

Managing your finances as a student

As a student there are many different pulls on your finances, and it can sometimes seem difficult to know how to manage your money so that you get through to the end of the academic year without falling in to debt. Learning to manage your money as a student can support you in managing your finances for the rest of your life, so it's something worth thinking about. What follows is a brief guide covering some of the things to consider as a student, and beyond.

Student Income

For the majority of full-time undergraduate students the main income is likely to be your maintenance loan. Depending on your household income you may also qualify for a maintenance grant and possibly a bursary from your university or college. For part-time students and postgraduate students your income is more likely to be coming from earnings, scholarships or savings.

It's fair to say that most students find they need to take part-time work to meet their financial commitments. Think about whether regular part-time work during term time is necessary for you, and plan ahead to find work. Many universities and students' unions employ students, and there are also likely to be jobs in the local area, particularly if you are prepared to be flexible in what you do. Have a chat with the Careers Advisers, they might be able to point you towards employment opportunities. If you are going to work during term-time give some consideration to how many hours you can commit to. For some courses 16 hours part-time work is manageable, for some 10 hours would be too many to still allow time for completion of academic work. If you do work, check you are not paying too much tax. Your payslip will give details of your tax code and the advisers at your university or college will be able to help if you have questions.

For some students, your parents might be in a position to support you during your studies. Speak to them before you find that you are struggling with your finances. For undergraduate students you might also find that your student loan and grant calculation has been reduced due to your household income. No-one else is going to mention this to your parents, so discuss your finances with them when you receive your loan information.

Student Expenditure

Whether you are in university accommodation, private rented accommodation or living in your own home it is likely your main expenditure will be your rent/mortgage payments and utility bills. Budgeting for this when you first move in can be tricky, but it might be worth speaking to the landlord or previous tenants about likely costs. This will help you to budget more accurately so that you don't get a shock when the first bill comes through.

Try to make a note of what you are spending money on. Don't worry if you can't account for every penny, but having a good idea of where your money goes will help you in making cutbacks if you find that is necessary on your student income.

Think about one-off and seasonal expenditure as well. Birthdays for family and friends might not involve an expensive gift, but you might plan to go out for a meal/drinks.

There are a number of simple things you can do to reduce your expenditure. Many universities are affiliated to the National Union of Students (NUS), and signing up for an NUS Extra card can result in significant savings for you across the year, with many retailers now providing considerable discounts for students. It is also worth checking out events on campus at the start of the year, as there are often discount vouchers and free loyalty cards offered by local businesses. You could also check student publications during the year for vouchers or deals.

Planning

What you need to be aiming for is a situation where the money you have coming in exceeds your expenditure. This will help you to avoid ending up with a large debt that you might struggle to repay.

Many universities provide budget planners for students, and also organise budgeting workshops. It might sound boring now to spend an hour thinking about managing your money, but it's much better than spending sleepless nights worrying about your lack of money if things go wrong.

If you don't want to go to a workshop, why not try keeping a record of your spending across a week. You might be surprised when you look back at where your money is going.

You can download a basic budget planner from the NASMA website [here](#).

Once you have an idea of where your money is going, remember that with a bit of research and planning you can often make considerable savings on everyday items. Look at deals and make a list before doing your shopping, and think about when you will need to travel by public transport so that you can take advantage of advance saver deals. If you know you will need to take cash from a cash machine, plan for this and use a free machine, rather than relying on one in a bar or shop where the charge to withdraw money can be more than £1.50.

Good Vs Bad Debt

There are different kinds of debt, some of which are worse than others.

As a student it is often difficult to avoid some forms of debt. These include student loans for maintenance and tuition fees, and interest free bank overdrafts. Speak to the majority of students on your course and it is likely they will have a loan and also a student overdraft through their bank. These debts are often not seen as 'bad' debt, and with careful management you can use these funds without finding yourself with unmanageable repayments during your studies or after graduation.

There are others forms of debt that you should try to avoid. Taking a credit card or store card when offered to you might seem tempting, but some day you will have to make repayments on anything you spend on the card. Look at the interest rate that will be charged on any purchases. Also avoid unauthorised overdrafts as these too are likely to carry a high interest rate for borrowing.

And there are some types of debt that you should avoid no matter what. Seek advice if you are at the stage where you are considering payday loans or using doorstep lenders to enable you to meet your costs to the end of term. The interest rates are often well over 1000% and the repayment terms can be very difficult to manage.

Is it worth paying the extra money rather than saving and making your purchase at a later date? Living as a student can be difficult, but trying to stay within your means will certainly make things easier later on.

Seeking Help

If you find that you are struggling with your finances then make an appointment to see a student finance adviser at your institution. You can find the contact details [here](#). Wherever you seek help, remember that there is no need to make your situation worse by paying for financial advice.