

MoneySavingExpert

Minister for the Economy
Department for the Economy
Netherleigh
Massey Avenue
Belfast
BT4 2JP

10 June 2021

Dear Minister,

The parental contribution to university living costs

I wanted to write to you (alongside letters to the Ministers responsible in England and Scotland) ahead of the upcoming academic year to urge you to take steps in Northern Ireland to make the parental contribution element of the NI Finance system more transparent, and easily understood by students and parents. This is an issue I have campaigned on for many years.

As you are aware, many students receive funding that is less than the maximum possible, because it is means-tested against their parents' income. There is an implicit expectation that the parents will fill the gap.

Until very recently, the Student Finance NI guide "How you are paid 20/21" stated:

"The Student Loans Company (SLC) will send you a letter telling you how much support you can get and the contribution (if any) you and your family are expected to make towards your living costs."

However, the SLC confirmed that this is *not* the case, and I now see that the guide has been amended to remove this promise to students that they will be told about the amount of the parental contribution.

I strongly believe the policy was right the first time, had it been implemented. It is vital that students, parents and carers are fully informed of how much they are expected to contribute, and that they receive a letter explicitly disclosing this.

I would like to ask you to consider including text somewhat akin to the following in students' entitlement letters (and any other relevant communication):

"You will receive a loan for living of £x,xxx a year and a non-repayable grant for living of £x,xxx a year – which makes total support of £x,xxxx.

**The total support received by students from the lowest income households is £x,xxx.
Yours is £x,xxx less due to an assessment of your family's income."**

"If possible, family should try to contribute to make up the short-fall."

Messaging along these lines would be enormously helpful to 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