

# Student Budgets in an Age of Austerity

Harriet Bradley, University of Bristol



# INTRODUCTION

- Comparing the financial situation of w/c and m/c students at UoB and UWE
- Part of *Paired Peers* project; UWE and UoB , Bradley, Bathmaker, Waller, Hoare, Ingram, Mellor and Abrahams: funder Leverhulme Trust
- *It is easy for students with no family experience of university , who were not taught financial management at school to get into serious trouble .*  
(Tessa Stone, Brightside Trust Swain 2012)

## W/c incompetence?

- Either: w/c students less responsible than m/c in managing budgetary challenges of student life.
- Or: students are irresponsible but it doesn't matter for m/c students as their parents can bail them out
- Our findings challenge both assumptions
  - Many students were handling budgets carefully
  - w/c more so than m/c
  - N.B many universities have advice on pre-planning budgets
  - Australia student budget surveys indicate students becoming more frugal

# The research project

- To compare the experiences of students from different backgrounds, in 2 different universities, in a range of different subjects
- To do this utilising a matched pairs method
- To follow a cohort of pairs over their 3 years of study
- To explore what factors help students to academic success
- To investigate the impact of different forms of capital: economic, social, cultural, virtual, embodied etc
- To experiment with a range of methods to explore experiences, behaviours and attitudes
- cts

# Methods

- 1st interview: an unstructured account of how the students came to be at UoB or UWE. 90 completed
- 2nd Interview: semi – structured: how they have settled into student life and experienced their first year. 76 completed, including 30 pairs
- Photos of their Christmas holidays
- ‘A day in the life’: short diary accounts

# Methods: the sample

- ▶ Pairing structure: pairs matched by class, campus, subject
- ▶ eg 8 law students: 4 from each uni, at each 2 w/c, 2 m/c
- ▶ Target 80 but initial over-recruitment
- ▶ Had to be from subjects taught at both unis
- ▶ Recruitment of pairs: biology, drama, economics & accountancy, engineering, English, geography, history, law, politics, psychology, sociology. 90 students
- ▶ Recruited from 1st week induction sessions

# Budgetary challenges

- New fees regime and 27K (minimum) debt
- Hidden costs: computers, textbooks, field trips, kit, lab coats etc
- Maintenance and accommodation (more loans, or grants for some)
- Rising costs: transport, food, gas and electricity, accommodation

# W/c students need to work

- *My parents took out their own loans just to be able to give me like set-up costs to come here, like deposits for things, like internet, all these hidden costs, hundreds and hundreds of pounds, on top of their deficit between my university accommodation and my loan, which is about a grand. My loan doesn't even cover the accommodation, so ...I need the income to be able to live. (Zoe, UoB)*
- *It's so expensive to live here. My parents help me out as much as they can, and I had a bit of money saved up from last year, but it just seems to go. I've spent a good few hundred on text books already. So, yeah I'm going to have to get a job (Nancy, UoB) .*



# Nasty surprises in Geography

Students received email that they had to pay £165 for a compulsory field trip

£600 trip coming up the following year, also compulsory:

- *It's more that they just suddenly billed us with basically two weeks to pay it, which a lot of people on the course I am aware they're quite wealthy and their parents will just pay it for them straightaway.. like I'm going to have to ask for a loan from my grandparents.. but I think there's a few people.. they're quite angry. They just assume we have that sort of money knocking around.*

# Class comparisons

- *I don't know what they think families come here, but maintenance grant is 3 grand, roundabouts, and the cheapest accommodation here is 4 grand. And so I'm already a grand down and that's without having to buy myself food, anything else*  
Jack UWE
- *I'm on a lower budget than most of my flat-mates, they still want to go out two times a week and like "no I can't afford to go out two times a week". I'm on about £500 a term, which is £50 a week, which I'm managing quite well because I limit myself ..... They just spend money like it grows on trees ... go out and go shopping and buy more clothes and I'm like "but you have clothes, you don't need it, you have a wardrobe full of clothes, you don't need any more"* Samantha UoB

## w/c experience helps

- *I think you can easily manage if you're careful ... it's all about learning how to get by on a certain amount of money. Actually, I think if you're in that middle bracket, where your parents earn, like they've got a good job but then they've also got quite a big mortgage or whatever and they've got a lot of kids, they can't really give their children that much money to live on. So I think people are caught in this like middle trap where they've got less money than I have...they're struggling a lot more than I am. Because I'm finding it fine. I don't live a life of luxury but it's enough. Anna UoB*

# Learning to manage: w/c strategies

- Living at home
- Working while studying (v Mellor and Waller)
- Savings from previous working
- Frugality
- Help from family

# Living at home

- *From my student finance I pay her half so I get the maintenance loan and the maintenance grant and I think I pay her the loan or the grant, I can't remember which... I paid her £900 and that was going to cover me up to until January when I get my next lot of student finance. That pays for the rent and the bills and the kind of food shopping and stuff like that .(Garry, UWE)*
- *The down payment on the car insurance was £350 , then it failed its MOT so I had to get money to fix that. Getting the car back on the road has cost about £400-500 and then my field trip was £200 and that was student finance gone. So I've just been living off my wages really these past two months, which means I've got very little left over, I have had to get a credit card to do me over for the petrol and staff.. I think for the rest of the month I've got £17 left in cash, the rest is just going to have to go on the credit card...Yeah, it's not brilliant, finances at the moment.*
- *(Aaron, UWE, lives in Shepton Mallet)*

# It's a family affair

- *It's £320 a month each rent - that obviously doesn't cover utilities.. I've got to be getting another job , because if I quit the supermarket then I don't have any income coming in, then the student loan and grant is going to dry up pretty fast. I mean we've costed it all and budgeted it .. but then you can't plan for emergencies, but if everything stays as it is, it should be OK. ..if I go into dire straits my dad might be able to help me. I know my mum won't be able to, she wouldn't even be guarantor on my rent because she struggles to pay **her** rent , let alone. I'm not entirely sure my dad could afford it but I put him as my guarantor because his circumstances are slightly financially better than my mum's. (Gary)*
- *My stepmum's quite money oriented, like as in terms of budgeting and stuff. So we worked out a budget and said I had £70 a week which is kind of coming out of my savings and my loan and grant band stuff like that. So she puts that into my account every two weeks so that I can't get overdrawn and I can't spend too much. .. I just budget within that.(Melissa)*

# Expert shopping: £8 pw for food

- *I'm really stingy with my spending and a complete bargain hunter..I'll go straight to the bargain aisle and the reduced section because I get some amazing bargains. I've got like a special time which I go..Yeah, I'll go to the Tesco Express at about 7 o clock when they've reduced everything and I can get a loaf for 4p.And I got like some finest ham slices for about 6p.. I do tend to buy bulk stuff too.Yeah I go to Poundsaver and stuff, I'm really good with my money.... Fruitwise I only tend to have like apples and bananas and oranges because they're cheap and so I'll get the basic ones..What they do is in Sainsburys , sometimes they have like too many like of the Gala ones or the Braeburns, what they'll do is they'll just stick on a basics sticker and so it will be exactly the same but you're literally paying like a fraction of the price...You can get 10 apples for like £1 and they'll be like the really nice Gala ones. (Connie UoB )*



# m/c students: 'bank of mum and dad'

- *I'm the only one where I live who's paying for myself and I don't get an allowance from my parents. So they're getting money in from their parents to do all this extra stuff whereas it's sort of coming from my savings and my loan , so I think that also has an effect on me, because it's sort of like, well I've earned all this money and I'm going to have to pay back all this money, so I'm going to be a lot more careful than you guys who don't have to pay it back (Connie UoB)*
- *Some people I've spoken to, they're not working and they have money going into their accounts on either weekly or termly basis from their parents, like an allowance to pay for food and things like that (Jade UoB)*



# Bank of grandma and grandpa

- Nicholas : grandparents set up a trust fund for grandchildren to go to uni
- Justin: rich grandmother has given him the equivalent of his tuition fees (because of his parents' less fortunate circumstances he has a Bristol bursary):
- *We've been fishing around for as much as we can, obviously I've got the student loan and I get a Bristol bursary.. I think most of it has been kept from me as a kind of, right if he thinks he's got 3 grand in the bank he'll just go mental, so I think I'm getting it like term wise.*

# Life's little luxuries

- w/c cannot afford the extravagant social life of m/c peers
- Constraints on extra-curricular activities (Ingram and Abrahams)
- *My friend would just be like, oh are you coming out tonight, and I'd be like, no I don't have anything in my bank account, I can't. And he'd be like what do you mean, it's just going to be £20, come on. And I was like, no. I have maybe £2 in my entire account. And he, like, don't be ridiculous, just come out. And like they just don't understand... it just doesn't register that I could possibly not have any money in my account (Megan UoB)*

# Contrast with m/c

- *I just haven't been budgeting properly.. I'm a bit tight for money right now.. yeah , I just haven't been spending my money responsibly this term, sort of like I think it's because I just don't say no to things. Like someone's like, do you want to go out? Yeah. Ok, don't know how much money I've got but yeah I'll go out, see what happens. Do you want to go for a meal? Yeah. But yeah it's sort of taught me a lesson for next term. Next term, I'm going to be so strict on myself. (Carly UoB)*
- *My accommodation is so much that it's not even covered by my student loan, so when my loan comes in the next day it's all gone plus a bit more.. so then my parents put £200 a month into my account which should be enough for me to live on, but generally it's not because I just go out a bit too many times, or buy too much food when I'm out. And I've just been gradually going down into my overdraft. (Grace UoB)*

# Conclusions

- Student budgets rooted in family life and class constraints
- Family, not just individual responsibility
- Role of grandparents (baby boomers)
- W/c face constraints which impact on their lives – necessity to work, living at home etc – but many manage more effectively than m/c
- u/m/c enjoy hedonistic student culture supported by families – seen as investment

# One young man's dream

- *Since I was little I've always wanted..this stupid thing of wanting to buy my parents like the house they've always wanted with this little ramp going down to the sea and stuff...That's all I really care about, just getting something for them. (JACK w/c UWE)*