

Post-18 Options #4



What are my options?

- 1. Employment**
- 2. Apprenticeship**
- 3. University**
- 4. Gap Year**

What are the financial implications of each option?

Employment and Apprenticeships

Both of these options result in you being paid.

In the short term, you will earn more in employment than in an apprenticeship.

In the long term, your salary will probably be higher if you have done an apprenticeship.

CONSIDER: How are you going to balance the immediate desire to earn money with the potential difference in lifetime earnings?

Gap Year

Taking a Gap Year inevitably will cost you money.

Companies that help arrange a Gap Year will often charge you a fee.

Travelling requires up-front payment of costs, even if you work once you reach your destination.

You will have the cost of living expenses throughout the year.

Working for the first part of a Gap Year can often make the second part affordable.

CONSIDER: There is no such thing as a free lunch!

University

Tuition Fees

Each university will charge you an annual fee for tuition, upto £9,250 per annum, but you don't pay these at the time. You take out a student loan with the government's Student Loan Company - www.slc.co.uk - and repay the loan over the course of your working life.

Maintenance

The student loan can also cover the cost of living during your degree (though parents may choose to chip in or you may choose to get a part-time job, too).

To find out more about student finance and how it works, visit: www.gov.uk/get-undergraduate-student-loan

University

You only begin repaying the loan once you start earning the threshold salary (now £25k pa).

The interest rate matches the Retail Price Index (RPI), so it is always very low. The more you earn over time, the more interest you will pay.

The loan is written off after 30 years, even if it has not been repaid.

As a result, the government estimates that even the very highest earners will never repay more than 65% of their student loan.

CONSIDER: You might graduate with a debt of £40k but your lifetime earnings, as a graduate, are expected to be £300k higher than those of non-graduates and you will only repay a maximum of £26k of your loan.

Next Step: Assess your finances

Speak to your parents about the financial implications of your preferred Post-18 destination.

CONSIDER:

- Do they know what you would like to do?
- Will their financial situation affect your plans?
- Are your parents able to partially support you through another three or four years of study?
- Do they have plans that might impact upon your decision?

On the 'Post-18 Options' site:

- All of the Post-18 Options videos (these can also be found by searching 'Lee Forcella-Burton' on YouTube) and slideshows
- Examples of excellent personal statements
- Parents' Guides to: Post-18 Options, University, University Applications, Apprenticeships, Degree Apprenticeships & Results Day
- Advice and guidance on taking a gap year
- Advice and guidance on creating a CV and writing application letters
- Links to www.ucas.com - advice and guidance on applying to university, finding an apprenticeship, choosing a career and taking a gap year

