

# Avoiding student budgeting mistakes

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4th year in Computer Science with a year in industry



There are many reasons why the jump from college or sixth form to university can be mildly terrifying. Concerns of course difficulty, making friends, choosing the wrong degree, cooking; not to mention the general notion of being entirely responsible for yourself for the first time in your life. For some, the idea of living off the notorious student budget is a great concern as well. For others, it may not terrify them, it might excite them. I personally didn't come from a household where money was in abundance, and so student finance, my bursary, and my significant overdraft meant I'd have access to more money than I could imagine. This meant I made quite a few financial mistakes, and so I'm using this blog post to show you what I've learned over the past four years so you can (hopefully) learn from it. University can be a great step into adulthood and the responsibilities that come with it, and it's best to get a grasp on managing your budget now, before you must worry about pensions, taxes, and much more.

Before I list off some general money saving tips, I want to talk about planning your budget. Saving some pounds here and there won't matter if you don't know how much money you have to spend in the first place. Getting different amounts of money three times a year, as opposed to weekly or monthly, can make it more difficult to manage in your head; I write mine down before each term.

## **First, I add up my income.**

This is student finance (Royal Holloway being a London university means we get even more!), money from my job, my bursary, and money I already have in the bank, but you could also include any money from family. With some of these, it can be hard to know exactly how much you're going to have (say, you don't know how many hours you will work) and so I always go for the lowest estimate. This is because it's better to have surprise excess money, as opposed to less than you'd calculated.

## **I then subtract things, like rent, subscriptions, bills, and other general direct debits.**

I figure out how much I'll spend on food (I estimate about £20-£30 each week) and take this away too. You can also take away travel if you commute and anything else that you know for sure. If it's relevant, I'll assume the highest estimate for expenditures, for the same reason I mentioned earlier. For the final term, I also have to consider the summer, such as if my rent starts before the next student finance payment.

## **With this final number, I'll figure out how much 'fun money' I have left each week and month.**

Depending on your social life and hobbies, the amount you're comfortable with will vary. I personally like takeaways every now and then, clothes, and days out, so I consider how much I'd like for these things. I then subtract a certain amount and put it right into a savings account, and attempt to forget that it's there, so I don't use it.

A key thing to note here is that I'm quite lenient and forgiving of myself. I don't get annoyed if I spend more than I intended or must borrow some money from my savings, because that's what it's there for.

In my first year of university, I saw my total income as a goal; as in, spend every penny. I didn't care about savings or my overdraft, and just wanted nice things I couldn't have before. But soon I was facing a large overdraft debt and no flexibility if something went wrong. This hit me when I went on holiday by myself and missed my transport back, leaving me to ring countless family members to pay for a return flight as I had no savings. This made me realise I was doing my finances all wrong, and I wasn't at all prepared for the future. So, while you might roll your eyes at 'savings' because you're not an 'adult' yet, the assurance of having a safety net means it's worth it. While it may take a while to 'train' yourself out of it, you must learn that your income isn't a goal, and just because you technically can afford something, doesn't mean that you should. Just because you have an overdraft, doesn't mean you have to use it.

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So, you've got your budget planned out. How can you stretch it as much as possible?

With your subscriptions, such as Netflix and Spotify, quite often you can use your student card. Many things offer student discounts, like museums, cinemas, and Spotify. Saving £6 each month from a subscription adds up! You can also share subscriptions with your flat mates via 'family deals', which end up cheaper per person.

You can get discounts in other ways as well. My 16-25 rail card has saved me several hundred pounds, thanks to my many trips to London and all the way back home. With some websites, you can sign up for newsletters to get 10% off your first purchase, or you could look online for any active discount codes.

A Tesco Clubcard is an absolute must for discounts, with weekly deals and money when you get points. Speaking of Tesco, I always leap for 'reduced' items, and make sure to freeze them or use them right away. I also go for the cheapest version of everything, which really adds up.

Food is a great area to save money. Planning my meals before each shop saves me time, energy, wasted food and money. I also shop and cook with others which helps. Cooking from scratch is one of my hobbies and definitely saves me money, as well as learning a useful skill.

Moving on, as they say, sharing is caring! As well as helping the environment, sharing things with others (such as pots and tools) can save you money. House sharing also means cheaper rent, which is usually our biggest expenditure.

Want to buy things for cheap? Black Friday and post-Christmas are excellent times for buying things, thanks to the major deals that are going on. Amazon Prime is useful, as it means cheaper and faster shipping as well.

There are also some apps I'd recommend for saving money. Skyscanner assists with flights. With Olio, you can get free food. With Depop, you can get cheap, second-hand clothing, and sell your own clothes.

Some last, more simple recommendations are to look at getting a part-time job (even if you don't necessarily need one) and rethinking some purchases. I write things I want to buy on a list, and then look back at it after a while to see if I still want it; often not.

Finally, it's good to look at your bank account every now and then. Not only to keep track of spending to make sure you're on track, but also to see what your money goes on. In university, alcohol in clubs and pubs is a huge expenditure that seriously adds up for students, and they don't realise. If there's some huge, frequent expenditure that you can't comfortably afford, ask yourself if there's anyway to lessen it; walking instead of getting the bus, or pre-drinking harder, perhaps.

Budgeting doesn't mean that you can't ever do anything fun or buy anything that'll make you happy, it just means security. While some of my savings truly does remain untouched, I usually use it to go travelling in the summer.

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ROYAL  
HOLLOWAY  
UNIVERSITY  
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