

2013/14

STUDENT MONEYMANUAL

THE
ESSENTIAL
GUIDE

TO MANAGING
YOUR MONEY AT
UNI & BEYOND



HOW TO
FUND HIGHER
EDUCATION AND
STAY QUIDS
IN ONCE
YOU'RE THERE



GETTING YOU
MORE BANG
FOR YOUR
BUCK



GET IT. KEEP IT. MAKE IT GO FURTHER.

STUDENT MONEY

GET IT, KEEP IT, MAKE IT GO FURTHER

GETTING YOU MORE BANG FOR YOUR BUCK



WELCOME TO THE STUDENT MONEYMANUAL 2013/14

This year's edition is the nutshell guide to everything you need to know about sound money management, from getting your Student Loan to keeping hold of your cash and making it stretch that little bit further. Whether you read it from cover to cover or dip into a few choice articles, we hope you'll find it reassuring reading as you start applying for higher education.

The cost of going to uni seems to get higher year on year and this guide aims to help you locate the funds and financial info you need to make the right decisions. No one should be denied an education because they can't pay; that's why

we publish the Student Moneymanual every year for free (thanks to generous funding from Santander).

So, if you're about to leave school and are considering higher ed, you've come to the right place to learn how to manage your money and get independent, no-fuss advice on the ins and outs of student finance.

If you want more tips for getting your money management game on top form, head over to our website, themoneycharity.org.uk, or come and say hi on Facebook and Twitter (@themoneycharity) — we'd love to see you there.

In the meantime, keep sending us your praise, postcards and feedback: studentmoneymanual@themoneycharity.org.uk
The MONEY Charity

BEST BITS

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The Student Moneymanual is a guide to managing money and is limited in the information it can cover. The majority of info here is relevant to first-time undergrads in the UK but, while we aim to give you useful and relevant info, we can't be held responsible for your financial decisions as a result — do your own homework. Every effort has been made to ensure this booklet is accurate and the information provided is correct at the time of print (October 2013) but some information may be subject to change. We're very grateful to the National Association of Student Money Advisers (nasma.org.uk), the National Union of Students (nus.org.uk), the Student Loans Company and UCAS for their help confirming details.

▶ STUDENT MONEY

CASH FOR QUESTIONS

GET A HANDLE ON HOW MONEY-MINDED YOU ARE WITH OUR QUIZ



- Q.** How much do you think getting a degree will cost?
- A.** Less than 20 grand
B. 30-50 grand
C. ... we have to pay?
- Q.** How are you going to pay for it?
- A.** Daaaaaaad ...
B. Student Loan and Saturday job savings
C. ... seriously, we have to pay?
- Q.** Do you think you'll pay back all of your Student Loan?
- A.** Not sure; probably
B. I plan on earning a lot — so yes
C. 30-year write-off, baby!
- Q.** Students can get income support and benefits: yes or no?
- A.** I think it depends on your circumstances
B. No way, Pedro
C. Pass
- Q.** What salary do you expect from your first full-time job after uni?
- A.** Around 18k
B. Between 20-25k
C. How much do models/best-selling authors/rap stars make? That. Probably x3, yeah?
- Q.** What are you saving for at the moment?
- A.** New decks
B. The rent for my first year in halls
C. Naaah
- Q.** What do you think about credit cards and payday loans?
- A.** Best avoided but I'd use them if I had no other choice
B. Fastest way to skid row
C. Student essentials
- Q.** How often do you impulse buy?
- A.** Occasionally, but I always get a good deal
B. Once, in 2012
C. Why — what you selling?
- Q.** How many days in a row can you go without buying anything?
- A.** One or two
B. A whole week, easily
C. Does it count if your mum pays?
- Q.** Without looking, do you know how much is in your bank account/piggy bank/sock drawer?
- A.** I've got a rough idea
B. My financial adviser updates me every week
C. I don't have a sock drawer

HOW DID YOU SCORE?

Mostly a's: You sound like you've already started thinking about the costs and consequences of higher education and have a balanced attitude to what's ahead. You'll find links to more info later in this guide plus practical ways to make a sound money plan and keep on top of your budget.

Mostly b's: Tense, nervous headache? You might need to loosen your grip on your wallet — we're talking college, not armed combat. There's funding for higher ed out there — we'll show you how to get it. Read on.

Mostly c's: We applaud your sense of self-irony and may consider hiring you as a writer. In the meantime, read this guide cover to cover at least twice: you've got a long way to go to get to grips with money management.

THE EDIT

THE COST OF HIGHER EDUCATION ISN'T JUST ABOUT TUITION FEES. HERE'S WHAT ELSE YOU'LL NEED TO FORK OUT FOR



RENT

Anything from nothing (living at home with generous folks) to you're-'aving-a-laugh London prices.

YOU SAY: £

We say: UP TO £900/MONTH

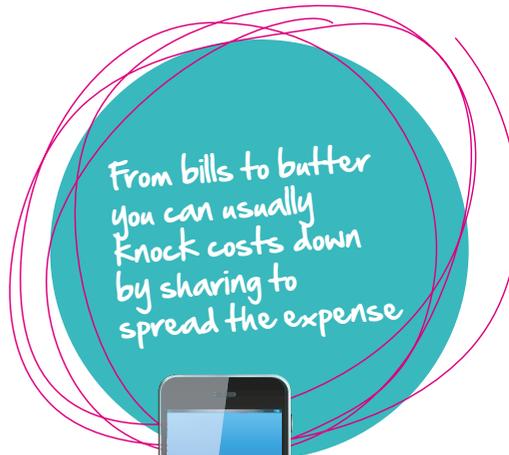


FOOD

Learn to cook; love leftovers: save on both your weekly grocery shop and snacks. Don't forget meals out, too.

YOU SAY: £

We say: UP TO £120-200/MONTH



From bills to butter
you can usually
knock costs down
by sharing to
spread the expense



BILLS

Water, gas, electricity, TV licence, contents insurance, broadband, mobile phone ... check what's included in your rent.

YOU SAY: £

We say: UP TO £100/MONTH



PERSONAL COSTS

Clothes, shoes and toiletries. Don't forget house-cleaning stuff, too, unless you actually like rats.

YOU SAY: £

We say: UP TO £25-100/MONTH

READY RECKONER

Can you afford it?

MONEY GOING OUT

Total living costs:

£ /YR

You'll need to multiply your monthly spends by 12

Remember that some costs may vary, especially during holidays.

MONEY COMING IN

GRANT: £ /YR

JOB: £ /YR

FAMILY: £ /YR

ANYTHING ELSE: £ /YR

TOTAL INCOME: £ /YR

Don't panic if your outgoings seem way higher than the money you've got coming in — there are loads of ways to cut back on costs or find extra funds you might not realise you're entitled to. There's more about both later in this guide — or jump to the budget builder on p14 to get started on your money plan.



TRANSPORT

As well as getting to/from lectures and around town, you might want a cash stash for trips home. If you own a car, you'll need money for gas, insurance, MOT and repairs.

YOU SAY: £

We say: UP TO £200/MONTH



STUDY COSTS

Depending on your course, you'll need to factor in money for books, lab kit, stationery, printing and photocopying, and field trips.

YOU SAY: £

We say: £50-200 UP FRONT, THEN AROUND £40/MONTH



ENTERTAINMENT

Gym, sports and society memberships, hobbies, socialising, cinema, music, gigs and anything else that floats your dinghy.

YOU SAY: £

We say: UP TO £80-200/MONTH

GIFTS

Birthdays and Christmas don't come cheap unless you're a wiz with a sewing machine and glue gun.

YOU SAY: £

We say: ANYTHING UP TO £200/MONTH

ONE-OFF COSTS

Moving costs, furnishing your gaff, computer kit, sewing machine, glue gun, holidays.

YOU SAY: £

We say: AROUND £300

TUITION FEES

UNIVERSITIES AND COLLEGES IN THE UK CAN CHARGE HOME STUDENTS UP TO £9K A YEAR IN TUITION FEES BUT MOST FIRST-TIME STUDENTS WON'T HAVE TO PAY ANYTHING UP FRONT

Tuition fees pay for things like teaching, building maintenance, facilities and equipment. Institutions that charge the full £9k also have to set part of it aside to help students from low-income backgrounds, as well as for bursaries, scholarships and access funds.

WHO PAYS WHAT?

Fees vary according to a whole host of factors, from where you live to where in the UK you study. You can be charged up to £9k/yr wherever you study in the UK unless:

- You're a Scottish/EU resident studying in Scotland (no fees)
- You're a Welsh resident (a fee grant caps tuition costs at around £3,500/yr)
- You're an NI/EU resident studying in NI (fees capped at £3,685/yr)

'Private' colleges can charge even home (UK) students what they like — they're not bound by the £9k fees cap. Part-time fees are typically calculated on a sliding

If you want to go to university don't let finance fears fudge up your dreams: there's funding out there — this guide will set you right.

scale depending on what percentage of the full-time course is covered each year.

WHO PAYS WHEN?

Most first-time full- and part-time students won't have to pay anything up front. Instead, you'll be offered a Tuition Fees Loan (p7), which you don't start paying back until you're in work and earning over a certain amount. You *can't* get the fees loan if you've already done a degree or similar course, or are an international student, so you'll have to consider other loans, bursaries, scholarships or savings.

THE SHORT STORY

Don't make choices on fees alone: your interest in the subject, future career plans and personal development will be equally as valuable as your salary in later life. On the other hand, don't think far-distant loan repayments are all you have to worry about: you'll need to cover the cost of everything from laundry to light bills over the next few years. Find out for yourself what's involved and make an informed choice.

Student Loans **P7**

Grants **P9**

Other sources of funding **P13**



WHAT ELSE DO I NEED TO KNOW?

If you've got your heart set on advanced particle physics or horse psychology (thank you, Nottingham Trent), don't let tuition fees stop you. Whether you get off 'Scot' free, get a Student Loan or are out pawning your Wii right now, make a considered decision:

- Are you and your course eligible for the Tuition Fees Loan?
- Some colleges have tons of teaching staff; others are light on library stock (which can bump up your book-buying costs). Get your ear to the ground and see what other students are saying.
- Do the course fees represent good value for money for the student experience, future earnings and your career hopes?
- What financial assistance does the institution offer (from emergency support to scholarships)?
- How do rents, ents and eats stack up? London, Cambridge and Bristol can be pricey; Durham, Leeds and Cardiff are rated for cheaper living. Do your own research.

LOCATION, LOCATION, LOCATION

HOW MUCH DO YOU NEED TO ALLOW FOR BOOKS, BILLS AND BROADBAND? MONEYMANUAL SIZES UP THE NORTH:SOUTH DIVIDE

BEN*

Year of study: 2
Studying: Sports coaching, London South Bank University
Need to know: Plays a lot of sport. Shares a house with five people.



INCOME

	£/MONTH
Grant	166.67
Family and other gifts	300
Maintenance Loan	554.22
Total A	1,020.89

OUTGOINGS

BILLS	£/MONTH
Rent	441
Council tax	0
All bills	52
Total B	493

SAVINGS

Special events (holidays, treats)	30
Total C	30

LIVING COSTS

Food	173.33
Local transport	20
League pass	3.55
Study costs (books, stationery)	5
Clothes	40
Gym	20
Household items & cleaning	10
Socialising	160
Snacks	50
Presents	15
Total D	496.88

BALANCE = £1.01

TOTAL A - (TOTAL B + TOTAL C + TOTAL D)

SAAFI*

Year of study: 2
Studying: English lit, Lancaster University
Need to know: Works part-time in a restaurant. Shares a house with two others.



INCOME

	£/MONTH
Job	76
Grant	150
Family and other gifts	100
Maintenance Loan	475
Total A	801

OUTGOINGS

BILLS	£/MONTH
Rent (including bills and broadband)	324
TV licence	4
Mobile phone	10.5
Total B	338.5

SAVINGS

Regular savings	50
Special events (holidays, treats)	15
Total C	65

LIVING COSTS

Food	50
Local transport	30
Long-distance travel	60
Study costs (books, stationery)	7
Clothes	10
Toiletries	10
Household items & cleaning	10
Socialising	40
Snacks	7
Presents	10
Total D	234

BALANCE = £163.50

TOTAL A - (TOTAL B + TOTAL C + TOTAL D)

SUMMARY

BEN*

Our guy's in budget — just. He's managing to save a little every month and still has cash for food, fun and frolics: it *can* be done.

SAAFI*

Small things like extra income from a job or bills included in rent all add up — sometimes to a hefty monthly saving. Where you choose to live and study affects everything from rent to insurance — size up the differences for yourself before you go.

*Names changed

If you get the Student Loan, your last payment of the year will need to tide you over until October. If you're renting a private house or flat you may also need to keep up your rent payments for the duration of your contract — so plan ahead.

BIG SPENDER?

THIRD-YEAR MARIAH MAROUDI WASN'T TOO WORRIED ABOUT FUNDING HER DEGREE – BUT WORKING PART-TIME HAS CERTAINLY HELPED PLUG THE GAPS. WE PEEK INTO HER SPENDING JOURNAL

NAME:
MARIAH MAROUDI

Studying: International politics at City University London

"I managed to get funding for my fees but not for my living costs, so I started working part-time (at my university) in the third year to cope with some of the expenses. I keep track of my daily spending anyway so that I don't waste money — but it's hard to save up because living costs in London are pretty high."

"I bought key textbooks in my first year but it turns out the best option would have been to borrow them from the library!"

10:15	Need to renew my weekly Oyster card	Student travel card	£13.10
11:00	Arrive on campus & need a coffee before my lecture	Coffee	£1.20
16:00	Time to print my dissertation!	Printing facilities on campus	£15.00
17:00	End-of-week grocery shop	Chicken, yogurt, lettuce, tuna, coffee, bread, rice, pasta, sugar, etc.	£20.00
DAILY TOTAL:			£52.55

09:25	Arrive on campus and need a cup of coffee to wake up	Americano from Costa	£1.70
12:00	Didn't have time to prepare lunch last night so grab something to eat	Sandwich and chips	£3.70
17:30	Meeting friends to celebrate the release of the final results!	Frozen yogurt	£6.30
DAILY TOTAL:			£11.70



BUSHARA RAJA

The MONEY Charity

Most of Mariah's daily spending is on food and drink but she could keep the costs from stacking up with a few simple steps.

Firstly, buy a coffee mug. Not only can you take your own coffee to lectures but you are likely to be offered a discount on hot drinks at the SU shop (and some high street cafés) by bringing your own mug. Include lunch on your grocery shopping lists to save you having to buy meals on the go. Mariah's already nailed getting things cheaper on campus — printing, for example.

It's important to treat yourself once in a while and, as Mariah shows, celebrating with friends doesn't have to be expensive. If you stay in and get each of your friends to bring something over — cake, biscuits, chocolate — you benefit from the choice of many treats instead of just one. If that doesn't appeal, never pay more than you need to for treats by making the most of vouchers and discounts at the food joints you visit.

THE LOWDOWN ON LOANS

WHETHER IT'S FOR TUITION FEES OR LIVING COSTS, YOU NEED THE SKINNY ON STUDENT LOANS: LEAVE IT TO MONEYMANUAL

If you're studying for your first full- or part-time degree (or equivalent course) and are a UK or EU student, you can apply for help with costs from the Government via the Student Loans Company (SLC) and your country's student finance body.

Loans come in two flavours:

1. The Tuition Fees Loan covers your course fees (if there are any) and is paid directly to your college or university. It doesn't matter how much household income you have to get the full amount (you can't borrow more than your total course fees, though). You can apply for a fees loan wherever in the UK you study — so, if you're from Scotland (which

doesn't charge tuition fees) but study in England (which does), you can still borrow for course fees.

2. Most of the Maintenance Loan (which covers living costs) is also non-income assessed. You'll need to declare your household income if you want the full amount and will get funding on a sliding scale depending on how much your folks have coming in. Either way, it's paid into your bank account monthly in Scotland or three times a year elsewhere, so how you manage it once you have it will be down to you. There are top-up loans if your course lasts longer than 30 weeks.

For most students, 'household income' means how much your parents or guardians earn. If you're a mature student, have kids or support yourself, it will be your income and/or your partner's that's assessed.

"You don't need to wait until you've got a firm course offer, so apply for your loan as soon as you can!"

Don't forget that you'll need to apply for your loan again each year that you're studying and still want funding, and that you'll be responsible for any loans even if you quit your course early.

You won't receive any Maintenance Loan until you start uni and officially register for your course (when you hand over your funding paperwork), so you'll need some money to tide you over when you first get there for rent and food, etc.

You won't need to start repaying your Student Loan until you've left your course AND are earning more than £21k (in England/Wales) or £16,365 (Scotland/NI).

HOW MUCH CAN YOU BORROW?

HOME COUNTRY	MAX. FEES (£)	MAX. FEES LOAN (£)	MAX. MAINTENANCE LOAN (£)	MAX. STUDENT LOAN OVER 3 YEARS (£)
Scotland	0	0	£5,500*	£22,000**
Wales	£9,000	£3,575*** <small>(fees grant makes up any difference — and you don't need to pay that part back)</small>	£5,150***	£26,175
N.Ireland	£3,685	£3,685	£4,840	£25,575
England	£9,000	£9,000	£5,555	£43,665

Figures are for full-time students studying in their home country, outside London and away from their folks. The full amount you can borrow will depend on your household income and particular circumstances. You'll be loaned less money in your final year than in our example.
*6,500 for independent students (2013 data) **Loan over four years in Scotland ***2013 data

See p8 for the smallprint on student finance.

PAYBACK

MONEYMANUAL SETS THE RECORD STRAIGHT ON STUDENT LOAN REPAYMENTS

The bottom line is that higher education for most UK students is only free at the point of delivery — you could be paying back the cost of your uni years for a long time after you graduate.

PAYING IT BACK

Once you've got your hands on the Student Loan you won't need to pay it back until you've left your course AND are earning more than £21k (England/Wales) or £16,365 (Scotland/NI). You make repayments through your salary, with the money deducted before you get paid each month. If your salary falls under the threshold or you become unemployed, loan repayments stop until you're back over the limit.

You'll pay 9% of the difference between your salary and the threshold amount so, as your salary goes up, so will your repayments. Think ahead: you may have to make higher loan repayments in the future at the same time as saving for a deposit, paying off a

Cost of monthly repayments

SALARY (£)	ENGLAND & WALES (£)	SCOTLAND & NI (£)
17k	0	£4.76
23k	£15.00	£49.76
30k	£67.50	£102.26
80k	£442.50	£477.26

mortgage or having other costs to consider.

WHAT ABOUT INTEREST?

The total amount of your loan will be the amount you've borrowed each year PLUS interest — and you'll continue accumulating interest from the day you take out your loan until you've paid off the full amount. In Scotland and NI, interest is 1.5% per year. In England and Wales, it varies from 3.6-6%. These are the current figures; future rates may vary.

WIPEOUT?

There's lots of talk about **loan wipeout**, where any outstanding loan after 25-35 years is written off. While this is true for the time being, your likelihood of paying back the loan in full depends on things you can't entirely predict right now — like your future earnings and the state of the economy. You can check your chances for yourself with a loan repayment calculator: trg00.gj/CWGvF8.

The Student Loan is a long-term commitment. As with any drunken tattoo, ask yourself how you'll feel about it when you're 40 **before** you get inked.

THE SMALLPRINT

While you shouldn't let it stop you getting the funding you need, as with any loan you should check the smallprint before you sign.

- The loan agreement can change, and without consultation. This means there may not always be a wipeout clause, interest rates may rise and salary thresholds may change.
- For now, you owe the UK Government — but there's no guarantee the loan book won't be sold to a private company or even another country, and on what terms, in the future.
- If lots of existing loans go unpaid, the subsequent burden on national debt could make it more likely that terms are changed or that early repayments are enforced.
- A Student Loan won't affect your credit rating but repayments will leave you with less disposable income, which could affect future loan applications (such as a mortgage).

There is a chance that, if you always earn less than the salary threshold, you may never come close to paying back your loan — but deliberately courting the minimum wage to avoid paying back a loan isn't the most ambitious start to your working life. Only you can answer whether the cost and time devoted to getting a degree will be worth it for you.

TAKEN FOR GRANTED

IF YOU'RE APPLYING FOR HIGHER EDUCATION, THERE'S FREE MONEY THAT YOU MAY BE ABLE TO CLAIM. FIRST UP: GRANTS

Grants ensure that students aren't excluded from education because of costs. They constitute the 'magical' part of student finance: they don't need to be paid back but getting your hands on the full amount can seem harder than pulling a rabbit out of a hat.

Your first port of call should be a **Maintenance Grant**. The cash pot varies by country and is means tested, so the higher your family income, the less you'll receive. Grants are paid in instalments at the start of each term and usually within a few days of officially enrolling on your course. In the first year, you may arrive at uni before your grant or loan does, so you might want to get some other cash together before you get there.

WHAT CAN YOU APPLY FOR?

England and N. Ireland
Maintenance Grants offer a share of up to £3,387 (England) or £3,475 (NI) per year for family incomes of up to around £40k. Any grant you get will reduce the amount of loan you can apply for (unless you're eligible for the SSG).

In England:
studentfinanceengland.co.uk

In NI: studentfinancenl.co.uk

Wales

A means-tested **Assembly Learning Grant (ALG)** is for living expenses of up to £5k per year. You'll need a family income of under £50k to get a stake of it and anything you do get may reduce the amount of Student Loan you're entitled to. You may be eligible for SSG (Special Support Grant — see box) instead of ALG.

studentfinancewales.co.uk

Scotland

A Young Students' Bursary awards up to £1,750 a year on family incomes of less than £17k (you can get a proportion of the bursary on family incomes of less than £34k). It also reduces the amount of Maintenance Loan you may get. Independent students can apply for a bursary of up to £750, with more loan support to make up the difference from the Young Students' Bursary. Supplementary grants are available for students in particular circumstances — single parents, disabilities, etc.

saas.gov.uk



FEELING SPECIAL

The amount of Maintenance *Loan* you can apply for is reduced by the amount of any Maintenance *Grant* you get. The **Special Support Grant (SSG)** for students eligible for means-tested benefits isn't counted as income and doesn't reduce the amount of Student Loan you can apply for either. You can apply for either the Maintenance Loan or the equivalent amount of SSG.

CASHING IN

HEADS-UP ON YOUR EMPLOYMENT HISTORY: SHELF-STACKING ISN'T AN OBLIGATORY FIRST JOB. MONEYMANUAL SIZES UP THE BUCKS, BENEFITS AND TAX BREAKS OF STUDENT EMPLOYMENT

Working to finance your studies is brilliant for lots of reasons — and not just because you imagine it'll have employers drooling over your CV. As well as the cash, part-time work gives you a break from studying, widens your social circle beyond college and tests your aptitude for the big 9-5.

How to pick a gig:

- Will you work in term time or just during holidays?
- Do you want to pay your way through uni, do something fun or get a leg on the career ladder?
- What kind of work would you enjoy doing? What will you actually accept?
- What's your biggest talent and can you make money doing it?

- Will it work around your studies (and does your uni have any rules about students not working)?

Talk to your SU or college's careers adviser — they can help you pimp your CV, may have access to job boards and local employers, and can give you the inside scoop on any campus vacancies going.

MAKING ALLOWANCES

You can earn up to £9,440/yr before the taxman gets a cut (the Student Loan and grants don't count as taxable income, FYI). Once you start getting payslips, any tax and national insurance you owe will be automatically deducted and you'll get

It's illegal for an employer to pay you in cash without making the relevant deductions. Think of the taxman as a highly trained sniffer dog and your earnings as prime Winnalot before agreeing to anything. You might also be waiving your employee rights if you don't have paperwork and payslips: don't get stung.

whatever's left. Check you've got the right tax code on any payslips to avoid paying too much (or too little) tax.

Your job; your rights

- Part-timers are entitled to the same fair treatment as full-time staff.

- You're entitled to a break if you work longer than a six-hour day (but you may not get paid for it).
- Part-timers can get pro-rata, paid annual leave, same as full-time colleagues.
- At time of writing the minimum wage at 16 is £3.72, rising to £6.31 at 21+ (apprenticeships get slightly less). These figures may increase in future.
- Your employer can't use tips to make up the minimum wage.

Beware zero-hour contracts, where you're only paid for hours actually worked. While they're good for flexibility, you might find you get very few shifts, at short notice, and have little recourse to complain.



GOING IT ALONE

Being self-employed isn't code for tax evasion: it just means you take responsibility for paying your own tax and national insurance contributions (NIC).

You don't need to formally create your own company if you're a sole trader, but you will need to let HMRC know you're self-employed and may need to complete a tax return at the end of the year. Make sure you put aside a third of anything you earn for tax and NIC — you'll only need to pay it if you earn more than the basic allowance so, if you don't, you'll have a nice nest egg to crack open instead. You may also be able to claim money back for some of your business costs: see hmrc.gov.uk.

You don't have to start a production line to be self-employed. What you do, when and how much you charge is up to you:

- Dog walking or pet sitting
- Childcare (if you're qualified)
- Photography
- Cleaning or removals services
- Social media and marketing campaigns for local businesses
- Face-painting and body art (think gigs, fêtes and festivals)
- Writing for newspapers and magazines or proofreading student essays
- Busking, singing, comedy or selling things you've made

Do your homework: Is your service legit? Will home-working affect your contents insurance? Do you need a licence or qualification to offer it? Selling your work to essay-writing sites is questionable at best and could be breaking your college's regulations at worst. Gambling, meanwhile — especially with your grant or loan money — is a particularly stinky idea in the sewer of get-rich-quick schemes. Don't veto volunteering, either. It might not pay the bills but it can be a whole heap of fun — and karma's always good to have on-side ...

See hmrc.gov.uk

HOW TO BORROW MONEY FROM YOUR FOLKS... AND SURVIVE

IF YOU THINK YOU'LL NEED TOP-UP FUNDS FROM YOUR FAMILY, DON'T SEAL THE DEAL UNTIL YOU'VE READ OUR GUIDE TO BORROWING



If you tot up how much higher education will set you back and balance it against what the Government will either loan or lob at you, you'll probably find the sums don't quite meet in the middle — you or your folks will be expected to help plug the gap.

If family cash is on the cards it's worth having the money conversation up front. Here's your starter for 10:

- Is it a given that your folks, grandparents or partner will want to support you? You can't budget for money until it's in the bank, so you may need a back-up plan.
- Do you find it easy to talk about money with your family? What attitudes to spending and saving do you have in common?

- How important is it to you to be financially independent? Are you willing to take advice (or flack) on your budgeting, spending and priorities?

- Can you ask your parents for money-management advice? Are they clued up on loans, grants and benefits? Where will you get your info if not?

- If your folks can't or won't support you, how else will you cover your costs — savings, earnings, Wednesday night lottery win?

Once you've had a go at making a budget (p14), you'll have more idea of how much you'll need to make ends meet. Here's what else you'll want to know before you take the money and run:

- How much cash are we talking?

- Is it a lump sum or a regular payment?

- Is the money a loan or a gift?

- If it's a loan, when are you expected to repay it? Will you need to pay interest?

- Will you be expected to account for your spending?

- Will they bail you out if you run into trouble?

- What impact will supporting you have on the family budget?

Whatever answers you get, make sure you do a full check into what grants, bursaries, scholarships and benefits you're entitled to *before* selling the family silver: there's cash out there, so make sure you've got all the facts.

MO' MONEY

THINK YOU'VE MAXED OUT YOUR FUNDING ALLOWANCE? HERE'S WHAT ELSE YOU MAY BE ENTITLED TO

BENEFITS

The way unemployment, disability and childcare benefits are paid in the UK is about to change. Over the next few years, several benefits payments will be scrunched into a monthly 'Universal Credit' pay-out that most full-time students *won't* be eligible for. If you're a parent/carer or have a disability, and are a UK resident, you may still be eligible — either way, check for yourself: talk to your student support team.

GOT KIDS?

Full-time students can apply for a **Childcare Grant** and **Parents' Learning Allowance**. If you're financially responsible for another adult, there's also the **Adult Dependants' Grant**. All three are means tested but don't need to be repaid — apply for them along with your student finance package. What's available, and what it's called, may vary according to region.

DISABLED STUDENTS' ALLOWANCE (DSA)

If you've got a physical or mental disability (including learning and other non-seen difficulties that affect your studies) you may get DSA. It's not means tested,

doesn't have to be repaid and covers extra costs you incur while studying as a result of your condition. You'll need proof of your entitlement from your doctor and may need to have a more formal assessment, too. If you're eligible, you may get money for specialist kit, travel, general assistance or a helper — some of which is paid each year and some per course. Next step: talk to your uni's welfare adviser (the uni may cover assessment costs) or your regional student finance body.

UNI CASH

If you've got the grades but not the family income to support higher ed, see if your uni or college offers any **scholarships** (or **bursaries**, which aren't grade-dependent). Both can be niche offerings — for students from particular backgrounds or studying certain subjects — but you won't know till you've a look. There's cash lodged in private scholarships, bursaries and local awards — not all of which are widely publicised. Talk to your uni to see what's on offer or do a grants and benefits search at turn2us.org.uk or family-action.org.uk. Students from England: most universities and colleges in England offer the **National Scholarship Programme (NSP)**, a mix of fee waivers, discounted accommodation and cash grants — though 2014 will be the last year it's offered to undergrads.

FIRST AID FOR FUNDING

Some health and medicine courses come with annual **NHS funding**, which pays for tuition fees, a means-tested bursary for living costs and a non-means-tested grant. Unlike other student finance, you may be eligible even if you've previously done a course, and can also apply for the usual disability, parents' and dependants' allowances if you're entitled. Some awards are dependent on where in the UK you usually live — check your country's NHS portal or start with nhsbsa.nhs.uk for pointers.

There's other funding floating about out there that covers a host of circumstances, from money for **those leaving care to teacher training**.

Get more detailed advice from:

studentfinancewales.co.uk

gov.uk/studentfinance

studentfinancenl.co.uk

saas.gov.uk

BUILD A BETTER BUDGET

YOUR BUDGET

Money coming in each month



Job £

Grant £

Family and other gifts £

Benefits £

Maintenance Loan £

Other £

Total A £

Think of your budget as a financial MOT and keep it updated. Once every six months or so should do the trick.

There's no magic trick to budgeting — it ultimately comes down to willpower. While going without might seem hard at times, having a financial goal — however small — can help motivate you over the hump and help you save for the things you really want.

Bills

How much do you spend each month on:

Rent £

Council tax £

Gas £

Electricity £

Water £

TV licence £

Mobile phone £

Broadband £

Total B £

Full-time students usually won't have to pay this.

Do you really need a contract? PAYG can be cheaper overall and easier to maintain if you get into a budget bind later on.

CONTRACT

(The regular payments you'll probably make through your bank)

Savings



How much will you put away each month?

Regular savings £

Special events (holidays, treats) £

Emergencies £

Total C £

PAY AS YOU GO

(Things you've got a bit more flexibility over)

Living costs



How much do/will you spend each month on:

Food £

Local transport £

Long-distance travel £

Study costs (books, kit, stationery) £

Clothes £

Toiletries £

Household items and cleaning £

Socialising £

Snacks £

Presents £

Total D £

Total spend
B+C+D= £

READY RECKONER

So how does your budget balance out?

A - E = £

Are you in the black (more money coming in than going out)? Brilliant — lend us a tenner. If you're struggling to stay solvent, however, don't panic.

1. Increase your income. Are you getting all the benefits, bursaries and student funding you're entitled to?
2. Spend less: get better deals on your bills and get savvy about saving money.

You can fill in and save a version of this budget online — see

themoneycharity.org.uk

YOUR SPENDING

Divide this by four to get a weekly spending amount — the figure you'll need to spend within to stay on budget. You might find it easier if you get this amount out in cash at the start of the week you'll be more aware of how much you're spending and how much you need to cut back to stretch it out.

BANKING 101

**WE ♥ PIGGYBANKS
- BUT THEY'RE JUST
NOT THAT COMFY IN
YOUR BACK POCKET.
MONEYMANUAL
TAKES A LOOK AT CASH,
CREDIT AND ALL THINGS
STUDENT BANKING**



If you're going to uni, you're gonna need a bank account — and if you're going to avoid stress, sleepless nights and sobbing in front of your bank manager, you'll want to learn how to work it like a pro.

Some banks offer current accounts — for day-to-day banking — for anyone aged 11 and up, but what you can do with them, and what they can do for you, changes once you hit 'student' status (usually someone studying for a degree or equivalent in full-time higher or further education).

Student bank accounts are designed to help you through your studies: you'll likely get a debit card (for access to your own money) and an overdraft facility (for access to the bank's).

You may be eating special-offer beans now but, as future breadwinners, banks go all out to get your student dollar. While freebies like cash, gig tickets and

car insurance are designed to be enticing, if you don't manage your account well you may end up paying more in penalty charges than they're worth.

Don't just plump for whichever bank is on campus either: you can withdraw cash for free from most ATMs (avoid those corner-shop machines that charge you for the privilege) and most accounts can be managed online.

OVERDRAFTS

This is the deal-maker for student accounts, as you'll likely have times when you need emergency cash (we're talking an urgent trip home, say, not getting a boob job or Dr Dre headphones). If your account comes with a £500 overdraft, you can spend your existing balance plus up to £500 of the bank's money. Any money you pay into your account once you've dipped into your overdraft pays off

your negative balance first. Shop around for a 0% interest overdraft without fees.

Overdrafts are borrowed money: you may need to pass a credit check to get one (see below) and, like any debt, if you don't keep on top of things, it can get harder and harder to pay back.



Don't spend more than your overdraft limit without talking to your bank as you'll be whacked with extra interest, charges and fees (the same goes if you spend more than you've got without having agreed an overdraft at all). Get into good banking and budgeting habits and talk to your bank if you think you're going to max out your limits — they may be able to extend your limit so you avoid charges.

You'll make interest on any money you keep in the bank, such as in a savings account (p20). With the economy in more trouble than Lindsay Lohan in a Wetherspoon, interest rates are pants-poor — but if you think you can keep a positive balance, look for accounts with higher interest rates.

PAYING FOR IT

Cheques: Being phased out but can be useful for paying deposits or bills. You'll need to keep enough money in your account until the payment clears (which could take a couple of days) or risk penalty charges for bounced (unpaid) cheques.



Contactless cards: Rather than entering your pin, you wave your card in front of a machine ("these are not the droids you are looking for") — usually limited to around £20 per spend.



Mobile payments: There are apps out there that let you use a smartphone like a contactless credit card — you usually have to pre-load the app with money as a security feature and, for spends above a certain amount, you might need to enter a password, too.

BE SAVVY; STAY SAFE

Never share your pin with anyone — even with the bank — and always shield the keypad when you use a card machine or ATM. If you pay online, check the site is secure (look for the padlock in the address bar) and consider using a service like PayPal (paypal.co.uk), which uses a password rather than your card details to pay for stuff.

Check your statements carefully and tell your bank if anything seems unusual; definitely tell them asap if your cards are lost or stolen so they can put a block on them.

Don't be completely seduced by the latest technology — while they make life easier, they also make spending easier, too. If you want to keep a closer eye on your finances, cash is king.

CREDIT SCORING

Every time you apply for credit — a store card, bank account, credit card, even a mobile phone contract — the lender will run a credit check on you. This is a comparison of your financial history against their ideal checklist. If you don't meet their criteria, you may be turned down.

1. Each seller's credit check is based on their own credit scoring system. If you don't pass with one, you may pass with another (although avoid making lots of applications in a short space of time as this forms part of the criteria).

2. The credit check is all about risk — do you look like a reliable payer?

3. If you're new to bank accounts and credit, you may not yet have enough credit history to pass these checks.

4. A Student Loan won't affect your credit rating. You can check your credit history for free at noddle.co.uk.

Managing your accounts well and building up a good rating in the meantime will help — see moneysavingexpert.com for more ways to patch up your rating.

CREDIT WHERE IT'S DUE

BORROWING MONEY MAY BE UNAVOIDABLE AT TIMES. HERE'S WHAT YOU NEED TO KNOW

Rather than thinking of credit as 'good' or 'bad', it can be more helpful to think about whether it's manageable. This means your ability to pay it back and whether the total cost of credit outweighs the benefits of what it bought.

Say you use your credit card to pay for a holiday but end up taking a year to pay off the balance. Chances are you'll pay more than the holiday was worth (thanks to accumulating interest during that time) and will be stuck with the costs a long time after that week in Halkidiki or wherever. If during that time you also struggle to make your monthly repayments, you might find it has a knock-on effect on other debts you have, not to mention on your stress levels and sleeping patterns.

We're not saying you shouldn't borrow money — and we're definitely not saying you shouldn't go to Halkidiki with Kev and Larry. We are saying "know what you're getting into". Money might be tight right now but saving for something usually means paying less than getting it on tick, and puts you in charge of your outgoings. Bottom line? Know why you want to borrow money, whether it's worth it and if there are better ways of getting the cash.

WHY CREDIT IS TOUGH TO SHIFT

Say you spend £100 on your credit card buying the latest One Direction merchandise (... we don't judge).

If you pay the £100 back in full when you get your monthly statement, you clear your balance and everything's rosy.

If you only make the minimum payment (say £5), your balance is now £95. If your monthly interest rate is 2%, you carry forward a balance of £96.90* — you've only reduced your debt by £3.10. If you only make the minimum payment each month, it could take up to two years to clear your £100 spend, which means:

1. Thanks to interest, you'll pay back more than you borrowed; and
2. 1D will probably have split up by then, anyway.

*We've used a simplified example to illustrate that the longer you take to repay a loan, the more it costs. How much it actually costs depends on the credit card, the interest rates and even when in the month you make your purchase.



STUDENT BORROWING

When you have a means of paying back your debts, credit cards and loans can be useful tools to get what you need in life (from an education to a mortgage). Things can start to go a bit banana-shaped when they're used poorly, or to try to cover more serious issues like low income — get some expert advice to get things back on track.

While it may be on better terms, the Tuition Fees Loan is still a form of credit (but one which pays for something — your degree — that has significant value). If you can't get by without borrowing for daily/other costs and you've already asked/exhausted your folks, a fee-free overdraft should be your next port of call.

Overdrafts?
See p16

THE GOOD, THE BAD & THE UGLY

DIFFERENT WAYS TO BORROW A BUCK

BORROWING TO BUY

Credit cards

Credit cards allow you to spend money you don't have and, while they offer protection on larger purchases (where the bank covers the cost of refunds or replacement if something goes wrong), every-day spending can quickly rack up large debts. Always check whether the interest rate is worth the spend and whether you can afford to pay off the balance in full each month. And never withdraw cash on them — it will cost you a heck of a lot more in charges.

Store cards

Store cards are like credit cards that tie you down to just one store or brand. They're designed to be appealing (money off, discounts and reward points) but usually have interest rates high enough to give you a nose bleed.

Hire purchase

Hire purchase is a kind of rental agreement where you pay a deposit, a fee and monthly amounts until you've paid off the value of your goods — you don't technically own anything until you've made the final payment. If you miss payments in the meantime, you risk penalty charges, paying more interest and, at worst, losing your goods.

BORROWING TO PLUG A GAP

Bank loans

Unlike the Student Loan, bank loans involve a credit search, which is why they're harder for students to come by — and they usually require you to have a regular income. Also unlike the Student Loan, the banks will want to be repaid regardless of how much, or whether, you're earning later on, with tough penalties for missing payments.

Payday loans

As the name implies, payday loans cover the shortfall between your pay packet and your outgoings — you repay it when you next get paid. While it sounds easy on paper, they're really not designed for students and are best avoided unless you've got a regular income.

Pawn shops

Shops like Cash Converters are actually pawnbrokers. You take in collateral (goods, jewellery, 1D merchandise) and are offered a loan in exchange. If you repay the loan and interest by the deadline, you get your goods back. If you can't repay the loan, you can extend the terms or surrender your goods entirely — in which case the pawnbroker can sell them to someone else, usually for more than you were offered.

CREDIT THAT YOU MIGHT NOT THINK IS CREDIT

Your mobile phone contract, your TV licence and even utility bills are a form of credit and come with consequences if you miss payments. Even though they're 'unsecured' (i.e., not secured against your home or other possessions), any debts you crank up will be listed on your credit history, making it harder to get other kinds of credit in future.

MAXED OUT?

If you've already maxed out your other options, don't take on more credit to get yourself out of a debt spiral until you've talked to someone who knows the score on student finance — start with your university or SU's welfare adviser or get advice from

nasma.org.uk

HOW TO BE SAVINGS SAVVY

TIME TO SPICE UP YOUR SOCK DRAWER

WHY SAVE?

When you borrow money from the bank or Student Loan Company, you pay for the privilege through interest rates and fees. When you keep money in a savings account, the bank pays you, also through interest. As well as earning money on your money, savings give you funds you can have fun with, put you in charge of your spending and, if you're not hostage to the interest and charges on loans and credit, can even bring down the cost of buying.

THE SOCK DRAWER

There's nothing wrong with squirreling money away in your sock drawer — but once you get a decent amount you could be losing out on potential interest from the bank. Plus, if anything happens to your drawer (catastrophic sock emergency, say) you'll lose out entirely, while banks protect anything up to £85k.

SAVINGS ACCOUNTS

There are loads of savings accounts out there — the trick is finding one with a decent interest rate. Some accounts come with higher introductory rates for a

few months, after which time they revert to something pitiful. Others lock your money away for a set period, during which time you can't withdraw your money without losing your interest rate. Shop around: see [moneysavingexpert.com](#).

PREMIUM BONDS

Buying premium bonds is like putting money in the Government's sock drawer: you won't earn any interest but all bonds are entered into a monthly draw to win between £25 and £1m. You *might* make more money in a regular bank account but, if you like a safe flutter, can pay in £100 at a time and want to keep your money out of temptation's reach, it could work for you: [nsandi.com](#)

ISA

The individual savings account (ISA) is a 'tax-free' wrapper which really comes into its own once you're earning and paying tax (obviously) — but you can still make the most of better interest rates and the savings habit in the meantime.

AGE AWARE

You'll need to be 16+ to open savings accounts in your own name and, to get the tax-free benefits of an ISA



or premium bonds, a UK resident. Everyone can earn up to £9,440 before paying tax on salary or savings, so most first-time students are likely to be non-tax payers anyway. If the bank deducts tax on your interest you can claim it back — or get an R85 (it's a form, not a vaccine) to get your interest paid in full: [hmrc.gov.uk](#).

Get a goal. Having something to look forward to is a great motivator for saving up.

MONEY FOR NOTHING

SMART WAYS TO GET SOLVENT (WITHOUT GETTING A JOB)

SELL OUT

Got perfectly serviceable gear or gadgets that you no longer want or wear? Two words: e. Bay. Two more words: Car. Boot.

SELL YOUR SPACE

Got a blog? Vlog? Website? Heck — got a car? If you own or rent something that other people can look at, you can likely find someone who will pay to advertise on it. Big-hitting vloggers might get lucky scoring incentives/bribes/products/invites — but you'll need to have the audience figures to be spotted first. Try [youtube.com](#) (obvs) and [usethat.space.com](#).

RENT IT OUT

The tabloids are littered with stories of friendless young men and women who made a million renting out their designer threads. That could be you.

SELL YOUR SNAPS

Pretty dece with a camera? If you sell your photos to an image library (such as [iStockphoto.com](#)), you could earn royalties each time they're used.

SURVEYS

Mystery shopping and market research: irregular gigs but could earn you extra cash for answering questions, completing product tastings. If you're mouthy and confident (or can blag it) it could be worth getting on a few lists — search online for what's available in your area.

SWAPSIES

Got something you do like a boss? Swap it for something you suck at. You can trade off pretty much anything: your scary aptitude for Excel formulae against someone else's foreign language or your talent for Twitter against services and goods from local businesses.

BE THE NEXT STEPHENIE MEYER

If you've got poetry, short stories or the next Twilight saga tucked away under your bed, you could try to get picked up by a publishing house or agent — or publish yourself: [lulu.com](#), [smashwords.com](#) or [createspace.com](#).

SELLING

There's a fine line between making a bit of pocket money and becoming a trader but, if you find yourself buying stock specifically to sell, you may have crossed it. Even if you're self-employed (see p10), you can still make up to £9,440 before you have to pay tax and NI on your earnings.

BLAG A BARGAIN

Lots of companies give away trial versions of everything, from perfume and toothpaste to ready meals and drinks. Signing up to newsletters and Facebook pages should net you some leads (along with a whole ton of spam). If you're über dedicated and like pretending to be a pensioner, there are loads of free comps online and in supermarkets (you might have better luck with slogans and tie-breakers than lucky dips). Make a wish list of things you really want to win and go after those to minimise massive time suckage.

FREE ENTRY

Stewarding at festivals might be low or no pay but should at least get you into gigs for free and possibly backstage (... to empty the bins, probably).

THE TRUE COST OF HIGHER EDUCATION

CAN YOU AFFORD NOT TO HAVE A DEGREE? SARAH THOMAS, A SECOND-YEAR STUDENT AT KEELE UNIVERSITY, SIZES UP THE STATISTICS

The financial website thisismoney.co.uk estimated in 2012 that the average cost of going to university is £53,330, which is an astonishing amount of money. But in comparison to not getting a university education, is a degree more cost effective than at first glance? What is the real cost of **not** going to university?

In 2011 the Office for National Statistics (ONS) published a report in which they found that, over the last decade, people with degrees earned £12,000 a year more on average than those without a university education. Additionally, the ONS found non-graduate salaries peaked at just £19,400 at 34, while graduates went on to earn up to £34,500 at 51. However, this is not the only advantage that degree holders have over their non-graduate counterparts.

A US study also shows that non-graduates have worse job prospects in an already stagnant economy. Georgetown University's Centre on Education and the Workforce published a study in 2012 which revealed that graduates gained 187,000 jobs during the 2007-2012 recession, whereas 5.6m jobs

were lost by those without higher education qualifications during the same time period.

This has repercussions on issues which at first might not seem related. As extraordinary as it sounds, there may be a link between the age a person buys their first home and whether or not they have a university education. In 2012 rightmove.co.uk, one of the UK's largest property websites, claimed that a whopping 69% of prospective first-time buyers were university educated, with an average age of 30 compared to 32 for non-graduates.

Overall, the real cost of not going to university is more far reaching than just the differences in average earnings. Other things to consider are the ability to put away savings or provide greater contributions to pension schemes. Of course, investing in higher education is not the be all and end all; getting a degree is no guarantee of success. However, the studies that I have found speak for themselves; at the end of the day, while paying more than £50,000 for a degree is shocking, the cost of not having a degree is far higher.

Winner of the Student Money manual writing competition 2013

Want to kick-start your student writing career? Get online for a crack at next year's competition: @themoneycharity



WHAT DEGREE?

Dropping out didn't hold these guys back:

Bill Gates, reportedly the world's richest person

Mark Zuckerberg, Facebook co-founder

Steve Jobs, Co-founder of Apple Inc

Lady Gaga, singer

Andrew Lloyd Webber, musical theatre magnate

Simon Cowell, high-waist pants-wearing star-maker

Richard Branson, has owned a few planes, trains and mobile phones in his time

(Obviously, ditching a degree isn't guaranteed to net you a billion, though — stick with your education for the time being.)

THE GREAT MONEY MAKE-UNDER

GIVE THESE CHALLENGES A GO TO SAVE MORE, SPEND LESS, OR JUST FOR KICKS AND GIGGLES.*

- ✔ **Blag an office desk, a sofa or the entire works of Franz Kafka through a freecycling website.** Because nothing beats obsessing over the origin of other people's stains. Besides, you could pick up something awesome — for free — while doing your bit for the planet (stains and smells usually come out, by the way).
- **Make it through a whole weekend without spending anything.** No you can't cheat by cracking out your credit card or asking a mate to pick up the tab.
- **Keep a log of all your spending for a week — and we mean everything.** Get obsessive. Develop a twitch. Be intense. Or use our free Spendometer app (www.themoneycharity.org.uk/resources) and save yourself the migraine.
- **Make an envelope budget:** Get yourself some envelopes and write on the back of each one what it's for (i.e., groceries, bus fares, etc.). Stick in however much cash you're giving yourself for that item for the week. Only spend money from the relevant envelope and replace it each time with the receipt. Fussy, but guaranteed to keep your cash flow under control.
- **Be the person with the penny jar.** Get yourself an oversized jar. Decide which coin you're going to dedicate to the glory of the jar. At the end of every day, any of those coins you have left go into the jar. For bonus points, demand that anyone else with you at the time also contributes to the jar. Even on pennies, small amounts soon add up — swap your bronze for vouchers at some supermarkets or pay it in at the bank. Ker-ching.
- **Slash your bills.** Dedicate one evening to using bill comparison sites like uswitch.com and billmonitor.com to see if you're on the best deals and cheapest tariffs.
- **Spend a day (or a day a week) helping someone worse off than you.** It won't make you any money — but, sometimes, it's just about getting a bit of perspective.



EXTRA CREDIT ✔

- **Downgrade your next mobile phone contract** — turn down the fancy phone and only take a new contract if it's less than you currently pay.
- **End term with only as many clothes/bags/shoes as you started with.**
- **Fine yourself for every lecture you miss and put the money into a savings account ...** or pay yourself for perfect attendance and give yourself one almighty treat at the end of term.
- **Only shop in local, independent stores for a whole year.**
- **Give someone your last Rolo, tenner or tin of beans** — and feel good about it.

Deadpan humourists
— don't call us; we'll call you.

MONEY TALKS

MONEYMANUAL SENT A TEAM OF RECENT GRADUATES TO MEET STEVE PATEMAN, HEAD OF BANKING AT SANTANDER UK, TO TALK ABOUT THE FINANCIAL CHALLENGES OF UNI LIFE AND WHAT BANKS ARE DOING TO HELP

Lizzy (University of Kent): Hi Steve, it was great to hear about the support Santander provides to students through the Student Moneymanual. I found it a very useful tool to help me to learn more about how to manage my finances at university but many students still struggle to understand the importance of budgeting and end up in debt.

Steve: When we first heard about the Student Moneymanual and the work that Credit Action were doing we knew we wanted to be part of it. Being a

university student can be quite challenging and the cost of studying at university can seem daunting. However, the tips and advice in the guide show that higher education is affordable and, with a bit of common sense, no one should end up heavily indebted when leaving university.

Neha (Kingston University): Steve, in recent years, with the recession and the changes in tuition fees many young people have decided not to pursue university studies as a result of the increasing cost.

When I speak to my friends I can see that expenses/ money was the leading worry for students.

Steve: Students should be able to concentrate on their studies free from money worries, but also be able to enjoy the experience of being at university; it's a fantastic building block for life. I think many graduates will agree with me when I say that it only takes a bit of financial planning and to be sensible with what you spend your money on to graduate from university without money issues. Budgeting at the beginning of the year is key, but also ensure that you set a limit as to how much you can spend every month and be strict with yourself; don't allow yourself to go over that limit.

When we heard about the Student Moneymanual we knew we wanted to be part of it



Lili (University of Warwick): Last year, I used a financial tool on the Student Moneymanual website called the Spendometer and it helped me keep to a strict budget.

Steve: That's very useful and very important. There are also other ways of making ends meet: part-time jobs help prepare students for the job market and also pay for unexpected extras such as a high phone bill, eating out, etc.

Al (Kingston University): Some people in my university managed to get scholarships and grants that helped them either study abroad or come to study in the UK. That's a great way to further your education or carry out

research which will always look good on your CV. Santander has been funding this type of scholarship for many years, right?

Steve: Yes, we partner with almost 70 UK universities and we provide funding for a range of activities including scholarships and research grants, which help thousands of students across the country every year. We believe that students should have the opportunity to experience studying abroad as it is a very fulfilling experience that's beneficial both personally and professionally so this is one of the programmes we support. And we fund budding entrepreneurs as they will be the business leaders and innovators of the future.

Santander has a clear commitment to higher education through its Santander Universities Global Division, which provides funding for the university community in the shape of scholarships, awards, grants and more. We hope you find the Student Moneymanual useful in managing your finances throughout your time at university.

IN ASSOCIATION WITH



THE BLAGGER'S GUIDE TO MONEY SAVING

IF ANYONE KNOWS HOW TO MAKE A BUCK GO FURTHER, IT'S A STUDENT — SO WHEN WE ASKED FOR YOUR MONEY-SAVING TIPS, YOU WEREN'T STINGY WITH THEM ...



THRIFT

Check the cost per single item or price per 100g rather than the price on the pack. You may pay slightly more overall but can get better value for money. (Nicola McShane)

Put a note in your wallet with something you want to save money for. Every time you open your wallet you'll think twice about spending on things you don't really need. (Myrthe Kemme)

Make sure electrical gadgets are on a timer. We charge our phones, use our dishwasher and switch on our electric water heater at night on the cheaper rate (5p/unit instead of 19p). (Anna Robinson)

TRAVEL

Booking train travel in advance saves loads, as does using a

Railcard. You can also reclaim money for delays. (Anna Robinson)

If you get the bus to uni but it's in walking distance, walk instead and put the money you would have used into the piggy bank. At £1 a journey you could save £10 a week or £40 a month. (Nicola McShane)

FOOD AND DRINK

I've started taking a flask to college. I can get two and a half good-sized teas out of my 500ml flask, enough to tide me over at college. I save a load of cash every week to spend on other things such as clothes, books, DVDs, etc. (Rachel Mann)

Supermarkets often reduce meat and fish at the end of the day, so plan your trip to the supermarket in the evening — Tesco reduces at 7pm but keep

that to yourself. (Ellis Tuddenham)

I buy in bulk (e.g., 1kg of mince instead of a portion, large tins of tomatoes instead of 200g tins). I then cook a huge meal — best is bolognese on a Sunday — and freeze what I don't eat. Not only do you save money but you have an easily microwavable lunch/dinner for lazy days later in the week! (Anna Robinson)

Don't be afraid to buy reduced meats or bread and bag them up in individual portions (this also saves space, something that will be limited). The freezer works wonders and allows you to eat things even if they are past the sell-by date. (Rebecca Wildan)

Make classroom-friendly snacks like grapes and other silent foods, so you don't get so hungry that you go and buy chocolate.

(Emma Matthews)

BEST OF THE REST

Get computer software through your college/uni to make the most of their discounts — it can be up to 25% cheaper. (Sarah Geddes)

Buy supermarket own-brand items — they're practically the same but cheaper. (Janelle Yeo)

If you're buying online, use cashback sites like Quidco and Topcashback. (Asha Elmi, Sami Al-Janabi)

Take two sets of towels and bedding — you won't have to pay for tumble driers because you'll already have one clean, dry set. You can leave the other set to air-dry. (Rebecca Wildan)

Every pay day take out £10-£50 and set it aside for emergencies. (Laura Acton)

Always check whether the multi-buy deal is really cheaper than buying one or two of the same thing — it's a common supermarket sting to get you to spend more! (Eve W)

Send texts for free online (or with an app using your free wifi allowance) so you don't go over your inclusive allowance. (Jem Bedford)

Work where you shop and get a staff discount to boot. (Amy Marsden)

See if you can read any of your set texts online for free. Even if you don't have an e-reader you can use free apps on your phone to download and read free or cheap books. (Hannah Campling)

Baking soda can replace just about anything: toothpaste, shampoo, deodorant, air freshener and stain remover! (Jamie Jansen)

THE PLAIN BIZARRE

Wee in the shower! Saves money on water bills and makes you feel strangely free. (Oillie Williams)

Sell all of your family's possessions. This should give you the money to survive for most of the time at university. Afterwards, if you're feeling generous and have enough money, buy their possessions back for them — although, of course, this step is completely optional. (Conor Boreham)

SCREEN WIPE: WHAT'S THE DEAL WITH TV LICENCES?

There's lots of fluff floating around about whether you need a TV licence. Here's the bottom line.

- You're only covered by your parents' licence if you use a battery-powered device at uni — you shouldn't plug it in to the mains or connect an aerial. Good luck keeping that baby charged.
- If you're in halls of residence you'll *probably* still need a licence for your room. If you're sharing a house, you'll *probably* only need one for the house — split the cost between you.

- You won't need a licence if you never watch TV programmes *while they're being broadcast* (i.e., you only watch catch-up TV, YouTube, pay-per-view, DVDs, etc.).

Current cost of colour TV licence: a mere £145.50. Marginally good news: you may be able to claim a refund for the summer months if you leave your term-time address. tvlicensing.co.uk/students

IN A NUTSHELL

Stay cool. Don't succumb to consumerism. Spend only when necessary. Don't forget to be awesome. (Ungeheuer Tenmongaku-sha.)

TROUBLESHOOTING

WHAT HAPPENS WHEN THE SHILLING HITS THE FAN? MONEY MANUAL TAKES A PEEK AT EMERGENCY FUNDS

Once you've made the decision that higher education is for you, don't let lack of funds stymie your studies — there's support out there to keep you going.

If you've planned for costs, know where the money's going to come from, have made a budget and still find yourself up a creek without a propeller, there are emergency funds out there that could help.

Most universities and colleges keep funds for students who are struggling to make ends meet — they may be called hardship, support or Access to Learning funds depending on where you're studying.

You apply directly to your university for these funds — they decide ultimately which students can apply and for how much — and they're usually earmarked for students with children, with disabilities or from low-income backgrounds. There may also be money in the pot to help out other students with unexpected difficulties like emergency travel costs due to bereavement or



losing a part-time job you were relying on. Before you apply for hardship funds you'll need to have enrolled on your course and already applied for the full Student Loan you're entitled to. You may also need to attend an interview and they may ask to see your budget (see p14).

As the name suggests, hardship funds aren't intended to cover foreseeable costs as you're expected to budget for those, so you can't bank on getting them and you can't use them to pay fees. If you do get any cash, though, it's often non-repayable, meaning one less debt to worry about.

WHERE ELSE TO GET HELP

Talk to your university or union's student welfare adviser (or see nasma.org.uk) or contact StepChange Debt Charity (0800 138 1111).

You can also search turn2us.org.uk for benefits and charity funds that you may be entitled to before you start borrowing cash from elsewhere.

THE START OF SOMETHING BEAUTIFUL

THE 'THIS LOOKS FAMILIAR' QUIZ

Q. How much do you think getting a degree will cost?

Hint: What you need to pay for (p2), Tuition fees (p4)

Q. How are you going to pay for it?

Hint: The Student Loan (p7), Grants (p9), Getting a job (10), Family (p12), Other funds (p13), Emergency cash (p28)

Q. Do you think you'll pay back all of your Student Loan?

Hint: The smallprint (p8)

Q. Students can get income support and benefits: yes or no?

Hint: Other funds (p13)

Q. What's your money-management strategy?

Hint: Support yourself (p10), Ask your parents (p12), Budget (p14), Know how banking works (p18), Save (p20), Cash in the attic (p21), Money make-under (p23), Scrimp (p26)

Q. Why do you want to go to uni?

Hint: There are no hints — be honest.

THE 'DONE THAT' LIST

Thinking about going?

- Made a course shortlist?
- Made a uni/college shortlist?
- Weighed up how your choices compare on costs and facilities?
- Applied to uni?
- Know roughly how much you'll need to cover costs each year?

Ready to go?

- Applied for student finance?
- Talked to your folks about funding?
- Done a benefits and funding search? (turn2us.org.uk and hmrc.gov.uk)
- Made a budget? (p14)
- Opened your bank account(s)?
- Applied for accommodation or started scouting local rents?

Final countdown

- Got ready money for your first few days?
- Got your rent/deposit sorted?
- Got your funding paperwork to show your uni/college?
- Got your ID documents (passport, driver's licence, etc.)?
- Read your student handbook if you've been sent one?
- Done your pre-course reading/procrastination?
- Made a packing list?
- Ignored packing list and shoved everything into bin bags?
- Capitulated on bin bag theory, found packing list in bin, started again?
- Got tea bags? (Everyone needs tea bags on moving day, apparently.)

FURTHER CLICKS

Student finance by region

Wales:

studentfinancewales.co.uk

England:

gov.uk/studentfinance

Northern Ireland:

studentfinancenir.co.uk

Scotland:

saas.gov.uk

EVERYTHING ELSE

Got campus maps? Got your reading list? Got bios? Got an interesting story about the time you were stuck in a lift with a Big Brother contestant? Great — you're good to go.

Good luck — we'd love to get a postcard: studentmoneymanual@themoneycharity.org.uk

Bon voyage,

The MONEY Charity

What would you do
if MONEY
wasn't an
issue?

What
would
you do
if the
rainy
day
never
came?

What would
you do
if money
was a ladder
rather than
a hurdle?

What
would you do
if money
made
sense?

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