

**Student
Support &
Advice**

Budgeting Workshop



Budgeting

Budgeting as a student should be one of your top priorities. It may sound boring but it is essential to you being able to enjoy your time at university knowing you can afford to do what you want to do and not be constantly worrying about money.

Most UK students will be able to get student loans, one to pay for their tuition fees and one to give them money to live off (maintenance loan).

Applications for your student finance usually open around February, so apply as soon as you can so that when you start your course your funding is in place.

**You can find out how to
apply here:**



Your student maintenance loan is paid into your bank account in three instalments and at the start of each term. In term one this is usually 3-5 working days after you enrol. So there's a couple of things to think about already.



1. Have you got a bank account set up?
2. Do you need to pay anything out before you receive your student loan, such as a deposit for your accommodation?

Your tuition fee loan is paid directly to your university, so you won't see that money.

If you are studying at postgraduate level things work a little differently and you only get one loan which you then use to pay for both your tuition fee and your living costs.

Bank Accounts

So let's think about bank accounts. You may already have a bank account so there's a starting point. But is it suitable for you now?

Student Bank accounts can often have incentives when you open one such as a student railcard or a cash bonus, think about which one is going to give you the most benefit long term rather than just the one that is most appealing at the time. Student bank accounts can also give you an interest free overdraft and if used correctly can be a lifesaver without it being a scary debt.

Get organised open your student account as soon as you can, this is usually when you have received your A level results and you have a confirmed place at university.

If you're still unsure where to start, take a look here:



What Do I Need To Budget For Before I Arrive?

There are things you need to budget for before you arrive at university. Firstly your accommodation. As you now know you are not going to get your first payment of your student funding until a week after you enrol (and only then if you applied in time) and of course if you are enrolling you will want to be here in your accommodation.

So when you view accommodation bear in mind any deposits that are required before you arrive, once you have signed for your accommodation you've committed to pay for it.

Let's think about what you can do to get money before you arrive. Well we've already talked about a student bank account and these usually come with an interest free overdraft so that's one way. However what that will mean is that you've used some of your student funding before you've even got it, as your overdraft will automatically be repaid as soon as your student finance goes into your bank account, leaving you less money to live off.



So what else, well what about a job over summer, this can be a positive in two respects. Firstly you can save for that deposit and secondly you will get some work experience putting you in a better position if you need a job when you get to university. Or better still you get a job with a large employer such as a supermarket or fast food chain and you may then be able to transfer this job to Lincoln when you start at university, meaning its one less thing you need to worry about when you arrive.

You're also going to need to buy some stuff. Check with your landlord what is provided for you and also check with your new housemates what they are bringing, you won't need 5 toasters between you!

Then make yourself a list. Do it in plenty of time and then you could ask for the items as birthday presents. Some items you are going to want as new but you may also be happy for other items to be used.

Check out charity shops or apps with free stuff such as



and ask family, you never know what granny may have that you want.

Now we've hopefully got you to the point of arriving Hooray!

So let's get back to that budget.

What's meant by a budget??

Well put simply there are three stages to working out your budget:

1. Look at how much cash you'll have coming in at the start of, and during the term (income)
2. Realistically work out how much money you'll have going out during the term (expenditure)
3. Subtract your outgoings from your income to ensure the budget balances. Crucially your expenditure shouldn't exceed your income. If they do you're going to need to rethink your spending or your income. Budgeting may sound simple but as a student you have added complications such as multiple income sources that can often fluctuate.

So let's get started and think about those income sources

- Student Loan
- Any grants, bursaries or scholarships
- Salary from a job
- Help from your parents, if you're unsure how to raise this take a look here:



- Any savings



So here we hit the first problem. You get a student loan each term. You get a weekly salary and your mum gives you a set amount each month. How does that work out? Let's try our first exercise, please go to exercise one in the Workshop exercise booklet.

So we have thought about income, now let's think about what you have to spend it on (expenditure) this might differ depending on whether you are living at home, in halls or in private rented property. You may also have a car or commute regularly all these need to be taken into account.

When you're considering these costs don't just concentrate on a specific month or what you've spent the week before. This risks you massively underestimating your real spend, as there's the potential to miss huge costs such as Christmas, trips away, or a new laptop. Broad categories like "motoring" make it too easy to forget the small expenditures that add up. Instead, "motoring" should cover MOTs, new tyres, petrol, insurance, breakdown cover, parking and whatever else it costs to keep your car on the road. Either way, you need to include ALL outgoings, not just the regular ones, in your overall list of spending. We've divided the next bit into categories to include all likely outgoings.

Student Support & Advice

>>> University:

- Accommodation costs
 - Course supplies (textbooks, stationery)
- Household bills:
- Gas/electricity/water
 - Insurance contents and individual insurance such as phones
 - Broadband, mobile phone
 - TV licence
 - Food shopping including toiletries
 - Council tax (although most students are exempt from paying this)

>>> Travel:

- Rail/bus/tube/coach
- Car costs Tax, MOT, Petrol, Parking, Repairs/upkeep
- Car Insurance

>>> Other:

- Drinking and eating out
- Hobbies and entertainment (including cinemas/clubs)
- Clothes (include shoes, winter coat and everyday essentials like pants)
- Haircuts/Beauty treatments
- Health - prescriptions/glasses/contact lenses
- Books and magazines
- Subscriptions (gym/fitness, Netflix, Amazon Prime, Spotify)
- Large one-off purchases, for example, bike, laptop, car
- Christmas and birthday gifts
- Holidays and trips away

So let's do another exercise and put that into practice. Please go to exercise two in your workbook.



So we've worked out a budget, we can see how quickly expenditure mounts up so now we need to think about how some of those costs could be reduced.

Well accommodation is the biggest outlay you are likely to have. It may well be too late to change it this year but it's definitely something to consider for next year. Do you really need that en-suite room?

If your utility bills aren't included can you shop around for suppliers and reduce these costs. Comparison sites such as **USwitch**



or **Go compare**



can help you do this. But please check your tenancy agreement first to ensure your Landlord allows you to change supplier.

If your bills are included read your tenancy agreement, are there any penalties if you use more than a set amount? If so be careful with your energy, don't just open a window when you're too hot, turn down the heating! And you'll be doing your bit save to the planet too. And remember you've probably given your landlord a deposit, can they keep it to pay for any damage? Probably, so be careful you don't damage anything and you'll get it back.

Food can be another big expense, but there are ways you can try to cut costs. For example, towards the end of the day, often supermarkets cut the cost of some items dramatically.

This could be because the food has a short bestbefore or use-by date, but you could always just shove it in the freezer and get it out at a later date if you don't want to eat it that night.

Try to plan ahead what meals you're going to have for the week so you don't buy unnecessary food when you get to the supermarket. Buy lunch to prepare at home so you don't end up buying expensive sandwiches when on campus. Also, make sure you've got a loaf of bread in so you're not tempted to buy fast food after a night out – you can just come home and have a snack instead.



If your housemates are willing, you can always cook meals together, saving money on ingredients and also making meal times more of a social experience. If you take it in turn to cook your signature meal it can also give you a couple of nights off from cooking.

When food shopping, try the supermarket Downshift Challenge. This is a quick and easy way to make decent savings on your food shopping, particularly if you're still just buying big brands you're used to at home. Drop just one brand level on everything and you can cut your average bill by 30%. On a £20 weekly shop, that's over £300 a year less.

Have a look here from some useful tips.



So what other costs can be cut. Have a think back to Mabel. What can Mabel do to reduce her shortfall. Please go to exercise three in the exercise workbook.

So we've done a budget. We've seen how to balance the budget so now its time to put it into practice.

Use the budget planner and put your own information in there.

Remember:

- Be realistic don't 'guestimate' - check your phone contract, what have you signed up for? and yes every penny does count.
- What are your must haves? Everyone's different and these might change during your time at university.
- What about that food shop. Do you know how much food costs? We've all had our parents telling us but do we really know. Well take a trip to a supermarket, I'm sure mum will be pleased of the help.
- Or do a virtual shop, pop in everything you thing you would want in a week, it soon adds up.

Please complete the budget planner on the following page



Budget Planner

Monthly and Weekly Student

1. INCOME

Tuition fees are covered by tuition fee loans.

Maintenance Loan	
Grant	
Bursary/Scholarship	
Family Contribution	
Wages	
Savings/other	

MONTHLY TOTAL
- INCOME

2. OUTGOINGS

UNIVERSITY

Course supplies	
Other	

MONTHLY TOTAL

SOCIAL

Drinking and eating out	
Hobbies	
Tickets (cinema etc.)	
Other	

MONTHLY TOTAL

HOUSE AND BILLS

Rent/housing costs	
Content insurance	
Gas	
Electricity	
Water	
Landline	
Broadband	
Mobile phone	
TV licence	
Food/general shopping	
Satellite TV e.g. Sky	
HP rental	
Health costs	
Other	

MONTHLY TOTAL

TRAVEL

Rail/bus/coach	
Taxi	
Car costs	
Fuel	
Parking	
Other	

MONTHLY TOTAL

HOLIDAYS

Christmas	
Holidays/festivals	
Other	

MONTHLY TOTAL

Add together all Monthly Totals

MONTHLY TOTAL

- OUTGOINGS

3. TOTALS

MONTHLY TOTAL
- INCOME

£

MINUS

MONTHLY TOTAL
- OUTGOINGS

£

EQUALS

Monthly Remaining

£

MONTHLY REMAINING £

WEEKLY REMAINING

Multiple by 12 & Divide by 52 =

£

So you've done the sums, you've worked out the budget. Now what?

Well, it's putting it all into practice.

Well how does that work, I hear you asking.

In short, well for some, not so well for others.

So let's think about different techniques to keep on top of your budget.

Calculating your income and expenditure is just one step on your budgeting journey. You also need to think about how you're going to initially record and then continue to track your budget.

How you decide to work out your weekly budget and stick to it will depend on what sort of person you are. Do you prefer a spreadsheet, using an app, or just good old-fashioned paper and pen?

PIGGY BANK TECHNIQUE

Some people like to separate their money into different pots or 'piggy banks' This way you can allocate money for those regular bills, set up standing orders to pay them and have a different pots for food and spending money.

You can see how this works here:



CASH IS KING

You may not want different accounts but prefer to take the cash out at the beginning of the week for your 'spends' and when it's gone it's gone!

We all know how easy it is to scan our debt cards at the checkout and not think about how much that coffee and sandwich have just cost us, but it could be half your entertainment budget for that week. Is a cheese sandwich really worth stopping in for on a Saturday night?

Having a purse full (or empty) of cash you can soon see that Saturday night out slipping away.

SPREADSHEET

If you don't have a smartphone, or you do, but want to try something other than an app.

This is a good place to start. Some people work better on their laptop using a spreadsheet that they can sit down and look at.



This could be something you create yourself, or alternatively you could fill out one that's already been created.

This has a student budget sheet linked to in point one of its budgeting guide, which could help get you started.



MOBILE PHONE APPS

If you're glued to your smartphone and find this an easy way of keeping track of things an app for your budget might be the right option for you.

There are lots of budgeting apps out there. The biggest thing to keep in mind is making sure it's a reputable app, as you'll be divulging financial information. It's also probably best not to fork out too much money for the app (free is best!), just in case you don't get on with it.


Free student budgeting mobile apps worth downloading include:

- Allows you to track your finances and manage your overall spending, and works across all your devices.



It notifies you of recurring transactions


(like rent, bills and so on) before they leave your account.

-  Works through Facebook and take a read-only (so no one can ever move money in or out of your account) look at your spending to help you keep track of your finances.



- Categorises your spending and displays all incoming and outgoing amounts on a dashboard chart, so you can see what you spend in different areas.



-  A free tool for budgeting and payments, and also has a function for group-shared expenses, if you and your housemates split bills



PEN & PAPER

If all else fails, even getting out the trusty paper and pen can work to jot down a rough budget – it's better than nothing at all.

You may need to try a few different ways of budgeting before you find the best one for you, but when you do find it, make sure you stick to it.

DEBT

Well, we all know best laid plans can go array and you may find yourself with a debt or two. You know the ones, that old mobile phone contract that you didn't pay because the phone broke and you got a new phone that you needed paying instead. Or that electricity bill from when you moved out your previous property. They are all easy to forget about but what you shouldn't do is ignore them They are not going to go away.

If you find yourself with debts and you don't know how to factor these into your budget please get in touch and we can help you.

We hope you've enjoyed our little budgeting masterclass now it's over to you to put it into practice.

