

MoneySavingExpert

Michelle Donelan MP
Minister of State for Universities
Department for Education
7th Floor
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Great Smith Street
London
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10 June 2021

Dear Minister,

The parental contribution to university living costs

As you know, I have been campaigning for better awareness of the expected parental contribution to students' higher education for several years.

While it is now almost two years since the review led by Philip Augar supported this recommendation, change is yet to happen. I understand that the Government is yet to fully respond to that report, but a new cohort of students will soon be ready for university, so I would like to urge you and your team to consider ways in which improvements can be implemented as soon as practically possible, as I know they are already receiving their financial offer letters.

I am also writing to the Ministers responsible in Scotland and Northern Ireland.

As you are aware, many students receive a maintenance loan that is less than the maximum, because it is means-tested against family income – for most a proxy for parental income.

This implies an expectation that the parents will fill the gap, but this is only tangentially referred to in any official documentation. It just says: "Depending on their income, parents may have to contribute towards the living costs of their student children", which isn't likely to be very helpful in practice.

I would like to ask you to consider permitting the Student Loans Company to prominently include clear messaging on this point in students' entitlement letters (and any other relevant communication) with at the minimum something akin to:

“Your loan for living is £x,xxx a year. The full loan for those students from the lowest income households is £x,xxx. Yours has been reduced by £x,xxx after we assessed your family’s income.”

Even better would be to explain after that:

“As the reduction is based on family income, family should consider contributing to help make up the short fall.”

Messaging along these lines would be enormously helpful the thousands of students about to go to university for the first time in September, as well as those returning.

While I urge you to consider taking action to make the parental contribution explicit to students and their parents, I would like to also let you know about what we are doing to aid understanding.

MoneySavingExpert is already communicating this via our “How much should you save for your child to go to university?” calculators at www.MoneySavingExpert.com/parentalcontribution. Many parents find it eye opening. Transparency is so important if we want students to have proper funding, allow preplanning and reduce the friction between parents and students.

I’d urge you to take steps as soon as possible to improve the official communications, so people understand how the system works. I am happy to discuss this with you. This letter will be published on MoneySavingExpert, and I am happy to publish your reply.

Best wishes,

Martin Lewis