

How to pay for it all

● Although the average degree in the UAE could set you back up to half a million dirhams, there are several ways to bridge the gap

BY HINA NAVIN
Special to GN Focus

With a range of prestigious universities from across the globe available in this country, the UAE's appeal as a destination for advanced studies is on the rise. However, the cost of funding university education remains a major concern for most expat parents that aspire to give their children the right start to build a bright future.

Ambareen Musa, Founder and CEO of price comparison website Souqalmal.com, cites the 2016 HSBC *Value of Education* report, which places the average cost of an undergraduate degree in the UAE for domestic students (including the cost of living and tuition fees) at \$95,731 (Dh351,615).

Considering those high costs, parents need to consider to plan and save for the child's future career growth. "Since school fees can be rather expensive, parents may find it difficult to save enough for universities in the UAE or abroad," Musa says. "And as more expats are staying in the UAE for longer periods, taking an education loan has been gaining popularity."

Waleed Barhaji, Business Head of Consumer Finance, Noor Bank, says university education has always been an essential financing requirement for the UAE population, and he expects this to continue based on the country's demographics.

Most banks in the UAE, including Noor, provide personal



Shutterstock

loans that let borrowers to use the money as they wish, but a few such as ADCB, ADIB and UNB have specific products designed for education.

Souqalmal.com lists eight education loans from various providers. Reducing interest rates for these loan products range from 5.75 per cent to 10 per cent a year on amounts ranging from Dh250,000-Dh750,000. Repayment periods can run up to 48 months. "Parents must note that some education loans are only applicable for universities in the UAE and not abroad," says Musa. "Also, interest rates on these products can be quite high compared to

other personal loans offered by banks in the UAE. They should also keep an eye out for the processing fees when applying for the loan."

Both options are usually available based on a salary transfer undertaking, although it is possible to get finance without this. In that case, Barhaji says, that usually means lower finance amounts at a significantly higher cost.

Mariam Shaikh, Vice-President of Student Recruitment and Admissions at Amity University, says there are several other options available.

"Credit card payment is very popular in this country as par-

ents can get six months to one year to pay fees in equal installments without the added burden of interest," she says. "We have also seen most parents in the UAE start planning for their children's education at a much earlier stage where they invest in different investment plans, which on maturity can cover their children's education."

"Some multinational companies do fund education for their employees' children. Others advance loans to [some] employees, providing them with flexibility in repayment." Amity has partnered with ADCB to help those who do want a loan — these tend to be students from overseas.

Hikmat Beaini, Director of Communications, University of Dubai, says economic factors such as oil prices and inflation indicate that more students could take loans in the future, though he says banks must do more to meet student needs: "UAE banks have not yet found the financial incentives for student loans. We tried several times to negotiate some financial deals on behalf of students. However, most banks did not offer what those students or their parents need. Therefore, we have found other solutions to support financially challenged students like sponsorship by our generous alumni community and some philanthropists. A recent Ramadan event raised Dh400,000 for our students."

Other universities, including Amity, have also stepped in to bridge the gap with merit-based scholarships. ■