

Research Briefing

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By Joe Lewis

# Students and the rising cost of living



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## Summary

### Higher education students

As UK household costs and bills have risen, university leaders have warned higher education students are at risk of becoming “[the forgotten group in the cost of living crisis](#)”. Black students, disabled students, students aged over 25, and students from lower socio-economic backgrounds are [likely to be hardest hit by rising costs of food, transport, rent, and energy](#).

### Cost of living pressures

The most recent survey published by the Department for Education in its Student Income and Expenditure series covers 2021/22. Findings for [England were published on 30 November 2023](#). Much of the survey fieldwork was carried out between March and June 2022, so while the results captured some of the rise in inflation that began in 2021, they do not account for the peaks seen in late 2022 and early 2023, when [CPI inflation was consistently above 10%](#). The summary report makes comparisons with findings from the previous survey in the series, [which was done in 2014/15](#).

- In 2021/22, 46% of full-time and 44% of part-time students reported they had faced financial difficulties during their course.
- While median maintenance support for all full-time students rose by 13% in 2021/22 to £5,950, for full-time students eligible for both maintenance loans and grants in 2014/15 – that is to say, the poorest students – median maintenance support effectively decreased by 21% when compared with the median support received solely from maintenance loans in 2021/22 (from £8,932 to £7,100).
- Between the two surveys, the proportion of full-time students working alongside their studies increased (from 52% to 58%). In 2021/22, the median number of hours worked for full-time students in a week was 8, but this rose to 12 for Black British students, 14 for students from routine/manual class backgrounds, and 20 for students aged over 25.
- In 2021/22, nearly half (46%) of part-time students used commercial credit (compared to 14% of full-time students), borrowing a median of £3,100, which was 20% more than part-time students in 2014/15.

In recent years other reports have described the financial pressures students face. These can vary in quality (many are based on self-selecting surveys), but they consistently show significant numbers of students are struggling to

meet their living costs and this is having a detrimental effect on their studies and mental health.

- The [2023 Save the Student survey](#) found the average student's monthly living costs have increased by 17% since 2022 to £1,078.
- An [October 2023 report by Unipol and the Higher Education Policy Institute](#) found rents for student accommodation in the 2023/24 academic year had increased by an average of 14.6% since 2021/22 in ten surveyed cities.
- A [2023 survey by Russell Group universities Students' Unions](#) found 25% of students regularly go without food because they cannot afford it, while Save the Student found [18% of surveyed students used a food bank in the last academic year](#).
- In 2022, the Office for National Statistics (ONS) found [students were taking on more debt](#) and relying on credit cards because of rising costs.
- A [report published in March 2023 by the All-Party Parliamentary Group for Students](#) (PDF) highlighted a rise in students working increasing hours in paid employment alongside full-time study. [Survey results published by the Sutton Trust in March 2023](#) found nearly half (49%) of undergraduate students have missed classes to do paid work.
- 90% of students surveyed by the National Union of Students for its [September 2022 Cost of Living report](#) (PDF) said the rising cost of living had negatively impacted their mental health. A [2023 survey by Russell Group students' unions](#) found 73% of respondents have reduced the amount of socialising they do and 55% have stopped taking part in extra-curricular activities because of the associated costs.

## Are current levels of support sufficient?

For both undergraduate and postgraduate students across the UK, [cost of living support](#) primarily comes from publicly funded student finance maintenance loans and grants/bursaries. Higher education is devolved and [the nature and amount of support differs across the UK](#). Unlike their peers from the rest of the UK, for example, undergraduate students from England can no longer access maintenance grants.

In 2022/23, student maintenance support [did not rise in line with inflation across the UK](#). For the 2023/24 academic year, Northern Ireland has [increased maximum student maintenance loans by 40%](#), [Wales by 9.4%](#) for undergraduate students, and [Scotland by 11.1%](#) for the worst-off students. In England, [maintenance support has increased by 2.8%](#) for the 2023/24 academic year.

Over half (58%) of respondents to the [ONS' February 2023 Student Cost of Living Insights Study](#) said their student loan did not cover necessary costs. Save the Student found a [monthly shortfall of £582](#) between the average

student's maintenance loan and living costs in 2023, up from £439 in 2022. Students have reported [increasing their hours at work](#) and working multiple jobs to make ends meet.

### Maintenance loans in England

The [Institute for Fiscal Studies has identified several problems](#) with the way maintenance loans are calculated for students in England that have meant support has not kept up with inflation due to “large stealth cuts”. These include the freezing of the parental earnings threshold and incorrect inflation forecasts with no mechanism to adjust for errors.

In November 2023, when asked if it had plans to adjust maintenance support for students in England in line with inflation, [the Government said](#):

Decisions on student finance have been taken alongside other spending priorities to ensure the system remains financially sustainable and the costs of HE [Higher Education] is shared fairly between students and taxpayers, not all of whom have benefited from going to university.

### Calls for more support

The National Union of Students has said the Government should introduce a “[tailored student cost of living support package](#)”, while universities have called for an [increase to maintenance loans in line with inflation](#), and [the return of maintenance grants in England](#).

The [March 2023 APPG for Students report](#) made similar recommendations and said the Government should reform the way maintenance loans are calculated in England and provide further hardship funding through universities that targets those most in need.

## Further education students

### Cost of living pressures

Further education students are facing similar financial pressures to their peers in higher education, with increasing costs in food, energy bills, transport, rent and other living expenses. According to a [July 2023 report by the All-Party Parliamentary Groups for Students and for Further Education and Lifelong Learning](#) (PDF), this has similarly led to students working excessive hours, struggling to prioritise their classes and assignments, and mental health troubles.

However, there are several distinctive ways cost of living pressures are shaping the experiences of further education students.

- Many further education students of all ages have to support not just themselves, but also their families, and so [bursaries and hardship funds](#)

[have become essential to family budgets](#), with some students walking several miles to college so their transport bursary can be used by their family for food or energy costs.

- [Colleges have reported increased safeguarding issues](#) as a result of financial pressures. More students are being referred to supported housing, while some vulnerable students are becoming victims of criminal and sexual exploitation.
- Attendance and retention is also a particular issue in colleges, with some students missing classes for part-time work. A [report published by the Campaign for Learning in October 2022](#) also found students were dropping out of college altogether to pursue full-time work because of financial pressures.

## Calls for more support

Further education is devolved which means the nature and amount of living cost support varies across the UK. In Wales, Scotland, and Northern Ireland, for example, Education Maintenance Allowance (EMA) is still available to learners aged 16 to 18, while England now has a [16-19 Bursary Fund](#).

The demand for bursary support from students has risen in recent years, with [Hartlepool College reporting that 95% of its 16-18 cohort applied in 2022-23](#), compared to 65% in 2021-22. However, while demand has increased for this support, Government spending is lower. [Recorded expenditure on the EMA in England in 2010-11](#) (its last full year of operation) was £555 million. This is more than double the [£225 million spent on the 16 to 19 bursary in 2021/22](#) (a figure that also includes expenditure on 16 to 19 free school meals funding).

The [July 2023 APPG report](#) (PDF) made six recommendations to the Government to alleviate the impact of the cost of living on further education students, including:

- Provide additional funding support for further education so providers can increase bursaries and target those most in need.
- Consider the case for extending free school meal eligibility and increase the free meal rate from £2.41 per student, so colleges can provide more subsistence support.
- Introduce free or subsidised travel for all 16- to 19-year-olds in further education or training to help with travel costs.

## Westminster Hall debate (September 2023)

On [19 September 2023, there was a debate in Westminster Hall](#) on the impact of increases in the cost of living on further and higher education students.



Opening the debate, the chair of the APPG on students, Paul Blomfield, said it was important students were not seen as a homogeneous group, but the current cohort had one thing in common: “the double misfortune of educational disruption from covid and now the cost of living crisis”.

While Paul Blomfield argued a number of issues have pushed many higher education students to a “tipping point” in England, the chair of the APPG on Further Education and Lifelong Learning, Peter Aldous, described the “harrowing feedback” his group had received from further education students about their experiences of cost-of-living pressures.

Contributions from other MPs highlighted how:

- A number of the schemes introduced by the Government to support people with the cost of living specifically excluded students.
- Maintenance loans in England had risen at a much lower rate than the rest of the UK.
- Many further education students were faced with very high travel costs.

In response, the Minister for Skills, Apprenticeships, and Higher Education, Robert Halfon, said the Government was doing everything it could to help students, but publicly funded support needed to be placed in the financial context of recent outlays, including during the Covid-19 pandemic and war in Ukraine.

## Further information

This briefing considers how recent rises in the cost of living have affected students. For information on what financial support might be available to students, see the Commons Library casework article [Cost of living support for students](#).



# 1 Higher education students

## 1.1 Cost-of-living pressures

As UK household costs and bills have risen, university leaders have warned higher education students are at risk of becoming “the forgotten group in the cost of living crisis”.<sup>1</sup> A 2023 survey found the average student's monthly living costs have increased by 17% since 2022 to £1,078.<sup>2</sup>

### Student Income and Expenditure Survey

Since the mid-1980s, the Department for Education has commissioned periodic surveys to gather detailed information on the income, expenditure, and debt levels of higher education students in England and Wales.

Following the decision not to proceed with the 2019/20 survey because of the Covid-19 pandemic, the [most recent Student Income and Expenditure Survey covers 2021/22](#). Findings from the 2021/22 survey of students in England were published on 30 November 2023, including a summary report.<sup>3</sup> It is important to note that much of the survey fieldwork was carried out between March and June 2022,<sup>4</sup> so while it captured some of the rise in inflation that began in 2021, the survey results do not account for the peaks seen in late 2022 and early 2023, when [CPI inflation](#) was consistently above 10%.<sup>5</sup>

In addition to providing an overview of the financial position of students in higher education in 2021/22, the summary report also sought to make comparisons with the previous survey, [which was done in 2014/15](#), by uprating the 2014/15 figures to account for inflation.<sup>6</sup> Between the two surveys a number of changes were made to the student finance system in England, including maintenance grants being replaced by increased loans in 2016, and

<sup>1</sup> Universities UK, [Don't overlook students in cost of living crisis, say university leaders](#), 20 December 2022

<sup>2</sup> Save the Student, [Student Money Survey 2023 – Results](#), Updated 5 September 2023. This report results from an online survey with around 1,800 responses and comparisons with results from earlier years. The results are based on students who decided to respond to the survey, so should not be seen as representative of the entire student population.

<sup>3</sup> Department for Education, [Student income and expenditure survey: 2021 to 2022](#), 30 November 2023, see the [Student Income and Expenditure Survey 2021 to 2022, English Report](#) (PDF), 30 November 2023. The survey was undertaken by the National Centre for Social Research (NatCen) and the Institute for Employment Studies (IES).

<sup>4</sup> Department for Education, [Student income and expenditure survey 2021 to 2022 Technical Report](#), 30 November 2023, p5

<sup>5</sup> ONS, [CPI Annual Rate 00: All Items 2015=100](#), 15 November 2023

<sup>6</sup> Department for Education, [Student income and expenditure survey 2014 to 2015](#), March 2018

eligibility for loans extended to part-time students in 2018. Some of the findings from the 2021/22 survey are set out below.<sup>7</sup>

- In 2021/22, 46% of full-time and 44% of part-time students reported they had faced financial difficulties during their course.
- The median total living-cost income across all full-time students (excluding tuition fee loans) fell by 4% from £12,022 in 2014/15 to £11,500 in 2021/22. The corresponding fall for part-time students was bigger at 10% from £18,307 to £16,460.
- With regards to just publicly funded maintenance support, while the median income for all full-time students rose by 13% in 2021/22 to £5,950, for full-time students eligible for both maintenance loans and grants in 2014/15 – that is to say, the poorest students – median maintenance support effectively decreased by 21% when compared with the median support received solely from maintenance loans in 2021/22 (from £8,932 to £7,100).
- The fall in median income was accompanied by an even bigger fall in median expenditure, by 12% for full-time students (£13,123 to £11,509) and 19% for part-time students (£17,566 to £14,282).
- Between the two surveys, the proportion of full-time students working alongside their studies increased (from 52% to 58%). In 2021/22, the median number of hours worked for full-time students in a week was 8, but this rose to:
  - 12 hours for Black British students
  - 14 hours for students from routine/manual class backgrounds
  - 15 hours for students living in London
  - 20 hours for students aged over 25
- In 2021/22, nearly half (46%) of part-time students used commercial credit (compared to 14% of full-time students), borrowing a median of £3,100, which was 55% more than full-time students and 20% more than part-time students in 2014/15.<sup>8</sup>

In recent years there have been various other surveys and reports on the financial pressures students face. These can vary in quality, but the results from some are highlighted below.

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<sup>7</sup> The findings are also discussed in the Wonkhe article “[Poorer students are paying more for a worse experience than their richer peers](#)”, 30 November 2023.

<sup>8</sup> Department for Education, [Student income and expenditure survey: 2021 to 2022](#), 30 November 2023

## Accommodation

The average student's largest monthly expense is rent according to a 2023 survey by Save the Student, a student money website, which conducts an annual National Student Money Survey.<sup>9</sup>

The 2021/22 Accommodation Costs Survey by Unipol and the National Union of Students (NUS) found the UK average annual rent for purpose-built student accommodation (PBSA) to be £7,374.<sup>10</sup> This is a 16% increase since the last survey in 2018/19. Privately provided student accommodation and private landlords are generally more expensive than university accommodation, which suggests issues of affordability are likely to continue as private providers dominate the market.<sup>11</sup>

In October 2023, a report by Unipol and the Higher Education Policy Institute found rents for student accommodation in the 2023/24 academic year had increased by an average of 14.6% since 2021/22 in ten surveyed cities.<sup>12</sup> In the eight English cities, the average increase in rent was 14%, compared with a maximum maintenance loan amount increase of 5.2% over the same period.<sup>13</sup>

The report also found virtually all of the average maintenance loan is used to cover the average student's accommodation costs, leaving just 50p a week left over. A press release accompanying the report said:

The average maintenance loan received by English students this current academic year is officially expected to be £7,590, versus the average rent in England of £7,566, meaning rents swallow up virtually 100% of the average loan, leaving a mere £24 left over for other living essentials, equating to 50p a week.<sup>14</sup>

## Food

In 2023, Save the Student found 18% of surveyed students have used a food bank in the last academic year, up from 10% who said the same in 2022.<sup>15</sup> 22% of surveyed students said they often skip meals to save money, while a further 42% said they sometimes do.

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<sup>9</sup> Save the Student, [Student Money Survey 2023 – Results](#), Updated 5 September 2023. This report results from an online survey with around 1,800 responses and comparisons with results from earlier years. The results are based on students who decided to respond to the survey, so should not be seen as representative of the entire student population.

<sup>10</sup> Unipol and the National Union of Students, [Accommodation Costs Survey 2021](#), December 2021

<sup>11</sup> Unipol and the National Union of Students, [Accommodation Costs Survey 2021](#), December 2021

<sup>12</sup> Unipol and Higher Education Policy Institute, [Student accommodation costs across 10 cities in the UK](#), 26 October 2023. The cities covered are Bristol, Exeter, Glasgow, Leeds, Liverpool, Nottingham, Bournemouth, Cardiff, Portsmouth, and Sheffield.

<sup>13</sup> Unipol and Higher Education Policy Institute, [Student accommodation costs across 10 cities in the UK](#), 26 October 2023, p19

<sup>14</sup> Unipol and Higher Education Policy Institute, "[Rent now swallows up virtually all of the average maintenance loan as the student accommodation market reaches 'crisis point'](#)", 26 October 2023

<sup>15</sup> Save the Student, [Student Money Survey 2023 – Results](#), Updated 5 September 2023.

Similar results were found by the ONS, which, in 2022, found 62% of students said they were spending less on food shopping and essentials in response to rising costs.<sup>16</sup>

Polling done by the higher education website Wonkhe in 2023 found 34% of students had experienced a form of food insecurity in the previous two weeks, with UK-domiciled postgraduates most likely to have experienced a “food emergency”, where they ran out of food and could not afford to buy more.<sup>17</sup>

## Who has been most affected?

In March 2023, the All-Party Parliamentary Group (APPG) for Students published a report on the increasing financial pressures students are facing.<sup>18</sup> It highlighted how the rising cost of living was disproportionately affecting marginalised and under-participating groups of students, including:

- disabled students
- Black and minority ethnic students
- students from lower socio-economic backgrounds
- care leavers
- students who were estranged from their families.

An October 2022 report published by Million Plus, which represents post-1992 universities, similarly found Black students, students aged over 25, and students from lower socio-economic backgrounds are likely to be hardest hit by rising costs of food, transport, rent, and energy.<sup>19</sup>

## What has the impact been?

In February 2023, the ONS reported 92% of students had experienced higher living costs compared to last year, and 91% were “somewhat or very worried” about rising costs.<sup>20</sup> The ONS also found a third had taken on more debt, cut back on meals, and were using university spaces as ‘warm banks’ to try to limit their outgoings.<sup>21</sup>

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<sup>16</sup> ONS, [Cost of living and higher education students, England: 24 October to 7 November 2022](#), 23 November 2022

<sup>17</sup> “[There may be serious sector problems when it comes to students and food](#)”, Wonkhe, 7 November 2023

<sup>18</sup> All-Party Parliamentary Group for Students, [Report of the Inquiry into the impact of the cost-of-living crisis on students](#) (PDF), March 2023

<sup>19</sup> Million Plus, [Learning with the lights off: students and the cost-of-living crisis](#), October 2022

<sup>20</sup> ONS, [Cost of living and higher education students, England: 30 January to 13 February 2023](#), 24 February 2023

<sup>21</sup> ONS, [Cost of living and higher education students, England: 30 January to 13 February 2023](#), 24 February 2023

## Declining mental health

90% of students surveyed by the National Union of Students (NUS) for its September 2022 report said the rising cost of living had negatively impacted their mental health.<sup>22</sup>

In the 2023 Cibyl Student Mental Health survey, conducted in partnership with Accenture, Imperial College London, and Universities UK, 70% of students reported money worries had caused a decline in their mental health, with the cost of living limiting their opportunities for socialising and increasing the amount of time they spent in their room alone.<sup>23</sup>

A 2023 survey by Russell Group universities Students' Unions found 73% of respondents have reduced the amount of socialising they do and 55% have stopped taking part in extra-curricular activities (such as societies and clubs) because of the associated costs.<sup>24</sup>

Students have similarly told the ONS about their decreasing levels of life satisfaction, with 46% saying their mental health had worsened between the 2022 academic year starting and early 2023, with many students feeling anxious, stressed, and worried about immediate financial costs and life after university.<sup>25</sup>

## Increasing debt

Students are taking on more debt and relying on credit cards because of rising costs. The ONS found one in four students had taken on new debt in the 2022 through higher borrowing and credit usage.<sup>26</sup> The 2022 NUS report found one in three students relied on credit cards to support them with everyday expenses while one in four have turned to non-traditional credit 'buy now pay later' companies like Klarna.<sup>27</sup>

## Increase in part-time work

The March 2023 APPG for Students report highlighted a rise in students working increasing hours in paid employment alongside full-time study, and noted the possible consequences for their academic results, mental wellbeing, and graduate employment prospects.<sup>28</sup>

Survey results published by the Sutton Trust in March 2023 found nearly half (49%) of undergraduate students have missed classes in order to do paid

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<sup>22</sup> NUS, [Cost of Living Report](#) (PDF), September 2022

<sup>23</sup> Cibyl, [Cibyl Student Mental Health Study](#), November 2023

<sup>24</sup> Russell Group Students' Unions, [Student Cost of Living Report](#), March 2023

<sup>25</sup> ONS, [Cost of living and higher education students, England: 30 January to 13 February 2023](#), 24 February 2023; ONS, [Student voices: experiences of the rising cost of living](#), 6 September 2023

<sup>26</sup> ONS, [Cost of living and higher education students, England: 24 October to 7 November 2022](#), 23 November 2022

<sup>27</sup> NUS, [Cost of Living Report](#) (PDF), September 2022, p13

<sup>28</sup> All-Party Parliamentary Group for Students, [Report of the Inquiry into the impact of the cost-of-living crisis on students](#) (PDF), March 2023

work, and just under a quarter (23%) have missed a deadline or asked for an extension in order to work.<sup>29</sup>

### Students considering dropping out

According to the ONS, over three-quarters of students surveyed in October and November 2022 were “concerned” rising costs may affect how well they do in their studies.<sup>30</sup>

In March 2023, a Savanta Poll found almost one in five respondents had considered dropping out of university or college because of increases in the cost of living, including nearly one in four postgraduate students and nearly one in three disabled students.<sup>31</sup>

Mental health and money worries are the most common reasons students give for thinking about dropping out of their studies.<sup>32</sup>

## 1.2

## What is the Government doing to support students?

For both undergraduate and postgraduate students across the UK, cost of living support primarily comes from publicly funded student finance loans and grants/bursaries. The nature and amount of support differs, however, because higher education is devolved.

### Student finance support for undergraduates

Education is a devolved matter and so tuition fees vary across the UK. They are capped by regulations published by the respective government of each part of the UK. Scotland is unique in that tuition fees for eligible students who normally live in Scotland are paid by the Scottish Government. In England, Wales, and Northern Ireland, students are charged tuition fees, and for eligible students there are publicly funded loans available to cover the cost of these fees.

The different student funding bodies within the UK also provide living cost support in the form of publicly funded maintenance loans, grants, and bursaries. Additional funding may also be available to students depending on their personal circumstances, for example if they have a disability or

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<sup>29</sup> Sutton Trust, [New polling on the impact of the cost of living crisis on students](#), 6 March 2023

<sup>30</sup> ONS, [Cost of living and higher education students, England: 24 October to 7 November 2022](#), 23 November 2022

<sup>31</sup> Office for Students, [Studying during rises in the cost of living](#), 17 March 2023

<sup>32</sup> Save the Student, [Student Money Survey 2022](#), 20 September 2022.

childcare costs.<sup>33</sup> In Wales, maintenance support is linked to the value of the National Living Wage.<sup>34</sup>

While students must repay loans following graduation, grants and bursaries do not have to be paid back. England differs from the rest of the UK by not providing any maintenance grant support for students. Such support was discontinued in 2016/17.<sup>35</sup> The maximum amount of maintenance support available to students from each part of the UK in the 2023/24 academic year is shown in the table below.<sup>36</sup>

Full-Time Undergraduate Student Support: UK Summary 2023/24			
	Tuition Fee Loan (max)	Maintenance Loans (max)	Maintenance Grants (max)
England	<b>£9,250</b> (UK)	Living at home: <b>£8,400</b> Living away from home: <b>£9,978</b> Living away from home in London: <b>£13,022</b>	<b>£0</b>
Wales	<b>£9,000</b> (Wales) <b>£9,250</b> (Rest of UK)	Living with parents: <b>£8,950</b> Living away from home: <b>£10,720</b> Living away from home in London: <b>£13,635</b>	Living with parents: <b>£6,885</b> Living away from home: <b>£8,100</b> Living away from home in London: <b>£10,124</b>
Scotland	<b>£0</b> Paid by the Scottish Government (Scotland) <b>£9,250</b> (Rest of UK)	Young Students: <b>£7,000</b> Independent student: <b>£8,100</b>	Young Student: <b>£2,000</b> Independent Student: <b>£1,000</b>
Northern Ireland (NI)	<b>£4,710</b> (NI) <b>£9,000</b> (Wales) <b>£9,250</b> (Rest of UK)	Living with parents: <b>£5,250</b> Living away from parents: <b>£6,776</b> Living away from parents in London: <b>£9,492</b>	<b>£3,475</b>

Sources: Gov.UK, [Student Finance](#); Student Finance Wales, [Undergraduate Students](#), Student Awards Agency Scotland, [Full-time undergraduate funding](#); Student Finance NI, [Full-time undergraduate](#), accessed 29 March 2023.

In July 2023, the Government said it increased maximum loans and grants in England by 2.3% for the 2022/23 academic year and 2.8% for the 2023/24

<sup>33</sup> See the Commons Library constituency casework article [Cost of living support for students](#) for more information.

<sup>34</sup> Senedd Cymru/Welsh Parliament, [Written Question 88912 \(w\)](#), 8 September 2023

<sup>35</sup> Commons Library briefing CBP-7258, [Abolition of maintenance grants in England from 2016/17](#)

<sup>36</sup> The Commons Library briefing CBP-8237, [Student support for undergraduates across the UK](#), considers student support arrangements in more detail.



academic year.<sup>37</sup> The Government also said there is £276 million of student premium funding available this year in England to support disadvantaged students who need additional help.<sup>38</sup>

The Department for Education has said it discusses cost of living pressures on students in regular meetings with stakeholders, including the Office for Students (the higher education regulator in England), Universities UK, and higher education Mission Groups.<sup>39</sup> It also said it has consulted with the National Association of Student Money Advisers “to understand the ongoing situation in relation to increased requests from students for hardship awards from their universities.”<sup>40</sup>

### Reforms to undergraduate student support in England

In February 2018, the then-Prime Minister, Theresa May, [announced a wide-ranging review of post-18 education and funding in England](#). The review aimed to create a joined-up post-18 education system, which would facilitate lifelong learning and improve the integration of the further and higher education systems. A desire to improve quality, increase choice, and ensure value for money were also said to be “at the heart” of the review.<sup>41</sup>

In May 2019, an independent panel that formed part of the review published a report (the ‘Augar Report’) with several recommendations relating to student finance, including reducing the undergraduate tuition fee cap to £7,500 from 2020/21 and reintroducing means-tested, non-repayable maintenance grants for disadvantaged students.<sup>42</sup>

In February 2022, the Government published its conclusion of the review, which included a [statement setting out policy interventions and proposals for consultation](#).<sup>43</sup> The review did not reduce tuition fees or reintroduce maintenance grants as recommended, but it did freeze tuition fees at £9,250 and make a number of changes to loan repayment terms.<sup>44</sup>

### Student finance support for postgraduates

Publicly funded student support for master’s degrees includes postgraduate loans to help with tuition fees and living costs, and Disabled Students’ Allowances (DSA) to cover the extra costs that might arise from a student having a disability.

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<sup>37</sup> [PQ 194544 \[Students: Cost of Living\] 25 July 2023](#)

<sup>38</sup> Previously, student premium funding exclusively went towards widening participation efforts. Since the Covid-19 pandemic, the Government has allowed this funding to be used for hardship support.

<sup>39</sup> [PQ 180273 \[Students: Cost of Living\] April 2023](#)

<sup>40</sup> [PQ 180273 \[Students: Cost of Living\] April 2023](#)

<sup>41</sup> Department for Education (DfE), [Prime Minister launches major review of post-18 education](#), 19 February 2018

<sup>42</sup> DfE, [Post-18 review of education and funding: independent panel report](#), 30 May 2019. Commons Library briefing CBP-8577, [The post-18 Education Review \(the Augar review\) recommendations](#).

<sup>43</sup> DfE, [Higher education policy statement and reform](#), 24 February 2022

<sup>44</sup> DfE, [Higher education policy statement and reform](#), 24 February 2022, p70

Each part of the UK offers a slightly different package of postgraduate student support. The support available is outlined in the table below.

Financial support available across the UK for postgraduate taught courses	
England	Loan of up to <b>£12,167</b> to help with tuition fees and living costs.
Scotland	Loan of up to <b>£7,000</b> to help with tuition fees, and a loan of up to <b>£4,500</b> to help with living costs.
Northern Ireland	Loan of up to <b>£6,500</b> to help with tuition fees.
Wales	Loan and grant up to <b>£18,770</b> (the maximum grant amount was <b>£6,885</b> ) to help with tuition fees and living costs.

Source: Sources: GOV.UK, [Master's Loan](#); SAAS, [Postgraduate Funding](#); NI Direct, [Financing your postgraduate course](#); Student Finance Wales, [Postgraduate Master's courses](#) (accessed 13 September 2023).

At the postgraduate level, more support is also available in the form of scholarships from higher education providers and research councils. Information is available in the Commons Library casework article [Finding funding for a Master's degree](#).<sup>45</sup>

## 1.3

### Are current levels of student support sufficient?

Save the Student, a student money website, conducts an annual National Student Money Survey.<sup>46</sup> The 2023 survey found a monthly shortfall of £582 between the average student's maintenance loan and living costs.<sup>47</sup> This is up from £439 in 2022.

Similarly, over half (58%) of respondents to the ONS' [Student Cost of Living Insights Study](#) (February 2023) said their student loans did not cover necessary costs, and one in four (25%) said their loans only just covered their

<sup>45</sup> Commons Library Constituency Casework Article, [Finding funding for a master's degree](#)

<sup>46</sup> Save the Student, [Student Money Survey 2023 – Results](#), Updated 5 September 2023. This report results from an online survey with around 1,800 responses and comparisons with results from earlier years. The results are based on students who decided to respond to the survey, so should not be seen as representative of the entire student population.

<sup>47</sup> Save the Student, [Student Money Survey 2023 – Results](#), Updated 5 September 2023

living costs.<sup>48</sup> Students have reported increasing their hours at work and working multiple jobs to make ends meet.<sup>49</sup>

In 2022/23, student maintenance support did not rise in line with inflation across the UK.<sup>50</sup>

<b>2022/23 maintenance loan changes</b>		
Maximum loan values 2022/23 v 2021/22		
	Cash change	Real change
England	+2.3%	-7.2%
Northern Ireland	0.0%	-9.3%
Wales	+3.5%	-6.1%
Scotland	+4.5%	-5.2%

Note: Real changes calculated using OBR forecasts of UK-wide CPI inflation in the year to Q1 2023

Sources: [Written statement on Higher Education Student Finance](#); Save the Student, [Student Money Survey 2022](#)

According to the Institute for Fiscal Studies (IFS) real term cuts to student support since 2020/21 in England will have left the poorest students around £1,500 worse off.<sup>51</sup> It said:

The government is not correcting large cuts to maintenance loan entitlements due to forecast errors made over the past two years, and it is also not putting in place a mechanism to correct forecast errors in the future.

This means that students from the poorest families will in the future be around £1,500 worse off per year than they would have been if inflation forecasts over the past two years had been correct.

For the 2023/24 academic year, Northern Ireland has increased maximum student maintenance loans by **40%**,<sup>52</sup> Wales by **9.4%** for undergraduate students,<sup>53</sup> and Scotland by **11.1%** for the worst-off students.<sup>54</sup> In England, maintenance loans and grants have increased by **2.8%** for the 2023/24 academic year.<sup>55</sup>

The Office for National Statistics (ONS) has found alternative financial support streams often used to supplement student finance income were not available

<sup>48</sup> ONS, [Cost of living and higher education students, England: 30 January to 13 February 2023](#), 24 February 2023

<sup>49</sup> ONS, [Student voices: experiences of the rising cost of living](#), 6 September 2023

<sup>50</sup> Commons Library briefing, [The value of student maintenance support](#)

<sup>51</sup> IFS, [Large real cuts to student financial support to become permanent](#), 11 January 2023

<sup>52</sup> NI Department for the Economy, [Lyons announces 40% increase in student maintenance loans from 2023/24](#), 19 October 2022.

<sup>53</sup> Welsh Government, [Welsh Students to Get More Help with Living Costs](#), 19 January 2023.

<sup>54</sup> Scottish Government, [Increased support for students](#), 14 March 2023

<sup>55</sup> DfE press release, [Cost of living boost for students](#), 11 January 2023.

to all students.<sup>56</sup> A third of students reported being unable to rely on family for help, and those that could said their family had to cut costs to help them fund their studies. Students also reported university hardship funds can have strict eligibility criteria and be difficult to navigate.

## Why have maintenance loans in England not kept up with inflation?

The IFS has identified several problems with the way maintenance loans are calculated for students in England that have meant support has not kept up with inflation due to “large stealth cuts”.<sup>57</sup>

### Frozen parental earning thresholds

Firstly, the parental earning threshold below which students are entitled to the full maintenance loan has been frozen at £25,000 since 2008. Meanwhile, the higher income threshold, above which students are only eligible for the minimum level of maintenance support, has been frozen since 2016 at around £62,300 for students living away from home and studying outside London.

This has meant that while parental earnings have risen over time, particularly during periods of high inflation, students are entitled to less and less maintenance support.

### Incorrect inflation forecasts

Secondly, annual increases in maintenance loan levels are determined by inflation forecasts made years before actual inflation is known. There is no mechanism to adjust increases if there are errors in such forecasts. This has been a major issue in recent years as inflation has substantially exceeded expectations. The IFS has said:

Since inflation has been higher than previously expected, the value of maintenance loans was around 10% lower in the 2022–23 academic year than if levels had been increased from 2020–21 with actual rather than forecast (RPIX) inflation. This amounted to a large cut in maintenance support of around £90 a month for students from the poorest families. The government has announced that levels will rise by 2.8% in the 2023–24 academic year, which is likely to represent another real-terms cut in support.<sup>58</sup>

The Commons Library briefing [The value of student maintenance support](#) shows the real cut in maintenance support is expected to be 11% between 2021/22 and 2023/24, or around £1,100 a year for those from the poorest households.<sup>59</sup>

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<sup>56</sup> ONS, [Student voices: experiences of the rising cost of living](#), 6 September 2023

<sup>57</sup> IFS, [Higher education, unresolved issues](#) (accessed 14 September 2023)

<sup>58</sup> IFS, [Higher education, unresolved issues](#) (accessed 14 September 2023)

<sup>59</sup> Commons Library briefing, [The value of student maintenance support](#)

In November 2023, when asked if it had plans to adjust maintenance support for students in England in line with inflation, the Government said:

Decisions on student finance have been taken alongside other spending priorities to ensure the system remains financially sustainable and the costs of HE [Higher Education] is shared fairly between students and taxpayers, not all of whom have benefited from going to university.<sup>60</sup>

## Calls for more support

The National Union of Students (NUS) has called for the Government to introduce a “tailored student cost of living support package”,<sup>61</sup> while universities have called for an increase to maintenance loans in line with inflation,<sup>62</sup> and the return of maintenance grants in England.<sup>63</sup>

The March 2023 APPG for Students report called on the Government to:

- Provide further hardship funding through universities that targets those most in need.
- Increase student maintenance loans to restore the real value of support, and maintain that value going forward.
- Base future student loan increases on more recent inflation forecasts, and adjust increases when actual inflation levels are known in the following year.
- Consider re-introducing means-tested maintenance grants in England.
- Increase the lower household income threshold for the maximum student loan, which has been frozen by successive governments since 2008.<sup>64</sup>

In September 2023, a report by the Higher Education Policy Institute looking at university support for students said the Government should establish a cost-of-living taskforce, which consults regularly with students and sector leaders. It also called for an urgent review of current levels of maintenance support and said the Government should raise the parental earnings threshold below which students receive the maximum loan from £25,000, and ensure it rises in line with inflation going forward.<sup>65</sup>

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<sup>60</sup> [PQ1142 \[Students: Loans\] 15 November 2023](#)

<sup>61</sup> NUS, [Cost of Living Campaign](#).

<sup>62</sup> Russell Group, [Annual Student Academic Experience Survey highlights growing impact of cost-of-living crisis](#), 22 June 2023

<sup>63</sup> Universities UK, [Cost of living crisis: impact on university students](#), updated 7 June 2023

<sup>64</sup> All-Party Parliamentary Group for Students, [Report of the Inquiry into the impact of the cost-of-living crisis on students](#) (PDF), March 2023

<sup>65</sup> Higher Education Policy Institute, [How to Beat a Cost-of-Learning Crisis: Universities' Support for Students](#), 14 September 2023, pp53-59

## 1.4

## What are universities doing to help students?

### Financial support

Most universities will have a student advice/welfare service that can advise on a range of issues, including any financial support that might be available to students struggling with their living costs. Most universities will offer [scholarships and bursaries](#) to students from disadvantaged backgrounds, for example, as well as some form of hardship funding for dealing with financial emergencies.

A report by the JS Group, which partners with universities to manage and deliver financial support for students, revealed £19.1 million was administered by universities in 2022/23 to students who needed additional financial support.<sup>66</sup> Of the funding:

- 63% was spent on living costs, including household bills, food, and rent.
- 11% on learning or course-related resources.
- 9% on transport to and from university.
- 5% on personal wellbeing/health support.

An average of 12 streams was deployed by each individual university and students received £360 for the year.<sup>67</sup>

Analysis by the higher education website Wonkhe in October 2023 suggested, in terms of thresholds and entitlements, the bursary offer for undergraduate students at many Russell Group universities has remained unchanged since 2020.<sup>68</sup>

### Additional support

In March 2023, the Office for Students, which regulates higher education in England, highlighted a number of additional steps being taken by universities and colleges to support students with cost-of-living pressures, including:

- providing warm spaces, such as opening libraries for 24 hours a day, seven days a week
- reorganising the structure of learning through condensed timetables that allow for part-time work and reduced travel costs

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<sup>66</sup> JS Group, [Shining the light on student financial support](#), September 2023. See also HEPI blogpost, [How students spend emergency hardship funding](#), 20 November 2023

<sup>67</sup> JS Group, [Shining the light on student financial support](#), September 2023. See also HEPI blogpost, [How students spend emergency hardship funding](#), 20 November 2023

<sup>68</sup> “[Student costs have been rising. Have bursaries been rising with them?](#)”, Wonkhe, 13 October 2023

- meeting food needs, for example, subsidised or free canteen food
- offering pastoral and emotional support to help with stress and anxiety caused by financial pressures
- offering support with housing costs, such as freezing the rent in university-owned accommodation
- offering subsidised travel, such as bus passes or free campus shuttle buses
- offering subsidised extracurricular activities, including free or subsidised access to sports facilities.<sup>69</sup>

A September 2023 Higher Education Policy Institute report found 26% of universities operated a food bank (rising to 33% of Russell Group universities). Wales, the Southwest, the Northeast, and the Southeast are the parts of the UK where universities were most likely to operate a food bank.<sup>70</sup> The report said all universities should establish a cost-of-living working group, streamline their hardship fund by limiting the required evidence, and include financial hardship as a category of extenuating circumstances for assessments.<sup>71</sup>

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<sup>69</sup> Office for Students, [Studying during rises in the cost of living](#), 17 March 2023

<sup>70</sup> Higher Education Policy Institute, [How to Beat a Cost-of-Learning Crisis: Universities' Support for Students](#), 14 September 2023

<sup>71</sup> Higher Education Policy Institute, [How to Beat a Cost-of-Learning Crisis: Universities' Support for Students](#), 14 September 2023, pp53-59



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## 2 Further education students

### 2.1 Cost-of-living pressures

Further education students are facing similar financial pressures to higher education students, with increasing costs in food, energy bills, transport, rent and other living expenses. This has similarly led to students working excessive hours, struggling to prioritise their course load and classes, and mental health troubles.<sup>72</sup>

However, there are several distinctive ways in which cost of living pressures are shaping the experiences of further education students in particular.

- Many further education students – of all ages – are working to support not just themselves but also their families. This means they miss classes and fall behind on college work because they need to prioritise earning money. A report by the All-Party Parliamentary Groups (APPG) for Students and for Further Education and Lifelong Learning in July 2023 also described how, for some students, bursaries and hardship funds have become an essential to family budgets, with students walking several miles to college so their transport bursary can be used by their family for food or energy costs.<sup>73</sup>
- Colleges have reported increased safeguarding issues as a result of financial pressures, including a significant rise in family tensions and domestic abuse that has led to more students being referred to supported housing.<sup>74</sup> Due to extreme financial destitution, some vulnerable students are also becoming involved with criminal gangs or becoming victims of criminal and sexual exploitation.<sup>75</sup>
- Student attendance and retention is also a particular issue. The July 2023 APPG report found many colleges were using increasing resources to ensure students continued to engage. A report published by the

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<sup>72</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

<sup>73</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

<sup>74</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

<sup>75</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

Campaign for Learning in October 2022 found students were dropping out of college to pursue full-time work because of financial pressures.<sup>76</sup>

To remain solvent through cost-of-living pressures, colleges are looking to close buildings, reduce opening hours, offer term-time only provision, and run fewer courses to cut costs.<sup>77</sup> However, colleges have also reported increasing numbers of students are using them as ‘warm banks’, or trying to stay longer during the day to ensure access to food.<sup>78</sup>

Like in higher education, students from particular backgrounds are disproportionately affected by cost-of-living pressures. In further education, students eligible for free school meals, living in social housing, from households with intergenerational unemployment, and with learning disabilities or caring/carer responsibilities are among those most affected. Many colleges also described how adult learners were struggling, and have reported a decline in adult enrolments this academic year.<sup>79</sup>

## Long-term impact

The July 2023 APPG report identified a number of longer-term consequences that current cost of living pressures might have, particularly around the issue of student attendance, retention, and course choice. The report said:

Rather than making longer term career decisions and achieving their potential, students are having to think about what will allow them to best support themselves and their families in the short term, sacrificing longer-term educational goals.

Many now consider it impossible to continue into higher education, or to continue into their chosen (higher paid) training route.<sup>80</sup>

Colleges have expressed concerns about the future prospects of students who ultimately decide to leave education for financial reasons, but then go on to take up sometimes precarious and insecure jobs out of necessity.<sup>81</sup> Colleges have also argued it is necessary to consider what impact this might have on attempts to address skills gap in the UK, particularly in areas like construction and social care where such courses are primarily conducted in further education colleges.<sup>82</sup>

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<sup>76</sup> Campaign for Learning, [Learning in the Cold: the Cost of living crisis and Post-16 Education and Skills](#), October 2022, p18

<sup>77</sup> Campaign for Learning, [Policy View: Managing the cost-of-living crisis in FE colleges](#)

<sup>78</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

<sup>79</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

<sup>80</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

<sup>81</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

<sup>82</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

There are also concerns about how cost of living pressures are affecting the mental health of students, with over 90% of colleges being aware of attempted suicides by students.<sup>83</sup> The APPG report said:

With ongoing pressures caused by the pandemic now compounding under the cost-of-living crisis, mental health issues for students in further education are likely to continue into the longer-term with far-reaching repercussions.<sup>84</sup>

## 2.2

## What is the Government doing to support students?

Further education is devolved which means eligibility for tuition fee support and the nature and amount of living cost support varies across the UK.

### Tuition fee support

#### England

Further education students in England do not have to pay tuition fees if they are under 24 and studying for their first [level 3 \(A Level or equivalent\) qualification](#). Many essential skills courses such as reading, writing, and maths are also free, as are courses funded under various government initiatives, including the [free courses for jobs offer](#).

[Advanced Learner Loans](#) are available for students 19 or older taking courses at [level 3 or higher](#) that are not designated for higher education student finance. The loans are intended to cover courses fees, but an Advanced Learner Loan bursary towards living costs is also available (see below).

#### Scotland

Most full-time further education students in Scotland do not have to pay tuition fees if they meet certain residency conditions.<sup>85</sup> While students studying part-time and on distance learning courses will generally have to pay for their tuition, they may receive a fee waiver if they receive certain benefits, are on a low income, are disabled, or are care experienced.

Post-16 students who are unemployed or earning less than £22,000 per year may be eligible for an [Individual Training Account \(ITA\)](#), which pays up to £200 to students doing an approved part-time course.<sup>86</sup>

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<sup>83</sup> Association of Colleges, [Mental Health Survey Report \(PDF\)](#), March 2023, p5

<sup>84</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

<sup>85</sup> Student Information Scotland, [Tuition fees for further education students](#)

<sup>86</sup> Student Information Scotland, [Individual Training Account \(ITA\)](#)

## Wales

Students aged between 16 and 18 usually do not have to pay tuition fees, but those over 19 might have to pay for their tuition.<sup>87</sup> Most further education colleges offer free or discounted tuition to learners from low-income families, disabled learners, and learners on benefits.

## Northern Ireland

There are no tuition fees for full-time students aged between 16 and 18 studying [level 1 to 3 qualifications](#).

[Further Education Grants](#) are available for students aged 19 and over doing full-time and part-time level 1 to 3 qualifications.<sup>88</sup> Northern Ireland's Education Authority will cover the tuition fees for full-time students in receipt of a Further Education Grant

## Living costs support

### England

Various bursaries and loans are available to help students with day-to-day costs.<sup>89</sup> The [16-19 Bursary Fund](#) is available for items and costs relating to a further education course, such as books, specialist clothing, transport, and food. There are two types of 16 to 19 bursaries:

- Bursaries for defined vulnerable groups (including care-experienced students or those claiming certain benefits)
- Discretionary bursaries which providers award using policies they set, in line with Department for Education funding rules

[Learner Support](#) is available to students aged 19 or over who are in financial hardship. It can help to cover travel costs, accommodation, materials and equipment, and childcare.

The [Advanced Learner Loan bursary fund](#) can help to pay for things related to study such as travel, childcare, and course accommodation for students using an Advanced Learner Loan to fund their course fees.

There is also specialist funding available for [college accommodation](#), [help with childcare costs](#), and [those studying at a private performing arts school](#).<sup>90</sup>

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<sup>87</sup> Welsh Government, [Student finance: further education](#)

<sup>88</sup> Education Authority, [Further Education Grants](#)

<sup>89</sup> UK Government, [Further education courses and funding: Financial help](#), accessed 14 September 2023

<sup>90</sup> UK Government, [Further education courses and funding: Financial help](#), accessed 14 September 2023

## Scotland

An [Education Maintenance Allowance](#) (EMA) of £30 a week is available to 16- to 19-year-olds from households with low income.<sup>91</sup> [Bursaries are available for adult further education students](#) at colleges to help cover living costs, and study and travel expenses.<sup>92</sup>

Additional funding is also available for care experienced students, and students with dependents and childcare costs.<sup>93</sup>

Students can also apply for Discretionary Funds, which are intended to provide assistance, for example with housing or travel costs, for students who experience financial difficulty accessing or remaining in further education. Discretionary funds are allocated by Scottish Ministers and administered by individual colleges.<sup>94</sup>

Further education students under the age of 22 can also benefit from free bus travel through the [Young Scot National Entitlement Card](#).

## Wales

In Wales, Education Maintenance Allowance (EMA) is available for 16- to 18-year-olds who want to continue their education and are from a low-income household.<sup>95</sup> Students can get £40 a week, paid every two weeks. Free school meals are also available to eligible school sixth form pupils.

Students aged 19 and over might qualify for a Welsh Government Learning Grant to help with study costs if their household income is £18,370 or less.<sup>96</sup> Full-time students can get up to £1,500 while up to £750 is available for part-time studies.

A Financial Contingency Fund (FCF) is administered by colleges and supports students in financial difficulty with childcare costs, transport, meals, equipment, and learning materials. The Minister for Education and Welsh Language announced a 6.5% increase to the fund for 2023 to 2024.<sup>97</sup>

Local authorities may also fund transport for post-16 learners a discretionary basis.<sup>98</sup>

## Northern Ireland

Education Maintenance Allowance (EMA) is available to 16- to 19-year-olds from low-income households who stay on at school or go to a further

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<sup>91</sup> Student Information Scotland, [Education Maintenance Allowance \(EMA\)](#)

<sup>92</sup> Student Information Scotland, [Bursary for further education students](#)

<sup>93</sup> Student Information Scotland, [Funding your further education course](#)

<sup>94</sup> Student Information Scotland, [Extra financial support for students \(discretionary funding\)](#)

<sup>95</sup> Student Finance Wales, [Education Maintenance Allowance](#)

<sup>96</sup> Student Finance Wales, [Welsh Government Learning Grant \(FE\)](#)

<sup>97</sup> Welsh Government, [Cost of living support increases for young people in education or training](#), 24 August 2023

<sup>98</sup> Welsh Government, [Further education transport costs](#)

education college in Northern Ireland.<sup>99</sup> EMA is a weekly award of £30 which is paid fortnightly to students.

Parents aged between 16 and 20 studying at a further education college can receive help with childcare costs from the Care to Learn (NI) Scheme.<sup>100</sup>

Full-time students aged 19 and over in receipt of a Further Education Grant may be entitled to financial support of up to £2,092 towards living costs.<sup>101</sup> The amount of support a student might receive is based on their household income and whether they are independent or live with their parents.

Part-time students in receipt of a Further Education Grant may be entitled to a grant towards the cost of books and stationery. Both full-time and part-time students can also claim a childcare grant if they are using registered or approved childcare.<sup>102</sup>

## 2.3

### Are current measures sufficient?

In England, there were consistent real falls in spending per student in both school sixth forms and 16 to 18 colleges for most of the 2010s. Levels in 2021-22 were 27% below their peak for school sixth forms (almost £2,000 per student in 2022-23 prices), and 14% in sixth form colleges (£1,100 per student).<sup>103</sup> Spending on classroom-based adult education in 2024-25 will be 40% below 2009-10 levels.<sup>104</sup>

This decline in further education funding in England and its impact on students was highlighted by the July 2023 APPG report, which said:

[W]hilst it's clear the current crisis is having an extreme impact in the immediate term on students' daily lives and colleges' abilities to provide high-quality education, many of the financial pressures facing FE [further education] colleges have built up over the longer term, in the context of continuing erosion of state funding for further education since 2010.

It is important to recognise the challenging financial situation in the FE sector, and the impact this, coupled with the cost-of-living crisis, can ultimately have on students.<sup>105</sup>

The report also highlighted the end of the [Education Maintenance Allowance \(EMA\)](#), which was a weekly payment to students replaced in 2011 by [the 16-19](#)

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<sup>99</sup> NI Direct, [Education Maintenance Allowance explained](#)

<sup>100</sup> NI Direct, [Care to Learn scheme](#)

<sup>101</sup> Education Authority, [Further Education Grants](#)

<sup>102</sup> Education Authority, [Further Education Grants](#)

<sup>103</sup> Commons Library briefing CBP 9194, [Further education funding in England](#); Institute for Fiscal Studies (IFS), [Annual report on education spending in England: 2022](#), 12 December 2022

<sup>104</sup> IFS, [Adult education and skills](#); Commons Library briefing CBP 9194, [Further education funding in England](#)

<sup>105</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

[bursary fund](#). Recorded expenditure on EMA in 2010-11, its last full year of operation, was £555 million.<sup>106</sup> In cash terms, this is more than double spending on the 16 to 19 bursary in 2021/22, which was £225 million (a figure that also includes expenditure on 16 to 19 free school meals funding).<sup>107</sup>

The Department for Education has published a number of reports on the bursary fund, including an impact evaluation in June 2015.<sup>108</sup> This found abolishing the EMA in 2011 reduced Year 12 participation by around 1.5 percentage points during the 2011/12 and 2012/13 academic years.

The demand for bursary support from students has risen in recent years, with Hartlepool College reporting that 95% of its 16-18 cohort applied in 2022-23, compared to 65% in 2021-22.<sup>109</sup>

## Calls for more support for students

The July 2023 report published by the All-Party Parliamentary Groups (APPG) for Students and for Further Education and Lifelong Learning made six recommendations to the Government to alleviate the impact of the cost of living on further education students. These were:

- Provide additional funding support for further education so providers can increase bursaries and target those most in need.
- Review the mandated eligibility criteria for bursary funds to provide colleges with more flexibility to determine the students that are eligible and the support that is needed.
- Consider the case for extending free school meal eligibility and increase the free meal rate from £2.41 per student, so colleges can provide more subsistence support.
- Introduce free or subsidised travel for all 16- to 19-year-olds in further education or training to help with travel costs.
- Increase the apprenticeship minimum wage and enable providers to use bursary funds to support apprentices.
- Take steps to ensure further education providers receive appropriate and timely data from local authorities to establish bursary needs in their student cohort, as currently happens in schools.<sup>110</sup>

The Campaign for Learning report made similar recommendations but additionally recommended that Child Benefit and Universal Credit was

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<sup>106</sup> Commons Library briefing SN 7019, [16-19 education funding in England since 2010](#), 19 February 2020

<sup>107</sup> Commons Library briefing CBP 9194, [Further education funding in England](#)

<sup>108</sup> DfE, [Evaluation of the 16 to 19 Bursary Fund](#)

<sup>109</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

<sup>110</sup> All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023



updated by inflation to alleviate household financial strain.<sup>111</sup> It also made recommendations around introducing more maintenance support for adult learners doing courses in England at level 3 and below, including extending Universal Credit eligibility to unemployed adults Seeking a first level 3 qualification through a T Level course.<sup>112</sup>

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<sup>111</sup> Campaign for Learning, [Learning in the Cold: the Cost of living crisis and Post-16 Education and Skills](#) (PDF), October 2022, p72

<sup>112</sup> Campaign for Learning, [Learning in the Cold: the Cost of living crisis and Post-16 Education and Skills](#) (PDF), October 2022, pp77-82

## 3

## Westminster Hall debate (September 2023)

On 19 September 2023, there was a debate in Westminster Hall on the impact of increases in the cost of living on further and higher education students.<sup>113</sup> It was led by Paul Blomfield, following the publication of reports by the All-Party Parliamentary Group APPG for Students, which he chairs, and the APPG on Further Education and Lifelong Learning.<sup>114</sup>

Opening the debate, Paul Blomfield said while it is important students are not seen as a homogeneous group, the current cohort of further and higher education students have one thing in common: “the double misfortune of educational disruption from covid and now the cost of living crisis”.<sup>115</sup>

He went on to highlight a number of issues that have “pushed many students to a tipping point” in England. For undergraduate students these included:

- A growing shortfall between maintenance loans and living costs
- Problems with the student finance system, including the freezing of the lower parental earnings threshold and inflation forecast errors
- The end of maintenance grants.<sup>116</sup>

With regards to postgraduate research students, Paul Blomfield said stipend payments were insufficient to meet living costs and this group of students is not eligible for childcare grants.<sup>117</sup> They can also struggle to access hardship funds because they fall into the gap between the definition of being a member of staff and a student.

He repeated the recommendations made in the APPG for Students report (see section 1.3 above), including increasing student maintenance loans to restore their real value, increasing the household income threshold for the maximum student loan, reintroducing maintenance grants, and providing further hardship funding.<sup>118</sup>

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<sup>113</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#)

<sup>114</sup> All-Party Parliamentary Group for Students, [Report of the Inquiry into the impact of the cost-of-living crisis on students](#) (PDF), March 2023; All-Party Parliamentary Groups for Students and Further Education and Lifelong Learning, [The impact of the cost-of-living crisis on students in further education](#) (PDF), July 2023

<sup>115</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), c513WH

<sup>116</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), cc513-15WH

<sup>117</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), c515WH

<sup>118</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), c516WH

The chair of the APPG on Further Education and Lifelong Learning, Peter Aldous, described the “harrowing feedback” his group had received from further education students about their experiences. He said:

Many of those in further education come from less well-off backgrounds and are already making enormous sacrifices to go to college. They are working long hours in part-time jobs, and many are supporting members of their wider family. The cost of living crisis has piled further pressure on them; for some, the burden has become intolerable and they have had no choice but to give up their studies.<sup>119</sup>

Peter Aldous went on to argue while colleges are provided with funding to support students, this was “inadequate”, and things were getting worse. He called for additional core revenue funding of £400 million for the sector to address the “intolerable” situation.<sup>120</sup>

Contributions from other MPs highlighted:

- Undergraduate maintenance loans in England had risen at a much lower rate than the rest of the UK.<sup>121</sup>
- A number of the schemes introduced by the Government to support people with the cost of living specifically excluded students.<sup>122</sup>
- While funding for the higher education student premium had increased to £276 million in England, this was a real terms fall recent years.<sup>123</sup>
- The cost of higher education was acting as a deterrent for some students.<sup>124</sup>
- Many further education students were faced with very high travel costs.<sup>125</sup>
- Students taking T Levels in England were unable to complete their courses because of cost-of-living pressures on their families, and so were transferring to apprenticeships “to earn while they learn”.<sup>126</sup>

Responding for the UK Government, the Minister for Skills, Apprenticeships, and Higher Education, Robert Halfon, said publicly funded support for students needed to be placed in the financial context of recent outlays, including during the Covid-19 pandemic and war in Ukraine. Nevertheless, he said the Government was still doing everything it can to help students.<sup>127</sup>

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<sup>119</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), c517WH

<sup>120</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), c518WH

<sup>121</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), cc518-19WH

<sup>122</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), c519WH

<sup>123</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), c529WH

<sup>124</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), c520WH

<sup>125</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), c523WH

<sup>126</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), cc519-20WH

<sup>127</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), c527WH

Robert Halfon said £160 million had been allocated for discretionary bursaries in further education and £276 million for disadvantaged higher education students.<sup>128</sup> He also highlighted the freezing of undergraduate tuition fees and an increase in core funding for 16- to 19-year-olds in England.

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<sup>128</sup> [HC Deb \[Further and Higher Education Students: Cost of Living\] 19 September 2023](#), cc527-29WH

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