

ADVICE AND REPRESENTATION CENTRE

BUDGETING BOOKLET

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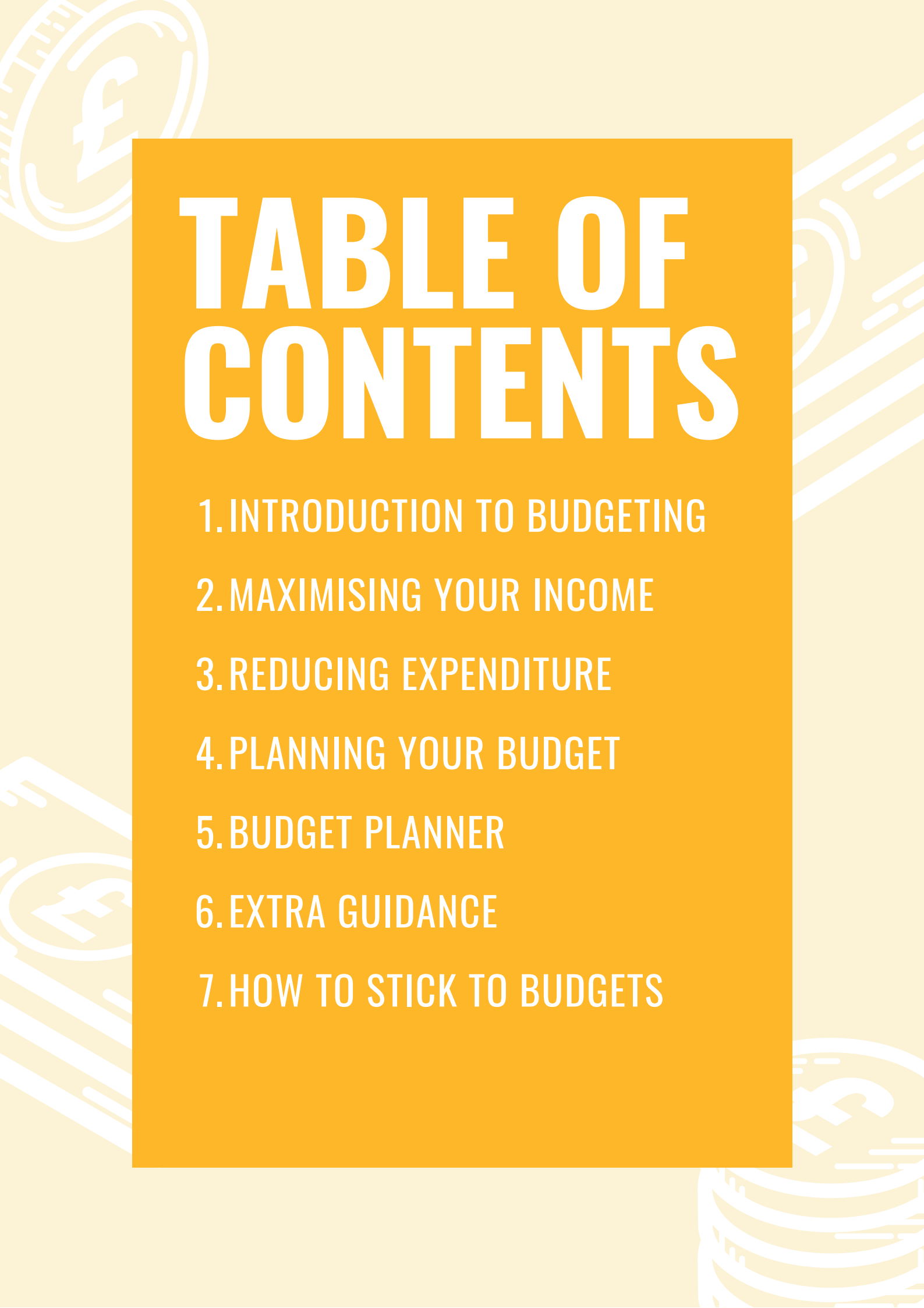
The background features a light beige color with white line-art illustrations of a stack of pound coins on the left and right sides, and a calculator on the right side. The text is centered on a solid orange rectangular background.

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We know that for many students, coming to university might mean managing your own finances for the first time. Whether you're living independently for the first time in your life, making a transition from benefits to student finance or adjusting to a lower income after earning a wage until now.

Budgeting skills learned while you are a student can stay with you and benefit you at every stage of your life.

There are four key elements to budgeting.

- **Maximising your income**
- **Minimising your outgoings**
- **Planning your spending**
- **Sticking to your budget**

At the start it can be hard to train yourself to live on a budget. However, once you have the hang of it, it should become second nature.

Money is an essential part of life. Learning how to budget means you are in control of it rather than money worries taking over you!

INTRODUCTION TO BUDGETING

MAXIMISING YOUR INCOME

Before attempting to plan your finances and work out your budget you need to work out if you are receiving all the money you are entitled to. It will be a lot harder sticking to your budget if it is tighter than it needs to be.

Check you are getting the right student finance support.

You can check your eligibility with Student Finance on their website's and use their maintenance loan calculator to check the amount you could be receiving. The Student Finance loan is a very cheap way of borrowing money as the interest charged is set the same as the rate of inflation so that what you pay back reflects in real terms, what you borrow.

Dependants Grants

If you have children or an adult dependant, then you might be entitled to Parents' Learning Allowance, Adult Dependant's Grant or Child Care Grant. These are non-repayable grants and are income assessed. You can apply for these through Student Finance and can find out if you are eligible on their website.

Disabled Students' Allowance (DSA)

Students who encounter extra costs because of their disability, long-term health condition, mental health or SpLD can apply for help with these costs. If you think you are eligible for these grants, then you can contact Student Finance

to find out how to apply. Or check their website for criteria and application process information.

Subject Specific Funds

There are also several funds available for students studying nursing, medical courses, dentistry and social work. These are often to help with expenses related to placement. Full information can also be found on Student Finance's website.

Benefits

As a general rule, full-time students are not entitled to benefits and must claim Student Finance instead. However, you may be entitled to some benefits during the summer break and possibly during term-time if you are: A single parent, Disabled, Retired, Part of a student couple, Part-time.

You may be able to get assistance with paying rent through Universal Credit (if you live in a full-service area), you need to check this with your Local Authority.

Child Tax Credit

This is available whether or not you are a full-time student. You may also be able to claim Working Tax Credits if you are in paid employment. All these benefits are means tested.

If you are claiming benefits, tax credits or dependants through student finance, you must inform the awarding body of any changes in your circumstances. If you fail to disclose all the information about your income from other sources, you may be assessed for a higher award than you are entitled to and will have to repay it.

Financial help from the University

Dennis Turner Fund

The Dennis Turner Fund is available for students who are struggling to make ends meet such as being in financial hardship. Before applying to the fund, you need to have exhausted all other financial means of support i.e. student loan, dependant or subject grants etc. For full details of eligibility and how to apply please refer to the Dennis Turner Fund page on the university's website.

Part-time work

Your student funding is intended to cover your essential costs only. You may need to supplement your own income unless you are receiving financial support from elsewhere. Although not possible or suitable for all, getting a flexible part-time job can be another way of boosting your income. The university's Careers, Enterprise and Workplace team can help you find part-time work, ideally suited to students. At times part-time work is also available through the Students Union.

REDUCING EXPENDITURE

Once you have made sure you are receiving all the income to which you are entitled, it is equally important is to make sure that you are not wasting money in areas where you can spend less.

**Think about what you need and what you want.
In other words, essentials and non-essentials.**

There are lots of things in life that we have become used to and going without them seems like hardship. Especially when we can see other people, including fellow students, supposedly managing to afford them. However, we do not all have the same income or the same financial commitments. PLUS some of those people you see enjoying a more affluent lifestyle than you, might be funding it by borrowing credit from banks or retailers.

If you budget smartly, you may not have everything you want, but you will be in a far better position to afford these things when you finish university because your wages will not be spent repaying debts. Keep asking yourself the question “Can I do without this item?” and you will get into the habit of making sensible spending decisions.

Essentials Include:

- Food shopping
- Utility Bills
- Paying off debts and financial responsibilities such as a mortgage, loan or credit card
- Accommodation

Non-Essentials Include:

- Nights/ meals out
- Non-essential clothing
- Entertainment such as subscriptions to gyms or streaming services
- Gifts
- Luxury items rather than own brand equivalents

You may already know how to cut costs in these areas yourself, however if you are in need of some extra guidance, you can find a lot of information on these sites:

- Save The Student
- Money Saving Expert
- Comparison sites
- Good Housekeeping

PLANNING YOUR BUDGET

Do not be swayed by others

Once you have prepared a realistic list of your costs that covers your needs, do not let someone else tell you to change it. Other people may have their own agendas. Sometimes, well-meaning friends and relatives may offer their own budgeting tips and advice. Some of it may be useful, however everyone has different needs and wants when it comes to finances. What works for or is best for them may not work for or be best for you.

If a creditor is demanding you pay more than you can afford each month, please seek debt advice immediately, from free debt advice services, such as Citizen's Advice.

The budget planner

Your budget planner must list everything you spend money on to make sure it is accurate and realistic for you to maintain. Make entries for whatever it is that you do to relax and have fun. The idea is not to stop doing the things you enjoy because they cost money, but to plan your spending so that you can pay for them and afford all of your essentials as well.

Plan for the unexpected

Sometimes your budget can stop working if something unexpected and unforeseeable happens. For example, you're sick and unable to work or something costly like a household appliance stops working. If possible, have another entry on your planner showing savings. Some weeks/months you may not spend everything, and this money can be built up for when you do need it. It's unlikely for most students to be able to grow any significant savings. However, even a small amount each week or month can mean that less is spent on credit cards or need to be borrowed from elsewhere when things go wrong.

If you have **no choice** but to use a credit card because you need to buy something expensive urgently, then you can use the money in your "other" entry to make repayments and keep the interest charged to your credit card down.

When deciding how to organise your budget planner, e.g., weekly/monthly/termly there are several things you need to consider.

- How do you receive your main source of income? For example, you will likely get your student loan once a term, but your wages once a month.
- How do you pay your bills? For example, once every 3 months or by Direct Debit monthly or using a payment book weekly.

You cannot change how your income comes to you, but you may want to think about alternative times and ways to pay your bills according to when you receive your main source of income.

The main point is to make sure that you have as much control over your finances as possible and not let your bills and other financial commitments control you.

BUDGET PLANNER


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INCOME	
WEEKLY/MONTHLY	
Maintenance Loan	£
Parental Contribution	£
Earnings	£
Benefits	£
Tax Credits	£
Other	£
Total A	£

EXPENDITURE	
WEEKLY/MONTHLY	
Accommodation (rent/mortgage)	£
Gas and/or Electricity	£
Internet	£
Phone	£
Council Tax	£
TV Licence	£
Food	£
Household Expenses	£
Course materials (books/ stationary)	£
Travel	£
Insurance (home/car/life)	£
Clothes	£
Subscriptions (gym/streaming)	£
Childcare	£
Debts	£
Social/ hobbies	£
Other	£
Total B	£

Total A - Total B = Disposable/ Saveable Income

£.....



If you have moved out of your family home for the first time or have just moved to a new place or area you may not be sure what figures to put in the planner for certain items. For example, how much a TV licence is or the cost of the internet.

While you are adjusting to your new circumstances your budget planner will have to be revised regularly so do not worry about being exact with your figures to begin with. Just put in what you know so far and add in exact figures as you find them out.

It is probably going to take you a few weeks if not a couple of months to get it right. As long as you have been realistic with the amounts for each item on the planner, you should not end up overspending too much in this period.

If you would like some assistance with your planner or support in working out how much to insert for other areas of expenditure, then please feel free to contact us at the Advice and Representation Centre.

Once you have compared your income with expenditure, if you are left with a minus figure then your budget may need adjustment. For example, you might need to look at reducing your non-essential spending to be able to afford essentials each month. As mentioned earlier, there are lots of sources of advice and tips for cutting costs while studying online. **Remember:** You could be missing out on income to which you are entitled, so double check eligibility for different grants or seek advice.

If you feel that you have done everything you can to make this budget break even, but ends simply will not meet, then make an application to the Dennis Turner Fund at the University. If you are full-time, it may also be worth investigating whether there might be financial benefits to transferring to part-time study.

STICKING TO YOUR BUDGET

Sticking to your budget

There are two tried and tested ways to stick to your budget.

- Use cash (bearing in mind personal safety)
- Write down what you spend

If you stick to the first point you may not need to use the second, but until you have adjusted to your budget, writing down what you spend may be a good way of training yourself to think about what you are spending and why.

(You may even wish to spend a few weeks doing this before you formalise a budget planner).

Using Cards: If you use a card to pay for your day-to-day purchases, you are more likely to lose track of how much you are spending. Especially if you are making lots of little transactions on a contactless card or your phone.

Using cash: If you have withdrawn however much money your planner says you need on a particular day/week, you will be aware of what you are spending as you see it disappear. However, we would not recommend carrying around or keeping in your room large sums of cash as it might get lost or be stolen.

Writing down how much you spend: If you do not want to use cash for security reasons, then writing down your expenditure each day is essential. Keeping in mind what you have spent and what you have left to spend is the key to making your budget work.

The Advice and Representation Centre are here to help and provide advice on the issues discussed above or any other queries.

We can be contacted via this link: <https://www.wolvesunion.org/advice/enquiry/>

Or, by email at: advice.wolvesunion@wlv.ac.uk



University of Wolverhampton

Students' Union

