

Welsh students applying for university will benefit from most generous student support package in the UK

The first of its kind in the UK, it will support students when they most need it, recognising that costs such as accommodation are the main barrier for those making the choice about whether to go to university.

The new student finance package launched by the Welsh Government is the most generous in the UK and is designed to give more help towards living costs by providing the equivalent to the National Living Wage through a mix of non-repayable grants and loans. This means students can focus on their studies rather than worry about making ends meet.

With National Student Money Week approaching (12-16 February), the Welsh Government has launched an awareness campaign to promote the benefits of university with the help of more financial support available. The campaign features "Money Monster"- a personification of money. The character's sole purpose is to stop students getting to university, and if they do, to disrupt their student life adding unnecessary pressure.

A key element of the new student finance package is that it offers a stronger package of support for students who want to study part-time, ensuring that undergraduate full-time and part-time students have the same opportunities. Wales will be the first county in Europe to provide equivalent living costs support – in grants and loans – to full-time and part-time undergraduates, as well as post-graduates.

This has been done to encourage students from all backgrounds to enter higher education, whether they're in full-time work, raising a family or have caring responsibilities. Part-time students will receive equivalent support on a pro-rata basis.

The latest National Income and Expenditure Survey* shows that more than one third of Welsh- domiciled students have overdrafts, nearly one fifth have commercial credit and one tenth are in arrears.

The new student finance package for 2018/19 undergraduate entrants addresses these issues by easing financial barriers for students, meaning that full-time and part-time students have enough money to meet their day to day living costs while studying.

Every eligible student can claim a minimum grant of £1,000 they will not have to pay back, regardless of their household income. This is part of an overall mix of grants and loans for living costs equivalent to receiving that National Living Wage, available to every eligible student while they study.

Grants will be means-tested to support those who need them most. Students

from homes with lower household income will receive the highest grant – up to £10,124 in London and £8,100 in the rest of the UK. This is in addition to the £1,000 minimum grant. It is likely that around a third of full-time students will be eligible for the full grant. Students who receive a smaller grant can access a loan to top up the amount they receive equivalent to the National Living Wage level.

The average household income for a dependent student in the current system is around £25,000. Under the new system such a student will receive around £7,000 a year in a grant they won't need to pay back.

The new financial support package for Welsh students was designed following recommendations of a higher education funding review led by Professor Sir Ian Diamond. Living costs were found to be the main barrier for those making the choice about whether to go to university.

The latest figures from Welsh Government show that students in Wales spent 46% of their student income on their course and 37% on living. Housing came in at 18%.

Wales's Education Secretary, Kirsty Williams said:

“Money is clearly a very important factor when deciding when to go to university, and for those who are already studying, money is found to be a major cause for stress.

“With this in mind, we have designed a new package of support to alleviate these concerns that both parents and students share. This will allow students to focus on their studies without having to worry about how they are going to afford their day to day living costs.

“The support that Welsh students, studying anywhere in the UK, can apply for is now equivalent to the National Living Wage. In addition, most students will have no upfront costs to pay as a tuition fee loan can be taken out to cover their course.

“It is important to remember that student loans are only repayable when borrowers' earn more than £25,000 per year. Repayments can start from as little as £30 a month.

“Living costs must not be a barrier to going to university. I want everyone who has the talent, potential and ambition to have that opportunity. Whether it's studying full-time or combining it with your career and studying part-time, university should be an option for everyone, no matter what your background or income.”

The TV adverts will appear on ITV Wales, S4C, Sky Regional, ITV Player and All4 from 5 February.

For more information, visit gov.wales/studentmoney