

How to fund a University Course

Studying at University is expensive, and under today's Government, it looks like it's going to get a whole lot more expensive. Despite cuts in the economy and increasing course fees, there are lending options available to students to access in order to help them fund their further education.

The Government has made grants and loans available to help meet the cost of tuition fees and living expenses - including rent. How much money you could receive through a Government loan or grant is dependent upon your parents' income, as there is an expectation that your parents will contribute to your upkeep whilst you are attending University.

In England, every student has to pay tuition fees and everyone qualifies for a Government loan to cover the cost. But from the moment the loan is taken out, it will gain interest at the rate of inflation. Just about every University at the moment (times are changing...) will charge a maximum fee of £3,000 per year for their degrees.

Following evidence that the introduction of tuition fees in 1998 was putting people from low income families off going to University, grants of up to £1,000 were reintroduced in 2004. This grant figure has risen over the past seven years. If your household income is less than £17,500 you'll become eligible to access the full grant – whatever that figure may be for the next academic year. A sliding scale system then applies to households with incomes between £17,501 and £37,425, providing less grant funding to families where the total earning is towards the higher end of the threshold. Families earning more than the grant cut off figure are not entitled to any loan support.

Currently, all students can also take out a student maintenance loan to help cover the cost of living. This loan value changes from year to year, but is usually around the £4,500 mark.

Students receiving any grant will qualify for a smaller loan because it's assumed they will be receiving enough cash. Likewise, students with a family income above £50,000 will be eligible for a smaller loan because their parents will be expected to help out.

Some Universities may put into place financial incentive schemes to attract students to their University. Scholarships are sometimes offered for students who perform exceptionally well in their A' Levels, or for students who are attending harder to fill University courses.

Student loans are exempt from payback initially - you won't have to start paying for the excesses of your student days - financially, at least - until you've graduated and are earning over £15,000. Once you are earning over the £15,000 threshold, generally your employer will take out your student loan deduction immediately from your pay check each month. The value of your loans will rise with inflation, which theoretically means they won't go up in real terms.

So how much can you expect to pay? Depending on who you ask, the average graduate starting salary is around £20,000; at this level you'll be paying back £8.65 every week.