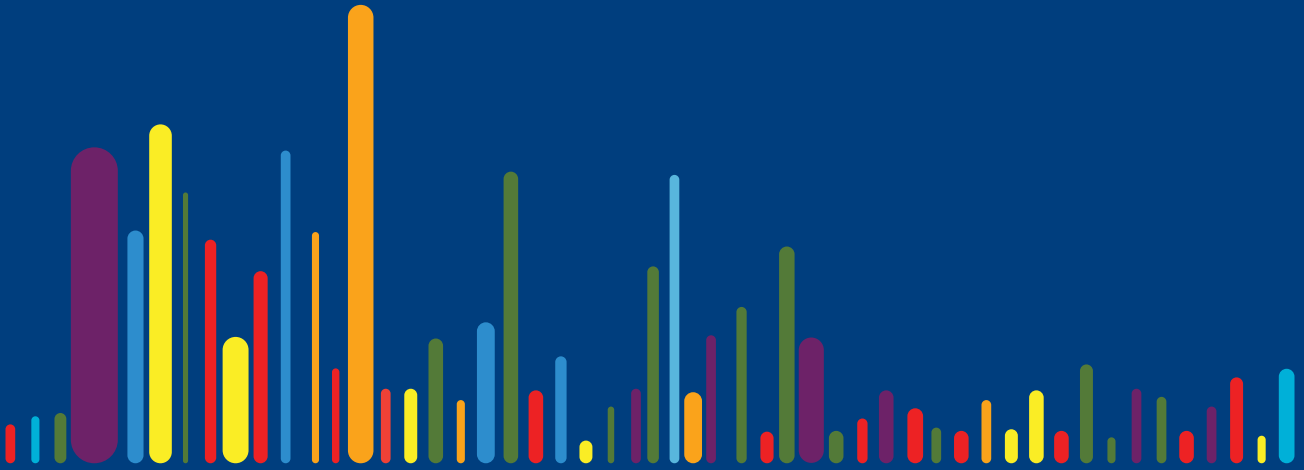


# STUDENT LIVING INDEX 2007



# Introduction

Introduction from Katie Cassidy, Head of Student Banking,  
The Royal Bank of Scotland



There is no doubt that starting university and the first weeks away from home are some of the most exciting times of your life. There will be plenty of challenges, from coping with academic workloads, making new groups of friends, cooking and even staying on top of your laundry mountain.

“However, one of the biggest changes that most students face is becoming fully responsible for their living costs for the first time. The RBS Student Living Index shows that there are many undergraduates who have never tried their hand at budgeting before they get to university, and we know from many years of helping students manage their finances that this can cause problems in the long term.”

There is no other preparation quite like sitting down and working out what your outgoings and incomings will be each month, in order to be on top of your money. Particularly when it comes to hidden costs; you might well have thought about budgeting for rent, food and books, but had you considered the money required for everything from laundry to library charges, not to mention those all-important nights out on the town?

While studying, even your incomings will require a bit more thought – you’ll need to work out how much to borrow, either from a student loan or from other sources. It’s also worth thinking about how this breaks down week-by-week, particularly as student loans tend to be paid on a term-by-term basis.

Once you know how much is coming in from your main source (such as a student loan) have a think about other possible sources of income. For instance, are you planning to use some savings or have your parents offered a contribution towards food and accommodation? Finally, if you are left with a deficit you might want to consider

a sensible level of part-time work to help bridge the gap, usually no more than 15 hours per week is recommended; or if this isn’t an option perhaps you might plan to work in the vacations.

According to this year’s Student Living Index, two in every five students will work part-time to earn some extra cash. The average student working part-time during their university term will earn £98 per week, which will go a long way to helping them to cover their term-time living costs.

We hope the RBS Student Living Index will provide a useful resource to both new and current students, as well as parents and families who can help in the planning for academic life. The research reveals that this year Leeds is the most cost-effective choice for financially-savvy students, thanks to a combination of relatively inexpensive living and accommodation costs and great potential earnings from part-time work. However, the message remains the same whichever university town or city you are planning to head to, planning and budgeting is absolutely key to preventing financial troubles.

“At RBS we are fully committed to helping students through the maze of financial challenges that studying can present. In-branch student advisors and our Student Royalties Account, with a carefully calculated and managed interest-free overdraft up to £2,500, as well as great money-saving offers, can help ease the financial strain. The Student Royalties Account also offers round the clock help with 24-hour banking available via the telephone, internet and direct calls to your branch.”

# League Table

1	<b>LEEDS</b>	(2)		
2	<b>BRIGHTON</b>	(15)		
3	<b>DUNDEE</b>	(11)		
4	<b>LONDON</b>	(8)		
5	<b>LIVERPOOL</b>	(9)	17	<b>DURHAM</b> (25)
6	<b>LEICESTER</b>	(18)	18	<b>ABERDEEN</b> (24)
7	<b>BIRMINGHAM</b>	(16)	19	<b>BELFAST</b> (6)
8	<b>GLASGOW</b>	(13)	20	<b>CANTERBURY</b> (14)
9	<b>BRISTOL</b>	(10)	21	<b>YORK</b> (17)
10	<b>NEWCASTLE</b>	(19)	22	<b>BATH</b> (20)
11	<b>SHEFFIELD</b>	(22)	23	<b>EDINBURGH</b> (7)
12	<b>COVENTRY</b>	(3)	24	<b>OXFORD</b> (23)
13	<b>CAMBRIDGE</b>	(26)	25	<b>LANCASTER</b> (NE)
14	<b>ST ANDREWS</b>	(4)	26	<b>SOUTHAMPTON</b> (12)
15	<b>MANCHESTER</b>	(5)	27	<b>NOTTINGHAM</b> (21)
16	<b>CARDIFF</b>	(1)		

Rankings according to the 2006 Student Living Index are indicated in brackets after the name of each university town.

The RBS Student Living Index was calculated as follows: for each university town, average local weekly student expenditure on living and accommodation costs (comprising alcohol, books and course materials, cigarettes, going out,

buying clothes, laundry, transport costs, utility bills, telephone bills, eating out, buying CDs, DVDs and videos, photocopying and library costs, supermarket food shopping and rent) was divided by average local weekly income for working students. This provided a relative differential value, by which the 27 university towns were ranked.

# Key Findings

According to the RBS Student Living Index, Leeds is the most cost-effective university town in Britain, while Nottingham is the least cost-effective.



The research, conducted in 27 British university towns, shows that the average Leeds student spends **£186** per week on living and housing costs, but earns an impressive **£128** from part-time work. At the other end of the scale, the average student in Nottingham spends **£211** per week, but makes just **£78.40** from term-time employment.



This means that, for the average undergraduate doing part-time work, choosing Leeds over Nottingham could theoretically leave them almost **£75** per week better off. Over one academic year, this would equate to **£2,238** – the equivalent of over 2,800 single track music downloads.



More than half of undergraduates (51 per cent) still underestimate the weekly cost of living expenses and rent at university.



The research suggests that, in total, British students will spend over **£10.3 billion** in housing and living costs over the coming academic year. Of this, examples include: approximately **£3.9 billion** on rent; **£1 billion** on supermarket food shopping; **£730 million** on going out; **£315 million** on books and course materials; and **£240 million** on music and CDs.



Photo provided with thanks to the University of Leeds

# Key Findings



The most expensive city in terms of weekly living costs (i.e. not including rent) is London (£159), while the cheapest is Durham (£99)



The most expensive city in terms of weekly rent is London (£102) compared with just £59 per week in Sheffield and Leicester, the cheapest locations for average weekly rent.

YEAR	LIVING COSTS	RENT	EARNINGS
2004	£121.40	£65.68	£81.70
2005	£131	£74	£90
2006	£131	£72	£98
2007	£130	£73	£98.30



More than two in five undergraduates (41 per cent) are taking part-time jobs during the university term to help offset their term-time living costs; this is down from 45 per cent in 2006, and the first time this figure has fallen since the Student Living Index began in 2004.



Funds from parents have fallen from first place as the primary source of financial support for students in 2006 – when the average amount provided by parents was £86.70 per week. This has fallen to £74.10 in 2007 behind the student loan, from which students claim to borrow the equivalent of £79.40 each week on average.



According to the study, the hardest-working students are in Belfast and Dundee, where 61 per cent of students respectively are taking term-time employment.



On average, those with a part-time job work 15.6 hours per week, which is slightly lower than in 2006, however almost a third of students (30 per cent) work more than 20 hours each week. Students in Leeds work the longest hours (18.7 hours each week on average), whereas Durham students work the shortest (10.8 hours). Although the figures have changed slightly, both of these cities took the same positions in 2006.



In total, British students taking term-time jobs expect to earn almost £2.1 billion over the coming academic year. The highest average weekly income from term-time jobs is to be found in London (£146.10). This compares with just £70.70 per week in Lancaster.

# Top 10 Tips

1

## PLAN AHEAD

Write down your weekly income (make sure all sources are included e.g. student loans, bursaries, part-time jobs, parents etc). Next, list all your necessary outgoings (e.g. rent, insurance, bills, food, mobile phone, travel and any course-related costs). This will give you an idea of how much spare money you have each week and the kind of budget you need to stick to.



2

## GET ONLINE

One of the most fantastic money-saving and management tools available is free to nearly all students – the internet. Sign up for online banking, which is free to use with all RBS student accounts. There's no easier way to keep track of what you're spending and how much you have left, you can even move money and pay bills at the touch of a button. While you're there you can also check out the latest bargains on auction and discount sites to make whatever you do have go that little bit further.



3

## MAKE THE MOST OF STUDENT DISCOUNTS

Discounts for students are available on shopping, travel, hairdressers, cinemas, clothes, shops and insurance. It's always worth asking a shop if they offer a student discount - if you don't ask, you don't get! Don't forget that with the RBS Student Royalties Account, you can save even more money with discounts off selected books, CDs, DVDs, theatre and concert tickets, holidays and travel.



4

## SWAP YOUR MP3 PLAYER

Feel like you've been listening to the same old tracks non-stop for the past three months? Desperately fighting the urge to nip out to the nearest music store or jump online and download a few new albums? Try this instead – find a friend and swap MP3 players for a week, you never know you might find yourself getting into some new bands and saving some serious cash to boot.



5

## HOLD FIRE ON THE BOOKLIST

Find out which books are absolutely essential before you go out and buy all of them. Try to borrow them from the library or, if you have to buy them, try second-hand book shops or look for discounts (e.g those provided with the RBS Student Royalties Account). Also, don't forget to check department notice boards, as you may be able to buy books from second and final-year students on your course. Some universities even offer their own second-hand book stores run by the student's union.



# Top 10 Tips

6

## GET AN INTEREST-FREE OVERDRAFT

Speak to your bank and carefully agree an overdraft limit with them. With the RBS Student Royalties Account, you can get an interest-free overdraft of up to £2,500. Remember, your bank is there to help you overcome financial difficulties, so speak to them as soon as you realise that there may be a problem. In fact, RBS is one of the only banks where you can phone your branch directly, so you can always give an advisor a call.



7

## GET NIFTY IN THE KITCHEN

If it's good enough for Jamie, Nigella, Gordon et al, it's definitely good enough for you. You can download hundreds of recipes for free from [bbc.co.uk](http://bbc.co.uk), and cooking at home is so much cheaper than eating out. Once you are confident with your culinary prowess, use your newfound expertise in the kitchen to impress your friends, not to mention saving a packet on taking your boyfriend or girlfriend out for a romantic dinner. Free from [bbc.co.uk](http://bbc.co.uk) or supermarket websites.



8

## GET A PART-TIME JOB

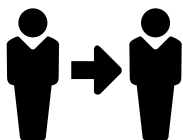
This can be a great way of earning extra money. Work out what times during the week would best suit you so there are no clashes with classes and how many hours a week you can manage without affecting your studies. Part-time work is also a really useful CV-builder; many universities have their own job shops and will help with advice on employers who might provide experience relevant to careers you are interested in.



9

## SWAP OLD CLOTHES FOR NEW

If you are sick of wearing the same going-out tops every week, then the chances are that most of your friends are too. Why not get together for a clothes swap party? You can make an event of it by getting friends together over some drinks and snacks before a night out, and getting them to bring along clothes they never wear any more. Everyone gets to dig in and bag themselves an item. When you've finished, you can all get dressed in your new gear and paint the town red.



10

## GO GREEN

Switch lights off when you're not in the room and don't leave appliances on standby, many still use 70% of their energy in standby mode. Also, try not to keep the heating on all day in winter: by turning down your heating by 1°C, you can save up to 10 per cent on heating bills.



# Case Studies

**Sean McLoone**

Age 21

Leeds Metropolitan University  
2nd year Leisure and Sports Studies

Sean took two years out before university during which time he worked full time for the Royal Bank of Scotland. When he decided to head off to university in 2006, RBS agreed that he could continue working flexible hours on a part-time basis. During term-time, Sean now works two days per week for RBS and as many hours as possible for extra money during vacations. He uses the money he earns to help fund his studies, particularly his rent as he is moving into a shared house in the city this year

Sean loves the lifestyle that the buzzing city of Leeds affords and has found RBS to be really supportive both as an employer and a student bank. He also strongly believes that Leeds offers all the attractions of big cities in the South such as London, but is much better value.

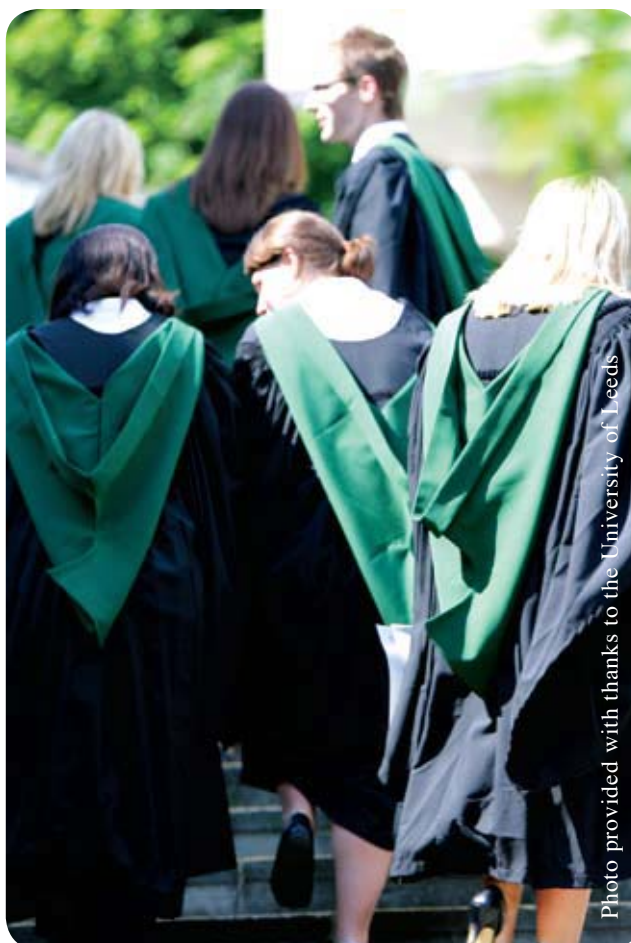


Photo provided with thanks to the University of Leeds

**Nehanda Truscott**

Age 20

University of Bath  
Concert Studies and English Literature

Nehanda is soon to start her second year in Concert Studies and English Literature at Bath University. Financially savvy from day one, Nehanda decided to keep herself economically buoyant by securing a job at a library for two days each week. The library environment is conducive to her academic studies and she regularly benefits from their resources by borrowing books on a termly rather than a weekly basis. Whilst her job only takes up 10 hours of her week, it is based in London meaning that she has to travel there and back

every weekend.

Nehanda's spending is also increased by her passion for organic food shopping, which costs her up to £45 a week – an increase of almost £25 on the average weekly shop.

Nehanda is a careful budgeter and hopes to prevent herself from having too many money troubles at the end of her course by keeping a close eye on everything she spends and allowing herself to spend only a fixed amount every term.

# Case Studies

**Charlie Watson**

Age 22

University of Newcastle

Spanish and Communications

Charlie has recently graduated from Newcastle University, where he studied Spanish and Communications, after spending 2005 in Argentina. Charlie believes that students studying languages are always aware of the additional financial cost involved with spending a year abroad, and as he decided to travel outside of Europe, he was obliged to make a strategic financial plan. He decided to become an extra for a local film company, whilst also working in a local music centre for a couple of days each week. Fortunately, Charlie's job actually aided his study, and it was not until his final year that he found that he could no longer juggle revision for final examinations with the extra paid work.

Charlie found that his year abroad definitely took its toll on his finances but at the same time he kept his debt manageable by confining it to his overdraft. As RBS has a tiered repayment plan he is now focused on his new job and paying off his overdraft.

**Luke Sonnex**

Age 20

University of West England

Third year Building Surveyor

Luke is a third year Building Surveyor at UWE. He finds Bristol a relatively inexpensive city and has elected to live outside of the campus for his whole university experience. This has afforded him a great deal of independence early on, but he has felt the effects financially. To cover his private rental costs, Luke has two part-time jobs in student bars, but he tries to avoid doing both simultaneously as he finds it difficult to juggle social, academic and work responsibilities. The flexibility of student bars however lends itself perfectly to students who need financial help for a short amount of time.

With regards to living costs, he finds that he spends most on socialising. Luke is looking forward to securing a job when he graduates and getting started on repaying his overdraft and student loan.

**“ We are delighted that Leeds has been recognised for the fantastic academic and social experiences it offers, as well as its excellent value for money. Leeds is a thriving, exciting, cosmopolitan city which draws students from across the UK - and the world. ”**

Martin Holmes, marketing director at the University of Leeds

# The RBS Student Royalties Account 2007

## CORE BANKING BENEFITS

- Interest and fee free extended overdraft of up to £2,500 available for each year on request, the standard interest-free thresholds are as follows:
  - Year 1 - £1,250
  - Year 2 - £1,400
  - Year 3 - £1,600
  - Year 4 - £1,800
  - Year 5 - £2,000
- 24 hour banking with Direct Banking and online internet banking services
- Free access to the RBS network of 6,448 cash machines
- The ability to 'top up' your mobile at any RBS cash machine
- Cheque book and highline card
- Automatic upgrade to our Graduate service which includes interest-free overdraft for a further 3 years
- A fee free credit card with a credit limit of up to £500 and up to 56 days interest free credit on purchases
- Special loans for healthcare and post graduate law students of up to £15,000, no repayments during your study period and up to seven years to pay back after graduation.

## TRAVEL AND LEISURE

- 20% discount off selected books, CDs, DVDs, videos and computer games
- 25% discount off theatre and concert tickets in mainland UK
- 10% discount off selected holidays and travel
- Commission free travel money
- Fee-free American Express Travellers Cheque Card

## EXTRA PROTECTION

- Card protection – registration of all UK credit, charge and payment cards. In the event of theft, one phone call cancels the cards to avoid misuse
- Lost key retrieval service – special keyring sent to all account holders, with unique ID code, lost keys returned safely via any post box
- Student belongings insurance – new for old cover regardless of age (except clothes, linen and bikes), 24 hour helpline and up to £1m personal liability cover. Up to £1,000 to re-sit exams if you are injured

For more information on the RBS Student Royalties Account, and for further information about the benefits available to you visit any branch or the Royal Bank of Scotland or visit [www.rbs.co.uk](http://www.rbs.co.uk).