

Student Funding



UNIVERSITY OF
OXFORD



Cat Murdoch

How much will a **degree cost** from 2012/ 2013?

What **support** is available?

What are the **repayment details** and terms?

What are the **benefits**?

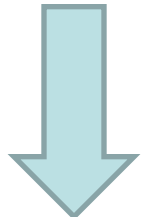
Costs and Sources of Funds

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Tuition Charge

&

Living Costs



Tuition Charges
Loan (Repayable)

Maintenance Loan
(Repayable)

University Funding
(Non-Repayable)

Maintenance Grant
(Non-Repayable)

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University Funding
(Non-Repayable)

Tuition Charges 2012

- Why have there been changes to the way HE is funded in the UK?
- Charges possible
 - Maximum of £6,000 with no conditions
 - Up to £9,000 on condition that bursaries are provided to students from lower income families
- Who is charging what?
- What does the 'ticket price' mean?



Tuition Charge Loan

- Available to UK and EU students
- Not dependent on household income
- Up to a maximum of £9,000 per annum, institution dependent
- Paid directly to institution
- Joined with Maintenance loan for repayment purposes

University Support

- Various universities offering generous tuition charge waivers
- Non repayable reduction of tuition charges
- Frequently household income based



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University support for Tuition Charges, Oxford University

Household income*	Tuition charge for first year of study	Tuition Charge for subsequent years
£0 - £16,000	£3,500	£6,000
£16,001 - £20,000	£7,000	£7,000
£20,001 - £25,000	£8,000	£8,000
£25,001 +	£9,000	£9,000



Living costs 2012

- Dependent on where and how the student lives
- Very much institution specific so check with University choices
- Oxford's typical costs for 2010/2011:

Type of Cost	Amount
Accommodation	£3,400
Food & living costs	£2,350
Course costs	£300
Activities	£950
Total	£7,000



Maintenance
Loan
(Repayable)

Maintenance
Grant (Non-
Repayable)

University
Funding (Non-
Repayable)

Maintenance Loan

- Paid directly to the student
- In 3 roughly equal sums per year
- All students are eligible to 65% of the loan (£3,575)
- The further 45% is means tested on household income

University and living arrangements	Maximum amount
Living with parents	£4,375
Studying in London and not living with parents	£7,675
Studying outside of London and not living with parents	£5,500
Living and studying abroad for at least one academic term	£6,535



Maintenance
Loan
(Repayable)

Maintenance
Grant (Non-
Repayable)

University
Funding (Non-
Repayable)

Maintenance Grant

- Paid directly to the student
- In 3 roughly equal sums per year
- Grant affects the amount of Maintenance Loan a student can borrow
- Assessed on household income
 - Under £25,000 eligible to full grant of £3,250
 - Up to £42,600 eligible to a proportion of the grant



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Maintenance
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University Funding

- Universities run a variety of schemes
- Typically paid directly to the student
- Non repayable
- May be means tested (automatic through student funding system)
- May be on other grounds such as ability or talent



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University Funding for Maintenance, Oxford University

Household income	Bursary for first year	Bursary for subsequent years
£0 - £16,000	£4,300	£3,300
£16,001 - £20,000	£3,500	£3,000
£20,001 - £25,000	£3,000	£2,500
£25,001 - £30,000	£2,500	£2,000
£30,001 - £35,000	£2,000	£1,500
£35,001 - £40,000	£1,500	£1,000
£40,001 - £42,600	£1,000	£500



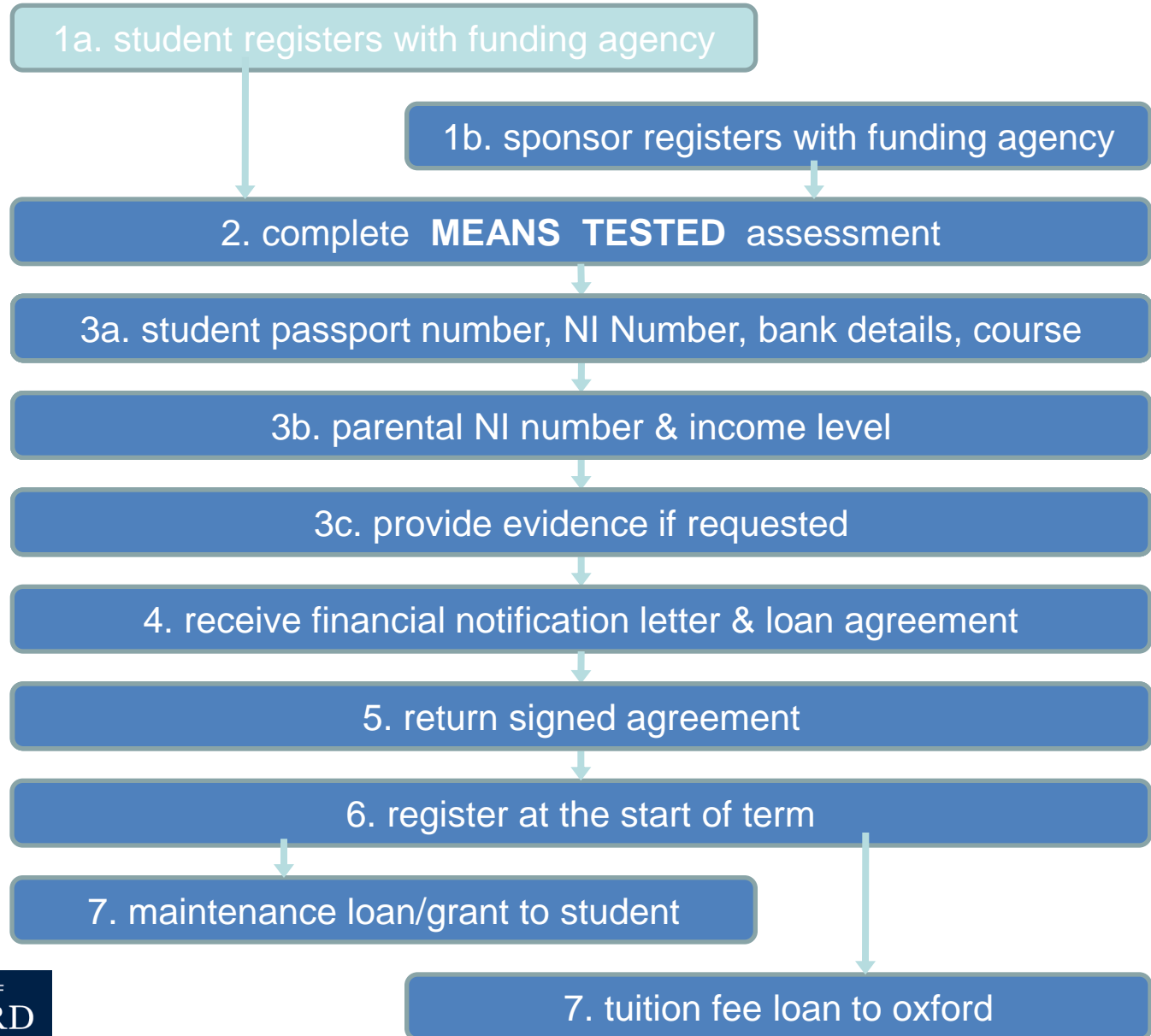
Terms of Loans

Students will be charged interest on their loans at the following rates:

Annual Salary	Interest accrued
Whilst studying and until April after graduation	RPI + 3%
Earning under £21,000	RPI
Between £21,000 and £41,000	Sliding scale from RPI to RPI +3%
Over £41,000	RPI + 3%



how to apply for support



Repayment

- Repayment begins the April following graduation
- Repayment only when the student earns over £21,000 per annum
- At a rate of 9% per annum above the threshold (based on pre tax income)
- The same rate and terms apply no matter how much loan was taken by the individual
- Paid through the tax system
- All debt written off after 30 years
- Debt is responsibility of the individual
 - Never passed on to dependents

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Repayment Examples

A Graduate earning
£22,000 per year

£22,000 - £21,000
threshold

= £1,000

9% of £1,000

= £90

So £90 per year

= £7.50 per month

A Graduate earning
£30,000 per year

£30,000 - £21,000
threshold

= £9,000

9% of £9,000

= £810

So £90 per year

= £67.50 per month

Graduates earning over £21,000 under this system will have £540 per year in their pockets more than those under the old system



Repayment for longer if at all?

- This system will take longer for students to repay their loans
 - Larger sums
 - Interest charged
 - Lower monthly repayments
- It is expected that a large number of students will never repay the full balance

Estimate of total repayments in today's money.
Bases on £9,000 annual fees and £5,500 maintenance loan

Starting salary (Sep 2015)	Total amount repaid (in today's prices)	Will I fully repay it?
£10,000	Nothing	No
£20,000	£7,000	No
£30,000	£43,000	No
£40,000	£77,000	No
£50,000	£68,000	Yes - 21 years

Repayment for longer if at all?

England Only

Student Finance Calculator 2012

How much will you pay?

For full instructions on the student finance changes, read...
Student Loans 2012: The 20 key facts.

Shift the sliders to see the impact – click ? for extra information

Tuition fees loan £9,000 per year

Maintenance Loan £3,675 per year

Likely Starting Salary £25,000 per year

Course duration 3 years

Change our assumptions?

Average Inflation (RPI) 3%

Your Salary Growth RPI-5%

When will the loan be cleared?
30 yrs
After 30 years, debt wipes

How much will you repay?
£43,760
Converted to today's money £24,940

www.studentfinancecalc.com

Is it still worth it?

- YES! For some students it remains absolutely the right choice
- For a multitude of reasons that have nothing to do with future earning power but...

- Graduate vacancies are set to rise by almost 10% in 2012
- More and more employers are demanding graduates
- A degree provides highly marketable transferrable skills
- The graduate earnings premium from top universities is £80k above the average
- Top 5 universities targeted by Britain's top graduate employers in 2010/11 are:
 - Cambridge
 - Oxford
 - Warwick
 - Manchester
 - London

Questions?

www.admissions.ox.ac.uk

