

Higher Education: Is it worth it?

(Student Finance for Higher Education)

Available Student Finance

- Tuition Fee Loans
- Maintenance Loans
- Maintenance Grants
- Bursaries, Scholarships and Awards

Loans Available in 2012

Tuition Fee Loans

- 2/3 of all universities plan to charge the maximum of £9,000 per annum
- All universities will charge more than £6,000 p.a.
- Every student is entitled to a loan to cover the full cost of tuition, regardless of household income

Maintenance Loans

- £5,500 p.a. if living away from home and studying at a university outside London
- £7,675 if living away from home and studying at a university in London
- £4,375 if living at home

A Typical Student's Debt

After 3 years' studying, living outside London, away from home:

3 x £9,000 (tuition fee loan) = £27,000

3 x £5,500 (maintenance loan) = £16,500

Total debt = £43,500

Student Loan Repayment Arrangements

Students will start repaying their loans once:

- They have graduated
- Started earning above £21,000 p.a.

Repayments will be 9% of whatever they earn above £21,000

All outstanding repayments will be written off after 30 years

What else would £43,500 buy?



**A second hand (2006)
Porsche 911**

If I borrowed the money
from a bank over 30
years the typical
repayments would be....

£105 per week

Student Loan Repayments Case Studies

Graduates on salary of £21,000

Student starting Uni in 2011

Total of student loans after 3 years:
£25,000

Student pays 9% of earnings above
£15k = **£10 per week (approx)**

Take home pay after tax and NI would
be £322 per week (approx)

£312 per week after loan repayment

Student starting Uni in 2012

Total of student loans after 3 years:
£43,500

Student pays 9% of earnings above
£21k = **£0 per week (nothing)**

Take home pay after tax and NI would
be £322 per week (approx)

Student Loan Repayments Case Studies

Graduates on salary of £30,000

Student starting Uni in 2011

Total of student loans after 3 years:
£25,000

Student pays 9% of earnings above
£15k = **£26 per week (approx)**

Take home pay after tax and NI would
be £448 per week (approx)

£422 per week after loan repayment

Student starting Uni in 2012

Total of student loans after 3 years:
£43,500

Student pays 9% of earnings above
£21k = **£16 per week**

Take home pay after tax and NI would
be £448 per week (approx)

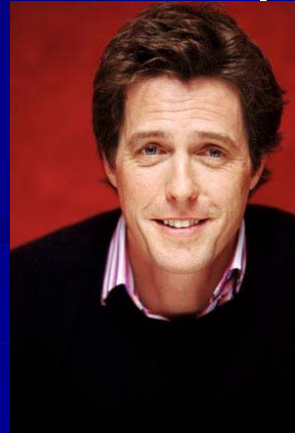
£432 per week after loan repayment

Other sources of finance in 2012

Maintenance Grants

■ Based on household income

- £3,250 p.a. if household income is below £25,000 p.a.
- Reduces on a sliding scale as household income rises up to £42,600 p.a.



Other sources of finance in 2012

Bursaries, Scholarships and Awards available from individual universities

- Bursaries to help with living costs
- Bursaries to help with tuition fee costs
- Scholarships if students meet conditions set by the university, based on academic ability, home situation or subject of study
- More information available from July on the UCAS website (www.ucas.com)

To sum up.....

- Repayments are 9% on earnings over £21,000 p.a. regardless of the size of the loan
- All outstanding debt will be written off after 30 years
- Student loans will not affect mortgage borrowing requests

Other advice

- Choosing the right course at the right university is very important
 - Take the Stamford Test (free online at www.ucas.com) to match interests and abilities to possible courses
 - Research jobs and careers at www.prospects.ac.uk
 - Browse the list of available courses and course entry profiles at www.ucas.com

The Benefits of University

- Average salary for graduates
= £29,900 (£17,800 for non-graduates)
- 3 years of freedom
- A unique opportunity to meet people
- Studying a subject in depth and breadth
- Playing sport, music or whatever....
- Emerging with a network of friends
- A wider range of career choices

