

Figuring it out

Welcome to Advice Direct..., the written information service from Guild Advice.

This leaflet is designed to provide you with information on the key financial issues that you will need to consider as an undergraduate at university and how to prepare for them.

What does it cost to be a student?

The costs for students at university have increased since the first introduction of tuition fees and many students now have to supplement their student loans package with additional income.

One-off initial costs

The following are a number of initial one-off costs you may need to pay up front:

<u>One-off initial costs</u>	<u>Amount (£)</u>
<u>University-owned halls pre-payment</u>	<u>£550</u>
<u>Private shared house deposit</u>	<u>Usually a month's rent in advance</u>
<u>Bedding pack (single/double)*</u>	<u>£30-40</u>
<u>Insurance**</u>	<u>£80</u>
<u>Police Registration***</u>	<u>£34</u>
<u>TV Licence</u>	<u>£145.50</u>

<u>Essential Living Costs</u>	<u>Catered Halls</u>	<u>Self Catered Halls</u>	<u>Private House</u>
<u>Rent</u>	<u>£156</u>	<u>£123</u>	<u>£80</u>
<u>Gas & Electric</u>	<u>Included</u>	<u>Included</u>	<u>£8</u>
<u>Water</u>	<u>Included</u>	<u>Included</u>	<u>£3</u>
<u>Food</u>	<u>Included</u>	<u>£50</u>	<u>£50</u>
<u>Toiletries</u>	<u>£2</u>	<u>£2</u>	<u>£2</u>
<u>Laundry</u>	<u>£5</u>	<u>£5</u>	<u>£5</u>
<u>Weekly Total</u>	<u>£163</u>	<u>£180</u>	<u>£148</u>
<u>Annual Total</u>	<u>£6,846</u>	<u>£7,560</u>	<u>£6,216</u>

Variable costs

The following costs are variable and the weekly amount may depend on your available budget and individual circumstances:

<u>Variable Living Costs</u>	<u>Average cost per week</u>
-------------------------------------	-------------------------------------

<u>Course costs</u>	<u>£18</u>
---------------------	------------

<u>Travel</u>	<u>£20</u>
---------------	------------

<u>Social/Memberships</u>	<u>£50</u>
---------------------------	------------

<u>Clothing</u>	<u>£10</u>
-----------------	------------

<u>Internet*</u>	<u>£5</u>
------------------	-----------

<u>Mobile Phone</u>	<u>£2</u>
---------------------	-----------

<u>Weekly Total</u>	<u>£105</u>
----------------------------	--------------------

<u>Annual Total</u>	<u>£4,410</u>
----------------------------	----------------------

* Figures taken from the University of Birmingham website & are only a guide to annual expenditures rates.

Student Loans Package

The vast majority of undergraduate home students coming to study a full time programme at the University will be eligible for a student loan.

There are 3 core elements of the package; the first is a **Tuition Fee Loan** which will pay for your course fees. The latter will be a mixture of **Maintenance Loans** and **Grants** (dependent on your household income) that help with living costs (e.g. accommodation, books, bills). Loans must be paid back, grants won't be.

Student Finance England produces various overview guides about their loans.

A Guide to Financial Support for New Full-time Students in Higher Education

2015-16 goes through the stages of application.

<http://www.practitioners.slc.co.uk/resources/201415->

Other options to also consider:-

- **Students on a low income**, might be eligible for the [National Scholarship Programme](#), the Chamberlain Award or the University's [Student Hardship Fund](#).
- **Students with children or dependant adults**, might be able to apply for a [Childcare Grant](#) (FT students), [Parents' Learning Allowance](#) (FT students), [Adult Dependents' Grant](#) (FT students), the University's [Student Hardship Fund](#) or [Child Tax Credits](#)
- **Disabled students**, who have a disability, long-term health condition, mental health condition or specific learning difficulty (e.g. dyslexia) could apply for a [Disabled Students' Allowances](#), the University's [Student Hardship Fund](#) or qualify for [disability related benefits](#)
- **Medical, social work and teacher training students**, could apply for [NHS bursaries](#) - medical, dentistry or healthcare students, [Social Work Bursaries](#) - social work students, or [extra help](#) for teacher training students

Problems with student funding

You may experience problems with obtaining your funding, or you may need to take time out of your course or repeat a year. These events could have implications on your funding. Make sure you notify funding bodies of any change in your circumstances as soon as you become aware of them, from a change of address to the fact that your father has lost his job.

'I've Been Refused Funding I Thought I Was Eligible For'

If you believe that your application for funding has been incorrectly refused check your eligibility first, then contact the funding provider directly to find out the full reasons for your application being unsuccessful. If you still feel a mistake has been made, put your concerns in writing. Seek advice if you are still unsure or need help appealing any decision. Do this as early as possible as it could affect your decision to proceed with your course.

'My Student Loan Is Late.'

Try to contact Student Finance as early as possible. They will be able to advise you of any problems with the payment, e.g. your form may have been returned late or they may have incorrect bank details. If they cannot resolve your concerns, or they advise you that the delay is going to be lengthy, think about whether you can manage financially in the meantime. See the advice on budgeting and how to maximise your income. If you can't get any responses from Student Finance England seek further advice.

'I'm Thinking Of Leaving My Course / Repeating A Year. How Will My Funding Be Affected?'

If you decide to withdraw from University, transfer to another course or institution, repeat a period of study or just take some time out these will have varying financial implications. Please seek further advice as to how your finances may be affected before you make any decisions.

'My Parents Won't Pay Their Contribution / Fill In The Financial Assessment Forms. I've Told The SFE But They Still Won't Give Me Any More Money.'

Unless you are classed as an 'Independent Student' Student Funding England will need to assess your eligibility for funding based on the income of your parents. Unfortunately, there is no way around this. If you feel that you have reasons for being classed as independent, for example you have no communication whatsoever with your parents, please seek further advice.

Student Loan Repayment

You only have to pay back the Tuition Fee Loan and Maintenance Loans received. Both amounts will attract interest until your final repayment. However, you don't have to pay back other forms of student finance, e.g. grants and bursaries.

Repayments will not start until you have graduated from your studies and are linked to your income. You only make repayments when your income is over £21,000 a year. If your income drops below this amount repayments will stop.

Repayments Breakdown:

Each month you pay back 9% of any income 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

You can use the official online repayment calculator to figure out what you owe and how long it will take to repay it back –

<http://www.studentfinance.direct.gov.uk/scheme/dgv/pws/repayment-calculator.html>.

Managing your finances

Why Budget?

For many students this will be the first time that you are responsible for your own income and expenditure. There are a number of important reasons why you need to budget yourself at university.

For the majority of (if not all) students the level of financial support received from the government will not be enough for the costs that you will incur over the academic year. You need to have a clear idea of how much money you have and how much you need to spend as early as possible (preferably before you start university).

As a student, you will receive funding either at the start of the academic year or in installments at set times during the year. This will mean that at certain times you will have no income (other than your own) going into your account. This could cause problems, as you will have certain 'fixed' costs throughout the year such as food, rent, travel and leisure.

One of the most crucial times in the academic year is at the end, when the majority of students will be sitting exams and handing in coursework. If you fail to budget then you could find yourself in hardship at a time when you should be focusing on your studies.

On a positive note, careful budgeting could mean that you have more disposable income to spend on your interests at University and student life. For further information see '**Advice Direct...Budget Planner.**'

Producing Your Budget?

When working out your budget you need to set out some time (don't just rush through it), be precise in terms of your income and be realistic about how much you are likely to spend throughout the year. All that a budget entails is listing your income and your expenditure; if you have been honest and realistic about your expenditure then you have a good starting point to budgeting.

First list all your income for the year – this can be from a number of sources including your **student loan**, income from any **part time jobs** you have during your studies, any **savings** that you are planning on using, any **sponsorship** you have secured and any **money that your parents** may give you.

Following this, you will need to work out your expenditure – so that's everything you have to spend or are likely to spend. On page 1 of this Advice Direct, we have listed the average expenditures that students may face; it's not a definitive list but may help as a starting point.

It is important that you work out your expenditure for the whole academic year and include vacations if you will be supporting yourself during this period. Whilst also identifying when you will incur a particular cost. Therefore, research the costs that you are likely to incur and find out when they have to be paid (such as housing (fees/deposit) and tuition fees).

Your costs should be split into priority Fixed Expenditure and Variable Expenditure:-

Fixed Expenditure - refers to costs that you should prioritise for, as they are essential, such as fees, rent, utility bills and food (see budget planner for full list).

Variable expenditure - Once you have deducted the Fixed Expenditure from your Income you will be left with an amount that you can afford to spend on Variable Expenditure. Variable Expenditure refers to costs that will vary throughout the year, such as leisure, clothing, holidays and other such costs. In most cases the amount left over could be minimal, however it is important to pay for your priority costs first as they pose more serious consequences.

The Recipe To Successful Budgeting Is...

- prepare in advance
- produce an accurate budget and then stick to it
- monitor your finances
- address any problems as soon as they take place seek help when needed – don't ignore your problems

Please use the National DebtLine's Budget Sheet to help you start your budget: -

https://www.nationaldebtline.org/EW/steps/step2/Pages/Step_2_11.aspx#

Outgoings Higher Than Income?

If having completed your budget and you find that your expenditure is more than your income, or there are periods where you have a deficit, then you should follow the procedure below.

1. **Check Your Budget**

Check through your figures again to see if they are correct and you have made the correct calculations.

2. **Tighter Resourcing**

Look at your figures and see if there are any areas where you could spend less (clothes/leisure), or are there payments that you could pay over a period of time. You should however still keep realistic figures.

3. **Extra income**

There are a number of ways in which you could increase your income:

- Family contribution: Your parents or family may be able to support you more, especially if you can show them that you have budgeted yourself and need the extra funds.

- Bank Overdraft: Your student overdraft may be able to cover any deficits that you have. Your bank may also allow you to extend your overdraft limit for a fixed period or indefinitely.

- Part-Time Job: You could take up a part-time job to help raise extra income. Jobs, Skills and Volunteering is located within the Guild and offers students access to local vacancies. Visit:
www.guildofstudents.com/jobzone

- Government/University Funding: You should check to see if you are entitled to any additional support from Student Finance England (e.g. Disabled Students Allowance), or from the University of Birmingham itself.

Hopefully having followed the above steps you will be able to meet your University expenditure. If you have a reasonably small deficit then you may be able to cover this through the 'Other Sources Of Funding' (see below).

**If You Do Not Have The Required Funds To Continue With Your Studies, You
Should Seek Further Advice.**

Other Sources of Funding

There are numerous other sources of funding available, such as trusts and charities. It should be noted, however, that the amounts awarded are unlikely to be large enough to provide a considerable contribution towards the total cost of your study.

Student Hardship Fund - The Student Hardship Fund (SHF) is provided by the University to help students who are experiencing genuine and unavoidable financial difficulties and are struggling with their living costs. The SHF is a discretionary grant, offering support of up to £2,500 in an academic year which does not need to be paid back. For further information see '**Advice Direct...Student Hardship Fund.**'

Birmingham Grant - The University of Birmingham offers additional support to all students whose household income falls below the University's annual financial threshold. You will receive the grant if you:

- Have successfully achieved a place at the University
- Are a full-time undergraduate classed as a UK student
- Are eligible to pay the full undergraduate fee
- Have applied for financial assessment through your relevant Student Loans Company agency
- Have a household income below the threshold

Birmingham Scholarship - The Birmingham Scholarship recognises the achievement of students from low-income backgrounds who perform extremely well in their A levels or equivalent qualifications. You will receive a Birmingham Scholarship if you:

- Meet the **criteria for the award of a Birmingham Grant**
- Achieve a minimum of AAB at A level, more than 34 points in the IB, or DDD in BTEC. Other examinations may be considered. The award of a scholarship is not based on UCAS tariff points.
- Do not already have an undergraduate degree.
- Are not on any of the following courses: Graduate Entry courses (eg , ITE, Law or Medicine), NHS funded courses and Access Courses

Buttle UK - Transforms the lives of vulnerable children and young people whose education is suffering due to medical, social and often economic issues. Visit: <http://www.buttleuk.org/pages/grant-programmes.html>

University of Birmingham Scholarships – these vary dependent on your circumstances and course. Please see the following website for details: <http://www.birmingham.ac.uk/international/students/finance/scholarships/index.aspx>

Cavell Nurses' Trust – provides vital support to all UK nurses during very difficult times. They offer help to registered nurses, midwives, health care assistants, student nurses and retired nurses who have given a lifetime of caring and compassion. Visit: <http://www.cavellnursestrust.org/how-can-we-help/eligibility-criteria/>

The Charities Directory - This directory provides details of charities throughout England. It includes charities that provide financial support to students. It is available in most public libraries.

Gilchrist Educational Trust – Applications are considered from students who have made proper provision to fund a degree or higher education course but find themselves facing unexpected financial difficulties which may prevent completion of it; also from students who are required, as part of their course, to spend a short period studying abroad. Applicants must be full-time students at a British University. Visit: <http://www.gilchristgrants.org.uk/>

The Royal Medical Benevolent Fund - aims to help medical students who are in exceptional financial hardship as a result of sudden and unexpected factors outside their control. Money provided by the RMBF will be as an interest-free loan to be repaid at such time as the beneficiary is in a position to do so. The amount of each loan will be set according to an individual's needs. The repayment of the loan will be used by the RMBF to support other students in the future. Visit: <http://www.rmbf.org/pages/medical-students.html>

You can also look into these links for further options:-

Turn 2 Us Grants Search - http://www.turn2us.org.uk/grants_search.aspx

RMBF's Money 4 Med Students - <http://www.money4medstudents.org/>

Gingerbread - <http://www.gingerbread.org.uk/>

Undergraduate funding database provided by the university –

<http://www.birmingham.ac.uk/undergraduate/funding/index.aspx>

Postgraduate funding database provided by the university –

<http://www.birmingham.ac.uk/postgraduate/funding/FundingFilter.aspx>

x

Sources of Help

Guild Advice, Guild of Students

Email: thearc@guild.bham.ac.uk

Visit the website at: <http://www.guildofstudents.com/support/thearc/>

Guild Advice Opening Hours (Term Time)*

Monday - Friday	10am — 4pm
<i>Drop In Clinics</i>	<i>12-2pm</i>
Saturday & Sunday	CLOSED
*Vacation Periods	12 noon – 2pm

Student Mentor Scheme <http://www.guildofstudents.com/support/studentmentors/>

Email: mentorwelfare@guild.bham.ac.uk or Call: 0121 257 4490

Jobs, Skills and Volunteering <http://www.guildofstudents.com/jsv/>

Email: jobs@guild.bham.ac.uk or Call: 0121 251 2500

Funding Graduation and Awards

<http://www.birmingham.ac.uk/students/support/moneyadvice/support.aspx>

Tel: 0121 414 7391

Counselling & Wellbeing Service

Student Hub, Aston Webb Building

Tel: 0121 414 5130 or <http://www.as.bham.ac.uk/studentlife/counselling/index.shtml>

Citizens Advice Bureau

For free, impartial and confidential advice or to find out where your nearest bureau is visit: www.citizensadvice.org.uk

Disclaimer: The information on this leaflet only provides general guidance on financial support and the law. The leaflet should not be regarded or relied upon as a complete or authoritative statement of the law. Guild Advice will not accept any liability for any claims or inconvenience as a result of the use of information on this leaflet. If you think you have a legal problem you should seek further advice.