



Student Money Guide



The university student's guide to personal finance

Start with the basics

While university is an exciting and eye-opening experience, the financial pressure means finding the balance between success and happiness can be a struggle for some. This guide will prepare those headed to university with tips and advice to help make the most of a unique opportunity.

Pick the right bank account

One of the most important decisions to make is which bank to open your student account with. For ease of use, you might decide to stay with your current bank, but consider what benefits you might get with other banks, especially as a student.

For example, Santander provide you with a free 4-year railcard (1/3 off rail fares) when you sign up for a student account with them, whilst Natwest offer a National Express Coachcard (1/3 off coach travel).

You should also get an interest free overdraft as a student, so make sure the bank you're considering includes this. With an interest-free overdraft you pay back nothing more than what you borrow. This is unique to student bank accounts.

But be aware that the 0% interest period is not forever. It only lasts a certain number of years after you graduate before interest charges set in. And don't forget that an overdraft is not free money, as every penny has to be paid back at some point.

Take cover (insurance)

With all of us increasingly relying on an armful of gadgets, it's particularly important to make sure you're insured. According to the Guardian, [students take an average of £3,658 worth of stuff with them to university.](#)

Some insurance policies cover children who have moved out of the parental home to study, so it may not be necessary to look for brand new insurance coverage. If in doubt, speak to the insurance provider directly.

Your student halls might already have a basic level of contents insurance in place. Around 80 universities have this core cover – so it's worth checking if yours is one of them.

If you decide to insure yourself, <https://www.endsleigh.co.uk/> is the most well-known and the only insurance provider recommended by the National Union of Students. Endsleigh covers everything from lost keys and accidental damage, to student car insurance.

Other providers to consider include Cover4insurance, E&L and HSBC.



Money in

Student loans (tuition fee loan)

Following the recent rise in university tuition fees, UK students now graduate with the highest levels of debt in the English speaking world, at an average of £44,000. Don't let these figures alarm you. Student loan repayments work more like a graduate tax than a loan, and are a lot more manageable than commonly believed:

- Student loans don't go on credit files.
- They're repaid through the PAYE payroll.
- You only repay 9% of everything above £25,628.
- If your income drops, so does the repayment.
- Any outstanding loan balance will be cancelled after 30 years.

Keep in mind

The average graduates salary is

£34,000

Loan repayments are proportionate to income, so you shouldn't find yourself overwhelmed with amounts larger than what you are expecting. The 30 year rule is a current rule, a future Government might well change this in the future.

Although a student loan doesn't count against you on your credit checks, it will be considered on a mortgage application. It is an expense deducted from your income, and therefore must be accounted for by lenders.

Maintenance loan

You can also get a second loan for living costs like rent, food and travel. The amount you'll receive for this maintenance loan depends on where you study, and your family income. Some students may be able to claim an extra means-tested grant that will reduce your loan allowance, but you will not have to repay the grant after graduation.

The Government uses your parent's income to calculate how much maintenance loan allowance to give, therefore if you're in the lower student loan bracket, it's expected that your parents will support you if required.

You can apply for your student loan at <https://www.gov.uk/student-finance>. Your student loan will be paid into your bank account on the first day of each term. That's three times in one academic year.

Apply for a bursary or scholarship

Every year, hundreds of students neglect to apply for scholarships or bursaries that they may be entitled to. Unlike student loans, these do not have to be repaid.

Many (but not all) bursaries and scholarships are dependant on household income, but you can also get funding based on academic success, subject choice, or even involvement in sports. Some charities offer funds, usually based on location, religion or race.

It's worth checking, even if you don't believe you'll be eligible, as there are many niche bursaries and scholarships that people overlook and miss out on, that they didn't even know they could receive.

Part-time work

A common option you have is getting a job to supplement your income.

Working part time is a good way to get some extra money while developing some workplace experience that will greatly help you to transition into full-time employment once you leave university.

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Money out

Tuition fees are just one expense to consider. It's easy to overspend when exposed to a lot of immediate expendable income. Figures from [Save The Student](#) show current students spend £807 on average each month, not including costs going to tuition fees. With these figures in mind, financial planning is crucial for students and their parents. Budgeting is a good habit to adopt from the outset.

Budget carefully

To prepare a budget, you'll first want to find out how much you can reasonably spend in a week.

- 1 Start by looking at how much money you'll receive a term, and divide that number by how many weeks there are in the term. What you end up with is the total amount of money you should be spending in a week.
- 2 Next you should work out your expenses. It may be helpful to write everything out like in the example table below. Write down your key financial commitments, such as food and bills, and then take these outgoings from your incomings.
- 3 The remaining amount can be spent on luxuries like new clothes or a night out. Plan these in advance to account for them in your budget, and avoid any unexpected financial worries in the future.

Example budget*:

Money in per term	Money out per term
Student loans: £3,000	Tuition fee: £3,000
Bursary (if applicable): £2,000	Accommodation: £1,500
Income from a job: £500	Nights out, hobbies, gym, books: £1,000
Money borrowed from parents: £500	Food & Travel: £500
Birthday gifts, selling old items, etc: £300	Insurance, phone & internet contracts: £150
Previous savings: £150	The odd haircut: £45
Term total: £6450	Term total: £6195
Weekly total: £586	Weekly total: £563

For parents

We also recommend taking a look at [This is Money's budget calculator](#).

It's quick and easy to use. Simply type your expenses into the fields, and it will do the number crunching for you. Just be realistic with your expected spending, and adjust your budget in the future when necessary.

*Estimates based on expense averages for a UK student in their first term (eleven weeks), doing their first higher education qualification, and generously including potential bursaries or work salaries, among other things. Your own budget may look vastly different depending on your course, potential scholarships or bursaries, and other factors. Income from tuition and maintenance loans is not free money and is expected to be paid back. Repayment plans differ. Please budget carefully and responsibly.

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Helpful apps

Calculating your incomings and outgoings is just one step on your budgeting journey. You can make use of free apps to keep track of your finances and manage your spending.



Yolt is a very simple and easy to manage app which aims to bring all your accounts together in one place. You can keep track of your money, as well as budget and set goals so that you can save smart and feel confident in your purchases and the progress made to your savings.

There's even a simplified money transfer feature that allows you to move money between your accounts, and pay your friends. With everything in one place, you may find this convenience something you soon wouldn't want to live without.



Money Dashboard is more complex, but it does allow you to see and manage your budget in a transparent and efficient way.

With a clear interface, you can keep track of your budget, comfortable in the knowledge that you aren't overdoing it on the partying or fast food take outs.

Both apps are available on Apple iOS and Android via the Google Play Store.

Credit cards

Overspending on credit cards can add to an already heavy debt burden. If you want a card to help you with money management, you might be better off going for a prepaid credit card. With providers like Pockit and Monzo, you can get some fantastic tools to manage your money from your phone. If you have a prepaid card, it's also easier to avoid getting into debt, as you can only spend the money you put on it.

A credit card can be a useful option. It helps you build your credit score, and you're covered by section 75 of the Consumer Credit Act for purchases over £100. It's also good practice to use a credit card for online purchases.

Student credit cards tend to have low credit limits, usually in the region of £500. This helps you keep your credit card debt in check. However, be aware of 0% cards, and how quickly debt can accumulate.



University life

The ultimate goal, besides your education of course, is to enjoy yourself at university. Whether its food and other essentials, or the occassional night out, you're going to be spending money. Here are some tips to help you adapt to university life, and enjoy yourself on a budget.

Student discounts

You won't have to give up on spending entirely. By spending wisely, seeking out good deals, and making good use of coupons, you can make your budget go a long way. Many local stores offer discounts to students, so keep an eye out and bring your ID!

We recommend using <https://www.studentbeans.com/uk> to keep track of discounts you can use, ranging from mobile phones and utilities, to food and drinks.

You'll find the savings add up fast if you home cook. You can even share meals with housemates, as a means to save money and build bonds with those you are living with. Maybe start with our pizza recipe on the next page!

Accommodation care

While most first-year students go straight into university halls, you might also opt for private accommodation. If you're renting, there's a few things you can do, to help you get your full deposit back. When you first arrive, you'll want to take photographs of your room, as proof of the condition it was in when you arrived. This way you won't be made to pay for any damages you didn't cause when you leave. Also remember to clean your accommodation when you leave!

Since April 2007, all private landlords are legally obliged to hand over your deposit to a government-licensed organisation. When you're signing the contracts for the house, it's important that you ask your landlord or estate agent for proof that your deposit is safely with one of these schemes.

Networking

Networking may seem daunting on top of everything else you have to think about, but you may find important opportunities arise when you put yourself out there. Consider joining any campus societies available that are interesting to you. Connecting with others is a valuable experience that you will carry forward in your life. You may find you will make some lifelong friends too.

Supporting each other through studies, or sharing the cost of nights out will make your university experience much more pleasant.

Health costs

Don't neglect your health. Students can get help with health costs such as free prescriptions, dental treatment and eye tests – Check the NHS website (<https://www.nhs.uk/using-the-nhs/help-with-health-costs/>) for more details. In Wales, prescriptions are free for everyone and dental check-ups are free if you are under 25.

Lifetime ISA

The Lifetime ISA (LISA) is available to anyone aged 18 to 40. You can put up to £4,000 into a LISA every year until you reach age 50. For every £4 you put in, the government puts in £1. You can't use the money in your LISA until you use it to either buy your first home or on your 60th birthday.

They are a great way to get into the habit of putting money aside each month, and there's no minimum monthly savings amount so you can save as little or as much as you like.

Ask for help

If you're struggling to keep up with your work, ask for help from your tutors, before it piles up and become a serious problem. If you're struggling for money, ask your family for support and further advice. Your mental health is extremely important, so ensure you are taking the measures and help available to you, to avoid stress building up and causing further problems to you down the line.

Homemade Pizza

ingredients & instructions:

1. Preheat the oven to 180°C (gas mark 4)
2. Place the **225g of self-raising flour** and a **sprinkle of salt** into a mixing bowl
3. Slowly mix in **45ml of olive oil** and **90ml of warm water** to form a dough ball. Too sticky? Add more flour; if it's too dry add more water!
4. Sprinkle flour onto the rolling pin and the kitchen surface you'll be rolling the dough on, so they don't stick
5. Roll out the dough ball to form a pizza base
6. Place the pizza base on a baking tray and bake in the preheated oven for 5 minutes
7. Remove the base, cover with **tomato puree** and top with **grated cheese**, then load up **any extra toppings** of your choice
8. Cook in the oven for a further 10–15 minutes
9. The best part: remove from the oven and enjoy!

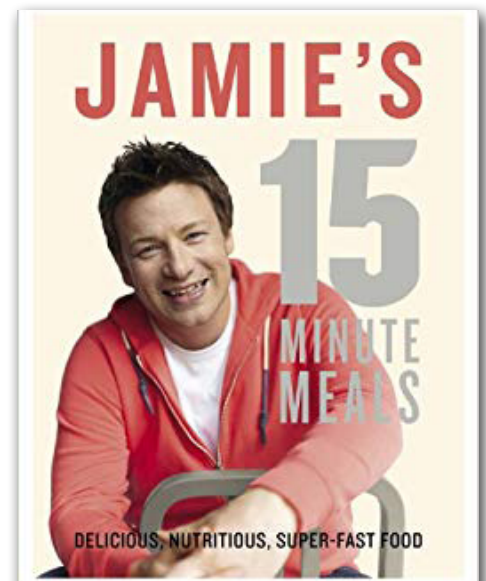
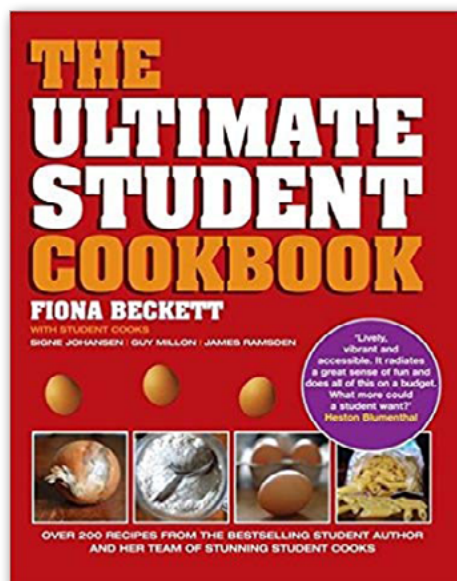
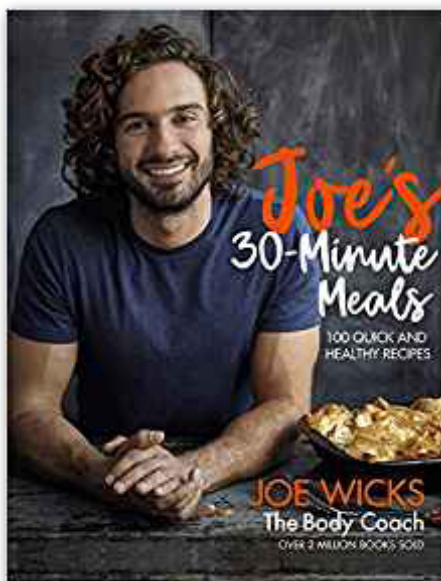


Learn to cook

Try to avoid buying food on campus every day. The cost of food stacks up quicker than you'll likely expect. [According to Forbes, you're spending 3-5 times as much money by eating out](#), instead of cooking a meal from home. It's also much cheaper and healthier than living off of fast food or ready-made meals.

Cooking larger batches of food can make your money stretch further, and you can always freeze the leftovers for later. For some cheap recipes for students: <https://www.bbcgoodfood.com/recipes/collection/student>

Here are a few cooking books we recommend to help beginners and veteran chefs alike cook affordable, healthier meals:



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