

MoneySavingExpert

Jamie Hepburn MSP
Minister for Higher Education and Further Education, Youth Employment and Training
The Scottish Government
St. Andrew's House
Regent Road
Edinburgh
EH1 3DG

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 Northern Ireland) ahead of the upcoming academic year to urge you to take steps in Scotland to make the parental contribution element of the Scottish Student 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, as the Student Awards Agency Scotland website explains, the amount of bursary and student loan awarded depends on the household income (based on the relevant bracket).

There is an implicit expectation that the parents will fill the gap, making this what we call the 'parental contribution'. Indeed I'm pleased to say the information on Student Information Scotland is already more detailed than the similar info in England and NI. It says:

"If possible, you should try to contribute if they need extra money. This could be anything from study materials to a deposit on a flat.

*How much funding a student receives depends on how much you (or the household) earns. The higher the students' household income, the less money they'll get."*¹

¹ <https://www.studentinformation.gov.scot/parents-and-carers/helping-your-child> Accessed 26/4/21.

While this is a start, it could be substantially improved. The most important point being that the information is given at the point of confirmation of the finance, including the actual details, and an explanation.

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.

The Student Information Scotland website I refer to above does link out to a parental contribution calculator provided by a third party – but bizarrely, the small print of this calculator states that it only works in England. For the benefit of Scottish students, I very much hope that you are able to improve on this (it should be noted the www.MoneySavingExpert.com/parentalcontribution calculator includes details specifically for Scotland).

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 bursary 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