



The
MONEY
Charity

THE STUDENT MONEY MANUAL 2019/20

THE ESSENTIAL GUIDE

TO MANAGING YOUR MONEY

AT UNI AND BEYOND

UNIVERSITY CHALLENGE

Going to uni is a game changer; not only will you meet new friends and maybe move into your own place but you'll also walk away with a great qualification to help you on your career path. However, paying your way through university can be a challenge and this is where we can help you.

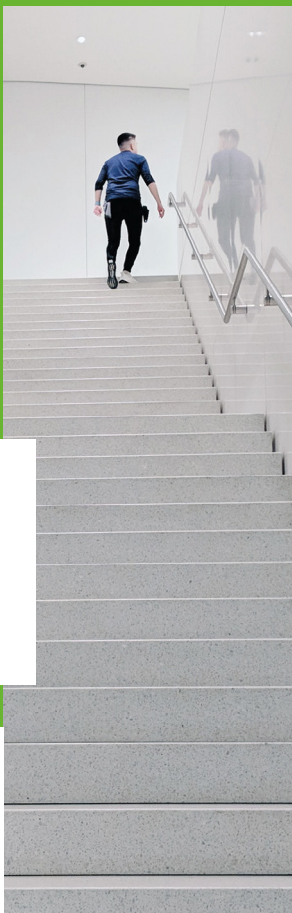
We'll guide you through the important financial stuff to help you get to (and stay at!) uni and give you the skinny on everything from student loans to paying rent and everything in between.

The **MONEY** Charity

With thanks to the sponsor of this manual, Punter Southall Aspire.



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HOW TO USE THIS GUIDE

We've designed the Manual so you can easily dip in and out using the colour-coded sections to help you find the info you need. Take a look below to help you get the most out of this guide.

GETTING STARTED

So you're thinking about uni? This section will help you to get a handle on uni costs and show you some real-life examples of how students spend their money.

STUDENT FINANCE

Here we discuss the cost of being a student, how student loans work and how they are repaid, plus we take a look at grants that you might be able to apply for.

GETTING MONEY

We'll give you some ideas about how to earn an income at university and explain how income tax works. We also discuss borrowing safely if you need to, and what you need to consider before you take out credit.

BANKING

Get the lowdown on student bank accounts and how to pick the right one for you.

HOUSING

Staying at home or moving out? We'll help you understand the benefits and costs associated with each.

SAVINGS

Top tips for spending less and saving more. Saving isn't easy on a budget but hopefully our guide can give you some ideas to create good savings habits for the future.



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The Student Money Manual is a beginner's guide to looking after your cash at uni – do your own research and get expert advice before making financial decisions. Some details may have changed by the time you read this, so always check things for yourself! Links are independently sourced; we think they're useful, but take care when visiting any sites listed.

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THE ESTIMATOR

WANT TO GET A HANDLE ON
UNI COSTS? START HERE!

OUR FIGURES ARE JUST
ESTIMATIONS TO GIVE
YOU AN IDEA OF HOW
MUCH YOU MIGHT SPEND.
FILL IN THE BOXES WITH
YOUR ACTUAL NUMBERS.



Rent

Don't forget deposit, admin fees and cleaning costs. Cost cutter: get a flat share.

YOU SAY

£

We say £400-£1,000/month
(maybe more if you study in London)



Food

Include groceries and meals out. Cooking in bulk and freezing leftovers can save on takeaways and bought lunches.

YOU SAY

£

We say £100-£400/month



Bills

Gas, electricity, phone, broadband, water, TV licence, or anything else not included in rent. Cheaper if you share, stay at home or shop for cheaper deals!

YOU SAY

£

We say £50-£120/month



Personal costs

Clothes, shoes, make-up or toiletries. You'll need cash to keep your clothes and house clean too.

YOU SAY

£

We say £50/month and up

Gifts

Presents and parties don't come cheap (putting aside cash in advance every month can help!)

YOU SAY

£

We say £20/month or more

One-off costs

Moving costs, home comforts, computer kit, holidays and emergencies (including replacing nicked or broken gear).

YOU SAY

£

We say anywhere from
£200-£500 per year



Transport

Getting to/from lectures, nights out, trips home. Car or bike running and maintenance costs.

YOU SAY

£

We say £30-£200/month



Study costs

Books, lab kit, stationery, printing and photocopying, field trips or placements. Avoidable extra: library fines.

YOU SAY

£

We say £50-£200 up front
then around £40/month



Entertainment

Gym, sports, societies, film and music streaming, and anything else you do for laughs.

YOU SAY

£

We say £80-£150/month

READY RECKONER

CAN YOU AFFORD
YOUR LIFESTYLE?

MONEY GOING OUT

Total living costs:

£ /month

Add up your estimates to see how much you'll need to get by – but remember monthly costs can vary. You may pay less during vacations or if you find ways to scrimp.

MONEY COMING IN

Maintenance Loan and/or Grant:

£ /month

Job:

£ /month

Family:

£ /month

Anything else:

£ /month

Total income:

£ /month

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.

TRACKER TACTICS

HOW MUCH DO STUDENTS SPEND?

We've peeked into what some real students say they spend in a typical month. Everyone's budget will be different though, so don't think yours has to match or copy these; some costs will be in your control, others may not!

Take a look and think about how yours might compare.

"GET YOURSELF A REUSABLE/THERMAL BOTTLE AS IT'LL COME IN HANDY, AND ALWAYS ASK IF THE SHOP OFFERS A STUDENT DISCOUNT BEFORE PAYING!"~ SAMUEL

ANISAH

2nd year, City Uni London
Lives: With Parents

Rent	£0
Bills	£0
Food	£75
Socialising	£150
Travel	£150
Study costs	£25
Clothes	£50
Mobile	£0

TOTAL £450

Living at home can mean big savings, but it's **not necessarily free** and depends on whether the family you live with charge you anything! Travel costs may be higher too and you'll still need some cash for when you're out and about.



KAPIL

2nd year, Coventry University
Lives: Private Student Accommodation

Rent	£500
Bills	£0
Food	£100
Socialising	£50
Travel	£0
Study costs	£0
Clothes	£70
Mobile	£45

TOTAL £765

Keeping your costs low in some areas, such as accessing study materials online or living near campus, is one way that can allow you to spend a little more elsewhere.

MAGGIE

3rd year, Durham University
Lives: Private Student Accommodation

Rent	£200
Bills	£125
Food	£60
Socialising	£35
Travel	£70
Study costs	£15
Clothes	£20
Mobile	£0

TOTAL £525

Having a well-balanced budget across all your costs is a good move. It also looks like this student's family help her out by paying her phone bill.



YOUR TIMELINE

NOT SURE WHEN EVERYTHING HAPPENS?

Well now you don't have to miss a thing by following our student money timeline: it's all listed here.

Before You Go

When You're There

JANUARY ONWARDS

Complete your Student Finance application online (it can take weeks to process so do this good and early)

ASAP - Get saving if you don't already and try to put some money away regularly

MARCH/APRIL

Once you start to get offers, you'll get info about other grants and bursaries available from specific unis. Again, apply early so you can budget better

MAY ONWARDS

Plan where you want to live and apply for accommodation if needed

ASAP - Once you know how much Student Finance you'll get, bring your budget up to scratch and work out if you'll have enough to live off and what to do if not

AUGUST

If you want/need to work, start applying - remember everyone else is going to be doing this too so brush up your CV!

Open a student bank account if you haven't already

JANUARY (AND THEN APRIL & SEPTEMBER)

If it applies, check you've received your Maintenance loan

BY EASTER

Plan for that lovely long summer break. Do you want to travel, or will you need to work?

APRIL/MAY

If you haven't already sorted it, think about next year's accommodation

Don't forget to budget for your all-important grad ball outfit

BY JUNE

Remember you need to apply for Student Finance each year

SEPTEMBER/OCTOBER

Early weeks are great but keep an eye on your spending. Your money needs to last the term and you might need readies for your reading list!

Once you're into uni life, check your budget is working with our Budget Builder app, track your income and outgoings, and tweak if needed



WHAT'S THE DEAL WITH FEES?

MONEY MANUAL TALKS TUITION COSTS

Universities and colleges in the UK can charge up to £9,250 in undergrad tuition fees. That's **per year**.

Now, before you throw in the towel, you should know the price tag isn't the whole story:

- Most first-time undergrads won't pay fees up front.
- What tuition costs and how much you actually pay aren't always the same thing.

What does it cost?

Course fees vary by where you study. Here's the most you can be asked to pay if you're starting in 2019/20:

In Scotland: no fees for Scottish and EU students; up to £9,250/yr for those from the rest of the UK.

In Northern Ireland: up to £4,275/yr for NI and EU students, otherwise up to £9,250.

In Wales: up to £9,000/yr for UK and EU students.

In England: up to £9,250/yr for UK and EU students.

How prices vary

- If you're entitled to free or reduced fees in your home region but **study elsewhere** in the UK, you'll be charged the going rate.
- Most courses charge the maximum for their country, but it's still worth comparing fees at different universities.
- Fees **can change**: find out if yours are guaranteed for the length of your course!

- **Part-time students** pay less each year, but the same as full-time students overall.

- **Private universities and colleges** aren't bound by the maximum amounts listed opposite – they can charge what they like.

- Fees for **international students** can be much higher! Whether you qualify for UK, EU, international or reduced fees depends on things like where you live and where you're from.

Study now, pay later

Most UK and EU students won't have to pay fees up front. Instead, you'll be offered a Tuition Fee Loan on pretty favourable terms (**p07**).

You usually can't get this loan if you've previously studied a degree or similar course, or are an international student.

How to pay less

If you want a cheaper uni, it may be more useful to compare **living costs** at different universities. Things like rent, transport and nights out.

Picking a uni by fees alone is a false economy if you miss out on the course or career you really want.

GAME OF LOANS

STUDENT LOANS MADE SIMPLE

The Student Loan is money you can borrow to pay for uni but, rather than going to a bank, you can get government cash on special terms. As the name implies, **you're expected to pay it back**.

You don't have to take out a loan, but you'll need super-sized savings or other funding if not.

What's on offer?

1. Tuition Fee Loan (up to £9,250/yr; less for private unis). It's paid directly to your college or uni, and isn't 'means tested', meaning it doesn't depend on how much you or your folks earn. If you're entitled to the fees loan, it's good across the UK – so, if you're from Scotland (where you can study for free) but apply to England (where you can't), you can still borrow for full course fees.

2. The Maintenance Loan for living costs is partly means tested: you'll need to declare your household income if you want the full monty, with payouts on a sliding scale according to how much you or your folks have coming in, and where you live during term. Support can vary from a few hundred pounds to several thousand each year.

How do you apply?

Through your country's Student Finance body.

You'll need to re-apply for support each year you want it, so stay on the ball!

Bottom line

Even though it's borrowed money, the Student Loan isn't your average debt, so **don't let the name scare you off**.

Whichever you go for, just check the funding – or your back-up plan – is up to the job: use the Budget Builder on **p14** to estimate your costs and plan for any shortfall.

Maintenance money lands in your **bank account** once a term (monthly in Scotland) – it's your responsibility to make it last between instalments!

A DEGREE MAY SOUND PRICEY, BUT MOST STUDENTS WON'T HAVE TO PAY TUITION FEES UP FRONT.



RE:PAYMENT

SETTING THE RECORD STRAIGHT ON LOAN REPAYMENTS

How much will you borrow?

Borrowing thousands in fee and maintenance loans **each year of your course** can feel breathtakingly reckless – but it's not as dire as it sounds. Crucially, you'll only **pay back what you can afford**.

How much will you owe?

The Student Loan brews **interest** from the day you get your first payment and until you clear the balance – so you'll end up owing more than you borrow.

In **Scotland & NI**, the interest rate is **1.75%**.

In **England & Wales**, interest is between 2.4% and 5.4%, depending on whether you're studying or have graduated.

Rates are reviewed every September and can go up or down – but that **won't affect your repayments**.

When do you pay?

You don't start repaying the loan until you've left your course AND your annual income is above £25,725 (£18,935 in NI or £18,300 in Scotland).

Once your weekly or monthly earnings are on target to hit that threshold, repayments are taken automatically from your wages before you get paid.

You don't make repayments on your whole salary! Instead, you pay 9% of whatever you earn **above the threshold**.

It's a sweeter deal than you'll get from any bank, but remember that as your salary goes up, so will repayments. You could have larger monthly repayments around the time you want a mortgage, for instance.

Here's how monthly repayments could look based on the current repayment thresholds:

Example Income	Monthly Repayment		
	England & Wales	Scotland	NI
£18k	£0	£0	£0
£23k	£0	£35	£30
£30k	£32	£87	£83
£50k	£182	£238	£233

Will you pay it all off?

If you don't earn enough to clear the balance over your working life, eventually you'll hit **loan wipeout**: any remaining balance is written off and repayments stop. Wipeout typically kicks in when you turn 65, or 25-35 years after you take out the loan (depending on which country loans you the cash).

It's impossible to predict whether you'll pay off your whole loan, though you can check your chances with a repayment calculator (there's one at savethestudent.org).

Heads up

Your loan agreement **can change**: interest rates or the repayment threshold can vary, for instance. Don't panic! Keep tabs on your account and aim to stay informed.



IN A NUTSHELL

When it comes to Student Finance it's **salary, not the size of the loan**, that determines monthly repayments. Whether you earn £25k or £50k, you only pay 9% of any earnings **above the repayment threshold** – and anything you still owe at the end of your loan term is **written off**.

LIFE BEYOND LOANS

THE STUDY FUNDS YOU DON'T HAVE TO GIVE BACK!

STUDENT FINANCE

The funds on this page are handled by Student Finance, so you apply for them along with tuition and maintenance loans. Most are **means tested**: the higher your household income, the less cash you'll get. Many are also reserved for UK undergrads already living here – but check for yourself so you don't miss out!

Maintenance Grant

Unlike loans, **grants** are yours to keep (unless you leave your course early). There's no grant for new starters in **England**: you can apply for a larger Maintenance Loan instead, along with the other cash pots on this page!

Scotland: the Young Students' Bursary pays £2,000/yr on household income under £21k. Partial grants are available, but there's nothing once income hits £34k. The Independent Students' Bursary (for students who support themselves) pays £1,000, but only on income under £21k.

Northern Ireland: full grant of £3,475/yr on household income under £19,203. Partial grant if income is higher than that – but no payout if it's more than £41,065.

Wales: a Welsh Government Learning Grant pays out **at least** £1,500. Students with lower household income, or living away from home or in London, could get more.

In NI and Wales, the size of your grant will reduce how much Maintenance Loan you can apply for, unless you're eligible for the Special Support Grant (below).

Special Support Grant (SSG)

Students entitled to state benefits, or who have special circumstances, can **swap** the Maintenance Grant for SSG in Wales and Northern Ireland. SSG doesn't reduce how much Maintenance Loan you get, and doesn't count as taxable income (**p20**), so won't affect any income-related benefits you're on.

Disabled Students' Allowance (DSA)

If you have a physical or mental disability (including learning and other non-seen difficulties) **non-means-tested** DSA can help with the extra costs of going to uni. There's money for specialist or adapted kit, travel or a helper, though you'll be 'needs assessed' before you can claim the cash.

Cash 4 carers

The **Childcare Grant** and **Parents' Learning Allowance** pays out to students with kids while, if you're financially responsible for another adult, there's an **Adult Dependents' Grant**.

How to apply

As the funds above are all handled by Student Finance, that's who to apply, query or cry to next:

England: gov.uk/student-finance or thestudentroom.co.uk/studentfinance

Northern Ireland: studentfinancenir.co.uk

Scotland: saas.gov.uk

Wales: studentfinancewales.co.uk



UNI CASH

Don't assume **scholarships** are just for book smarts – there are all kinds of criteria, including nationality, gender, subject, and even sporting or musical talent.

Many unis also dole out **means-tested bursaries** or **fee waivers** when you accept a place. It's worth asking up front though, as there are hidden gems out there. Contact the admissions office, or see **thecompleteuniversityguide.co.uk**.

Emergency back-up

If you find yourself in a financial black hole, don't panic: your uni or college may have **hardship funds** for students struggling to get by.

Funds are usually earmarked for students with kids, with disabilities, or from low-income backgrounds, but there may be cash for others facing difficulty.

You'll need to have enrolled on your course **and** have applied for the full Maintenance Loan you're entitled to before asking for emergency funds. You might also be asked to attend an interview or share your budget (get a head start on **p14**).

As the name suggests, hardship funds are for **unexpected costs** – so you can't bank on getting them, and you can't use them to pay fees. Any cash you get is often non-repayable, though, meaning one less debt to worry about.

CAREER SUPPORT

The NHS funds some health and social work courses, though what's available varies around the UK: see **nhsbsa.nhs.uk** for starters.

Loads of industry bodies offer subject funding for their professions, including engineering, television and teaching.

CHARITY GRANTS

There's tons of money lodged in charity funds. Start with the grants calculator at **turn2us.org.uk** and drill down through options for health, religion, nationality and family situation to have more chance of finding something you're eligible for. If your folks are (or were) members of a professional organisation, they may be able to claim hardship funds for you too: ask.

BUSINESS FUNDING

Sponsored degrees can be lucrative, with some businesses stumping up for fees, support and work placements while you study. The trade-off is that you can't pick and choose your subject, degrees can take longer, and you may have to work for the company during or after your degree.

GO LOCAL

While we can't list everything going, it's worth looking locally for extra support. That includes things like incentives for care leavers, top-up cash for low earners, hardship funds, sponsorship or competitions, prizes and awards.

TOP TIPS

- You can apply for some grants months after your course starts so, if you're eligible and haven't already applied, check it out.
- Read the small print! Does the money need to be repaid, will it affect other support, and does it come with any strings?
- Dropping out of your course may mean having to **repay loans and free funding**. Always talk through your options before ditching your degree.

The golden rule for top-up funding is: find out what's on offer **before you need it**. If you find yourself in a pickle later on, you'll know where to go to get things back on track. Trust us – it helps!

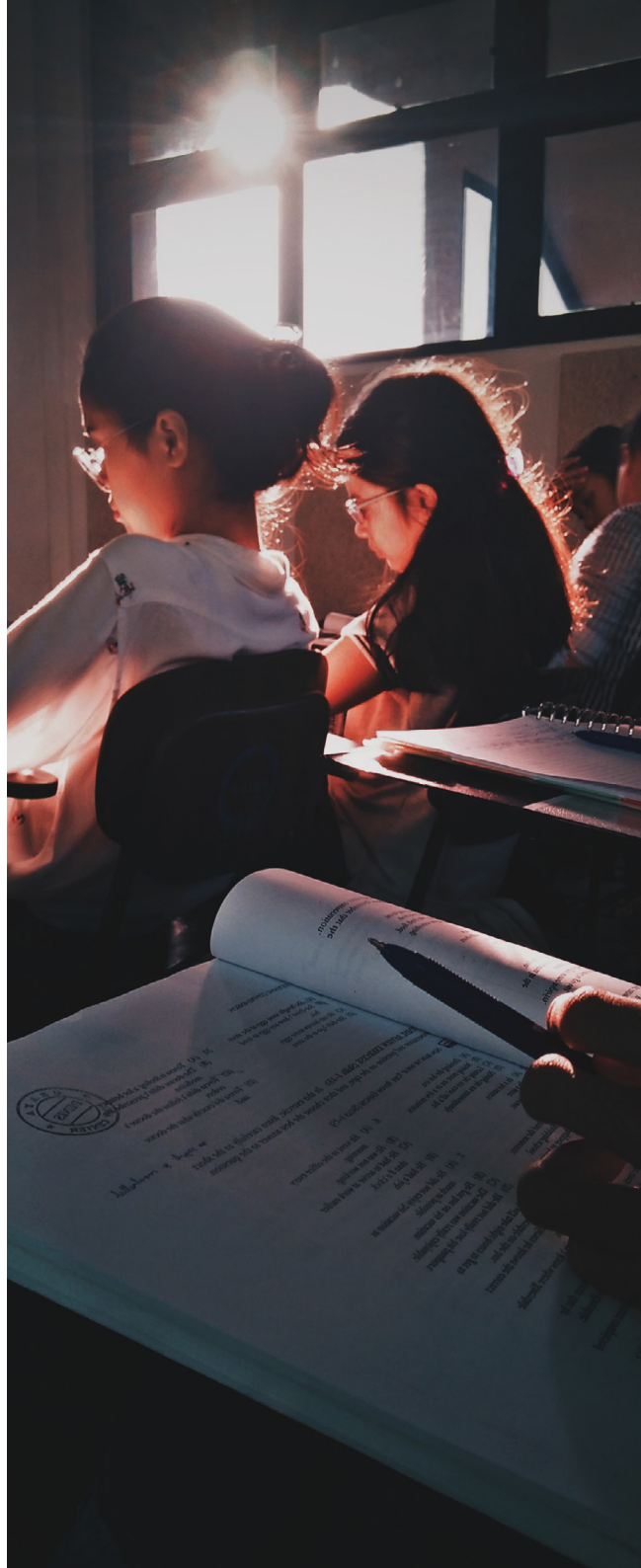
"HAVING WEEKLY BUDGETS AND LIMITS HELPS ME MANAGE MY MONEY, AND MAKING SURE I BUDGET ONCE STUDENT FINANCE MONEY ARRIVES MEANS I DON'T RUN OUT OF MONEY."

~ KESHANI

STUDENT FINANCE: WHAT'S NEXT?

Now you understand the Student Finance basics, let's get the ball rolling and put it into action. It can take a while to get the whole application done so try to start early....

1. Go dig out your ID – you can't apply without it! If you haven't got any or can't find it, now's the time to get this sorted.
2. Get yourself on the Student Finance website and familiarise yourself with the process, check your eligibility and make your application. Remember there are different rules for England, Northern Ireland, Scotland and Wales so make sure you apply to the right country where you choose to study.
3. You will need to give details of your household income so if you live with your parents speak to them about what information they need to have available, like proof of income and/or benefits they receive.



MAKING A LIVING

HOW TO WORK YOUR WAY THROUGH UNI

Knowing what you want from a job means you can focus on applying for roles that do the business. We'll walk you through it.

Why are you working?

Steady work is the ticket if you need cash to live off, while seasonal jobs might be a better fit if you can't work during term, or are in it for fun or a break from your studies. Think too if you want a job that plugs into your career ambitions, as getting relevant roles or skills now can make it easier on your CV later on.

What do you enjoy?

Not many bosses pay people to drink coffee and daydream, but it's still worth mulling over what gets you through the day. It might be lively team mates, being creative, or turning a hobby you love into a paying gig.

What can you tolerate?

What you enjoy can inspire you; what you can tolerate keeps your options open! Can you hack repetitive tasks and long hours? Were you born to sell, but hate stacking shelves? Get honest about your loves and loathes, and how you'll negotiate any that come your way.

When will you work?

Study time and job shifts don't always play nice together: the challenge is keeping them in balance. That might mean only working during vacations, or asking for flexible shifts. The Study Planner at thestudentroom.co.uk will help you nail this.

Will it pay its way?

First, make sure work pays at least National Minimum Wage: that's £6.15/hour if you're 18-20, and £7.70 if you're 21-24. Check you'll get enough shifts or income to meet your needs, and whether costs (transport, uniforms, etc.) will nibble into earnings.

"CONSIDER WORKING IN THE HOLIDAYS IF YOUR COURSE IS BUSY, OR THERE ARE LOTS OF CASUAL JOBS ON CAMPUS, WHICH CAN BE FUN TOO!" ~ HOORISH



5 WAYS TO SCORE WORK

NEED A STUDY-FRIENDLY JOB? THERE'S A GIG HERE FOR YOU



1. Hit the SU

Depending on the size and scope of your Students' Union you could be looking at bar shifts, catering, marketing, retail, student support, or good old-fashioned admin. People skills and personality are just as handy as work experience for these roles, so shout about your best bits! Your Union will also have a jobs board, either on their website or in the building.

2. Campus jobs

Working for your uni or college means more options, from reception, library and departmental duties to being a welfare mentor for your halls of residence. Other plum positions include uni ambassador (showcasing the uni to new or prospective students) or, similarly, brand ambassador (promoting companies on campus).

3. Look local

If you worked before uni, re-potting your old job in your new location keeps things super simple. It helps if your employer's part of a chain but, if not, still ask if they can intro you! Retail, catering and bar work are the easiest to score without experience.

4. Think seasonal

If you don't want (or can't) work during term, seasonal roles are your go-to – but you need to line them up early! Christmas jobs can involve any or all of the above, but there's more than cold-weather work out there: festivals, holiday repping and sports or music events are good all year round.

5. Internships

An internship is a fancy word for work experience but, whatever it's called, it can be a foot in the door to a future career. Paid ones are fiercely competitive, so planning and perseverance are a must! Just make sure of the pay, the duties, and any costs involved in getting to work.

"WORKING CAN BE A FUN WAY TO MEET NEW PEOPLE AND HAVE NEW EXPERIENCES, ALL WHILE EARNING SOME MONEY."
~ ANISAH

BUILD A BETTER BUDGET

YOUR MONEY

MAKE THE MOST OF IT!

There's no magic trick to budgeting – it comes down to willpower. Going without can be tough at times but a money goal or plan – however basic – can help you go the distance.

PAY AS YOU GO

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

CONTRACT

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

MONEY COMING IN EACH MONTH

(Split lump sums or termly payments into monthly amounts)

Student finance £
 Uni/other funds £
 Family support £
 Earnings £
 Benefits £
 Other £

TOTAL A £

BILLS

How much do you/will you spend each month on:

Rent £
 Gas £
 Electricity £
 Water £
 TV licence £
 Mobile phone £
 Broadband £
 Insurance £
 Anything else £

TOTAL B £

SAVINGS

How much can you stuff in your savings account each month?

Regular savings £
 Special events (holidays, treats) £
 Emergencies £

TOTAL C £

Convert a couple of non-essential costs into savings goals, then only splash out once you've got the cash to hand.

LIVING COSTS

How much do/will you spend each month on:

Groceries & snacks £
 Local transport £
 Long-distance travel £
 Study costs (books, etc.) £
 Clothes £
 Toiletries £
 Household items and cleaning £
 Socialising £
 Subscriptions £
 Presents £
 One-off costs £

TOTAL D £

Top tactic: Pay cash for bills into one account, then transfer enough for living costs to a second account. Easier to manage, harder to overspend!

READY RECKONER



A - B - C - D = £

Want to check you've enough cash to make it through the year? Subtract your spending (totals B, C and D) from your income (total A), then size up what's left.

Left with a minus number? Don't panic:

1. **Increase your income.** Check for bursaries, benefits and student funding, too, or find ways to earn extra (p12).
2. **Spend less,** get better deals on your bills and get savvy about saving money.
3. Cover **priority costs first:** siphon money from non-essentials if you have to.
4. It's OK to **ask for advice!** Start with your welfare officer or student money adviser.
5. Think of your budget as a financial MOT and keep it updated. **Use our online desktop and mobile app version** and you won't lose it:

BUDGETBUILDER.THEMONEYCHARITY.ORG.UK

CRUNCH IT

Split this into a weekly or daily allowance, so you always know how much you can spend and still stay on budget. You'll need to track it to make it work – grab our budgeting app, or get a notebook and start scribbling!

FAMILY FORTUNE

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

Funding for living costs at uni really takes the pressure off staying alive. Unfortunately, maintenance support alone isn't always enough to get by – and what you may not realise is that the government expects you and your family to pick up the slack.

The budget on **p14** will help you spot any holes, so do that first. A job, savings or other funding can plug the gaps, but you may also need to tackle the 'parental contribution':

- How much are they expected to cough up? The parental contributions calculator at savethestudent.org can help work it out.
- Is it a given that your folks, grandparents or partner will want to support you?

- How easy is it to talk about money with your family? What attitudes to spending and saving do you have in common?
- Is being financially independent important to you? Are you willing to take advice (or flack) on your budgeting, spending and priorities?
- If your folks can't or won't support you, how else will you cover your costs – savings, earnings, Wednesday night lottery win?

BANK OF MUM & DAD?

Talk through this page together with your folks, and here are some tips for what to ask before you take the money and run:

- Can you afford to help me out?
- How much cash are we talking?
- Is it a lump sum or a regular payment?
- Do I need to tell you how I've spent it?
- Do I need to pay you back?
- What's the plan if I get into trouble?

Whatever answers you get, see 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.

BE A BETTER BORROWER

BECAUSE, SOMETIMES, IT'S UNAVOIDABLE

Borrowing doesn't have to be bad news. Saving is always the better option if you can wait, but there may be times you can't get by without loans, credit cards or an

overdraft – like putting down a rent deposit, or replacing a busted laptop. The catch is that borrowing is rarely free. The secret is keeping it as cheap as possible.

WHY CREDIT IS TOUGH TO SHIFT

Let's say you spend £100 on a credit card. You don't actually spend any money up front – the card company pays for your purchases, and you pay them back. Handy, huh?

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

BUT if you only pay back a fiver, and the card has a monthly interest rate of 2%, you also owe £1.90 in interest. So your balance ends up at £96.60 – you've only reduced your debt by £3.10.

Do that every month and paying back your £100 spend could* take up to 2 years AND cost you an extra £30 in interest. Credit is handy, but it's a privilege you may end up paying for!

That doesn't mean you shouldn't borrow – but find ways to keep it free or as low cost as possible. That could be by paying your bill in full each time, or shopping around for cheaper credit (like an interest-free overdraft.)

*We've used a simplified example to show that the longer you take to repay a loan, the more it costs. Real costs vary by the credit card, the interest rates and even when in the month you make your purchase.

SAVING UP FOR STUFF OFTEN MEANS PAYING LESS THAN GETTING IT ON CREDIT, AND PUTS YOU IN CHARGE OF YOUR OUTGOINGS – SEE P26.

GOLDEN RULES

Always ask:

- Why you want to borrow
- Whether it's worth the cost
- If there are cheaper ways to pay

The bottom line is, always have a plan for paying it back.



Staying on top of it

When you have a means of paying it back, credit can help you get what you need in life. Where things start to go banana-shaped is when it's used to buy things you can't afford, or to mask bigger money problems.

If money's stressing you out, don't struggle on alone! Your university welfare team will have seen it all before, and can help you get back on track.

CREDIT CRUNCHED

WHERE (AND WHEN) TO BORROW

How you borrow money makes a big difference to what it costs you.

First up, run through the Golden Rules on **p17**. If borrowing is your best (or only) option, start comparing ways to get hold of the cash.

Credit cards

Good for emergencies, and tempting for loyalty points or 'cash back' on purchases. Paying for items over £100 also gets you **Section 75 protection**, where the lender can step in if you have problems with the retailer. Borrowing is only free if you avoid interest and penalty fees (usually by repaying in full each month).

- 0% introductory offers make borrowing cheaper. Just don't be tempted to supersize your spending – you still have to repay part of it every month, or in full when the deal ends.
- **Never** withdraw cash on a credit card: it's rip-off city!
- **Store cards** are credit cards with more catches and fewer benefits. Be savvy if you sign up, and always pay off in full.

Bank loans

Don't have a student account? Regular loans and overdrafts come with big-boy rules, including arrangement fees, plus higher interest and missed payment charges. Unlike the Student Loan, there's no slack on repayments if your wages drop: banks expect to be paid whatever!

Short-term loans

Quick and easy money, often online or through an app – but with sky-high interest and late payment fees. Best swerved unless you have regular income.

STRUGGLING WITH BORROWED CASH? GET EXPERT ADVICE: CONTACT THE STUDENT MONEY ADVISER AT YOUR UNI.



"GET HELP FROM STUDENT ADVICE OR FAMILY BEFORE YOU GET INTO FINANCIAL DIFFICULTY – IT'S MUCH EASIER TO PREVENT DEBT THAN REVERSE IT."

~ BETHANY

GET A BETTER DEAL

- Estimate **total costs** including interest, fees and penalty charges. Then shop around for cheaper deals.
- Get organised! Not sticking to deadlines or spending limits is where credit gets even more pricey.
- The longer you take to repay, the more it costs: aim to clear your balance asap – use **p14** to plan how.
- Don't borrow to buy things you don't need or can't afford to repay: they'll end up costing more than they're worth.

Don't be scared of borrowing **wisely**, but think of debt like a cold sore: occasionally unavoidable, but you don't want it for keeps!



TAX UNTANGLED

5 TAX TIPS YOU NEED TO KNOW!

Income tax works a bit like dining out: the more your meal costs, the more you tip. In reality, your 'meal' is all the money you earn during the tax year. The government pockets the tips – but uses them for things we all use (the NHS, police and schools) or **might need**, such as benefits.

Not all income is taxed

Income usually means wages from a job. **Taxable income** – that you pay tax on – also includes other kinds of earnings, such as tips, some work expenses and Jobseeker's Allowance.

Crucially, some types of income are **tax-free**:

- Student Loan instalments and some parental contributions
- Interest earned on savings (though there are limits to how much, and where you store it)
- Some benefits, such as Disability Living Allowance/ Personal Independence Payment (PIP)

There's a tax-free bumper

Most people get a **Personal Allowance**, which turns some taxable earnings into tax-free income.

The allowance is updated annually: for 2019/20, it's **£12,500**. That's how much you can earn before you start paying tax (and tax-free income doesn't count towards your allowance, as it's already exempt). The allowance resets every April, ready for the next year's earnings.

Earn more, tip more

Once you've reached your Personal Allowance, you pay tax **on the rest** of your income in bands. You'll pay 20% on earnings between £12,500 and £50,000. When you've filled that band with income, you then pay 40% tax up to the next band – and so on. The amounts are different in Scotland, but it works the same way.

You can reclaim tax

As an employee, tax is usually sorted when you get paid, with your employer deducting what you owe before paying you. This can mean overpaying tax if you only work a few months of the year or have several jobs – but you can claim it back: head to **gov.uk** to see how.

Tax affects Student Finance

Means-tested support, such as the full Maintenance Loan, is calculated on how much **taxable income** your household earns. Unnecessarily including tax-free income, like those mentioned above, could mean getting less support than you're entitled to.

WE'VE KEPT IT
BRILLIANTLY SIMPLE
BUT THERE ARE OTHER
THINGS TO BE AWARE OF,
INCLUDING NATIONAL
INSURANCE, AND RULES
FOR INTERNATIONAL
STUDENTS AND THE SELF-
EMPLOYED: START WITH
**TAXGUIDEFORSTUDENTS.
ORG.UK**

GETTING MONEY: WHAT'S NEXT?

Understanding your income and outgoings is essential in prioritising your spending and living within your means...

Do your budget on p14 and download our Budget Builder app to help track your spending. It's really helpful to see where your money is going and you can update it regularly to reflect your changing financial circumstances to get an instant sense of what's happening with your money.

If you think what's coming in isn't going to cover what's going out, act now. Wherever you're at, it's always better to have a plan now than no plan at all. Start a 'to do' list – we've started one for you below with space to add some actions of your own:

1. Open a savings account and put in X per month
2. Sign up to our Budget Builder (on app or desktop)
3. Think you might need to borrow? Do your research first and understand how much you will end up paying back through the interest rate being charged

- 4.
- 5.
- 6.



in faster and easier at:
RS.gov/Korean (한국어)
RS.gov/Russian (Русский)
RS.gov/Vietnamese (Tiếng)

Form 433-A (OIC) (Rev. 3-2019)

MORE BANK FOR YOUR BUCK

HOW TO WIN AT STUDENT BANKING

Student accounts come packed with perks: when you know how to work them they can make you money AND save you cash. Let's dance.

Pick your perks

- **0% overdraft:** lets you borrow emergency funds for free. The bigger the overdraft, the bigger your safety net.
- Most student accounts cap charges but fees for spending more than you have in your account or overdraft allowance will still sting, so check how they vary.
- Always have cash in the bank? Look for the highest **in-credit interest** or **cash back on purchases** to earn extra money for free.
- **Freebies** like railcards and vouchers are a steal if you've enough cash to get by and are a budgeting legend.

Once you've bagged a bank account, keep comparing what's on offer – you may be able to switch if you spot a better deal.

Overdrafts explained

Spend more than you have in your account and your bank can charge you interest until you're back in credit. They could even refuse to honour payments you try to make, and charge a fee each time. Simplest way to swerve the pain? **Agree an overdraft** in advance.

If your account comes with a **£500 overdraft limit**, it means you can spend your own cash plus up to £500 of the bank's. Student accounts come with this safety buffer as standard, and **don't charge fees or interest** for the privilege (unlike standard accounts).

Crucially, they're only free **while you stick to the terms**. Spend more than the limit and you're back to square one: penalty fees, interest to pay, and much gnashing of teeth.

Keeping it sweet

An overdraft is mighty handy when money's tight, but it's not a cash handout:

- Once you dip into an overdraft, any money you pay into your account goes towards clearing what you owe first.

APPLYING FOR STUDENT FINANCE? YOU'LL NEED A BANK ACCOUNT TO SEAL THE DEAL – THIS PAGE CAN HELP YOU SORT IT!

It's not as scary as it sounds. Firstly, savour your overdraft: keep it for emergencies or for bubble-wrapping your own cash, not as a second income.

The killer detail is planning how you'll pay back any borrowings before the free deal ends. If you don't quite get there, don't flap – use the advice on this page to score the best graduate account to tide you over.

Graduate accounts extend some of the privileges of student banking, including a free overdraft – but note that the limit will shrink a little each year, gradually weaning you off borrowed cash.

“TRY AN ACCOUNT/CARD WHICH HAS A BUDGET-SETTING FEATURE. APPS WHICH ARE QUICK AND EASY TO USE CAN HELP YOU MANAGE YOUR MONEY BETTER AND SPEND IN A MORE EFFICIENT WAY.”

~ KAPIL

MAKE THINGS HAPPEN

REMEMBER IT'S NOT BOTTOMLESS. IF YOU RIDE YOUR OVERDRAFT LIMIT ALL YEAR ROUND YOU MIGHT NOT HAVE MUCH LEFT IN AN EMERGENCY – SO KEEP SOME BACK!

Bulletproof banking

1. Do your prep

You may need to pay in a minimum amount every term to keep a student account ticking over.

2. Stay perky

Some accounts bundle in extra tools that are quietly brilliant, such as SMS balance warnings before you overspend, or bots that grow savings for you (**p26**). Some banking apps also work as budget trackers, and show you exactly where your money goes. See what's out there, then put them to use.

3. Spread it out

Splitting money across a couple of accounts or banks can be a real stress-saver. Keep cash for daily spending separate, for instance, and you don't need to worry about accidentally crunching through next month's rent.

4. Pay up front

A prepaid card is like the debit card that comes with a student account. The difference is these have to be loaded with cash first. You can't run up debt, because you can only ever spend what you top up.

CREDIT CHECKS



Every time you apply for credit – an overdraft, credit card, even a mobile phone contract – the lender will run a **credit check** to see how you handle money. A good score means more choice and better deals on financial services and products. A low score can stop you getting the things you need or want.

1. Review your credit file before applying for loans or contracts: it's free at clearscore.com or creditkarma.co.uk
2. The credit check is all about risk for the lender. Do you have a history of paying back credit or settling bills **on time**?
3. A good score is harder when you don't have a financial history. To build up a history you could put a couple of bills in your name and **manage them well**.
4. Update your address on the **electoral roll** – see gov.uk/register-to-vote
5. A Student Loan **won't** affect your credit rating, but skipping bills and piling up debt will.

BETTER BANKING: WHAT'S NEXT?

The best way to get a feel for the right bank account is to do some research and compare what's currently out there. Go online to find out or if you're feeling adventurous go into a branch and pick up info or speak to a member of staff. You can use this table below to help you compare the best accounts for you:

Bank/Building Society	0% Overdraft Amount	Incentives and Freebies	Bank Fees and Charges
1.			
2.			
3.			
4.			

Banking checklist:

[] I know what I want from my student bank account

[] I know where can offer me the better deal to suit my needs

[] I know my credit score and understand how it can affect me

[] I know what info is needed when opening a student bank account

CRIB NOTES

STUDYING WHILE STAYING AT HOME

Living at home can be an appealing option – but making it work is about more than just saving cash.

1. IS IT CHEAPER?

Staying at home can shave **hundreds** off monthly rent and household costs. On the other hand, the further you live from lectures, labs or work placements, the more it'll cost to get there. Find out:

- How does living at home affect your budget and travel?
- Will your folks expect you to contribute to rent or bills?
- Can they still give financial support on top if you need it?

Remember that living at home might affect how much **Maintenance Loan/Grant** you get, so adjust your sums if you need to!



2. IS IT FOR YOU?

Commuting avoids the downsides of rented accommodation while wrapping you in cosy home comforts – but it's important to see the bigger picture.

The more time you spend travelling, the less you'll have for studying, a job, or mixing with other students. Having your mates live on campus, work full-time or move to other universities can feel **isolating** too.

And, while home-cooked meals or clean bedsheets on tap are brilliant, always having your folks around could cramp your independence.

3. HOW TO KEEP IT SWEET

1. Discuss any rules you'll have to live by, and what **you** need in return.
2. Take responsibility for some bills, cooking or cleaning.
3. Tackle commuting cost-suckers, like transport or buying snacks on-the-go.
4. Get organised with your day, and be realistic about how much you can fit in!
5. Find ways to feel included on your course: have lunch with mates, arrange tutor check-ins, and don't miss lectures unnecessarily.

GET A HANDLE ON HOUSING COSTS

Whether it's a shared house or a place in halls, renting can involve serious cash. Here's what you need to know.

PRICE IT

Weekly rent can cost as little as £50 or as much as over £300, and either is fine **if it works for your budget**. Where things get tricky is when you have to pay up front or have unexpected costs. Setting money aside early can help!

Aim for:

- A month's rent as deposit
- A month's rent in advance
- Cash for bills and back-up

SCOUT IT

- Visit several properties, more than once. Try to compare **different types** of accommodation and see how each affects your budget.
- Check the location's good for getting to uni, getting around, supermarkets.
- Don't forget: how secure the property or area is could affect the cost of contents insurance (which covers you if your belongings get lost, nicked or wrecked).

SIGN IT

- **Read the contract.** Asking for individual contracts when sharing can mean less strife too.
- Ask what's included: supplying your own mattress or microwave can be pricey.
- Check utilities work, and that there's a certificate for gas servicing.
- Agree any repairs, or agree a discount!
- Check for damp, rodents, smoke alarms and insulation (cheaper to heat).
- Try to negotiate the rent, especially when renewing. The worst they can say is no!
- Take photos and do your own inventory.

LIVE IT UP

Rented accommodation is **your home**, so you should be safe, secure and comfy in it. It's also someone else's property, and they'll want it back in one piece!

Report repairs to the landlord asap (and keep notes, in case they're slow to respond). If you've damaged something that's your responsibility, so repair or replace it before it becomes an issue.

That said, be assertive about unfair deductions: if you play by the rules you're entitled to get your deposit back. Make sure your landlord uses the **deposit protection scheme**, which safeguards your cash and helps arbitrate disputes.

HOUSING: WHAT'S NEXT?

Housing to do list:

- ☐ I have decided where I want to live
- ☐ I know how much the deposit, rent and bills per month will be (approx.)
- ☐ I've checked my budget to make sure it's affordable
- And if you've already got your crib sorted, then you might want to:
 - ☐ Check I understand my rental contract
 - ☐ Let the landlord know about any repairs needed
 - ☐ Start thinking about where to live next year!

If you're deciding where to live and still aren't sure what's best, look at your budget and then consider the options that are out there and likely costs. Use the below to help see the bigger picture:

	Likely costs per month
Living at home	
Living in halls	
Living in private rental	



GET MINTED

THE NO-FUSS GUIDE TO SAVING

Squirreling away cash isn't always easy – but strategy can get you there!

THE PREP

So, what are you saving for? Whether it's back-up funds, fun money, or life after uni, **a goal** will keep you focused. Think about how much you need to put away every week or month to reach your goal, and whether you'll **earn more** or **spend less** to make it happen.

The money

Got a goal in mind? Here are some ideas to get you saving:

1. Every time you get money (Maintenance Loan, wages, etc.), skim off and save a bit before touching the rest.
2. Round-off your spare change every evening. Got £5.40 in your pocket? Keep the fiver and stick 40p in your savings jar.
3. If your banking app does auto-saving, turn it on. Each time you pay with a debit card the amount is rounded up to the nearest quid and the extra tucked in a savings vault for you: zero effort required!
4. Turn the day of the month into a daily savings target – so 1p on the first day, 2p on the second, and so on.

After 30 days you'll have £4.65 – but the big money is in not starting over each month. Save every day for a year instead and you'll make £667 all-in.

5. Give up a regular treat, but still pay the cash into a savings account each time you would normally spend it.

THE BOOST

Interest is money the bank pays you for keeping your cash with them.

When it comes to savings, **grab the highest rate going** (as long as you can keep to any conditions), then switch banks or accounts if you find a better deal later on.

SECRET SAUCE

You can't always avoid unexpected costs – but savings can get things back on track sooner. Once you get the hoarding habit, **keep going**, even if it's pennies at first.

The smart money's in savings, interest is like fertiliser for your funds, and the longer you save, the bigger the pay-off. Go forth and multiply!



BREAKING EVEN

Ending term skint doesn't have to be inevitable: you just have to find ways to spend less, save more and stay sane while you're at it. We've got seven tips to get you started.

- 01 Rustle up some mates and run a Come Dine With Me cookery contest. Set a budget for ingredients, stick a few quid in the pot for winnings, then sit back and watch everyone come over all MasterChef. The tasty bit: a week's worth of dinners for the work of one.
- 02 Next time a contract comes up for renewal – broadband, gas or power – threaten to go to another provider. Lots of companies only bring out the big discounts when you say you're leaving ... so tell 'em!
- 03 If you buy bottled water because it's convenient, you're fleecing yourself: refilling a bottle from the tap does the job for now! Don't be afraid to ask for free tap water when you're eating out too.
- 04 Paying in advance can reap big savings, from all-u-can-watch cinema passes to bus and train season tickets. Just make sure your budget can cope with regular or chunky costs!
- 05 Go freegan once a week. Plan ahead so you've got enough food to get by, then put your cash and cards away and find free alternatives for everything else. Don't just hibernate on freebie day: there's more kudos (and bigger savings) in living large for less.
- 06 Have a one-in, one-out policy for clothes and gadgets: sell an item you already have in the wardrobe/cupboard and put the cash towards new gear. Keeps down clutter as well as costs! You can also raid charity shops or discount websites/apps like Student Beans or UNiDays.
- 07 Upgrade your phone every year on a pay monthly contract and you'll pay way more than it's worth. If it ain't broke, shop around for a sim-only deal instead.



LOSE YOUR LICENCE

You need a TV licence (£154.50/yr) to watch or record programmes **as they're being broadcast**, or to view any shows on **BBC iPlayer**. Whether you stream stuff on your tablet or only tune in to Freeview – them's the rules!

If you're in a shared house, the simplest thing is to split the licence fee between you. If that doesn't apply to you, or you want to swerve the cost altogether:

- See if your parents' licence covers you at uni. The catch is your device can't be plugged into the mains or an aerial while viewing.
- Skip BBC shows altogether. You can still catch-up online for the other channels, as well as use **on-demand** services like Netflix, Amazon Video and YouTube.

Check for yourself: tvlicensing.co.uk/students

SAVINGS: WHAT'S NEXT?

Making a commitment to yourself so you can afford the lifestyle you want is really important. Start a savings plan today so you don't have to stress about paying an unexpected bill or if you spend too much on a night out; you might even want to treat yourself to a holiday or something you've wanted for ages.

To help me fund my uni lifestyle and the things I want, I plan to:

- ☐ Get a job/save my wages and put away £_____ per week/month
- ☐ Sell stuff I no longer need/use. I hope to raise £_____
- ☐ Open a savings account and deposit £_____ per week/month
- ☐ Reduce my current spending by £_____ per week/month

I also plan to:

- 1.
- 2.
- 3.

LET'S GET QUIZZICAL

OVER TO YOU...

Yikes, there's so much information that we've bombarded you with and there's loads to take in. Try out some of the questions below and see how much you know. Use the Manual to help you find the answers to these all-important questions.



The quick-fire round

1. What are the names of the two different types of Student Loan that you can apply for?
2. At what point do you start repaying your Student Loan?
3. What other grants might you also be able to apply for whilst at uni?
4. What is the minimum wage for an 18 year old?
5. How much can you earn before you start paying income tax? What's this called?

The lowdown on loans - True or False

1. You will have to pay back your Student Loan as soon as you get a job.
2. Tuition fees are paid directly to the university you attend.
3. The maximum tuition fee for a three-year degree is currently £9,250.
4. The Maintenance Loan is paid directly into your bank account at the start of term.
5. Fees are the same, no matter where in the UK you study.

Time to think

Three things to consider when deciding on a student bank account are.....

Three quick and easy ways to save money are.....

Three places you can borrow money if you need to are.....

Three costs to consider when living independently are.....

Would you rather.....

1. Stay at home or move away?
2. Get a bank account for the freebies or with a free overdraft?
3. Borrow from your folks or get a job?
4. Budget or wing it?
5. Save or spend?

Research rules

We think you may want to use some of the following (there is so much out there so don't just rely on our ideas):

- **gov.uk/apply-online-for-student-finance** for a step-by-step guide about how to apply for Student Finance and links to the online application process for England, Scotland, Wales or Northern Ireland
- **ucas.com** to find out about courses and how to apply
- **themoneycharity.org.uk** for more from us, including our Budget Builder app
- **savethestudent.org** for help in applying to university and general student advice
- **thestudentroom.co.uk** for student help and support
- **clearscore.com** or **creditkarma.co.uk** to check your credit score

Also consider looking at price comparison sites to compare bank accounts, borrowing options, savings accounts, and insurance products.

List three websites that you may want to check out to help you understand more about student finance:

- 1.
- 2.
- 3.



Thoughts? What's next?

Anything else that we've missed or you need to think about? Jot your thoughts below.



WHAT WOULD YOU DO IF MONEY MADE SENSE?

TO MAKE NEXT YEAR'S STUDENT MONEY
MANUAL EVEN MORE HELPFUL, WE NEED
TO KNOW WHAT YOU THINK.

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