

Manchester Live: Student finance 2020 (transcript)

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Okay, so we're going to look at student finance. We are going to look at tuition fees and the tuition fee loan, the maintenance loan, additional financial support, the University of Manchester support, loan repayments, applying for student finance, and resources, and then also speak to Maddie about her experiences being a student with budgeting and student finance.

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So first thing's first, with tuition fees they've been confirmed for 2020 entry at nine thousand two hundred and fifty pounds for UK and EU undergraduate students. There's no upfront fees. So it's not as if on your first day you will be expected to produce this money before you actually start at University. There are loans to cover the tuition fees. And because at the moment we don't have confirmation for 2021 entry and beyond, there may well be future

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Increases, but further information will come from government announcements, and that information will be updated on our website. So you don't have to find the money up front and it's not a means-tested loan either. There is a tuition fee loan available. And everybody who is a UK and EU student is entitled to the full cost loan that equates to the full cost of the tuition fee. Student Finance England pay that tuition fee loan directly to the university.

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And students only start to pay back the loan once they've finished University and they are earning over a certain amount. I'll talk about that a bit more in the repayment section. So there are two main costs with going to University. We've talked about the tuition fees - so that covers your studies whilst you're here, and the teaching and the content of the course. But there are other costs that you'd expect when going to University and it's known more broadly as maintenance support.

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And there's different figures for maintenance depending on where you go to university and what your circumstances are. Now unlike the tuition fee loan the government living cost support loan or the maintenance loan is based on your household income. So there is a variable rate depending on your personal circumstances. The maximum that you'd be entitled to if you lived away from home and studied at a university outside of London would be £9203.

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And the students who study within London, it's £12,010. And for students who are living at home £7747. Now, I'll show you the sliding scale almost of how maintenance loan works a bit later in a table, but these are the maximum amounts.

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So your maintenance loan is based on your household income and your household income will be assessed. And it's assessed depending on whether you're a dependent student or an independent student. So as a dependent student, the combined salary of both parents will be assessed. If you're in the situation where your parents are separated or divorced, it's the parent that you're financially dependent on, and any other partner, that's considered.

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And so for example, if you live in a household with your mum and your stepfather, it will be that combined household income that's considered, and the income of any parent who you

don't live with will be ignored because it's very much based on household. And then if you're an independent student. You're classed as one of these students if you're over 25 before the start of the academic year, and married or in a civil partnership, have care of a child, have no living parents or your estranged from them,

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A care leaver, or if you can prove as well that you've supported yourself financially for three years before starting your course. And so that will very much depend on your personal circumstances. And that's how they make an assessment of your household income and therefore how much maintenance loan you'll be entitled to.

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A quick note on interest-free options. There has for a while been a consultation that the government have been looking into interest-free options for students who have perhaps personal and religious reasons why they don't want to take out loans. This, as far as I'm aware, is still on hold so they were looking into an interest-free option, but currently this is on hold and we haven't had any further information. But just to let you know that University of Manchester bursaries

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Are non-repayable and you don't have to get a government loan, and you don't even have to get a government loan in order to be accepted for bursaries and scholarships. And so there's obviously some element of choice there.

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And if you are interested in an NHS funded course, there is support for various different students studying courses. So first off, medicine and dentistry students apply through the student finance system as I've just outlined, but in fifth and sixth year, there's NHS funding available and you can see on the screen what that funding entails. I really do suggest that, whatever your year of study, because this at the moment is right for 2020 entry,

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Things do change and it is important to check closer to the time what the circumstances will be if you are interested in 2021 entry.

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And then just recently, as recently as December 2019, the government has announced grants - so non-repayable support - for students studying nursing, midwifery and some allied health professional courses. So this is anywhere between five and eight thousand pounds from September 2020. And certainly for the University of Manchester, the courses that are affected are all our nursing courses: adult, child and mental health, midwifery, and speech and language therapy.

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But there's a really broad range of Allied Healthcare professional courses that are affected by this positive step as well. So this is non-repayable support. And because this is still quite a recent announcement, we will get more information over the next few months, and will update our web pages as and when.

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Okay, in addition to the support I've already outlined, there is also support available for students who have particular set of circumstances. So disabled students' allowance covers non-medical help or support as well as other kinds of support that might be required if a student has a physical disability, a mental health condition, a long-term health condition, or a

learning difficulty like dyslexia. Then there's the parents' learning allowance, the childcare grant and adult dependants' grant.

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If you are in a situation where you have caring responsibilities, you can get support from the government that's non-repayable as well. But we do also advise you to contact your University. So when you're making applications and you've got an idea of your first choice, your insurance choice, get in touch with them and find out what you might be eligible for. Because there is a lot of support available. It's sometimes just the onus is on you to look into it.

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Okay, I'm going to give you a bit of an overview of a support package from the University. So you've got a bit of an idea. I'm not going to go into detail about all the scholarships, but I certainly want to give you a sense of what's offered from a university. This isn't unique. The University of Manchester has a very generous bursary and scholarship scheme and we support nearly the largest number of students through our bursaries and scholarships out of all Russell Group universities.

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However, every University will be offering a package of support.

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So we're really keen and we're committed to admitting those talented students regardless of their background or ability to pay. And we want to ensure we're supporting students from low-income households. And we do this through a series of support - more practical support, but also financial support as that's been identified as a barrier.

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So bursaries and scholarships are means tested. So this means that like the maintenance loan, it's based on your household income. But unlike the maintenance loan, you're not expected to pay it back. This is non-repayable support. So I'll be giving you more in depth information about the Manchester bursary, but I'm also going to highlight that we have a bursary for students who are taking a foundation year. That's an additional year.

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And we want to make sure that that support is available. And we've got a bursary for students who want to have a year abroad or a year in industry. And again, it has been identified that finance can be a barrier to accessing those years.

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So we want to ensure that support is available. And the undergraduate access scholarship is for students who are currently on a Manchester Access program, and they complete the program. And it is also for students who have spent some time in care. I'll go into just one of those in detail, which is the Manchester bursary. The key thing to remember is that you need to have provided your bank details to the university by the end of May and of the year in which you're applying, otherwise you're not going to receive that support. So we'll talk a little bit more about applying for student finance at a later date. But as long as you consent to share your details, then you don't have to apply for bursaries and scholarships separately and that's a really key point and it's one less thing for you to have to think about.

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Okay, so I'm going into the Manchester bursary in a little bit more detail. As I said, it's based on household income and you can see that the students who are from household where the income is zero to £25,000 a year, these students will be eligible for £2,000.

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And this is paid in three installments throughout the academic year, and this is per year as well, of the course that you're going to be studying. And then the household income bracket is £25,000 to £35,000. And that amount is £1000. That's also paid in three installments during the academic year. So the Manchester bursary is available to any UK student who's registered on an undergraduate degree program. It currently excludes any students who receive NHS funding. But again do keep checking because circumstances do change a lot with student finances. It's very much related to government policy.

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We will refresh our web pages, but it's also important if you're not applying for 2020 entry and you're actually applying for 2021 and beyond and we don't have confirmation yet of how student finance is going to work for that year. So do keep checking closer to the time.

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So in addition to the other scholarships I outlined earlier from the University of Manchester, there's also a variety of other financial support, and that's very much dependent on the University that you attend. So we have some subject-specific scholarships that are related to different faculties.

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So we have three faculties at the University - the faculty of science and engineering, the faculty of humanities, and the faculty of biology, medicine and health. And there are some scholarships that are sponsored by outside and external companies. Others are very much based on attainment and of offering that opportunity to students. Then at other universities there may well be scholarships in music. So if you're particularly talented in that area, you might get a music scholarship. We have a sports scholarship scheme here

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If you are competing at a national or international level. And we also offer, at the moment, five article 26 sanctuary scholarships to asylum and sanctuary seekers, to provide that support for students who have got a particular set of circumstances and are starting life in Manchester. We have care leavers support as well. And that's a really crucial area to look into if that's relevant to you because there is support available. So do do your research.

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Okay, so earlier I talked about a table that will show the maintenance loan and an example of University support as well. So you can see on the left hand side, as a household income increases, the amount of government maintenance loan that you're eligible for decreases and you can see the University of Manchester support and how that fits in with the household income. Now the government maintenance loan column is based on students who are living away from home and studying outside London. As I said earlier,

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There's a variable rate for those learners who are studying within London, and who are living at home, but this is just an example of one of the kind of differences between the maintenance loan, depending on household income.

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So that's more of an easier way of accessing that information. So recognizing that everybody will be entitled to a basic sum of around £4586 as you can see there. But if your household income is less, depending on your household income, the maintenance loan will be allocated in respect of that. So not everybody will receive the same amount of maintenance loan.

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But everyone will receive the full tuition fee loan.

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And then the living cost. We've given you an idea of living costs in Manchester. It's really hard for us to predict this, it's hard for us to say exactly what you're going to spend in an academic year. For some people looking at the clothes row, that's a ridiculous amount of money to spend on clothes, but other people they get through that in, you know, a couple of months. So it's really hard for us to know exactly, but we want to give you a bit of an idea of what costs are like in Manchester.

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So accommodation really varies. It's not necessarily that amount because, as you can see on the left hand side, it varies in price from £3915 to £6099, depending if you go self-catered or catered, en suite. It's very much a personal choice. There's no one right answer. Then 'other', obviously that's very dependent on your course and transport, where you live, and how often you travel around to see friends.

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We've given a rough estimation there of living costs in Manchester.

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Okay I'm talking now about repayment and how it works. And the first thing to say is it's best to think of it as a graduate tax. And this is something that Martin Lewis, who is the money saving expert, is really keen to stress. It's an increased rate of 9% of everything over a particular amount, and that amount of the moment £27,725. So you won't be paying everything back until you earn over that amount of money.

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And unlike a usual bank loan, it's linked to what you earn. It's not linked to what you owe. So it's constantly linked to your earnings and it's a very different way. You know, we may have an idea of what a loan is like. This is a very different kind of loan, which is why it's worth thinking about it like a tax.

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So the thresholds currently, as I've said before, around the £25,000 mark per year, that's £2143 a month and £494 a week. It's nine percent of those earnings. You start paying it back the April after you graduate, only if you're earning over that amount, and any outstanding debt is written off after 30 years. And people have predicted

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There's a large number of students - around 70% of students - aren't going to be paying back the full amount of loan because of the way that the system is set up. So think of it like another contribution - like National Insurance on tax, like that comes out of your pay packet. You don't actually see that money before you get your pay in your pocket. It comes out before you even have it.

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So this gives you an idea of how that works in practice. So you can see your income on the left hand side, the monthly salary in the middle, and the approximate monthly repayment on the right hand side. And this is what you can expect to come out of your account each month, only if you're earning over £25,725.

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It's important to look at it in this way, and to think about it very differently to the usual idea of a loan system. And you can see there the sort of gradual increase of the monthly payment

that's relating to your income and when that income increases. Here's another way of displaying that information. So just showing the amount of National Insurance you'd pay, the amount of tax, when your student loan kicks in after £25,725, and your take-home pay as well. So actually what you have in your back pocket to spend throughout the month.

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So hopefully that's a kind of nice way of showing it as well because sometimes statistics and facts and figures can get quite full-on. It's sometimes quite nice to see it in a graph format as well. A little bit extra information about room payment. There's no penalty for early repayment of student loans, and I'm not a financial advisor - far from it – I'm very much here to talk about the facts of the student finance system. But certainly it may make more financial sense to pay it back in

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Installments, like the student finance process is set up to do, because depending what you earn as I said earlier, you may never pay back the full amount. And as I said, they've done some sums and they figured out that a huge number of students aren't actually going to pay it off, and so that's something to consider and talk to your parents and carers about. And then a student loan is very unlikely to affect an individual's ability to get a mortgage. Lots of people go through the mortgage process and lots of people go through this process

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Who are graduates and are paying back student loans. So they will take this into account. It's a very different kind of loan and I've not heard of any circumstances where someone's been denied a mortgage because of having a student loan.

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The interest on student loans is a variable rate of interest. So it does vary depending on your circumstances. So if you're studying and until you enter repayment, there's a set interest rate. And then that does vary depending on the income that you earn. So there's some figures there. And again do keep checking this if you're not applying to 2020 entry, as these figures are likely to change.

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Okay, I'm going to finish by talking about the application process before I speak to Maddie about her experiences.

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But how do you apply? And what deadlines do you need to be aware of? So as of yesterday, I think it was, applications for 2020 entry are now open. So this is really well timed. The deadline you need to remember is the 22nd of May, so you don't have to have a confirmed place on a course in order to make a student finance application. You can just put your first choice down whilst you make the application. But the deadline to have funding in place for September is to submit your student finance applications by the 22nd of May. And it's really crucial you do this just because starting university's really fun. It's really exciting.

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It can also be quite nerve-wracking. And to have one less thing to worry about would really kind of give you peace of mind. So if you can get your application in by the end of May, you're guaranteed to have that support in place for September. We do encourage parents and carers and sponsors to consent to share financial information with the universities because this does speed up the application of scholarships and bursaries. You don't have to make a separate application.

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You can just consent to share information through the student finance system and they will allocate you that support. And then in future, you'll receive a reminder for student finance England to reapply for support for the following Academic Year. So this is the website where you go to apply. It's the GOV.UK website and it's all set up now for 2020 entry.

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Further information can be found on some of the websites that are on the screen at the moment. And what's always really useful is that student finance England have a very strong Twitter and Facebook presence as well.

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So if you're not keen in kind of liaising with them over the phone or by emails, you can access information via social media as well, which can be really helpful. And there's some other areas and websites that you can visit there: the student room often host webinars as well about student finance and Q and A's. And they have a designated zone as well for student finance. So that can be a little bit more of an informal way of getting information about student finance as well.

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Okay, I'm going to hand over to Maddie now. So we'll have a couple of questions on your experiences, since you're relatively fresh out of university. So first thing's first, in terms of the additional support, we talked about and bursaries and scholarships. What is your experience of accessing support. Yeah.

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You can allow the universities to access your financial records and all the information that you give to student finance England. And I would recommend that you do that because then that means that if there are any bursaries or scholarships that you are automatically eligible for they'll just automatically enroll you and give it to you.

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I mean, I turned up at uni and I was really lucky, so I received the Manchester bursary and I didn't even realize that I was going to get it until one of my friends said she was eligible and then I realized I'd automatically been enrolled. But word of warning, don't just assume that you're going to be given a bursary or scholarship. It definitely is worth going on University websites, having a look at subject specific scholarships or university-wide scholarships or bursaries. And if there is an application process, it's definitely worth researching in advance to see if that is something that you need to do as well. Yes. So also, I think it's really worth talking about how you managed your money whilst you were at University.

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So if you access the bursaries and scholarships, that's great, you have that support. When you actually got the money in your bank account, I imagine for the first time it was probably the most amount of money you had access to. How did you manage that? How were you strict with yourself if you needed to and what did you let yourself spend on more luxury items? How did you approach budgeting in general as a student? Well, yeah. It really was overwhelming at first - it was wild but I was a bit nerdy about it and I got some budgeting apps.

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Which a few years ago, there were a few of them anyway, so there'll be many now. I have one that was connected to a bank account and checked how much I spent every day, and then it would give me a running total of how much I was able to spend each day or each week, or

each month. I know that nowadays there are loads of apps and there are even banks that sort of update you and you can put your money in separate parts. And so it's really good.

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I usually approached it on a sort of weekly basis because it can be quite difficult when you get your student finance money every few months. But it's good to look at it, maybe per week or per month in that way. And so yeah, I budgeted that way and I just made sure that I used as much as I could to sort of save money here and there so things like student discounts, the NUS card which is where you buy a card, you spend a little bit of money up front, and then you can use this card to get discounts basically everywhere. So yeah, So we obviously talked about bursaries and scholarships.

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You said that you got money that way, but there is the opportunity when you're at university to get part-time. Did you do that? And if so, how did you find it? And did it really help supplement what you got from the government or from university? Yeah, so I did. I had a couple of jobs while I was at uni. Basically, I was a student ambassador, which is a really good job to have. It's really varied, you get to do loads of stuff. I got to lead tours and I got to do sessions with students from local schools. It was really really engaging with loads of different

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Stuff to do no matter what you're interested in. And usually universities will have quite a big recruitment cycle for ambassadors. So it's relatively simple to get involved in. It's quite good pay as well so I would definitely recommend that. I also worked locally at a museum up in Salford near Manchester and that was really good. So it was about having that stable bit of income. And it can be quite difficult sometimes, especially depending on what course you do, to find a job. That's flexible around your studies.

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I was quite lucky because I studied history so I wasn't basically in 9 to 5, but I think ambassador work is good because it's really flexible. Part-time work – there is usually part-time readily available, especially in big cities and towns. And if you are struggling there's always usually people in the careers service at your University that will help you find something that's ideal for you and for your time. And at Manchester we are really lucky as well because we have something called the Job Shop and that's in our union and you can just pop in they will help you find a good job. And they'll even help you with applications in the careers service, even if it is just part time job. So they'll help you

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With your CV, they'll give you mock interviews and help you search for a job as well.

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Right and then socializing. So obviously, university isn't just about the study and there's lots of opportunities to get involved in clubs and societies and there's also potentially a new city, new town to explore. So, you know going out about. How did you kind of balance your social life and spending money, but also stay mindful of what money you had and were able to spend? Yeah, so it's like I said before. You get student discount. I think Manchester's great. There are student discounts that you can basically get everywhere. So you're able to get 2-for-1 cinema tickets nowadays, you can get 2-for-1 meals with friends nowadays on certain days. You can use student discount when you're out and about with friends, but you can also sort of try and keep it cheap as well. So if you're going out with your friends a lot, maybe you can scale it down one night you can have friends over for

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Some food or some games or watch TV or films. And so there were definitely ways - you don't have to become like a recluse to save money. There's definitely ways of either getting it cheap, discounted, or you can still just spend time with your friends and keep it quite simple. You know there are always museums, art galleries and things like that that are free as well.

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And then final question: your top five budgeting tips? Okay so it's definitely more expensive to cook for one person, so tip number one would probably be batch cooking. So at the start of the week, do a huge casserole, or something like that, make a load of pastas, and you can have it for your tea throughout the week, or your lunch throughout the week. That would save a lot of money. Similarly, you could also just cook big batch meals with your flatmates or your housemates as well, that works out a lot cheaper as well. Secondly. This helped me a lot. Get a bike, if you can invest in the bike. I mean usually you're quite lucky you can get discounted travel for students. And also there's always that - you can always get a student bus pass which is discounted.

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But I think investing in a bike is a really good idea because it's so much cheaper if you just get a second hand bike. And we're quite lucky in Manchester as well to have really direct cycle routes and they're quite safe leading all the way up to the university. What else?

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Yeah, I'd say this is maybe not for everyone but go more second-hand. So when you want to buy clothes go secondhand or repair your clothes as well. It's quite simple to pick up these tricks with like repairing clothes, but it's good for the planet and it saves you a lot of money as well. Similarly. Maybe number four could be books. So a lot of courses will demand like you buy lots and lots of books.

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They can be very expensive and the price can add up so I'd say try and find secondhand ones. You can find them online on shopping websites, or there are usually Facebook pages for your course, and you can speak to students in the year above you who might be selling their books from the year before. Or go to the library. Try getting there early because using the library's quite well stocked, at least at first, with all the books that your course asks for.

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Number five? Just always whip out your student discount card. Like don't be ashamed to just be like, please ask everywhere because sometimes they don't say immediately. Yeah, they don't always but sometimes you'll end up having a 50% off your meal or your purchase and it's like yeah, if you don't ask you don't get.