



Loughborough
University

Student Advice and Support Service

Your Money Matters!

www.lboro.ac.uk/sass



Introduction

This guide is brought to you from the Student Advice and Support Service. Your money matters to you, and to us! This is why we have written this guide to help you help yourself when it comes to your money.

You will find lots of information and advice to help you through your time at university. We also have a **Learn module** for you to enrol on, which gives you interactive quizzes, videos and links to other sites. It is called **Your Money Matters! Becoming Financially Capable**.

Please browse through this guide, visit the Learn module (only available to enrolled students) or look at our website.

We hope this helps you on your way to becoming financially independent.

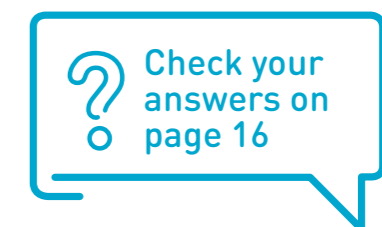
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Quiz:

Are you financially astute or destitute?

- What is a budget?**
 - Something the Chancellor does every year with a little red suitcase.
 - An estimate of income and expenditure over a set period of time.
 - Something I don't have time for!
- What money should you count as income when building your budget?**
 - Money I earn from a job (wages).
 - Money from parents/family.
 - Money from student loans, grants, bursaries, parents, wages etc.
- What money should you count as expenditure when building your budget?**
 - Items bought with cash.
 - Items bought with debit or credit cards.
 - Amount of money spent – by whatever means.
- Which do you consider to be essential items of expenditure?**
 - Nights out in the Union and town.
 - Rent, food, utilities, course materials.
 - Sporting/society events.
- Which do you consider to be non-essential items of expenditure?**
 - Nights out in the Union or in town.
 - Rent, food, utilities, course materials.
 - Sporting/society events.
- What can you do if you find you do not have enough money to pay for essential expenditure?**
 - Ignore the problem, things will work out eventually.
 - Have a look at your budget (if you have one!) and work out where you have gone wrong.
 - Find ways to increase your income.
- What is the difference between a credit card and a debit card?**
 - Credit card – a credit facility that incurs interest and has to be paid back monthly. Debit card – money spent comes directly from your current account.
 - Debit card – a credit facility that incurs interest and has to be paid back monthly. Credit card – money spent comes directly from your current account.
 - There is no real difference; they are both a convenient way of paying.
- What is an authorised overdraft?**
 - Credit facility agreed with your bank which allows you to take more money from your current account than you actually have. The money has to be repaid and fees may be charged until it is. The facility can be withdrawn by the bank.
 - Credit facility that any student can get from their bank that allows you to take more money from your current account than you actually have. The money does not have to be repaid until after graduation and no fee will be charged.
 - A reliable source of income.
- What is the difference between a Standing Order and a Direct Debit?**
 - There is no real difference; they are both convenient way of making regular payments.
 - A direct debit is set up by you for a set amount and you are in control of the payment. A standing order is set up by the company and they control how much money they can take from your bank account.
 - A standing order is set up by you for a set amount and you are in control of the payment. A direct debit is set up by the company and they control how much money they can take from your bank account.
- Who offers a free, confidential and impartial service to help you with your finances while at University?**
 - My friends.
 - The Loughborough University Student Advice and Support Service.
 - My bank.
 - My landlord
 - Student Finance England.
 - All of the above.



Your relationship with money

As a young adult your relationship with money will still be quite new. You need to be able to understand the basics of finance and financial systems in order to learn to manage your money confidently, and make it work for you, rather than ruling your life.

When you have mastered the art of budgeting and understand how finances work in our society, you will be well on your way to becoming financially capable!

People fall into different groups when it comes to managing their money. The **Money Advice Service** identifies three groups of young adults. Which one describes you best?

- **Planners** have clear financial goals and support these goals by making plans to achieve them. If you are a planner you will be confident in managing your money and in making financial decisions, and you are less likely to be financially dependent on your parents/family. In terms of attitudes, you are most likely to recognise that saving for the longer term is important. Even on a student income, you will be trying to put some money aside for a rainy day.
- **Dreamers** have financial goals for the future but generally do not have plans in place to achieve those goals. If you are a dreamer you will be less confident in managing your money and making financial decisions compared to **Planners**, but more confident than **Drifters** (see below). You are aware of the need to save, but unable to achieve this goal as your money seems to slip away from you. You are also aware that you need to achieve financial independence from your family, but are not there yet. In terms of attitudes, you might be likely to feel anxious about your financial situation, but are astute enough to seek help from others such as a family member or an adviser.
- **Drifters** are the group least likely to have any financial goals for the future. If you are a **Drifter**, you will be very unconfident when it comes to managing your money and making financial decisions and most likely to be financially dependent on parents. You have no idea what money you have, or what you need and often will spend money on non-essential items rather than follow a budget. Until this spending habit becomes a problem (for example, you are not allowed to progress onto the next year of your course because you have not paid your accommodation), you are unlikely to look for help, because you are not aware that you need it!

So what are financial goals?

When you are living on a student loan the thought of having a financial goal may seem like a bit of a joke!

However, if you think of a goal in the following terms, it may seem less ridiculous:

- I will spend some time really understanding what money I have to live on.
- I will work out how much I have for a night out, and then only spend up to that amount.
- I will plan my meals in advance for a whole week, and not have a take-away!
- I will shop with a list and not deviate from it.
- I will not impulse buy.
- I will not go into my overdraft this month.
- I will remain at least £50 under my overdraft amount.

These are small, achievable goals that you can set yourself, which start to put you in control of your money and are the start of good habits that can last you a lifetime.

This might sound quite daunting, especially if you are in the drifter category, but you don't have to accept that label forever, it is not set in stone, you can change!

Financial goals are great, but what you really need, so you can set realistic goals, is a good foundation for your money...**you need to build a budget** (see next page).



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"You must gain control over your money or the lack of it will forever control you."
—

Dave Ramsey (American Business man)

How to build a budget

Building your budget is a process.

- Start by understanding your income
- Next look at essential expenditure
- Finally, work out what non-essential purchases you tend to make.

Be honest with yourself about how much you actually spend on these things. If you really don't know, keep a track of all your spending for a week or two, it can be a real eye opener.

Income

Understanding where your money comes from and where it goes helps you to stay in control of your finances. Burying your head in the sand is not really an option!

- Start with the foundations – Your income... which will be different to anyone else's.
- Write down all the money you have got coming in, keep the figures weekly, monthly or termly – whatever suits you best.
- Do you need to stretch your money over the holiday periods as well?



Amount per week/month/term/year

Type of income	£
Student Maintenance Loan	£
Student grants (pre-2016 students)	£
Bursaries/scholarship	£
Family support	£
Wages	£
Welfare benefits (not available to most students)	£
Any other source of income	£
Total income	£

The essentials – absolutely must be paid!



Rent

- We suggest:**
- Halls – self-catered **£120/wk** for 39 weeks + food + laundry (for 39 weeks)
 - Halls – catered **£160/wk** for 39 weeks + food for weekends + laundry (for 39 weeks)
 - Private rented house **£80/wk** + food + laundry + utilities + insurance (for 52 weeks)

Your budget £/wk **£**



Food

- We suggest £30/wk** if feeding yourself – less if in a catered hall. Learn to cook, plan ahead and shop with a list, go to cheaper supermarkets, shop later at night to get the reduced items, cook in bulk and freeze meals, use leftovers – don't waste a morsel!

Your budget £/wk **£**



Laundry

- We suggest £5-10/week** (less if you live in private rented house with own washing machine).

Your budget £/wk **£**



Utility bills

- Water, gas, electricity, TV, Broadband. **We suggest £6-10/wk** for 52 weeks. Shop around for the best deals.

Your budget £/wk **£** (£0 if in halls)



Phone

- We suggest £5/wk** (for 52 weeks). Check your tariff and make sure you are getting the best deal – don't replace your phone each time your contract ends! You can get a SIM only for as little as £7.50/month – shop around.

Your budget £/wk **£**



Insurance

- You need to take out contents insurance if you live off campus in a private house. **We suggest £2-5/wk**. Check if you are covered by your parent's insurance, if not you will need your own – don't accept the first quote though.

Your budget £/wk **£**



Course costs

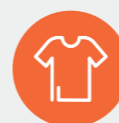
- We suggest £10/wk** but this depends on your course, some will be considerably more. Buy second hand books from students in previous years, or better still get books from the Library.

Your budget £/wk **£**

Total essential spending **£**

The non-essentials – can live without if you have to!

Now have a look at what you might spend on those nice-to-have but non-essential items.



Clothes

- We suggest £5-10/week** (over 52 weeks) Try shopping in charity shops, or swap outfits with friends for variety (remember to give them back though!).

Your budget £/wk **£**



Leisure

- Going out, sport clubs, gym memberships etc. **We suggest £20/wk** This is a tricky one, you want to be social, you want to get fit, but can you afford it? Plan your budget carefully and you can have guilt-free nights out.

Your budget £/wk **£**



Travel

- Could also be classed as an essential if you live away from Loughborough and have to travel in for lectures. **We suggest £5-10/week** It's not necessary to have a car in Loughborough, but when you need to travel book train tickets well in advance, use a railcard, use coaches instead or lift share with other students.

Your budget £/wk **£**



Other expenditure

- Such as haircuts, presents, take away coffee, impulse buys! **We suggest £5/week** Keep this category to a minimum! Planning ahead is the key for presents (you know when that birthday is coming up), haircuts etc, coffee is cheaper made at home, and impulse buys... just don't!

Your budget £/wk **£**

Total non-essential spending **£**

—
“Money is a good soldier,
and will on.”
—

William Shakespeare,
The Merry Wives of Windsor



Now do the sums...

- If your final amount looks healthy, move on to planning your goals.
- If your final amount is depressing, look again at your expenditure, what can you reduce?
- Can you increase your income?
- Still at a loss; come and see an adviser for help.

Total income	£
- minus Total essential spending	£
- minus Total non-essential spending	£
= +/-	£



What sort of budget?

Don't fall into the trap of delaying your budget because you don't know how to create it. You can make your budget as simple or as fancy as you like.

You can use:

- a pen and paper,
- an excel spreadsheet,
- an app, or
- an all singing all dancing specialised piece of software.

We have links to all of these things (except for the piece of paper!) on our website.

It is not the style of your budget that is important, it is the substance; as long as you know what is happening to your money, and what you have left to spend.

Flexibility is also important – you might get carried away one night and overspend, that's not a reason to give up and blow what you have left. Go back to your budget, and make an adjustment. You might have to stay in next week instead, or you might have to tell your mum you won't be buying her a birthday present after all – getting back on track is all that counts!

So, now you know how to create a budget, and we have given you all the tools you need via our website (you can even come into Student Services and ask for a pen if you don't own one!), there is no excuse. Sit down and start working out your money.

If you get stuck or you really do feel overwhelmed that is fine; we are here to help. Make an appointment to see one of our advisers – we can sit down with you and make it all less complicated.

Banking and you

It is almost impossible to be a student and not have a bank account, so we are assuming you have one by now. But is it the right account for you and do you know what it all means?

A basic bank account – If you have a poor credit score (more about that later) or are an international student, this will be the account for you. As the name suggests, they are very basic, with no additional facilities such as an overdraft. You will need a form of ID and proof of address to open one. Most high street banks offer this type of account.

A student bank account – These offer incentives to attract new customers, including things like an agreed overdraft limit (see glossary for an explanation of terms used) or a rail card. The trick with these accounts is to get the right one for you that give the best deals – don't fall for the first offer, shop around. You will need ID and some proof that you are actually a student before you can open one of these accounts. You will have to have a credit check prior to being accepted for an account. If your credit score is poor, you might have to resort to a basic bank account.

Graduate bank account – Banks love new graduates, so again you need to shop around to get a good deal for you. Don't remain loyal to your current bank if there is a better offer elsewhere!

We recommend you visit the Money Saving Expert website for up to date comparisons of all of these types of accounts.

Banking terms

You really need to understand some banking terms in order to get the most from your bank and not get caught out. We have added a full glossary at the end of this guide, but we think the following are important enough to have a separate section.

Debit card – Most basic and student bank accounts come with a debit card. This lets you pay for goods in shops and draw out cash as long as you have money in your account OR have an agreed overdraft.

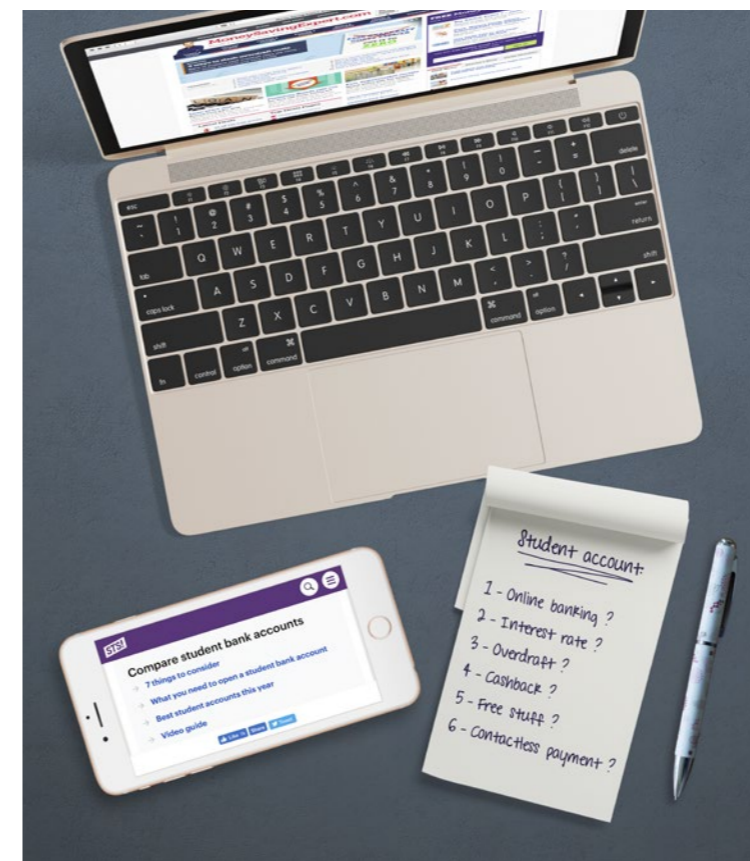
- Pay for items from money (or overdraft) in bank account.
- Interest may be charged on the overdraft but otherwise, no interest charges.
- Fees are only charged if this applies to the bank account.

Credit card – These will only be given to people with a good credit score and you are effectively borrowing money when you use it. With a credit card, you have a credit limit (which the bank determines according to your income and your credit score). Each month you have to pay a minimum amount off your balance (they will send you a monthly statement). Any remaining balance is likely to be subject to interest charges, which means you will pay more for the privilege of using the card. Some cards also have monthly/annual fees.

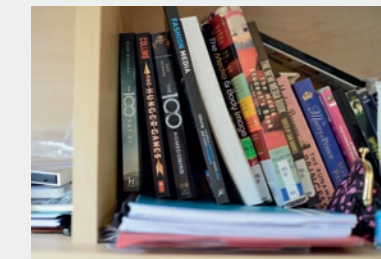
- Borrow money to pay for items
- Accrues interest if full balance is not paid by next statement date.
- May charge fees.

Direct debit – This can be set up between your bank and an organisation you want to pay, for example a utility or phone company. The company you are paying is able to ask for any sum of money. You have to remember to cancel a direct debit or you could end up paying when the contract has ended. You are protected by the direct debit guarantee when you use this method of payment.

Standing order – You set this up via your bank and choose the amount you want to pay to another person or organisation. This is the best method to pay a landlord or letting agent, as you have control over the amount and the duration of the payments. You need to cancel them, or set a time limit on the payments, to avoid over paying. As you are in control, there is no guarantee for a standing order.



As a student, you will receive most of your income on a termly basis. It can be tough managing your money over such a long period of time. Try to pay for your largest commitments, for example your rent, up front for the term. If your rent is due monthly, and you have other monthly commitments such as utility bills or a mobile phone contract, ensure that you have set aside enough money to cover these for the whole term before you calculate how much you can spend on having fun.



Banking security and fraud

Banks have a duty of care to protect your money, but you have to play your part too.

- Don't use easy-to-guess passwords
- Don't share PIN numbers/passwords, or let friends borrow your card.
- Be cautious at cash points – shield your PIN.
- Be alert to online or phone scams – your real bank will never phone or email you asking for your password/PIN.
- Password-protect your phone and other devices where you use online banking.
- Contact your bank if you spot any unauthorised transactions on your account.
- **REPORT ANYTHING SUSPICIOUS** to your bank or to Action Fraud (online fraud and cybercrime reporting centre).

Complaints about banks

If you are unhappy about the service the bank has given you or feel they have discriminated against you, then they will have a complaints procedure you should follow.

- Approach your bank and ask for them to resolve the problem.
- If you are not satisfied with their response ask for a copy of their complaints procedure.
- Follow the procedure and make sure they do too!
- If you are still not happy, make a complaint to the Financial Ombudsman.

We have more information on our website about making complaints in general.

Credit referencing

Credit referencing is the unseen part of finance that no one really understands and very few people consider when making financial decisions. It lurks in the background and is totally ignored until a bad credit score makes it rear its ugly head and messes up all your plans!

Making friends with credit referencing is the only way forward, and to do this you have to understand it, at least the basics anyway.

What is credit referencing?

You leave a history with every financial transaction that you make, and this history is collected by three credit referencing companies (Experian, CallCredit and Equifax). They also keep information about where you have lived.

When you apply for credit or a contract (such as phone contract, store cards, car insurance, credit cards, bank account, tenancy agreement) the company you are applying to will ask one or more of these credit referencing companies for information about you. They will be checking:

- **Your address** – it helps your score if you are on the electoral register (assuming you have a right to vote in the UK)
- **Your credit history** – How you have managed accounts in the past e.g. have you been late paying your phone contract, or have you exceeded your overdraft without permission.
- **Your current credit management** – Are you still having problems paying bills on time? This might include utility contracts for gas, electricity, water and internet.
- **Links to other people** – If you have had a parent act as a guarantor, or opened a joint bank account with another student (not a good idea!) then **they** will be linked to your credit account. If they have a bad credit score, this can affect you.

As you use more financial products, your credit file will grow. If you manage your finance well this will be beneficial to you, but if you default on payments, get into arrears with an account, or have a County Court Judgement against you, your credit score will fall and you will find it hard to get any new products. This could include a new tenancy agreement as letting agents will always run a credit check on you to see if you are likely to pay the rent.

How to build/improve your credit score

Sometimes students have a low credit score because they have not used any financial products in their own name before. This might be because they had no need whilst at home or they have come from abroad.

- You can (and should) view your credit file for each of the companies – it may be different as they all keep different information on you. They all work slightly differently so you will need to visit each of their websites to access your account.
- You may have to pay a small charge to see your account but it can be worth it if you then discover the information that is giving you a low score is incorrect.
- You can ask them to change any incorrect information.
- Once you have a 'baseline' score, you will know if you need to work on it or just carry on the way you are going.

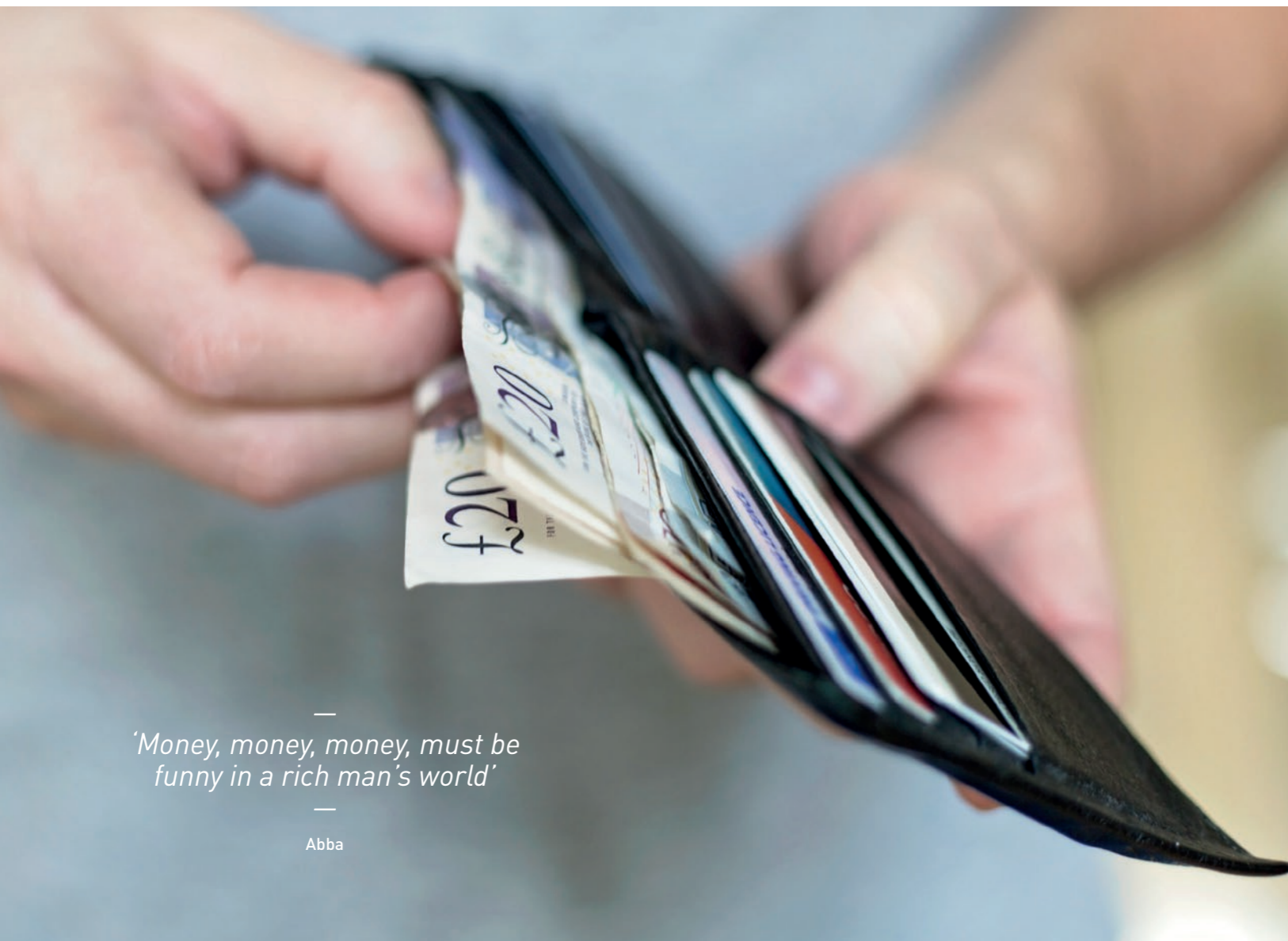
999 is the best score you can get – always aim for this number.

It will take a bit of time and patience but you can build your score, or improve a bad one by doing some or all of the following:

- Make sure you are on the **electoral register** if you are entitled to vote in the UK. (If you are not entitled to vote you can contact the credit referencing agencies and have this noted on your account)
- **Open a bank account** in your own name and do not allow it to become overdrawn without the bank's authorisation (you will need to know and understand your income and expenditure for this – see, it is all linked!)
- If you have a phone, **make sure the contract is in your name** and not your parents, or another person. Pay as you go does not count here – sorry!
- **Set up one or two direct debits** – this could be your phone contract and maybe to a utility company (we don't recommend paying your rent in this way), or a gym membership. Then make sure there is always enough money in your account – this is essential.
- If your score is good enough – **get a credit card and make SMALL purchases** on it that you can pay off in full every month. (Once you have improved your credit score hide it away or close the account so you are not tempted to use it except in emergencies, or when your income increases).

Keep a regular check on your score – you should start to see it improving.

We have more information and interactive material for you on our Learn Module – **Your Money Matters! Becoming Financially Capable.** Log onto your Learn account and enrol now.



—
'Money, money, money, must be funny in a rich man's world'
—

Abba

How long does your credit history last?

Information is kept on your credit file for six years. When you apply for any type of credit the company will search your credit file and this search will remain on there for 1 year. If you apply for too much credit it will look suspicious for other companies, they might consider you to be desperate for money, or they might become suspicious of fraud. Before applying for any type of financial product, research it carefully and only apply for what you need.

Being turned down for credit

If you are turned down for any financial product because of your credit score (including a tenancy agreement), ask the company who did the search why they turned you down and which credit referencing agency they used. You might then need to check your file with this company if you think the information could be incorrect.

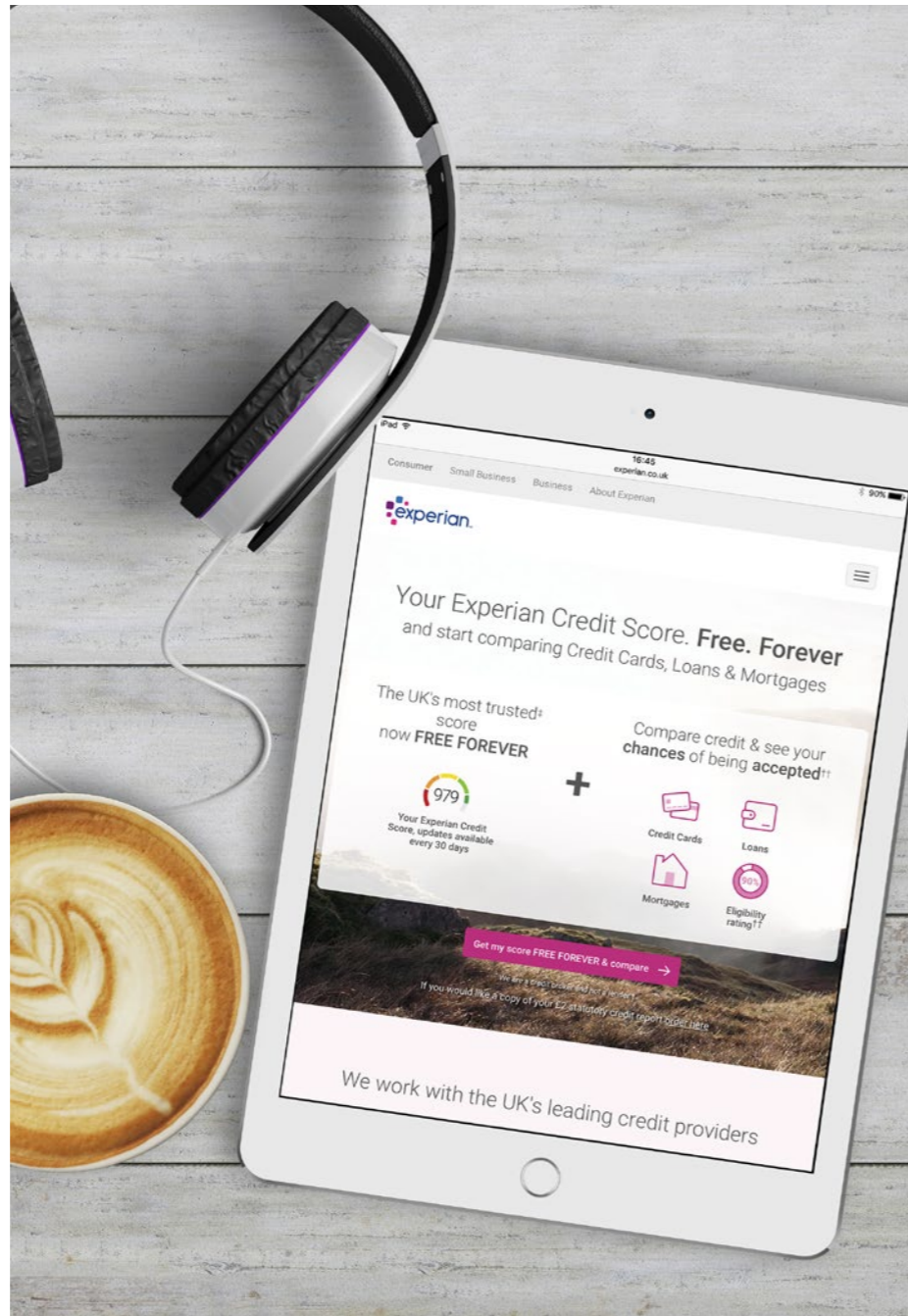
It might not be related to your credit score at all, companies can refuse your application for other reasons as well.

Credit repair companies

Never be tempted to turn to so-called credit repair companies. These companies claim to be able to get rid of negative information from your credit report in return for a fee. But they can't do anything you can't do yourself for free. Many credit repair companies will fail to 'repair' your credit report. In fact, some may make matters worse. Some are simply loan sharks and will offer you a loan at a very high interest rate. Don't take it.

Managing your credit accounts

Make sure you do manage any credit you have carefully and if you know you are getting in to financial difficulties then seek help sooner rather than later. As a student, you can get free confidential and impartial help from us. Once you have graduated you can use your local Citizens Advice Bureau, or other advice agency.



Debt

Many of us get into debt at one time or another. Most credit is debt, but it is when the debt is out of control that you need to take action and probably get help.

Debt brings out the emu in all of us! Even money advisers sometimes bury their heads in the sand when it comes to their own finances.

Some debt is inevitable – your student loan for example. This is manageable debt. The sort we are talking about here is the type that will cause you problems either now, or further down the line.

Student debt usually manifests in the form of excessive overdrafts (usually unauthorised by the bank), credit cards, rent arrears, pay day loans, owing friends or family money.

The first rule with debt is to get help! Things will get out of control if you don't manage it now.

We have experienced advisers trained in debt issues who can help you. It is free and confidential. They can also advise you on the possibility of applying to the university Hardship Fund.



—
'It's not about the money money money'
—

Jesse J

Scams and identity theft

Scams are a fact of life these days and made increasing popular because of the internet. Students are just as likely to be targeted by scammers as any other group in society.

Some of the ones we see on a regular basis are:

- **The house that does not exist!** Paying 'rent' or a deposit for a house you have not actually visited is a common scam – we have seen students lose hundreds of pounds on this scam! Pay nothing until you have seen the property, and had your contract checked.
- **Student Finance email** – many students have been tricked into giving all of their bank details and passwords to scammers by clicking on a link to their student finance account. Never follow dodgy links in emails. If you are concerned, go to your account via the normal portal on the GOV.UK website.
- **The friend in need abroad** – Yes, people still fall for this one! Check first that your friend is actually abroad and NEVER send money via a money transfer shop without actually speaking to the person, who says they need it, first.
- **Computer virus** – if someone rings you and says they can check your computer for a virus PUT THE PHONE DOWN! Take your computer to IT services in the library if you are worried about it.
- **Immigration officials** – No one from the UK Home Office will ever ring you and ask for money over the phone. If you get this call, even if they sound convincing, come and see an adviser. We have a dedicated phone line to the UKVI and we can check all your immigration matters for you.
- **Secret shopper** – If you are offered money to pay a cheque into an account, then draw funds out (keeping some for yourself), it is probably a scam. There are many variations on this scam, but basically you will get left with a huge hole in your finances.

If you think someone is scamming you, come and speak to us, or report it to Action Fraud via their website:
www.actionfraud.police.uk



Identity theft

Identity theft is when someone uses information they have about you to gain money or other benefits.

You can help to protect yourself by:

- Keeping your personal details off the internet – check your social media accounts, can people see your date of birth, your phone number, your address? Remove them now, and make your account private.
- Shred paper documents or letters with your name and address (or other identifying details) on them before putting in the bin.
- Keep passwords to yourself and change them often.
- If you live in a shared house, keep all financial information hidden away.
- Do not give personal details away to callers – Keep PIN numbers secret.
- If you get an unusual call from a bank, do not call them back on the number they provide. Go into your branch and check out the situation with them.
- Check your bank statements often and report any transactions you do not recognise.

If you believe you have been a victim of identity theft then speak to an adviser as soon as possible.

Glossary

Budget an estimate of income and expenditure for a set period of time.

Credit add (an amount of money) to an account AND the ability of a customer to obtain goods or services before payment, based on the trust that payment will be made in the future.

Debit take (an amount of money) from an account.

Credit card a card issued by a financial company giving the holder an option to borrow funds, usually at point of sale.

Debit card a card allowing the holder to transfer money electronically from their bank account when making a purchase.

Financial products a product that is connected with the way in which you manage and use your money, such as a bank account, a credit card, insurance, etc.

Identity theft the fraudulent practice of using another person's name and personal information in order to obtain credit, loans, etc.

Scam an illegal plan for making money, especially one that involves tricking people.

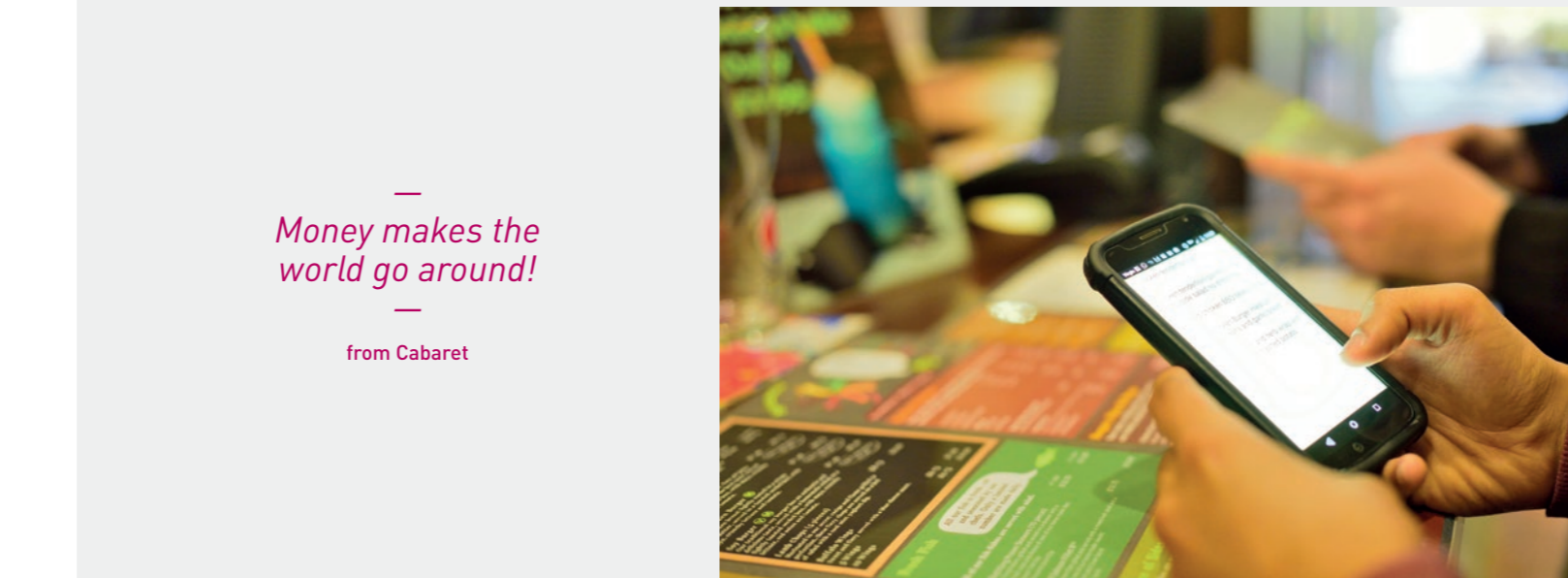
Direct debit an arrangement made with a bank that allows a third party to transfer money from a person's account on agreed dates, typically in order to pay bills.

Standing order An instruction to a bank by an account holder to make regular fixed payments to a particular person or organisation.

Bank statement a printed record of the balance in a bank account and the amounts that have been paid into it and withdrawn from it.

Overdraft when money is withdrawn from a bank account and the available balance goes below zero. This is a credit facility that can be authorised by the bank (i.e. the account holder is allowed to have an overdraft) or unauthorised (i.e. the bank has not agreed to give the account holder this credit.) Interest and charges will apply.

Interest rates the cost of borrowing money. Interest rates are normally expressed as a % of the total borrowed.



Pay-day loan a type of short-term borrowing where an individual borrows a small amount at a very high rate of interest.

Personal loan Personal loans are loans that a bank or other lender makes that are not secured against any asset such as your property. They're also known as unsecured loans.

Mortgage a legal agreement by which a bank, building society, etc. lends money at interest in exchange for taking title of the debtor's property – usually their house.

Debtor a person, country, or organization that owes money.

Debt a sum of money that is owed or due.

Tax A fee charged by a government on a product (VAT) or income.

National insurance the system of compulsory payments by employees and employers to provide state assistance for people who are sick, unemployed, or retired.

RPI Retail Price Index Official measure of the general level of inflation as reflected in the retail price of a basket of goods and services such as energy, food, petrol, housing, household goods, rail/bus fares.

CPI The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

APR Annual Percentage Rate: The APR takes into account not just the interest on the loan but also other charges you have to pay, for example, any arrangement fee. This helps as it gives you a direct comparison of what a loan will cost.

We have more information and interactive material for you on our Learn Module – **Your Money Matters! Becoming Financially Capable.** Log onto your Learn account and enrol now.

Quiz answers: Financially astute or destitute?

1. What is a budget?

- a. Something the Chancellor does every year with a little red suitcase
This is a budget statement for the whole of the country!
- b. An estimate of income and expenditure over a set period of time. **Correct answer! You can work it out over a whole year, a term or a month.**
- c. Something I don't have time for!
Students really need a budget, so it is worth finding the time. It's the first step to becoming financially independent from your family.

2. What money should you count as income when building your budget?

- a. Money I earn from a job (wages).
- b. Money from parents/family.
- c. Money from student loans, grants, bursaries, parents, wages. **Correct! Any money you have coming in is known as income, and should be used when you create your own budget.**

3. What money should you count as expenditure when building your budget?

- a. Items bought with cash.
- b. Items bought with debit or credit cards.
- c. Amount of money spent – by whatever means. **Correct.**

4. What do you consider to be essential items of expenditure?

- a. Nights out in the Union and town.
- b. Rent, food, utilities course materials. **Correct. These items must be paid for first, after that you can use any remaining funds to pay for your leisure activities.**
- c. Sporting/society events.

5. What do you consider to be non-essential items of expenditure?

- a. Nights out in the Union or in town. **Correct! There are other ways to socialise if you have not got enough money.**
- b. Rent, food utilities, course materials.
- c. Sporting/society events. **Unless you are an elite athlete, these come into the non-essential category.**

6. What can you do if you find you do not have enough money to pay for essential expenditure?

- a. Ignore the problem things will work out eventually.
- b. Have a look at your budget (if you have one!) and work out where you have gone wrong.
- c. Find ways to increase your income.
Both b and c are correct and should be done together. If you need help with this come and see one of our advisers, who can guide you through.

7. What is the difference between a credit card and a debit card?

- a. Credit card – a credit facility that incurs interest and has to be paid back monthly. Debit card – money spent comes directly from your current account. **Correct!**
- b. Debit card – a credit facility that incurs interest and has to be paid back monthly. Credit card – money spent comes directly from your current account.
- c. There is no difference.

8. What is an authorised overdraft?

- a. Credit facility agreed with your bank which allows you to take more money from your current account than you actually have. The money has to be repaid and fees may be charged until it is. The facility can be withdrawn by the bank. **Correct!**
- b. Credit facility that any student can get from their bank that allows you to take more money from your current account than you actually have. The money does not have to be repaid until after graduation and no fee will be charged.
- c. A reliable source of income.

9. What is the difference between a Standing Order and a Direct Debit payment?

- a. There is no real difference; they are both convenient way of making regular payments.
- b. A direct debit is set up by you for a set amount and you are in control of the payment. A standing order is set up by the company and they control how much money they can take from your bank account.
- c. A standing order is set up by you for a set amount and you are in control of the payment. A direct debit is set up by the company and they control how much money they can take from your bank account. **Correct! A standing order is always the best way to pay a regular bill such as rent. A direct debit takes the control away from you. Always remember to cancel both types of payments once the bill is no longer due.**

10. Who offers a free, confidential and impartial service to help you with your finances while at University?

- a. My friends.
- b. The Loughborough University Student Advice & Support Service. **Correct! Our advisers can help you with money related matters, including applications to the Hardship Fund if appropriate.**
- c. My bank.
- d. My landlord
- e. Student Finance England
- f. All of the above.



Student Advice and Support Service

The Student Advice and Support Service offer free, confidential and impartial advice to students of Loughborough University. Our advisers are trained to help with financial capability and other money matters. We also can advise on your eligibility for the University's Hardship Fund. To make an appointment come into the Bridgeman Building. Alternatively call **01509 222058** or email advice@lboro.ac.uk

We also advise on housing problems, immigration and consumer matters.

See our Learn Module:
Your Money Matters!
Becoming Financially Capable

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