan until you are earning over £26,575 a year. You only repay 9% of your income over this amount. For example, if you earn £27,000, you will pay £38.25 a year - that's £3.20 a month! Your repayment is taken directly from your wage so you don't need to worry about transferring it to Student Finance yourself, it is all taken care of for you.

“It is estimated that graduates earn £168,000 more over their lifetime than non-graduates.”

FACT or MYTH?

FACT: Gaining a degree will give you more career options. A graduate is less likely to be unemployed than a non-graduate. It is estimated that graduates earn £168,000 more over their lifetime than non-graduates.

Check out the clip below to hear more about how Student Finance works.

<https://youtu.be/Qtv4Wm02C2A>

Your Student Finance Application

You will apply to Student Finance in the spring before you start your course. The process is very straightforward and you are guided every step of the way by the Student Finance Team. Once you have made your application through the Student Finance Website and provided all the information they need, you will then receive a letter declaring how much money you will get to help you whilst you're a student.

Watch the clip below to find out what happens once you have applied for Student Finance.

<https://youtu.be/wQFW8f7kxlc>

Repaying Your Student Loan

You are not expected to start paying back your loan until you have finished your studies and you are in a secure job earning over a certain amount of money. When you do begin to pay back your loan, it is only a small fraction of your income taken out of your salary once every month. Repaying your loan will stop after 30 years - even if you haven't paid anything back at all!

The debt that students have from their student loans does not affect any future life choices, meaning that it is a safe way to get financial help whilst in higher education.

Click on the clip below to see how the repayment works.

<https://youtu.be/vbYmrEgxiN4>

Student Budgeting Tips

Whilst you are a student there are lots of important things you need to pay for, such as rent, bills and food. As well as making sure you have all the essentials covered, it is also key that you do things that you enjoy, like grabbing a coffee before a lecture, heading to the cinema with your flatmates or travelling to visit family and friends on the weekend! To ensure you have the means to do so, you can plan how you will spend your money, this is called budgeting. See below for some top tips from students from the University of York on how they handle their money.

Abi - 3rd Year Molecular Cell Biology - Excel spreadsheets are a student budgets best friend! You can map out your incomes and outgoings and set budgets for different things such as social activities and food shopping based on this.

Georgia - 2nd Year English Language and Linguistics - Something I find really helps save money is bulk cooking! I will do a £30 food shop and have it delivered so there's not too much to carry back from the shops, then cook a few big meals such as chilli, curry, bolognese. After they have cooled down, I split them into portions - put some in the fridge and freeze the rest.

I can then use the different meals I have in the fridge that week, and defrost the ones in the freezer for months after. It also saves a lot of time and gives you a nice meal even if you're too tired to cook.

Etleva - 1st Year Chemistry - Set yourself a weekly spending limit. Calculate your incomings (e.g. your student loan) and outgoings (e.g. accommodation fees). Be kind with your limit. Set money aside to treat yourself! After a week of lectures, you deserve to do something for enjoyment such as a meal in town with your new university friends. However, once you've set your weekly limit, try to stick to it

Sandhiya - 3rd Year Environmental Science - Non-branded items the key! We all love branded items from Nutella to Heinz beans but being a student means little sacrifices go a long way. Try to go to the supermarket's own brands and you will be surprised how much you can save!

Henna - 3rd Year Politics - Try and keep a saving goal in mind for something you really want, it could be clothes, concert tickets or even a holiday! Just putting a small amount away, perhaps when you get paid or a set amount every month. Having something to look forward to will motivate you to save throughout the year - I saved up during my second year to go on a Summer holiday when term ended!

Ben - 2nd Year Sociology with Criminology - My top tip for budgeting at University is to save money before you attend. Get a part-time job during the summer and save what you can. Student Finance will not be in your account for a few days until you've arrived at university, so you'll need to have some money to buy food and enjoy fresher's activities.

Anika - Masters Global Marketing - Get a savings account! You will be able to manage your money more effectively as you'll have an account for 'fun' things which will be separate from money for things like bills or accommodation fees.

Olivia - 2nd Year English Language and Linguistics - My top tip for budgeting would be to meal plan for the week. Create a basic skeleton of what you plan to eat for your main meals for the next week, as this means that you can make an efficient shopping list that ensures you are staying within your budget and not buying too many unnecessary items. I always allow a bit of wiggle room for snacks/ treats as I think this is important and we all deserve it.

Basket Budgeting!

There is a lot of independence that comes with being a student. One of the most important is learning how to look after yourself and making sure you are staying healthy, buying your own food, and eating well. Now is your chance to step into the shoes of a student and do your first student food shop! Your task is to top up on essential food items and get some snacks for a film night with your flatmates this weekend.

To help you get thinking about what types of items you may like to buy and how much you would feel happy spending, complete the activity below. You will have the opportunity to choose the type of items on your shopping list and discover what products are surprisingly expensive and which ones can save you money!

https://york.qualtrics.com/jfe/form/SV_1GGUhrAltRKjOrH

Let's Recap!

You have found out how student finance works and in what ways it supports students. You have busted some myths and read the facts. You have discovered what tuition fee loans and maintenance loans are and how they work. You have learnt how real life students choose to be sensible with their money, and you have even done your first student food shop and seen how swapping out branded items for shop-own brand items can save you a lot of money that can be spent on treating yourself instead!

What is Student Finance?

Undergraduate students pay a yearly tuition fee to study their chosen course at University. There are also living costs associated with going to university such as; accommodation fees, weekly food shop, bills, academic materials and social activities.

But not to fear, there is help available for all students attending university, which makes it affordable for everyone!

What's the maximum tuition fee universities or colleges can currently charge new students?

£9,250

How much of this would you need to pay up front before going to university?

£0

Loans

Undergraduate students are eligible to apply for student loans, funded by the government, through Student Finance England. Students apply for these loans before the start of each academic year

There are two types of loans that students can apply for: a tuition fee loan and a maintenance loan.

1. Tuition Fee Loan

Undergraduate students can apply for a tuition fee loan to cover the cost of their course.

Every student who applies for this loan is eligible to receive the maximum amount that universities can charge for a course, which is £9,250 per year. Student Finance England pays this money straight to the University which you are studying at.

As this is a loan, this money has to be paid back.

2. Maintenance Loan

Undergraduate students are eligible to apply for a maintenance loan to cover their living costs. However, the amount which you are eligible to receive will depend on your household income and whether you choose to study in or outside of London.

This loan is paid to students in three, termly instalments and has to be repaid similarly to the Tuition Fee loan.

Bursaries

Bursaries, scholarships and grants all financially support students to get through university. Unlike your loan, none of these need to be repaid. Grants and bursaries tend to be income-dependent, while scholarships are typically based on academic.

You may be awarded a bursary if you meet certain criteria, this can be social criteria, academic criteria or both.

For more information the bursaries and scholarships available at the University of York visit <https://www.york.ac.uk/study/undergraduate/fees-funding/uk-eu/scholarships/>

Disabled Students' Allowance

Disabled Students' Allowances (DSAs) are extra help for students who have a disability, a mental health condition, or specific learning difficulty, like dyslexia or dyspraxia.

You apply for DSAs when applying for your student finance and the amount you receive depends on your individual needs. DSAs could be used for academic support such as to purchase specialist assistive equipment or software to help you study

Unlike the tuition fee loan or maintenance loan, DSAs do not have to be paid back.

For more information visit

<https://www.ucas.com/finance/additional-funding/disabled-students-allowances-dsas>

How much will I receive?

Every undergraduate student is eligible to receive a £9,250 tuition fee loan to cover the cost of their course.

If you know your annual household income, use the student finance calculator to estimate your maintenance loan. Access the student finance calculator at <https://www.gov.uk/student-finance-calculator> to estimate your maintenance loan allowance

How do I apply?

New undergraduate students can apply for student finance online via the Student Finance England website at <https://www.gov.uk/apply-for-student-finance>

1. Set up a Student Finance online account
2. Log in and complete the online application
3. Include your household income if needed. Your parent or guardian will be asked to confirm these details.
4. Send in proof of identity, if needed

Repayment

The Facts:

- You won't make repayments until you are earning over £26,575
- The loans are wiped 30 years after you start paying them back
- Your repayments are based on what you earn, not what you owe
- You'll pay 9% of your income over £26,575 and it will be taken directly from your pay

- If your income falls below £26,575, payments will stop

For more information on paying back student loans, visit the Student Finance England website at <https://www.gov.uk/repaying-your-student-loan/what-you-pay>

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