

MONEY MATTERS

Welcome to Advice Direct..., the Advice and Representation Centre's (ARC) written information service.

This leaflet is designed to provide you with information on the key financial issues that you will need to consider at University and how to prepare for them.

What does it cost to be a student?

The costs for students at University have increased, especially since the introduction of tuition fees and many students have to raise additional funds to support themselves. Finance is therefore a key issue for students and

AVERAGE EXPENDITURE* 2011/12		Outside London (£)
Course Costs:	Tuition fees	3,375
	Books, equipment etc	978
	Travel	648
Sub-total:		5,013
Living Costs:	Rent	4,004
	Food	1,788
	Household goods	289
	Insurance	40
	Personal Items	1,896
	Travel	1,393
	Leisure	1,197
Sub-total:		10,607
TOTAL		15,638
POTENTIAL INCOME***	Tuition fee loan**	3,375
	Maintenance grant	2,906
	Loan for living costs	3,497
TOTAL		9,778
SHORTFALL		5,850

* Figures taken from National Union of Students (www.nus.org.uk) & are only a guide.

** Loans and grants for living costs for all new and continuing students will remain at 2010/11 levels from September 2011. Tuition Fee Loans will increase to £3,375 a year to cover the increase in tuition fees.

*** Figures for loan for living costs for 39 week period – excludes amount for long vacation, and reflect a student starting University in 2011/12 with a household income of up to £25,000.

ultimately it can determine whether or not you are able to continue in Higher Education. It is therefore vital that you consider the cost of University, plan out early how you will be spending your money over your course of study and consider other sources of funding.

How to reduce costs

Below is some information on some of the costs that you will have as a student and ways in which you could reduce the amount.

Tuition Fees

The amount that you have to pay in fees will depend on your LEA Financial Assessment for Higher Education. The University of Birmingham offer students the opportunity to pay fees in instalments.

See <http://www.payments.bham.ac.uk/> for further details.

The fees for overseas students are much higher and you should check this figure with the University early on.

Course costs

The amount you need to set aside for books, stationary and other course related costs (field trips) will depend on the degree that you are doing. For example, many students are often required to purchase more essential reading text. You can reduce the amount you spend on books through buying second hand texts (students usually advertise text they wish to sell in their department), sharing books with other students and using the University and local library effectively. There may also be local charities or trusts that can help with course costs (see 'Other Sources Of Funding', below)

Accommodation

The cost of living in University accommodation is available at the University's website (<http://www.birmingham.ac.uk/students/accommodation>). If you intend to live in private rented accommodation, the rent can vary depending on the area that you live in, so it is best to look around. You will also have to pay for a deposit, which in most cases will be around one month's rent. Please see '**Advice Direct...Student Housing Guide**' for further information.

You should also consider your accommodation costs for the next academic year. If you intend to stay in private rented accommodation most landlords will expect you to pay a deposit for the property when you sign your contract. Most students will find a property for the next year during their second term (after Christmas) therefore you need to factor in this cost into your budget.

Utility bills

The amount that you have to pay for bills will depend on the size of the accommodation that you stay in and how much you use your utilities. Most companies will allow you to make monthly payments and gas and electricity can cost less through direct debit monthly payments. Charges for your water rates may be included in your rent, so you should check your contract. You should always take meter readings as soon as you move into the property and send them to your supplier to avoid being overcharged.

Telephone

If your accommodation has a telephone then you will have to pay for your calls plus a standard charge for the rental of the line. The majority of students now use mobile phones and some rely entirely on them to make calls. You should shop around for your mobile phone, as there are a number of special offers available. Is it cheaper for you to have a 'contract' or 'pay as you go' option? This will be based on the number of calls you intend to make and how much you can afford.

Insurance

Insurance is important for students; especially as student University residences and private rented student areas can be targets for burglars. You should shop around for your insurance and ensure that you have a package that covers all your belongings. Also check your parents' house insurance, as it may be cheaper to simply cover yourself under their current package. Payments for your insurance may cost less through Direct Debit.

TV License

You need to be covered by a valid TV License if you watch or record TV as its being broadcast. This includes the use of devices such as a computer, laptop, mobile phone or DVD/video recorder. A colour license currently costs £145.50 and a black and white license costs £49. It is possible for you to claim back a refund on your license if you do not need it for the full period of a year. You can pay for your license in a number of ways including by post, online, at a post office, at a Pay Point outlet or by Direct Debit.

See the TV Licensing web page for further information:

<http://www.tvlicensing.co.uk/check-if-you-need-one/for-your-home/students-aud1/>

Food

The cost of food can vary enormously depending on where it is purchased. You could reduce the amount you spend on food by sharing the costs with fellow tenants, buying items in bulk and shopping in more economy outlets. Eating out and takeaways are nice but expensive!

Leisure/Clothes

There is always a great temptation at the beginning of the year to cash in your first Loan cheque and go on a spending spree. You should be careful to budget yourself so that you can enjoy yourself throughout the year. You should also look out for student offers and use your NUS student card where possible (e.g. cinema, HMV).

Travel costs

Reduce your travel costs through purchasing Student Rail Cards and Bus Passes, which offer discounts. You can find out about these and other offers at STA Travel, located in the Guild of Students. Or for further information see www.railcard.co.uk and <http://www.networkwestmidlands.com/>

Health costs

Young people (under 19) in full-time education are entitled to free NHS prescriptions, NHS dental treatment, NHS sight tests and other support towards health costs. If you are over 19 it may be possible for you to claim for help with health costs under the NHS Low Income Scheme through completing a 'HC1' form, which is available at the ARC. If your application is successful you will be sent a NHS charges certificate.

If you need to pay for prescriptions on a regular basis you could save yourself money by purchasing a prepayment certificate. You can purchase either an annual certificate or one which is for three months. You can get a prepayment certificate application form (FP95) from Health Authorities or at the Department of Health Website by visiting [here](#).

Managing your finances

Why Budget?

For many students this will be the first time that you are responsible for your own income and expenditure. There are a number of important reasons why you need to budget yourself at University.

For the majority of (if not all) students the level of financial support received from the government will not be enough for the costs that you will incur over the academic year. You need to have a clear idea of how much money you have and how much you need to spend as early as possible (preferably before you start University).

As a student, you will receive funding either at the start of the academic year or in instalments at set times during the year. This will mean that at certain times you will have no income (other than your own) going into your account. This could cause problems, as you will have certain 'fixed' costs throughout the year such as food, rent, travel and leisure.

One of the most crucial times in the academic year is at the end, when the majority of students will be sitting exams and handing in coursework. If you fail to budget then you could find yourself in hardship at a time when you should be focusing on your studies.

On a positive note, careful budgeting could mean that you have more disposable income to spend on your interests at University and student life.

Producing Your Budget?

When working out your budget you need to set out some time (don't just rush through it), be precise in terms of your income and be realistic about how much you are likely to spend throughout the year. Included with this guide is a budget planner (see insert) for the academic year to help you do this. You should use this and follow the guidelines below to produce an effective budget.

INCOME

- ◆ Work out your guaranteed total income for the year (this could include your savings, Student Loan/CDL, parental contribution, Government funding, sponsorship).
- ◆ Only include earnings from employment if this is certain income.
- ◆ Once you have a total figure, include it onto the budget planner at the time when funds will be available. Your student loan will be paid in three instalments (generally in September or October, January and April). Each instalment should cover your costs for each term; therefore, the amount you receive should be spread across this period.
- ◆ If you are using your savings, or relying on parental support, you should again spread the amount over the year (if applicable).
- ◆ You can then work out your Total Income (A) for each month.

EXPENDITURE

- ◆ It is important that you work out your expenditure for the whole academic year and include vacations if you will be supporting yourself during this period.
- ◆ Research the costs that you are likely to incur and find out when they have to be paid (such as housing (fees/deposit) and tuition fees).
- ◆ Your costs should be split into priority Fixed Expenditure and Variable Expenditure (see below):

Fixed Expenditure - refers to costs that you should prioritise for, as they are essential, such as fees, rent, utility bills and food (see budget planner for full list). Once you have identified which fixed costs apply to you, you should:

1. Work out how much these costs will be (refer to 'What Does It Cost To Be A Student?' page 1).

2. Find out when they will be incurred (are they at specific or regular times).
3. Put them into your budget planner.
4. You can then work out your Total Fixed Expenditure (B) for each month.

Variable expenditure - Once you have deducted the Fixed Expenditure from your Income you will be left with an amount that you can afford to spend on Variable Expenditure. Variable Expenditure refers to costs that will vary throughout the year, such as leisure, clothing, holidays and other such costs. In most cases the amount left over could be minimal, however it is important to pay for your priority costs first as they pose more serious consequences.

The Recipe To Successful Budgeting Is...

- prepare in advance
- produce an accurate budget and then stick to it
- monitor your finances
- address any problems as soon as they take place seek help when needed – don't ignore your problems

Outgoings Higher Than Income?

If having completed your budget and you find that your expenditure is more than your income, or there are periods where you have a deficit, then you should follow the procedure below.

1. Check Your Budget
Check through your figures again to see if they are correct and you have made the correct calculations.
2. Tighter Resourcing
Look at your figures and see if there are any areas where you could spend less (clothes/leisure), or are there payments that you could pay over a period of time. You should however still keep realistic figures.
3. Extra income
There are a number of ways in which you could increase your income:
 - Family contribution: Your parents or family may be able to support you more, especially if you can show them that you have budgeted yourself and need the extra funds.
 - Bank Overdraft: Your student overdraft may be able to cover any deficits

that you have. Your bank may also allow you to extend your overdraft limit for a fixed period or indefinitely.

- Part-Time Job: You could take up a part-time job to help raise extra income. The Jobzone is located within the Guild and offers students access to local vacancies. Visit: www.guildofstudents.com/jobzone

- Government/University Funding: You should check to see if you are entitled to any additional support from Student Finance England (e.g. Disabled Students Allowance), or from the University of Birmingham itself.

Hopefully having followed the above steps you will be able to meet your University expenditure. If you have a reasonably small deficit then you may be able to cover this through the 'Other Sources Of Funding' (see below).

If You Do Not Have The Required Funds To Continue With Your Studies, You Should Seek Further Advice.

Problems with funding

You may experience problems with obtaining your funding, or you may need to take time out of your course or repeat a year. These examples could have implications on your funding. Make sure you notify funding bodies of any change in your circumstances as soon as you become aware of them, from a change of address to the fact that your father has lost his job.

'I've Been Refused Funding I Thought I Was Eligible For'

If you believe that your application for funding has been incorrectly refused check your eligibility first, then contact the funding provider directly to find out the full reasons for your application being unsuccessful. If you still feel a mistake has been made, put your concerns in writing. Seek advice if you are still unsure or need help appealing any decision. Do this as early as possible as it could affect your decision to proceed with you course.

'My Student Loan Is Late.'

Try to contact the Student Loans Company as early as possible. They will be able to advise you of any problems with the payment, e.g. your form may have been returned late or they may have incorrect bank details. If they cannot resolve your concerns, or they advise you that the delay is going to be lengthy, think about whether you can manage financially in the meantime. See the advice on budgeting and how to maximise your income.

If you can't get any responses from Student Finance England seek further advice.

'I'm Thinking Of Leaving My Course / Repeating A Year. How Will My Funding Be Affected?'

If you decide to withdraw from University, transfer to another course or institution, repeat a period of study or just take some time out these will have varying financial implications. Please seek further advice as to how your finances may be affected before you make any decisions.

'My Parents Won't Pay Their Contribution / Fill In The Financial Assessment Forms. I've Told The SFE But They Still Won't Give Me Any More Money.'

Unless you are classed as an 'Independent Student' Student Funding England will need to assess your eligibility for funding based on the income of your parents. Unfortunately, there is no way around this. If you feel that you have reasons for being classed as independent, for example you have no communication whatsoever with your parents, please seek further advice.

Student Bank Accounts

You will probably already have a bank account of some sort in order to manage and maintain your money. At University you may be managing your whole budget for the first time and need to have a bank account suited to your new circumstances.

Most banks offer accounts specifically for Higher Education Students which allow you to:

- Access your money whenever you need to.
- Get money paid into by Loans Company or an employer.
- Allow you to set up standing orders and direct debits.
- Offer you debit/cheque guarantee cards.
- Send you regular monthly statements on your account.

Many now offer Internet and telephone banking and some have a Student Advisor who is trained and experienced in dealing with student finance issues. With many student accounts you may also be able to take advantage of an interest-free overdraft facility.

Make sure that once you have opened an account that you monitor your bank statements carefully to check they are correct. Don't wait for your statement to come through before working out how much you have actually spent, but try to keep a regular check on your spending in line with your budget (see 'Producing Your Budget, page 4'). It is easy to lose track when you pay for everything by card or just keep withdrawing cash.

The Overdraft

An overdraft is a temporary loan on your account from the bank. Most people have an agreed overdraft facility but still have to pay interest on any amount they borrow, calculated on a daily rate. Many banks, however, offer HE students an interest-free facility. The amount available varies from bank to bank and can often be increased each year of your study.

This facility is normally available for the duration of your course and some banks then turn your account into a graduate account and allow you to continue to take advantage of an interest-free overdraft for a short period after graduation.

It is recognised that an overdraft for students is really an additional source of income, which can be incorporated into your budget for day-to-day living or for emergency situations.

It is important, however, that you control your overdraft properly:

- Get your bank to authorise an overdraft. If you go over your balance without prior authorisation you face not only interest payments but unauthorised borrowing charges.
- Remember that this is only temporary and must be paid back in the near future. Try to reduce your overdraft during each long vacation with your earnings.
- If you need to extend your overdraft speak to your bank early. Be clear why you need to increase it and remember that money spent must be repaid.
- Be aware that the bank can withdraw an overdraft facility at any time and ask you to repay the amount overdrawn. If, however, you operate your account properly this is unlikely to happen. So ensure that you communicate with your bank if you are going to go over your overdraft even if just for a day or two. You may be able to extend your overdraft temporarily or if necessary more long term.

International students may experience difficulties in opening a bank account and are unlikely to be able to take advantage of an overdraft facility. Please seek further advice.

Credit Cards

Many of the banks offering student accounts also offer a credit card. It is tempting to take out a credit card especially when incentives are given, like £50 or a free CD player.

Be aware that once you have a card you are likely to use it even if you take it

with the intention of 'emergencies only'. A balance can accumulate quicker than you expect. If you do find that you have overspent on your card and interest is mounting seek advice immediately.

For further advice on Credit Cards or Debt see '**Advice Direct... Managing Debt**'.

Other Sources of Funding

There are numerous other sources of funding available, such as trusts and charities. It should be noted, however, that the amounts awarded are unlikely to be large enough to provide a considerable contribution towards the total cost of your study. Included with this guide is a 'sample letter' that you can use to help you when writing to charities and trusts both before and during study.

Access To Learning Fund - The Government provides funds to Universities to address the needs of home students who face financial difficulties during their course. Both Undergraduate and Postgraduates students are eligible to apply for funds. For further information see 'Advice Direct...Access To Learning Fund'.

Birmingham Grant - The University of Birmingham offers additional support to all students whose household income falls below the University's annual financial threshold. You will receive the grant if you:

- Have successfully achieved a place at the University
- Are a full-time undergraduate classed as a UK student
- Are eligible to pay the full undergraduate fee
- Have applied for financial assessment through your relevant Student Loans Company agency
- Have a household income below the threshold

Birmingham Scholarship - The Birmingham Scholarship recognises the achievement of students from low-income backgrounds who perform extremely well in their A levels or equivalent qualifications. You will receive a Birmingham Scholarship if you:

- Meet the **criteria for the award of a Birmingham Grant**
- Achieve a minimum of AAB at A level, more than 34 points in the IB, or DDD in BTEC. Other examinations may be considered. The award of a scholarship is not based on UCAS tariff points.
- Do not already have an undergraduate degree.
- Are not on any of the following courses: Graduate Entry courses (eg , ITE, Law or Medicine), NHS funded courses and Access Courses

Buttle UK - Transforms the lives of vulnerable children and young people whose education is suffering due to medical, social and often economic issues. Visit: <http://www.buttleuk.org/pages/grant-programmes.html>

The Charities Directory - This directory provides details of charities throughout England. It includes charities that provide financial support to students. It is available in most public libraries.

Educational Grants Service (EGS) – The Family Action Trust provides a range of educational grants available from the grants programme. The ARC is affiliated to EGS, therefore their services are free to all students at Birmingham University. Visit: <http://www.family-action.org.uk>

Sources of Help

Advice & Representation Centre (ARC), Guild of Students

Email: thearc@guild.bham.ac.uk

Visit the website at: <http://www.guildofstudents.com/thearc>

Advice & Representation Centre Opening Hours (Term Time)*

Monday - Friday <i>Diagnostic Drop In Clinics</i>	10am — 4pm <i>12-2pm (exc. Wed 2-4pm)</i>
Saturday & Sunday	CLOSED

*Vacation Periods	12 noon – 2pm
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Student Funding Office

Aston Webb Building

Tel: 0121 414 7391 or Email: financialsupport@bham.ac.uk

Counselling & Guidance Service

3 Elms Road

Tel: 0121 414 5130 or <http://www.as.bham.ac.uk/studentlife/counselling/index.shtml>

Community Money Advice Centre

Offers free, confidential and independent financial advice to anyone who lives within Birmingham City boundaries. The Money Advice Centre has a Community Legal Service Quality Mark and provides specialist help in both debt and welfare benefits.

Tel: 0121 248 3000 or Website: www.birminghamsettlement.org.uk

National Debtline is a national telephone helpline for people with debt problems in England, Wales and Scotland. The service is free, confidential and independent.

Tel: 0808 808 4000 or www.nationaldebtline.co.uk

Citizens Advice Bureau

For free, impartial and confidential advice or to find out where your nearest bureaux is visit: www.citizensadvice.org.uk / www.adviceguide.org.uk

Skill: The National Bureau for Students with Disabilities

This organisation can provide information on funding available for students with disabilities. Free Helpline call: 0800 328 5050 or visit: www.skill.org.uk

Disclaimer: The information on this leaflet only provides general guidance on financial support and the law. The leaflet should not be regarded or relied upon as a complete or authoritative statement of the law. The ARC will not accept any liability for any claims or inconvenience as a result of the use of information on this leaflet. If you think you have a legal problem you should seek further advice.

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Published by Advice & Representation Centre, Edgbaston Park Road,
Birmingham, B15 2TU
[money matters]