STUDENT FINANCE REPORT:
MAJORITY OF STUDENTS STRUGGLE TO MAKE ENDS MEET

- 16% of full time students surveyed do not have enough money to get through the month and a further 40% are only just managing their finances

- Three in five students believe they will leave university with debt of over £10,000, while just 16% believe they will leave with no debt at all

- Nearly half of students (49%) have taken on paid work, however a quarter of those who worked during term time say it is having a negative impact on their studies

- Nearly half (47%) of students are concerned about the debt they are taking on

Ahead of new university tuition fees coming into effect from September, Lloyds TSB’s second annual Student Finance Report reveals that a significant number of students are continuing to struggle to make ends meet on a monthly basis.

With an average annual income of approximately £7,000, around one in six (16%) students surveyed say they do not have enough money to meet monthly outgoings, while two in five (40%) admit they are only just managing their finances but money is tight. This compares to 17% and 40% respectively in 2011.

Lloyds TSB data shows that nearly half (46%) of students’ annual income is derived from student loans. Therefore, it is little surprise that over three quarters (77%) believe they will leave university with some debt, while three in five (60%) expect that debt to be in excess of £10,000. 16% believe they will leave with no debt at all.

Students in Scotland survive with the lowest levels of incomes – 10% lower than the UK average income per student – however, this is offset by lower levels of debt with just 39% of those surveyed expecting to owe more than £10,000 on completion of their course. By contrast, annual income for students studying in London is 11% higher than the national average, and for those studying in Wales it is 1%, but 54% and 63% respectively expects their debt to exceed £10,000.

For many, the thought of leaving university owing a large amount of money is a worry and nearly half (47%) of the students surveyed admitted that they are concerned about the level
of debt they are taking on. To combat this, 5% of students who worked during term time last academic year did so to try and avoid taking on unnecessary debt. More than a quarter (29%) of students said that they put any money leftover at the end of the month into a savings account, however 24% admitted to spending any spare money on treating themselves.

With money tight, nearly half of all students have turned to paid work to supplement their income. 49% of students surveyed have had a full or part time job within the last academic year, compared to 51% the previous year. Of these, nearly half (43%) said they found employment to support themselves through university and help make ends meet. A much smaller 14% cited experience in the job market and CV building as their primary motivation, and 17% confirmed they have not been able to find work at all.

Three quarters of students (75%) who worked during term time did so for less than 15 hours per week earning just over £8 an hour on average. And the need to seek employment to supplement their income is having an adverse affect for many students with 25% of those who worked during term time admitting that it has affected their studies in a negative way. A further 32% said that it had a negative affect on their social life but were able to find the right balance between work and studies.

With many students finding it difficult to strike a balance between their studies, social life and employment, approximately four in five (81%) of those surveyed said they now choose to bank using internet, telephone and mobile banking as a way to keep track of their money. This compares to two in five (41%) who check their account balance at an ATM, and 39% who use monthly bank statements.

Jatin Patel, director of current accounts at Lloyds TSB, says:
“For many, going to university is one of the biggest financial commitments they will have to face in their lifetime, and with the introduction of higher tuition fees from next month it is perhaps more important than ever for students to stay in control of their finances. Our research shows that the majority of students already expect to leave university with some sort of debt, and most expect to see the amount they will owe extend into five figures.

“With finances tight, many students turn to paid work to help cover their monthly outgoings. However, it is clear that even with extra income from employment, a lot of students are still struggling to make ends meet. And some are even finding that the added commitment of combining university with a full or part time job is having a negative impact on their studies and social life.

“Our research reveals that students today regularly choose internet, telephone and mobile banking as preferred ways to keep track of their money. With such busy schedules, an account which allows students to bank whilst on the go will likely be high on their list of priorities heading into the new academic year. As will an account which can help ease the financial burden of university. At Lloyds TSB our student account offers an interest and fee-free planned overdraft of up to £1,500, as well as money management tools to make it
easier for students to stay on top of their finances and a range of benefits to help them save money.”

The Lloyds TSB Student Account offers students a number of tools to help them manage their finances including mobile banking with text alerts, Internet Banking and Money Manager, which is an online service that provides students with the ability to view spending patterns and track financial activity.

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Notes to editors:
All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2000 adults in full time education at university during the 2011/12 academic year. Fieldwork was undertaken between 19th July and 1st August 2012. The survey was carried out online.

The Lloyds TSB student current account offers:

- A tiered interest and fee-free Planned Overdraft of up to £1,500 in the first three years and up to £2,000 in years four to six (subject to application and approval)
- An NUS extra card for three years, giving students access to exclusive discounts, offers and competitions from over 150 of their favourite brands and retailers on the high street and online, including Amazon, Spotify, Apple, McDonalds, Pizza Hut, Odeon, JJB Sports, CrossCountry trains, National Express coach journeys, Virgin Media, TopShop, ASOS, New Look, Warehouse, Alton Towers plus many more
- Exclusive £75 discount off a holiday booking with STA Travel, the world’s leading travel agent for students and young people.

We also offer all customers a variety of different tools to help them stay on top of their finances and provide guidance on budgeting:

- Mobile Banking with free text alerts, including limit alerts, high/low balance alerts, overseas transaction alerts and weekly balance alerts
- Money Manager – access to the online service which provides customers with the ability to view and track their spending patterns
- Internet and telephone banking to help students manage their money 24 hours a day
- Advice and guidance on budgeting and managing money on our Savvy Student site.
Number of employed students by region

- North East: 43%
- North West: 47%
- Yorkshire and Humber: 47%
- East Midlands: 46%
- West Midlands: 40%
- East of England: 47%
- London: 47%
- South East: 52%
- South West: 46%
- Wales: 43%
- Scotland: 41%
- Northern Ireland*: 58%

* Base size in Northern Ireland is 27 people.

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1 Income data (and sources of income) is derived from Lloyds TSB student current account transactions.
2 Lloyds TSB does not charge for Mobile Banking but mobile operators may charge for some services.
3 Customers need to be registered for Lloyds TSB Internet Banking to access Money Manager and Mobile Banking.