Money Matters 2010 entry

Jean Baxter
Head of School and College Services

jb74@le.ac.uk
Money, Money, Money....

- How to access the financial help available
- How much students have
- How much parents have to pay
- The investment
- How do we help students to think about their finances?
NHS/Allied Healthcare/Social Work

- These courses have a separate funding package
- NHS courses - Diploma or Degree
- Social Work
- No tuition fees to pay/borrow
- All information can be found on www.direct.gov.uk
All other courses

- Tuition fees - variable (‘top-up’) fees
- Most Universities charging maximum £3290 for 2010 entry)
- No up-front fees payable
  - Most students can take a loan to pay for fees
- Repayment of all borrowing after graduation
Living Costs

- Parents or spouse will be means-tested to determine the level of 3 types of support:
  - Maintenance Grant (or special support grant) - max. £2906 (fully means-tested)
  - Loan (28% means-tested)
  - University Bursaries (fully means-tested)

Parents on income of less than £25K qualify for full support.
Maximum Student Loans  2010-11
100% Loan Rates

• London  £6928
• Elsewhere   £4950
• At home (London or elsewhere)  £3838
Balancing Grant and Loan

- Maintenance LOAN entitlement is reduced by 50p for every £1 of maintenance GRANT payable
University Bursary

- Students receiving the maximum Maintenance Grant of £2906, will qualify for an additional payment (currently £329) from their university.
- This will be payable once a student has started their course - payment dates vary.
- Some universities are paying more than the minimum - see university websites.
- [http://www.le.ac.uk/study/fees/undergraduate/expenses.html](http://www.le.ac.uk/study/fees/undergraduate/expenses.html)
How income affects Grants and Loans

• As parental income rises, the Grant is reduced.

• At around £50k of parental income, there will be no Grant and the Loan element will be 100%

• As parental income rises above £50k, this affects the amount of loan (up to 28%)
Scholarships

• Some Universities will pay scholarships
• These are likely to be targeted at A level performance and/or subject studied
• Wide variation between institutions
• http://www.le.ac.uk/study/fees/undergraduate/scholarships.html
Student Finance England

- Online applications now open
- Online login: www.direct.gov/studentfinance
- Calculator for student finance income, repayments and budgeting planning
- Online form or paper copies (download or direct from Student Finance England)
Repayment of Borrowing

Repayments begin in the April after graduation only when the graduate is earning more than £15,000

For example:

income £16,000 per year - repay £7.50 per month
income £20,000 per year - repay £37.50 per month
income £55,000 per year - repay £300 per month
The HE Investment

- Lowest expected contribution by parents in real terms
- Investment is personal to the student, relating directly to their own career futures and future income
- Are they making rational, financially sound choices when entering HE?
‘Investment’ potential

(For non-NHS courses - maximum borrowing)

Tuition Fees x 3 £10,000
Living Costs loan x 3 £15,000
Other low cost borrowing (overdraft) £ 2,000
Lunatic borrowing (credit card/store cards) £ 2,500

Total : £29,500

Or - 2-3 years worth of Independent School Fees
Debt or investment?

• How do individuals view the cost of HE?
• Students
• Parents
• Teachers
• HEIs
• Government
Graduate Income

- Can be significantly higher than non-graduate lifetime income
- Advantage for those who take time out
- Taking the long view
- Measuring the cost against the financial gains
Money Management

• The most useful transferable skill any of us ever acquire.
• Living within your means sounds dull but it brings peace of mind
• Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery." (Mr Micawber - David Copperfield)
Steady State Stuff Theory

• Regardless of income, a fixed, large percentage will be spent on Stuff.

• Stuff disappears. Physically and mentally.
Stuffless Budget (for 30 term time weeks)

- Catered Halls: £130
- Food: £20
- Toiletries: £5
- Telephone: £5
- Travel: £10
- TV licence: £4.75
- Sport/societies: £5
- Laundry: £5
- Books/equipment: £10
- Insurance: £3
- Gifts/birthdays: £5
- Clothes/shoes: £5

**TOTAL**

£207.75
How to meet additional needs

- **Bank overdraft**
  - average £1,000 (£33/week)

- **Part-time work**
  - £10-£50/week

- **University Bursary/Scholarship**
  - amounts and criteria vary

- **Family**

- **Savings**
Further Information

- Jean Baxter - jb74@le.ac.uk

- University of Leicester funding:
  - www.le.ac.uk/fees

- DfES student support information:
  - www.direct.gov.uk
Have a Stuff Free Life

Contact me: jb74@le.ac.uk