

The price of ambition

The impact of students studying away from home on parental finances

Introduction

The notion of students not having much money is nothing new, but little has been written about the impact of students studying away from home on the finances of their households. Student Finance England has always been clear that the maintenance loan should be bolstered by familial or other support, but as this research shows, the amounts being given surpassed our expectations - and yet students and their families are still struggling. This is the price of ambition in 2026 – and we need something to change.

My own university experience won't be unique. I received nearly the maximum maintenance loan because of my parent's income. But it wasn't enough to cover the basics – rent, food and bills. On top of full-time study, I was working nearly 30 hours a week in a pie and mash shop and still counting the pennies towards the end of term. My grades suffered, as did my mental health and ability to enjoy myself alongside studies.

Each year, I speak to thousands of students. I know they can barely make rent. They are accessing food banks. Reliance is greater than ever on university bursaries and financial support at a time where the sector is facing real-terms funding cuts.

Our recommendations are clear. Parental income thresholds, which determine how much maintenance funding a student can receive, have been frozen since 2008. Without change, the view of higher education as a tool for expanding opportunity feels more and more tokenistic.

I want to thank those who made this report possible – Survation for the polling, our colleagues at HEPI for marking our homework and helping to shape the question set, and colleagues across Westminster and the HE sector for their enthusiasm. We hope that this marks the start of much-needed change.



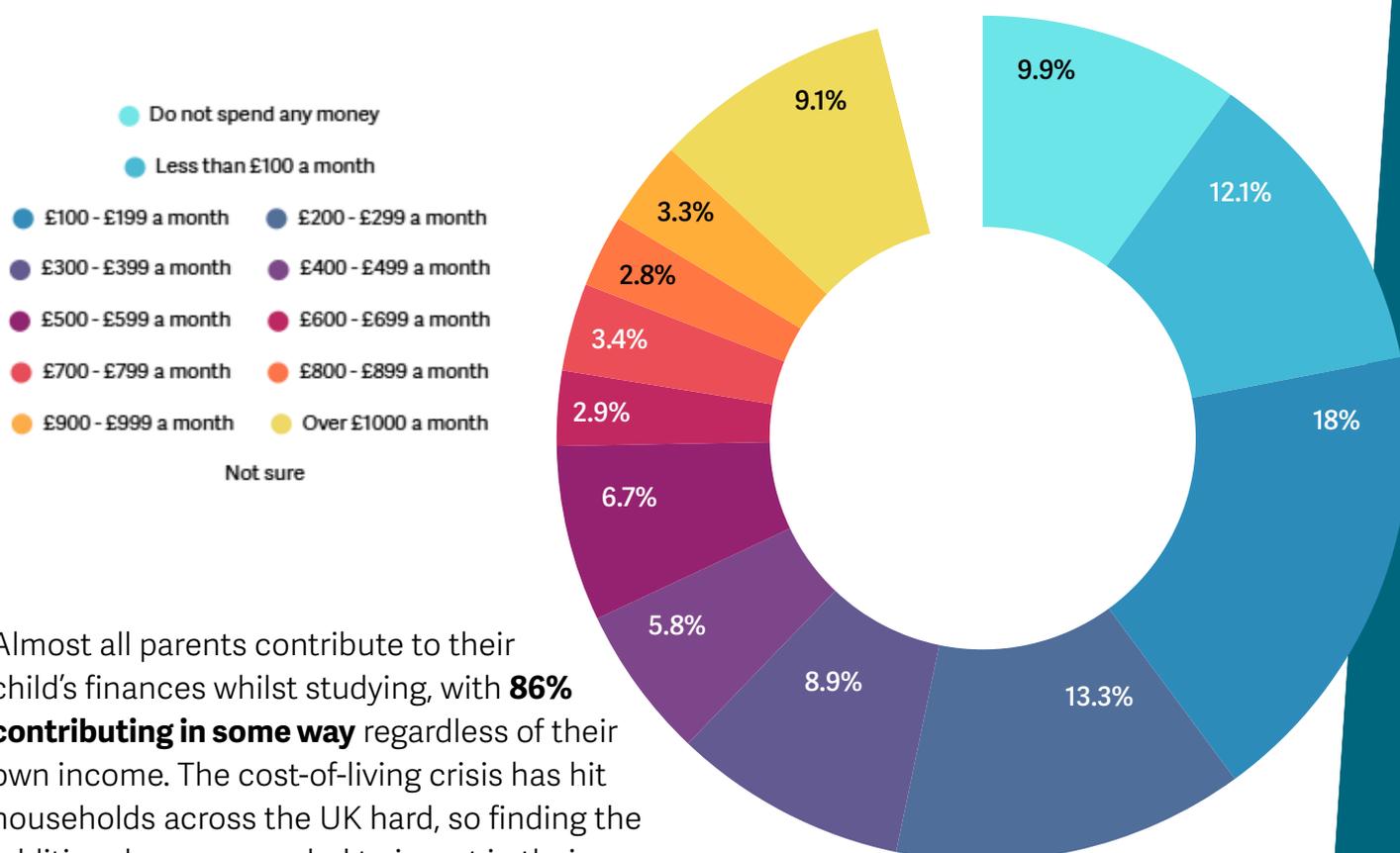
Alex Stanley
NUS UK Vice President
Higher Education

Executive summary

Each year, over 500,000 young people take the next step on their education pathway as they head off to university. Their parents often want to encourage this and see their ambition flourish.

The impact of this decision on the student themselves is well-researched. But what is the impact on household finances once a child has left home to study?

With Survation, the National Union of Students has polled over 1000 parents of students to understand the economic impact of sending a child to university. The findings are stark. **Most parents are paying over £200 a month to support their child at university. And almost 1 in 10 parents are paying over £1000 a month.** This is for survival – funding rent, groceries and essentials.



Almost all parents contribute to their child's finances whilst studying, with **86% contributing in some way** regardless of their own income. The cost-of-living crisis has hit households across the UK hard, so finding the additional money needed to invest in their child's education is **having a financial impact on 84% of parents.**

Successive governments have allowed the system designed to support students through higher education to fail families. **Parental income thresholds, which determine the amount of loan a student receives, have been frozen since 2008.** The burden on parents has been gradually allowed to increase over 18 years. Consecutive governments have enabled this shift by leaving a system, designed to support independence, to decay and thereby dragging students into poverty unless their parents' step in to support them.

Maintenance loans will now be increasing in line with a more realistic measure of inflation for the first time in eight years. But over a decade of increases that lag behind the cost of living mean that the deficit between a student's living costs and the loan they receive has meant that consecutive governments have stealthily increased the burden on parents, and inflationary rise will not correct this course.

We know that many people support a child through university. This is not always a parent, but sometimes a grandparent, carer, or another guardian. Throughout this report, we are using the terminology used by Student Finance England but acknowledge it might not align with the terminology used by the individuals themselves.

The call is clear – the maintenance funding system needs reform. Based on our findings, and supported by over 7 in 10 parents, the National Union of Students is calling for:

- **The Government to increase parental income thresholds in line with inflation annually and, in a one-off move, they should be re-adjusted to reflect the years the thresholds have been frozen.**
- **The Government to raise the maximum maintenance loan to be equivalent to minimum wage and then increase it annually as such.**
- **The Student Loans Company to make it easier for students to be classified as 'independent', and thereby receive the maximum level of loan, if they are not supported by their parents.**

How student finance works in England

Student finance currently consists of two loans. The first covers tuition fees and, if taken out, is paid directly to the university by Student Finance England. The second is a maintenance loan, which is on a sliding scale determined by parental income. This is paid termly into a student's bank account.

For 2025/26, the maximum loan students living away from their parents and outside London can get up to £10,544 a year. In London this rises to £13,762. And for students living at home, it is £8,877.

Student finance and parental income thresholds

Students only receive the maximum maintenance loan if their parents' income is below £25,000, the same threshold as 2008. If the threshold had increased with inflation, it would be estimated at £41,000 in 2025. In 2008, the median annual wage was £24,908, crucially below the threshold for maximum support. In 2025, the median salary was £39,039, which is significantly above the current threshold.

On this sliding scale, a student studying outside of London with two parents both earning the 2025 median salary would receive a loan of £4,767 a year.

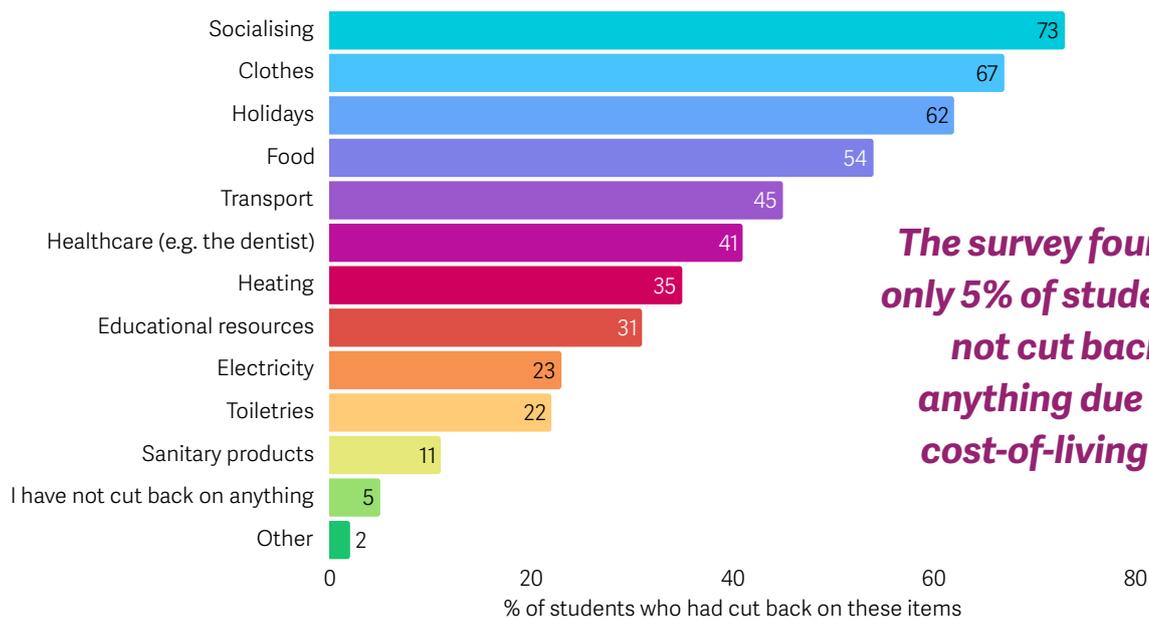
Additionally, limited other factors are taken into the decision. Allowances are made for multiple dependents, but not for key factors in cost, for example location of the parent's home.

Maintenance grants will be brought back in 2028/9, but only when parental income is below £30,000 per year and for those students on an as-yet unknown specific set of courses. Both these criteria, and the maintenance loan threshold, are far below the deficit currently facing all students, which is felt especially by those from families with a lower household income.

The real cost of being a student

Students are experiencing the cost-of-living rise like everyone else. In 2025, the average student rent was [£562.67 per month](#), and the average monthly spend on groceries was [£146.76 per month](#). In 2024, HEPI found that rent for Purpose-Built Student Accommodation in London had risen [by 18% over the prior two years](#). The [NatWest Student Living Index](#) found that more than half of students run out of money before the end of their term. It has gone beyond surviving on beans, **students are now surviving on foodbanks.**

In [an NUS 2024 report on the cost of living](#), 93% of students were found to have cut back costs to save money. While socialising, clothes and holidays were cut back by the majority, over 50% had cut back on food, 41% on healthcare, and 11% on sanitary products.



The survey found that only 5% of students had not cut back on anything due to the cost-of-living crisis

The same report found that housing was the biggest financial pressure on students. Similarly, [the Sutton Trust](#) found that **for 19% of students, housing costs alone are higher than the available loan.** With rent being the largest chunk of a student budget, the variations in rent between university towns and cities will have a significant impact on each student's budget.

The Government website implies that the full maintenance loan amount is enough to cover all living costs. **However, it is over £9,000 below an annual salary on the national living wage.**

“You may not get the full amount, so you may have to find other ways to fund the rest of your living costs. This could include, for example, part-time work, local authority assistance, bursaries, scholarships, or family contributions.”

UK Government Website

Maintenance loan reforms introduced in 2025 solely focused on an inflationary increase. This will mean more money in student’s pockets each term, there remains a deficit for the years when loans did not increase proportionally to the cost of living.

However, what hasn’t changed is the parental income thresholds. These have been frozen at current levels since 2008. Income has of course risen since then, as has cost of living. The stagnation of these thresholds has, for nearly two decades, just gradually increased the burden on parents.

Support available for students

It is also important to acknowledge that there are always students who fall through the gaps. There are many students who, for often complex reasons, cannot ask their parents for support but do not meet the criteria to be deemed an ‘independent’ student. Currently, the threshold for a student under 25 to be classified as ‘independent’ and thereby get the full amount of loan is estrangement from both parents for over 12 months. Students who fall through the gap must rely on excessive work of over 10 hours a week during term time, additional bursaries, or simply can’t afford higher education.

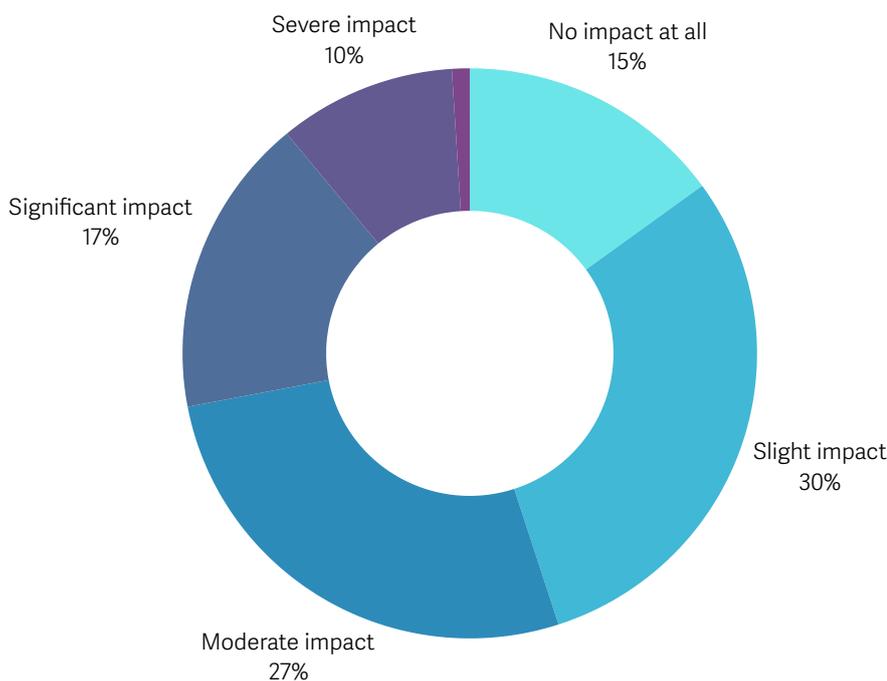
There is a growing deficit between the loans available to students, and the cost of rent, bills and groceries. And that is before other living costs are even considered. With the thresholds being frozen, **the Government have stealthily increased the burden on the bank of Mum and Dad.**



Findings

NUS UK commissioned polling from Survation in May 2025 to look at the role parents are playing in financially supporting their child through university. The results are stark: a child choosing to go to university has a significant financial repercussion for their family. When, in all other ways, the Government promotes independence at 18, they still expect parents to step in to balance the budget for university students.

What impact, if at all, does financially supporting your child through university have on your household finances?



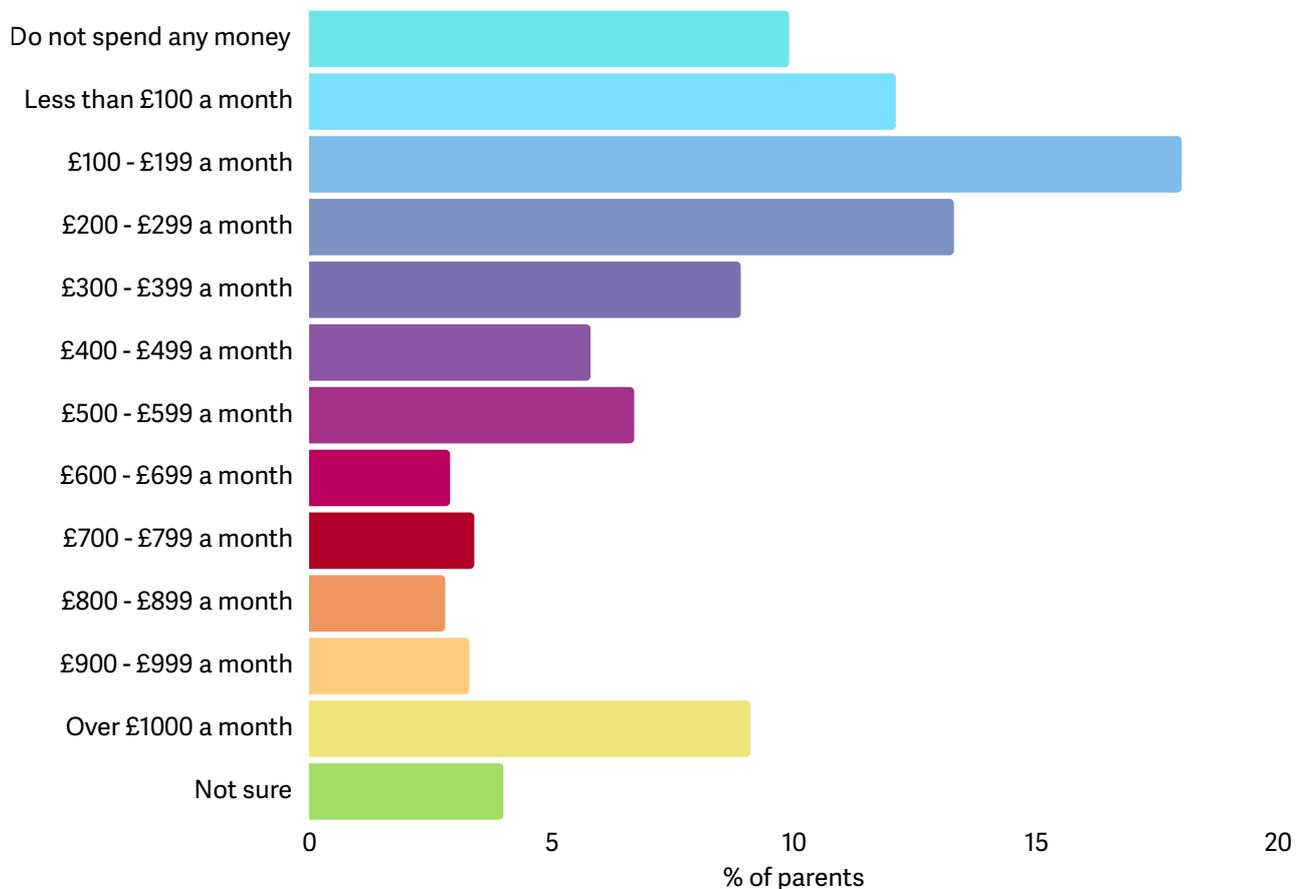
11% of parents were not aware they would need to financially support their child through university

Maintenance loans are simply not enough for students to be able to survive. 86% of parents support their child financially while at university. The majority of parents are spending over £200 per month during term time to support their child. One in 10 are spending over £1000 per month.

This is for the essentials: 36% of parents are paying rent directly to their child's landlord and 36% are buying food directly.

Alongside, this, 48% of parents expect their child to work while they are at university. This would represent three 'income' streams for a student – loans, work and parental support, each of which alone is not enough for survival.

In an average term-time month, how much does your household spend on supporting your child at university?



Lower-income households

The Government advises that students not receiving the full loan will need to supplement it with additional income, regardless of their own financial situation. Our research found that over 80% of parents whose household income is below £20,000 provide financial support to their child while at university.

What parents want

There is broad support for change. 73% of parents would support adjusting the income thresholds for student finance to bring them in line with inflation. For nearly two decades, these thresholds have been stagnant. We now see households with two people on minimum wage expected to contribute to their child's living costs. There is no adjustment for the number of dependents or household location.

74% of parents support raising maintenance loans in line with inflation each year. When other forms of Government support have continued to see year-on-year rises, such as the state pension and universal credit, students have been left behind with the unspoken expectation that parents will step in. With inflationary rises announced for the next two years, it is important that this continues.

With over two million students at university each year, extrapolated into the general population, this represents a broad call for change across demographics and, if carried out well, would represent money back in the pockets of parents each month.

Recommendations

The maintenance loan system needs reform. The hard work of creating a university system that is accessible to all has been unravelled through over a decade of neglect.

Three simple policy changes would transform the funding model and take the necessary steps to ensuring that everyone who wishes to do so can go to university, regardless of family circumstances.

- **The Government to increase parental income thresholds in line with inflation annually and, in a one-off move, they should be re-adjusted to reflect the years the thresholds have been frozen.**
 - The burden of the shortfall between loan and living expenses shouldn't be stealthily increased for parents, and according to our findings, could represent over £200 a month back to the parents of almost two million students.
- **The Government to raise the maximum maintenance loan to be equivalent to minimum wage and then increase it annually as such.**
 - 15 years of no inflationary rises means that the students on the maximum maintenance loans aren't even able to cover their rent and bills in some cities. While maintenance loans are increasing in line with inflation, there needs to be a one-off adjustment to catch up with the cost of living, which would benefit students and their families.
- **The Student Loans Company to make it easier for students to be classified as 'independent', and thereby receive the maximum level of loan, if they are not supported by their parents.**
 - These are students who are falling through the gap between loans and parental support, which is presumed by the Government. When that presumed support is not available, often for complex reasons that don't quite meet the threshold of 'estrangement', then students are left out alone.

The National Union of Students is working with parents to call for these changes. Join us by...

- [Signing the petition](#) to Increase maintenance funding and update thresholds to relieve the pressure on students' families.
- [Joining the NUS Parents of Students Facebook group](#) to stay up to date with the campaign and join a community of parents experiencing similar hardships.
- [Sharing your story with NUS.](#)