

I am writing this bulletin on the eve of our annual HE & Gap Year Fair, keeping everything crossed that the weather improves a little! Recently, Mr Percival and I have enjoyed visiting each House, speaking to Lower Sixth Formers about why now is the time to begin to research their ideas to enable informed decision making later this year. It was brilliant to see so many parents attending these interactions in person as well as joining the webinars we offered, a recording of which can be accessed [here](#).

An area which we did not cover in any real detail was the cost of university, and with the window for student finance applications scheduled to open for 2024 university starters at the end of [next month](#), I thought it would be helpful to go over some key points about this topic.

Expenditure

- There are two main costs students will experience, tuition fees and living expenses, presuming the majority of Salopians study away from home for their degree.
- Currently, universities for UK residents charge up to (and almost always) £9,250 per year which covers your tuition, access to support services, IT support, etc. (NB For any Scottish residents studying in Scotland, this figure is [significantly less](#), whilst for international students this figure is [often higher](#)).
- The other main cost then is living expenses, which will include rent, travel, food and drink, social engagements, etc. For context, a recent [survey](#) suggested that is currently averaging out at c£1078 a month.
- There are various suggestions about what the average student debt is in the UK for a three year course; this [research](#) suggests that for those who started university in 2023, the figure will be c£42,900.

Support

- To cover these outgoings, students can apply for financial support, in the form of a Tuition Fee Loan and Maintenance Loan. It is worth noting that for the biggest expenditure, the tuition fees, this is paid directly to the university, not the student, and there is the option of paying these fees upfront. This [article](#) is worth a read on the pros and cons of this action.
- What is undoubtedly a more immediate cost is your living expenses, which can be partially / fully covered by applying for a [maintenance loan](#). For those living and studying in London, this can be up to £13,022 PA, whilst for those living and studying outside of the capital, this can be up to £10,227. However, these loans are based entirely on household income, with often these figures considerably less – use this [calculator](#) to get an idea of what you might be able to access.

Legacy

- Presuming that students will take advantage of this financial support, there will obviously come a point when they will need to pay this back, like you would do any other loan.
- However, where this differs to other loans is this is based entirely on income, and currently for those starting university post 2023, students will only need to start paying back this debt once they earn over £25k PA, which is c£2083 a month. As soon as they go over this threshold, it is 9% of any money earned over this amount.
- For illustrative purposes, let's imagine a graduate is earning £33k PA, and this is paid in the form of 12 equal instalments. This means that each month their income is £2,750 (£33,000 divided by 12). As their income is £667 over the threshold (£2,750 minus £2,083), they will then pay back £60 (9% of £667) each month.

Is University worth the cost?

Unsurprisingly there is significant research around this topic. This [article](#) suggests that in 2022, on average those with a degree were earning £11,500 more than those without. However, this [research](#) raised challenges about the genuine return on investment some degrees were offering.

To conclude, my thoughts are that this question is an individual one, and more than just the finances involved need to be considered when contemplating the next destination outside of the Moss Gates. Thanks for reading.

Best wishes,

Mr Wain