



Working out your budget

To work out your budget divide all the income you have over the year, or if you anticipate returning to your parents and finding work over the summer you could divide it by forty weeks.

Then work out your weekly expenditure and compare the two. When calculating your expenditure it is important to be realistic, it is easy to underestimate how much you spend a week on such things as entertainment, mobile phone costs and 'luxury' items such as magazines, haircuts and cigarettes.

Remember to include costs such as payments on debts, travel home, clothes, make-up, birthday and Christmas presents and holidays. If you pay one-off sums such as car tax then divide the sum by 52 weeks. You may also wish to add a small amount per week as a buffer for any emergencies that may occur.

If you are realistic and include everything then this should give you a clear picture of your financial situation.

Budget Example

Paul is a first year full-time undergraduate; he receives the maximum student loan and has his tuition fees paid for him. He lives in the Lawns so his rent includes an evening meal and fuel bills. This budget is worked out for 40 weeks:

Income:

Student Loan £4625.00
Bank Overdraft £500.00
Total £5125.00
Weekly Amount £128.12

Expenditure: (Weekly)

Rent £60.00
Food & Housekeeping £25.00
Laundry £5.00
Clothes £5.00
TV Licence £2.75
Course costs £5.00
Entertainments £20.00
Travel (within Hull) £7.00
Travel Home £5.00
(3 – 4 trips per year)
Insurance £2.50
Telephone £5.00
Emergency Buffer £3.50
Total £145.75

This leaves Paul with a shortfall of £17.63 per week. He can look to solve this by supplementing his income with part-time work, or other funding. He can also try to reduce his expenditure.

Minimising Your Expenditure as well as simply cutting back on what you spend, there are other ways to reduce your outgoings:

1. Lower payments on your debts. If you are making large payments on credit cards etc., you may well be able to reduce them or even suspend your payments. The Advice Centre has more information regarding this.
2. Shop around. This can be for anything from the cheapest mobile phone, gas and electricity companies, to buying second hand textbooks, shopping where your NUS card gives you a discount and buying a student railcard or coach card.
3. Food and housekeeping is an area where you can make significant savings, try shopping in bulk for non-perishable items, compare supermarket prices, look out for special offers, avoid takeaways, make your own sandwiches, cook communally and avoid impulse buys – stick to your shopping list where possible!
4. Keep a careful eye on your spending. If you do have a problem, don't panic. Don't just borrow more money to solve your problem. Credit cards and loans can make the problem worse. If you are having a problem or anticipate one in the future then come and see the Advice Centre, we should be able to help!