CAN I AFFORD TO GO TO UNIVERSITY?

yes you can

KEY FACTS ABOUT STUDENT FINANCE FOR 2016/2017 ENTRY

www.yesyoucango.org
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WHAT DO I NEED TO KNOW ABOUT STUDENT FINANCE?
It’s often in the news and it can be confusing to know where to start and what to believe – so this guide will help you to understand all the facts and give you a clear idea of what higher education will really cost.

You now have to pay tuition fees to universities and colleges to help them cover the costs of delivering a course (they are only part-funded by the Government). You’ll also need to cover your day-to-day living costs. It sounds scary, but there are sources of funding for students that make sure higher education is still affordable for everyone.

So if the question is ‘can I afford to go to university?’

Yes you can.
WHY SHOULD I GO TO UNI?

There are lots of benefits from going on to higher education. You become more independent and learn new skills, some that you won’t even know you’re learning and almost all that will be useful in a job.

Social benefits
Going to university is more than libraries and essays. It helps you gain more confidence and independence. University offers a broad social scene and the opportunity to meet new people from lots of different backgrounds. You might meet lifelong friends at university in the unlikeliest of places – it’s surprising how many students bond over figuring out how to use the washing machine in the first couple of weeks!

Career potential
Going to university boosts your job potential and opens up a lot more opportunities. It gives you the chance of a more rewarding career – not only because you’ll be doing what you enjoy, but because of the lifetime benefits and experiences such courses offer.

STUDENT STORIES

“I've learnt how to be independent and do things on my own!”
Michelle, BSC Psychology, University of Sheffield

“University is definitely worth it – it opens your eyes to the real world, you meet so many great people and learn so many valuable life lessons. I’ve gained invaluable experience volunteering which also counted towards my degree.”
Ross, English Language, Sheffield Hallam University

“University is a varied experience, you get to do more than educate yourself. There are many opportunities, socially and academically, all with the potential to ‘make you more’.”
Sidhartha, PHD in Neuroscience, University of Sheffield

THE PEAK AVERAGE GRADUATE SALARY IS 58% HIGHER THAN FOR THOSE LEAVING SCHOOL WITH A LEVELS.

Labour Force Survey 2013
WHAT DO I NEED TO PAY FOR?

There are two main things that you pay for at uni: learning and living. Living will take up most of your money – which, as you know, can’t be avoided but how you live will impact on how much you spend.

Tuition fees
Tuition fees pay for the staff and facilities. They pay for things like the wages of the lecturers and for facilities like libraries, labs and equipment.

Living costs
If you choose to live away from home this will be the cost of your accommodation, along with food and basic essentials such as toothpaste and washing powder. We understand that these aren’t much fun to buy, but it will probably be less fun when you (and your friends) realise you need them!

LET’S TALK MONEY

There are different sorts of funding available. Some of your funding will depend on your financial circumstances while other elements might be calculated based on how well you do at school or college.

Tuition fee loan
The government will lend all first-time students the full cost for tuition fees. This is paid directly to the university or college and won’t have to be paid back until your course is over and you earn over £21,000 a year.

Living cost loan
Larger maintenance loans are available for those starting in 2016. The maximum loan will be £8,200 for students living away from home outside London, £10,702 for those in London and £6,904 for those living at home. This is to help pay for things like rent, bills and food. All students are eligible for at least £3,039 and many will get more depending on household income.

Don’t worry! Student loans are available.
A lot of students and their parents are worried about student loans. The thought of borrowing so much money might make you feel queasy but what you need to remember is:

1. You don’t have to pay anything upfront
2. You only pay it back if you earn enough

IF UNI DOESN’T PAY OFF FOR YOU FINANCIALLY, YOU DON’T PAY UP.

If I get a student loan, when I finish studying can I....?

1. Get a phone contract YES NO
2. Get a mortgage YES NO
3. Get a loan YES NO
4. Get a credit card YES NO
5. Get a car on finance YES NO

A student loan doesn’t go on your credit rating and repayments are calculated to be a small percentage of what you earn. So, as a graduate you are more likely to be able to get these things.
Now for everybody’s favourite bit. This is the money that is yours to keep – yes, free money! So you don’t have to worry about paying it back.

**Hardship funds**
Most universities have some funding which students facing unexpected hardship can apply for. All students can apply but priority is given to students in certain groups such as those with children and/or disabilities.

**Bursaries and scholarships**
Bursaries and scholarships are given to students by their university or college and by different charities. Whether or not you get one is based on reasons such as your A level results and your household income. Ask your chosen institution what they have available.

**Fee waiver**
A fee waiver is a reduction of your tuition fees. This means that you will borrow and owe less loan money.

If you’re offered a choice between a bursary and a fee waiver and these are equal amounts, a bursary is probably a better choice because you may never pay back the full cost of your tuition fees.

**NHS courses**
If you’re interested in dental hygiene, nursing, midwifery, physiotherapy or some other areas of health care, you are likely to get a bursary through the Department of Health. It will cover tuition fees and help towards your living costs. To check whether your course is funded and how much is available, search online for NHS bursaries.

“**You know in advance how much student loan you’ll get and when, so it’s much easier to plan. I keep enough for my bills then try and stick to a weekly budget for socialising.”**

Sheffield Hallam University student

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**What’s changed for 2016?**
Students starting university in 2016 or after will get a larger maintenance loan instead of a maintenance grant.

The great news is that this gives students more money to support themselves at university, but will mean they have a bigger loan to repay afterwards. The repayments are based on your future income, not on how much you owe, so this won’t mean higher monthly repayments after graduation.

This chart shows how much student loan you may be eligible for based on your household income. If you are over 25 years of age at the start of your course you will be classed as an independent student.

<table>
<thead>
<tr>
<th>Household income</th>
<th>Maximum living cost loan</th>
<th>Maximum tuition fee loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to £25,000</td>
<td>£8,200 (£6,904)*</td>
<td>£9,000</td>
</tr>
<tr>
<td>Up to £30,000</td>
<td>£7,612 (£6,322)*</td>
<td>£9,000</td>
</tr>
<tr>
<td>Up to £35,000</td>
<td>£7,023 (£5,740)*</td>
<td>£9,000</td>
</tr>
<tr>
<td>Up to £40,000</td>
<td>£6,434 (£5,158)*</td>
<td>£9,000</td>
</tr>
<tr>
<td>Up to £42,875</td>
<td>£6,095 (£4,824)*</td>
<td>£9,000</td>
</tr>
</tbody>
</table>

*If you choose to stay at home during your studies, the amount you can receive as a loan is reduced.

**Where the figures come from**
Where household income is above £25,000, the student loan is reduced by £1 for every complete £8.59 of additional household income if they live at home

£8.49 of additional household income if they live away from home

£8.34 of additional household income if they live away from home in London
WHAT IF MY COURSE IS LONGER THAN 3 YEARS?

There are lots of different things that can affect what funding you can get.

What if I decide to study part-time?
If you do a course that’s at least 25 per cent of a full-time course each year (e.g., four years part-time instead of one year full-time) you can get a tuition fee loan that works the same as for full-time students. Living cost loans are not payable so you may have to work and study, but you may be able to apply for bursaries.

What if I choose to take a sandwich course?
It’s a good idea to contact your chosen institution and Student Finance if you are considering a sandwich course. The fees that your institution may charge and the funding that you may be entitled to will vary. This all depends on your institution and whether your placement is paid or unpaid.

What if I study a longer course like medicine?
Studying courses in medicine unavoidably takes longer than most other courses, and so is funded differently. You are entitled to student loans for maintenance and tuition fees in the first four years. From year five onwards your tuition fees will be paid by the NHS Student Bursary Scheme. You will be able to apply for a means-tested bursary, a non-means-tested bursary and apply for a smaller living cost loan from Student Finance England (this is up to half the full rate). Other NHS courses may have different support arrangements.

What if I study abroad?
If you study for a year abroad you will still be entitled to all the same financial support as if you were studying in the UK. For budgeting, you will need to take into account where you will be based, for example living in some cities may be more expensive.

MANAGING A BUDGET

An important part of being a student is learning to manage a budget and becoming more independent.

IT’S A MYTH THAT... STUDENTS ONLY EAT BAKED BEANS AND PASTA!

“Buy your food in bulk and plan your meals ahead!”

“I cooked meals with friends to make my money spread further. It was great to eat together and feel like more of a family.”

“I shop around and bought some of my food from the market, the quality was just as good but a much lower price.”

“How current students manage a budget

“I go home every other weekend to see my friends, so I got a student railcard which has saved me lots of money.”
So you’ve done enough partying to last you a lifetime, made lots of new friends and got the career you always wanted. But now you have to pay back the money you borrowed. Hmm...

As mentioned before you won’t pay back anything until you are earning above £21,000. When you are earning above this you will only pay back 9% of anything you earn over £21,000.

Your income per year | Monthly repayments
---|---
£21,000 and under | no repayments
£25,000 | £30
£30,000 | £67
£40,000 | £142
£50,000 | £217
£60,000 | £292

What you repay is linked to what you earn, not what you owe. If you never earn over £21,000, you never pay anything back.

You’ll be charged interest
Just like any kind of borrowing, you’ll be charged a bit of interest. Interest is what it costs you to borrow the money and it will start to be added as soon as you take out your loan.

Interest is added on to the money you owe, but it doesn’t have an effect on how much you pay each month.

The amount of interest you’re charged varies depending on how much you earn. While you’re studying you’ll be charged 3% plus the rate of inflation. When you’re earning £21,000 and under you’ll be charged interest at the rate of inflation. Anything above £21,000 and you’ll be charged a bit more – up to the rate of inflation plus 3%.

What is inflation?
You might have noticed that the price of everyday living has gone up in recent times. This is probably a result of inflation. Inflation is basically the percentage at which prices increase. So a trolley of shopping that usually costs £100 might cost you £102 next year. This means that the rate of inflation is at 2%.

Any outstanding loans will be written off after 30 years! Some people say “It’s a no win, no fee situation.”
HOW DO I PAY BACK THE MONEY?

Unlike normal loans you will never see the money that you have to pay back. Your employer will take your loan payments out of your wages like National Insurance and other tax. So student loans are more like a graduate tax than a loan.

If you are self-employed you will do this through an HMRC self-assessment.

IF YOUR WAGES GO DOWN, YOU TAKE A CAREER BREAK OR YOU LOSE YOUR JOB, YOUR REPAYMENTS WILL AUTOMATICALLY STOP.

This system has been designed to make it as easy as possible for you to repay your loan. Almost all of the admin and worry is taken out of your hands.

Paying off your student loan won’t mean you’re strapped for cash.

Unlike other loans your repayments are based on your earnings.

FREQUENTLY ASKED QUESTIONS

You probably have lots more questions about repaying student loans, so we’ve included some frequently asked ones to help clear things up.

If you still have more questions then you should visit www.gov.uk/studentfinance, speak to Student Finance England on 0300 100 0607 or email hepp@shu.ac.uk with your query.

Q What if I leave my course early?
A If you decide that uni really isn’t for you and you leave your course early you will still have to repay your students loans – which includes the fee costs you have incurred to that point. You will also have to pay back any grants you were paid but are no longer entitled to.

Q Can I repay my loan early?
A With any other loan, we’d say yes and do it quickly! But student loans are one of the cases where this could be a bad decision. Because your repayments depend on what you earn, not what you borrowed, it could mean that actually you need to repay less than what you owe.

Q Can I find out how much I have left to pay?
A Yes. You can log onto the Student Loans Company website which will allow you to view your current balance and make payments.

Q Do I still have to repay my loan if I move abroad?
A Yes. Jumping on the next plane to Australia won’t get you out of paying up. You will have to repay your loan to the Student Loans Company rather than paying through a payroll deduction. Before you leave the country you will have to fill out an “Overseas Income Assessment Form” and set up a repayment plan.

Q What happens if I die?
A Yes, people do ask this quite a lot! It does sound morbid, but it’s a good question. If you’re permanently injured (and it affects your everyday life) or you die then your student loan is wiped out.

IT’S A MYTH THAT...
YOUR PARENTS WILL HAVE TO FORK OUT BECAUSE YOU CAN’T AFFORD THE REPAYMENTS.
WHAT IF I DECIDE TO LIVE AT HOME?

The big perk to living at home is that it's a LOT cheaper. The government argues that with all the help on offer money shouldn't come into it, but what if your ideal course is on your doorstep?

IT’S A MYTH THAT...
PEOPLE WHO STAY AT HOME DON’T MAKE FRIENDS.

A good way to make friends is to join a society and go out for drinks with people on your course. Plus living at home means you’ll have more money to get a round in!

The pros and cons of living at home

PROS

• It's cheaper
• Home comforts — would you really cook your own Sunday dinner?
• Stay in touch with all your friends at home
• No distractions
• No loud flatmates if you want to sleep
• Option to study part-time and get a job
• You can still have a student loan — just a smaller one (up to £6,904), that you probably won’t have to spend on washing powder and value toothpaste

CONS

• Less independence
• Your friends may move away
• Not as much choice of universities and courses
• Day-to-day travel costs
• Your parents might restrict your social life
• No experience of moving away to a new place

“Living at home has saved me a lot of money. I can always afford to go out with friends and even pay for driving lessons.”

University of Sheffield student
HIGHER EDUCATION INSTITUTIONS ON YOUR DOORSTEP

Here are the details of all your local education providers within the region so you can find out more about any funding that you might be entitled to, like bursaries or scholarships.

You might also want to consider an Open University course. Visit their website to find out more: www.open-university.co.uk

HOME SWEET HOME

You could save yourself £££s by staying at home

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