

Module 6: Teacher Guide

Aim: This module will give students a solid understanding of Student Finance in England and dispel any myths surrounding the subject.

Lesson

Ice-Breaker: Myth Buster

- Students to sort the student finance statements into piles of TRUE or FALSE
- Encourage students to work in groups and discuss their answers
- During feedback, ask students what they already knew about Student Finance, were they surprised by any of the statements etc.

Activity 1: The £9,250 Question

- Ask the students to imagine they have £9,250- what would they spend it on?
- Give them a few minutes to discuss with the people around them
- Feedback and then ask:
 - How much time should you spend thinking about your decision?
 - Can you make this decision alone? Should you seek some advice?
 - How much research should you do?

Student Finance

Tuition Fees

- University fees are set by the UK government. Currently universities can charge up to £9,250 per year of study. These fees are invested back into the university and go towards university facilities, staff, research, teaching etc.
- £9,250 is a lot of money but encourage students to think of it as an investment in their future. On average, graduates earn much more than non-graduates (£500,000 over a lifetime)

Tuition Fee Loans

- You can apply for student loan to cover the full cost of tuition fees, there is no need to pay any money up front. You apply for a tuition fee loan each year. **EVERYONE** is eligible for a tuition fee loan.
- Student apply online through gov.uk website and the money automatically goes to you university

Living Costs

- Living costs at university will vary greatly from person to person depending on lifestyle E.g. where you live, how often you go shopping, eat out etc.
- Living costs can include: Rent, social life, food, clothes, travel etc.

How do I pay for University?

Maintenance Loan:

- Students can apply for maintenance loans to cover their living costs
- This loan goes straight into the student's bank account and is theirs to budget- once it's gone, it's gone!
- The loan is paid in three instalments through the academic year at the start of each term (September, January & May)
- The amount of maintenance loan each student is entitled to, is determined by their household income, usually how much their parent(s)/carer(s) earn.

How to Apply:

- You apply online for a student loan and fill in an application form- it's straightforward to complete
- Parents/Carers may have to provide evidence of their income
- **Apply early!** You can apply for Student Finance from Jan-May of Yr 13. Apply early so that you are guaranteed your loan for when you begin university
- If your financial circumstances change, you can amend your application at any time

Repayment

- You don't pay anything back until you earn over £25,000 per year. If you don't have a job when you finish university or have a job that pays under £25,000, you won't pay anything back
- Show Table: If you earn £30,000, you're earning approx. £2,500 per month before tax. Of that £2,500 you only pay back £67 to your student loan- it's a negligible amount
- If your income falls to below £25,000 your payments will stop.
- Your parents or anyone else will NEVER have to pay a penny, repayments only come from your wage
- If after 30 years you still have some loan outstanding- it gets written off!
- Student loans **do not** affect your credit score/chances of getting a mortgage etc.

Scholarships & Bursaries

- Scholarships and Bursaries are financial grants given to students by universities. They are a cash gift and do not have to be paid back
- **Scholarships** are usually awarded for academic or sporting achievement
E.g. Performing well in your A levels, university exams
Elite sports players are often offered scholarships as an incentive to go to a university
- **Bursaries** are usually awarded to students who meet certain criteria
E.g. Household income, personal circumstances
- Each university will offer different scholarships & bursaries so students should do their research before applying. Look on university websites for details

How do I pay for University?

Other Options

- Apprenticeships: Apprentices are paid a small wage whilst being trained for a job
- Degree Apprenticeships/Sponsored Degrees: Some apprenticeship schemes or companies may pay for you to complete a university degree that will benefit you in your career

Student Budgeting

- Work in groups to think about eight things students spend their money on
- Encourage discussion

What Next? Student Finance Calculator:

- The Student Finance Calculator is a great way to see how much maintenance loan you would be eligible for, before you apply. This can help students make choices about which accommodation sites to apply to and budgeting
- Using the information in the case studies, work out how much maintenance loan they are entitled to

Case Studies Answers (Correct as of Apr 2018)

Everyone gets their **tuition fees** paid for in full i.e. £9,250 full time or £6,935 part-time. The following answers are for Maintenance Loans (money paid directly to students)

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|--|--------------------------------|
| 1. £8,700 | 5. £8,700 |
| 2. 11,354 | 6. £7,324 |
| 3. £8,326 + Disabled Students' Allowance | 7. £7,324 |
| 4. £5,720 | 8. 7,324 + Social Work Bursary |