

Student Diagnostic Tool

*A YouthSight report for
Money Advice Service
June 2018*



the Money
Advice Service

YouthSight



Student Diagnostic Tool

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A young Black man with dreadlocks and a black beanie is smiling broadly at the camera. He is wearing a blue denim jacket over a black shirt with a colorful floral pattern. He has a tan backpack and white earbuds. The background is a blurred city street with other pedestrians and buildings. A dark grey triangular graphic element is on the left side of the image.

Why read this report?

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The business challenge and research objective

The Money Advice Service (MAS) has been working with the National Association of Student Money Advisers (NASMA) to help provide students with sound money advice and reduce student poverty. NASMA has been successful in this effort so far, being recognised as a leading authority on matters relating to student advice and funding.

MAS has previously created a financial segmentation of the general population. NASMA has found this useful in helping with its work. However, it could be further refined for students (who are NASMA's core audience).

MAS therefore decided to commission an additional diagnostic tool to help NASMA achieve its aims.

YouthSight was contacted due to our expertise with students and award-winning research techniques.

YouthSight ran a survey on the financial capability and financial position of students for MAS and NASMA. The data was analysed to create 5 separate student groups to help NASMA understand and identify the subtle differences amongst the students it helps.

The overall research objective was to:

- Identify and create a diagnostic toolkit for NASMA and MAS, to help them understand the subtle differences between students' financial capabilities and financial positions

Who is YouthSight?

We are an award-winning agency.

We help our clients become more profitable through actionable **Gen Z** and **Millennial** insights.

Our clients generally struggle with remaining relevant, targeting and growing market share.

We work with them to gain a competitive advantage by embracing fresh trends, understanding youth culture and trusting our knowledge of the youth market to solve their business problems.



Executive summary



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The 5 student groups

- NASMA works with students, giving them advice on how to manage their finances in a healthy way. It works to combat student poverty through specialist advice and is recognised as a leading authority on matters relating to student advice and funding
- MAS has previously developed a segmentation for the general UK population, which does not focus on students as a separate group. We therefore wanted to work with the best of MAS' current segments and expand on them to see the unique characteristics of different types of students
- This subtle distinction between students is important to help NASMA better help students through understanding their motivations, attitudes and behaviours. This student diagnostic tool is therefore crucial in helping to further the good work of NASMA
- This work has identified 5 groups of students who have different money situations and ways of coping. These groups are:

Supported and Sensible

25%

Background	Most affluent
------------	---------------

Financial Experience	Limited
----------------------	---------

Attitude	Responsible
----------	-------------

Confident and Thrifty

22%

Background	Least affluent
------------	----------------

Financial Experience	Extensive
----------------------	-----------

Attitude	Debt averse
----------	-------------

Inexperienced and at Risk

17%

Background	Average affluence
------------	-------------------

Financial Experience	Almost none
----------------------	-------------

Attitude	Well intentioned
----------	------------------

Anxious but Spending

21%

Background	Average affluence
------------	-------------------

Financial Experience	Moderate
----------------------	----------

Attitude	Often heedless
----------	----------------

Disengaged and Overwhelmed

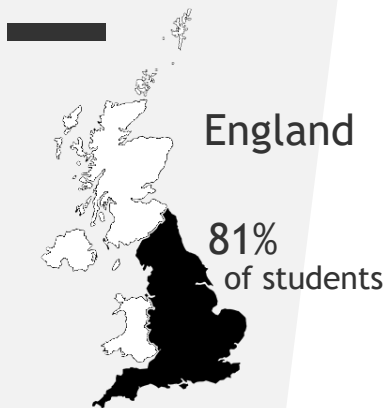
15%

Background	Average affluence
------------	-------------------

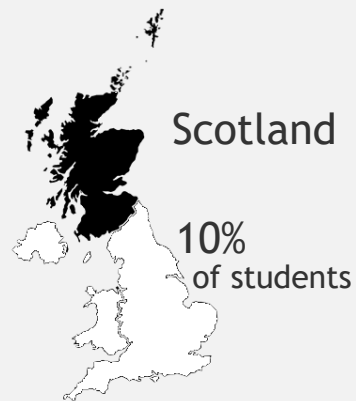
Financial Experience	Moderate
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Attitude	Fatalistic
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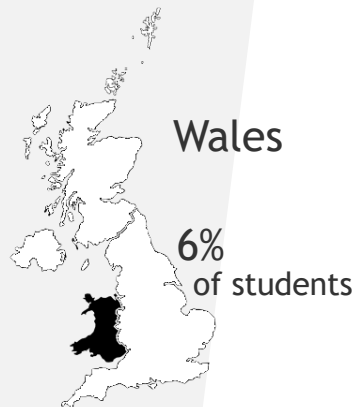
Student groups by nation



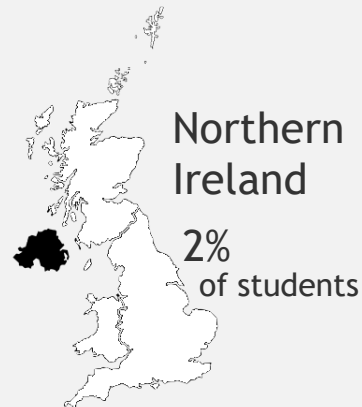
Supported and Sensible	25%
Confident and Thrifty	22%
Anxious but Spending	21%
Inexperienced and At Risk	17%
Disengaged and Overwhelmed	15%



Supported and Sensible	26%
Anxious but Spending	23%
Confident and Thrifty	17%
Inexperienced and At Risk	17%
Disengaged and Overwhelmed	16%



Supported and Sensible	25%
Anxious but Spending	24%
Confident and Thrifty	23%
Disengaged and Overwhelmed	15%
Inexperienced and At Risk	13%



Confident and Thrifty	32%
Supported and Sensible	20%
Anxious but Spending	20%
Disengaged and Overwhelmed	16%
Inexperienced and At Risk	12%

Green arrows indicate where a student group size is larger than average by 3% or more. Red arrows refer to where a student group size is lower than average by 3% or more.

Average across the UK: 25% Supported and Sensible, 22% Confident and Thrifty, 17% Inexperienced and At Risk, 21% Anxious but Spending, 15% Disengaged and Overwhelmed

Body of the report



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Terms of reference and disclaimer

Throughout this report we will refer to students - by that we mean undergraduate students who are attending university full time in the UK.

We have structured this report to explain the characteristics of each student group we've identified. As a result, not all questions asked in the survey are visualised in this report.

Segmentation overview

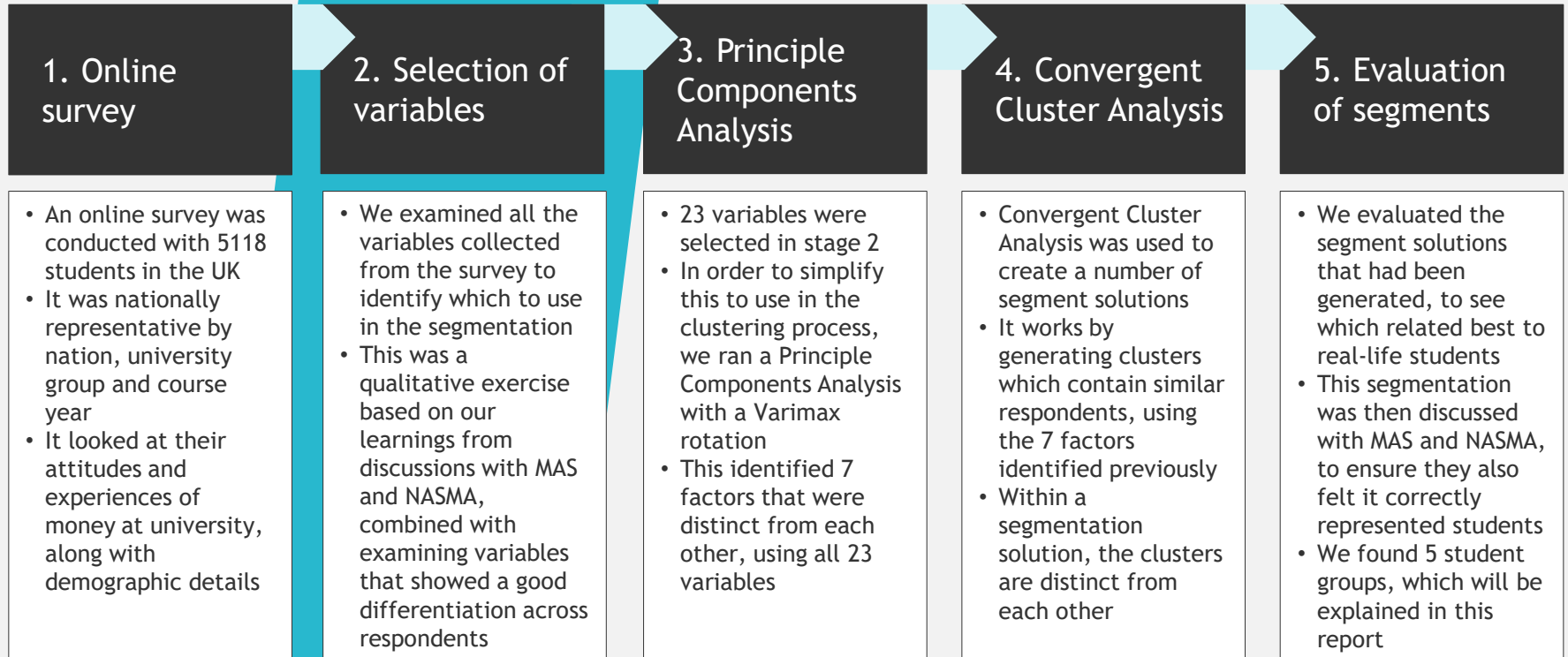
LOVE YOUR
NEIGHBOUR

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How the segmentation was created

Methodology: 5 student groups were identified using several multivariate techniques



A detailed methodology is available in the Appendix and separate technical report.



The diagnostic tool explores 3 key aspects of students' lives: Background, Experience and Attitude

The 3 key aspects explained the differences between the 5 student groups



Background

The environmental factors that affect their relationship with money

- Students' backgrounds will range considerably, with each type of background impacting on students in different ways
- Students from affluent families are likely to have more support for any financial needs while at university. The same is true for those who are living at home
- Students from less affluent families will have less of a cushion in place



Experience

The experience they have had with money, financial products and debt so far

- There is a wide range of experience with money and financial products amongst students, with some also experiencing debt and repayments
- Some students are very money-savvy, knowing how to budget and manage their money effectively to save money and avoid falling into debt
- However, other students may still rely on their parents for advice and income, or may be living at home so haven't had to think about financial responsibilities yet



Attitude

The attitude they have towards money, from spending to saving

- Students' relationship with money is impacted by their attitude towards saving and spending
- Financially responsible students work out budgets and stick to them, monitoring their money and avoiding overspending. They may or may not be able to save money on top of avoiding debt
- Other students can be less mindful of their budget, with their spending sometimes leaving them in debt. This could be due to outside pressures or their attitude to money



Mapping the 5 student groups onto the current MAS segmentation

The current MAS segmentation identifies 3 types of financial situation: Cushioned, Squeezed and Struggling

Cushioned

48% of the UK population

“The most financially resilient group with the highest levels of income and savings and the lowest proportion of over-indebted. They are the most highly engaged with their finances.”

- **More likely** to keep up with bills without difficulty
- **More confident** managing money
- **Think** they budget well

Squeezed

25% of the UK population

“Working-age consumers with significant financial commitments but relatively little provision for coping with income shocks. They are digitally savvy and have high media consumption but this is more for entertainment than financial information.”

- **Less likely** to keep up with bills without difficulty
- **Not confident** managing money
- **Least likely** to think they budget well

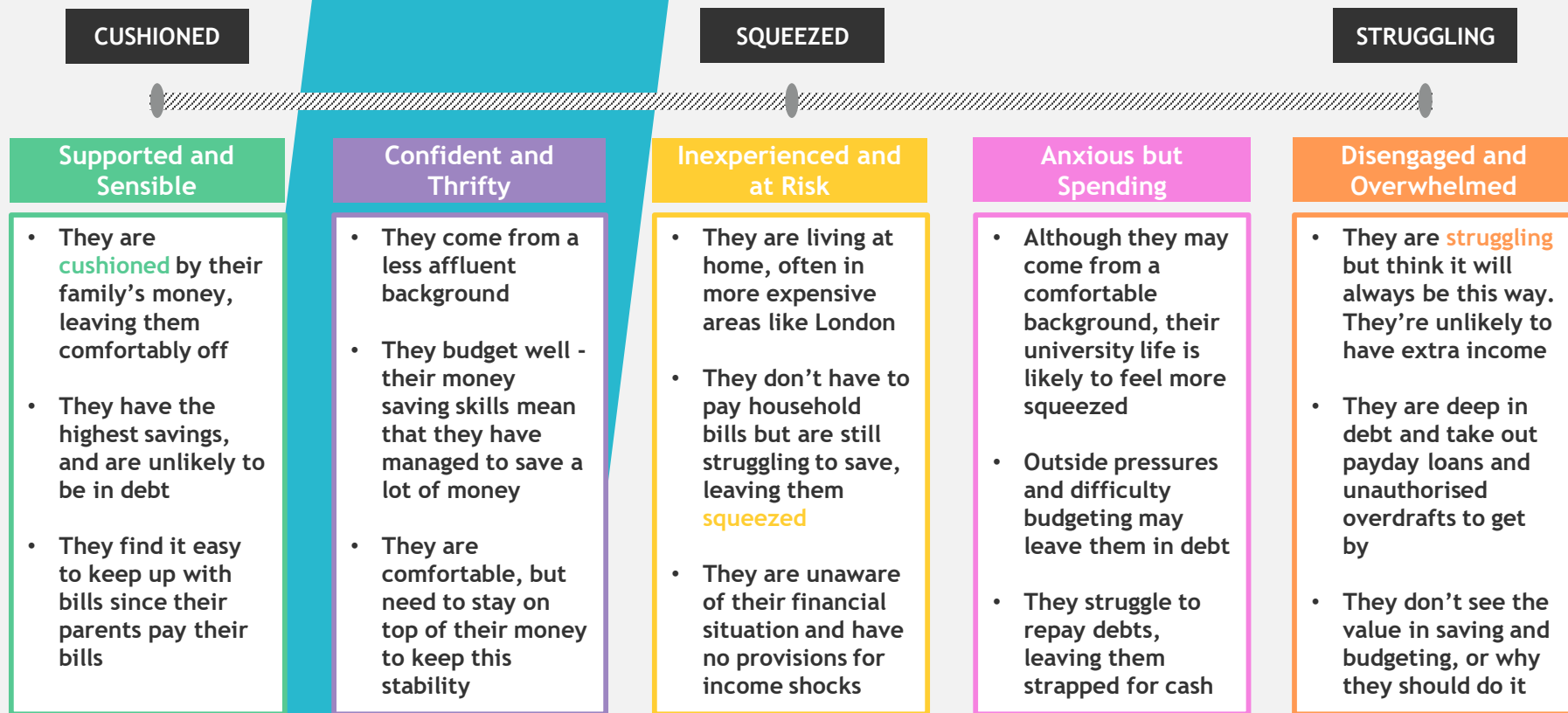
Struggling

23% of the UK population

“They struggle to keep up with bills and payments and to build any form of savings buffer. They are the least financially resilient and the most likely to be over-indebted.”

- **Less likely** to keep up with bills without difficulty
- **Less confident** managing money
- **Unlikely** to think they budget well

The student diagnostic tool identifies 2 extra groups that fall on the existing scale





Overview of the student groups

Each student group has unique characteristics according to their background, experience and attitude towards money

CUSHIONED

Supported and Sensible

25%

This group is cushioned. They have support and advice from their parents meaning they're unlikely to fall into debt. However, their experience with money is limited.

Background	Most affluent
Financial Experience	Limited
Attitude	Responsible

SQUEEZED

Confident and Thrifty

22%

This group is money savvy. They come from less affluent families and have a responsible attitude to money. Their bills are paid on time and their savings are high.

Background	Least affluent
Financial Experience	Extensive
Attitude	Debt averse

STRUGGLING

Inexperienced and at Risk

17%

This group is inexperienced. They live at home and their parents pay for all the household bills. They're not in debt but are not managing to save, despite wanting to.

Background	Average affluence
Financial Experience	Almost none
Attitude	Well intentioned

Anxious but Spending

21%

This group is impulsive. They have pressures and overspend, despite knowing they can't afford it. This means they have debts and fall behind on payments.

Background	Average affluence
Financial Experience	Moderate
Attitude	Often heedless

Disengaged and Overwhelmed

15%

This group is in trouble. They are deep in debt, using payday loans and overdrafts to get by. They are disengaged and have a fatalistic view - they feel change isn't possible with the pressures they face.

Background	Average affluence
Financial Experience	Moderate
Attitude	Fatalistic

Supported and Sensible

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Supported and Sensible - Their finances are healthy thanks to parental support

86% are satisfied with their life
vs **80%** average

77% are satisfied with their financial situation
vs **56%** average

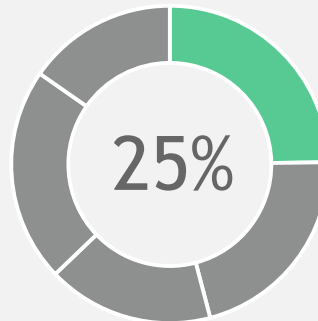
A typical issue...

I'm not in debt and my parents deal with most of my bills. I save a bit and want to be able to afford a good life after Uni, but I could plan my finances better. I want to be able to save while still having fun.

Comfortable but sheltered

This group is cushioned - their parents are helping them with their university costs, from fees to accommodation and everyday bills. Even their mobile phone is paid for. As a result, they are highly dependent on their parents, both for money and advice.

They don't have to worry about money on a day to day basis, and so aren't used to adapting to a limited budget. Instead, they use some of their extra income for savings, thinking about their future homes and life after university. They recognise their advantageous situation, but may overestimate their financial expertise.



CUSHIONED

SQUEEZED

STRUGGLING



BACKGROUND

Most affluent

FINANCIAL
EXPERIENCE

Limited

ATTITUDE

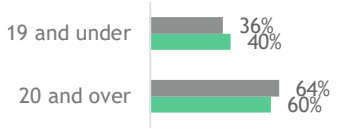
Responsible

Background: Single, young students from affluent families, who are living with friends at university

Who they are...



Average gender split



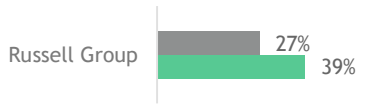
Younger than average



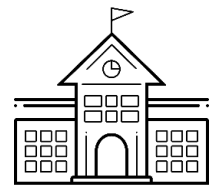
94%
vs 86% average

More likely to be single

University life...



More likely to go to a Russell Group university

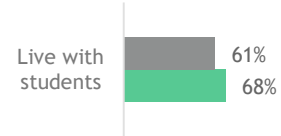


More likely to live in university accommodation

42% spend £1001 - £2000 on university accommodation per term vs 36% average



More likely to go to university in the South East



Most likely to live with student housemates or lodgers

Family life...



Family is more likely to be affluent



Family more likely to own their own home vs 76% average

45%
father/step-father



41%
mother/step-mother

More likely to have immediate family members who've been to university

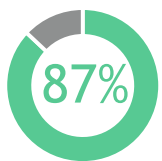
71% vs 64% average



Least likely to receive a bursary AND parents are more likely to pay university fees

Experience: They feel confident in their abilities but haven't had to deal with credit or bills yet

Confident but reliant on parents...



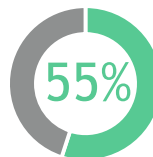
vs 73% average

Feel confident managing their money, but only...



More likely to be financially dependent on parents and get extra income from them

79% feel financially dependent vs 49% average



vs 57% average

...feel confident making decisions on financial products

They keep up with bills because they don't have to pay many...



Find it easy to keep up with their bills and don't shop around...

...because their parents are paying for their bills

96% haven't fallen behind on bills vs 88% average

Savvy with money but go to parents for advice...



More likely to have any type of savings, e.g. savings account, ISA, investments



More likely know about advice providers, but actually go to family for advice

If the inflation rate is 5% and the interest rate you get on your savings is 3%, will your savings have more, less or the same amount of buying power in a years time?

69% correctly say less vs 62% average

Suppose you put £100 into a savings account with a guaranteed interest rate of 2% per year. How much would be in the account at the end of the first year, once the interest payment is made?

87% correctly say £102 vs 81% average

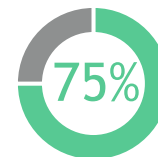
No credit cards and no debt...

Less likely to have a credit or store card...



26% have a credit card vs 30% average

7% have a store card vs 12% average



Have no outstanding debts



Unlikely to take out any loans other than student loans and pay bills in full

Attitude: They feel happy and are able to save, but don't properly plan how to achieve their goals

Keen on saving...



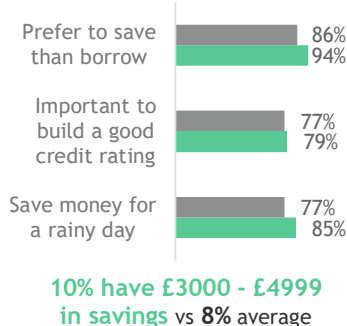
Saving for a house and living expenses after university



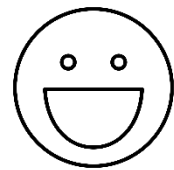
Goal for the next 5 years is to save money in general
76% vs 71% average



Don't always follow through - only save in some months
Likely to have more savings than other groups

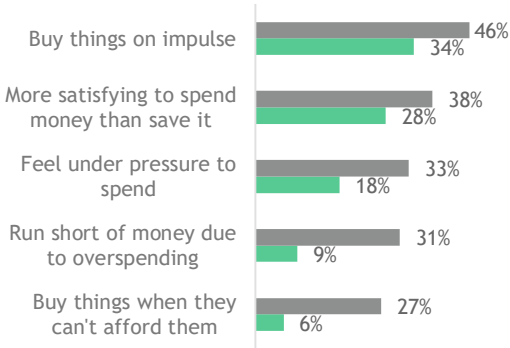


Great emotional health...



Their financial situation doesn't make them anxious
Least likely to experience any negative moods or behaviours because of their financial situation

Not big spenders...



They keep track of their money but don't need to adapt...



vs 93% average

Say it's important to keep track of their money, but...



Don't have a plan to achieve their financial goals



Have time to manage finances



vs 35% average

...don't change what they spend because of their tracking



Would ask their parents for help with an unexpected bill



Feel they can change their situation

Supported and Sensible - Recommendations

Problems they face now

- **Saving consistently:** This group tries to save but has trouble doing so regularly
- **Building credit:** They are in a position to build good credit, but need to understand credit referencing
- **Preparing for the future:** This group wants to achieve long-term goals like owning a house. However, since they are comfortable now they may not have started preparing for it beyond some savings

Problems they might face in the future

- **Managing finances:** They want to grow and become more independent in the future but are lacking experience in managing their finances
- **Lack of financial product knowledge:** They don't have experience of choosing financial products, so may struggle with this in the future
- **Shopping around:** They haven't had to think about how to get a good deal yet, meaning they may struggle when trying to get a good deal in the future, e.g. for utility bills

How to engage them

- **Target through their parents:** Parents are a huge influence in their lives. Convincing parents that NASMA is a reliable and trustworthy source will help with parental approval/recommendations
- **Focus on achieving future goals:** This group has high aspirations for the future. Focussing on goals like owning a house will help NASMA connect with them
- **Aspirational online content:** Engaging articles and content around how to achieve aspirational goals will be attractive to this group

Confident and Thrifty



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Confident and Thrifty - They have their finances figured out

83% are satisfied with their life vs **80%** average

62% are satisfied with their financial situation vs **56%** average

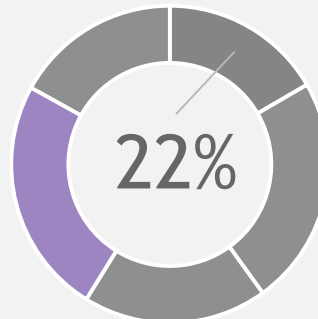
A typical issue...

I don't come from a rich family, so I've had to learn the hard way how to get into good financial habits. I save regularly, and am reluctant to spend money. I have set financial goals, and rarely get into debt. Is there anything else I can do to set myself up for the future?

Experienced in handling their finances

Students in this group come from less affluent backgrounds and as a result have had to fend for themselves financially. They generally pay all their own bills and have a good degree of experience in financial matters. This has equipped them well for the future - they have healthy saving and spending habits.

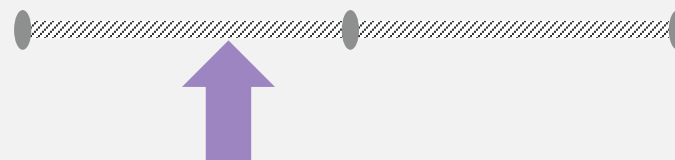
Their financial situation doesn't tend to have a negative emotional impact on them, and they put money into savings regularly. They think about the future financially, and have a clear plan of how they will achieve their financial goals. Of all the groups, they have the firmest grasp on their personal finances.



CUSHIONED

SQUEEZED

STRUGGLING



BACKGROUND

Least
affluent

FINANCIAL
EXPERIENCE

Extensive

ATTITUDE

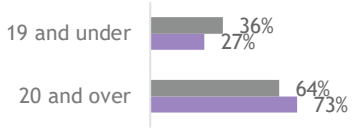
Debt averse

Background: More experienced students from less affluent families, who are more likely to be paying their way at university

Who they are...



Average gender split



Older than average



79%
vs 86% average

Less likely to be single

University life...



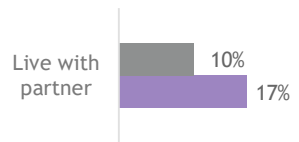
More likely to go to a Post-1992 university



Group most likely to go to university in Northern Ireland
4% vs 2% average



More likely to rent from a private landlord
37% spend £1001 - £2000 on university accommodation per term vs 36% average



Most likely to live with their partner

Family life...

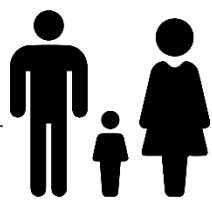


Family is less likely to be affluent



Family more likely to rent their home from a local authority or housing association

24%
father/step-father



26%
mother/step-mother

Least likely to have immediate family members who've been to university

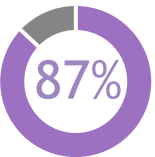
57% vs 64% average



Most likely to receive a bursary AND parents are less likely to pay university fees

Experience: They feel confident in their abilities and have a large amount of experience dealing with financial responsibility

Confident and independent from parents...

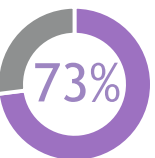


Feel confident managing their money, and...



More likely to be financially independent from parents and less likely to get extra income from them

92% don't feel financially dependent vs 39% average



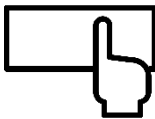
...feel confident making decisions on financial products

vs 57% average

Savvy with money and likely to shop around for deals...



Most likely group to have money in a savings account or ISA



More likely to shop around for better deals on car and travel insurance

If the inflation rate is 5% and the interest rate you get on your savings is 3%, will your savings have more, less or the same amount of buying power in a years time?

67% correctly say less vs 62% average

Suppose you put £100 into a savings account with a guaranteed interest rate of 2% per year. How much would be in the account at the end of the first year, once the interest payment is made?

83% correctly say £102 vs 81% average

Pay for all their bills themselves...



Find it easy to keep up with their bills, rarely falling behind on them...

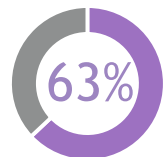
...they are more likely to pay their own bills than every other group

70% pay their own mobile phone bill vs 56% average

Little debt and almost no short-term loans...

92% Haven't fallen behind on payments in the last 6 months vs 88% average

13% Owe less money than the same time last year vs 11% average



Have no outstanding credit at all vs 56% average



Unlikely to take out any loans other than student loans and pay bills in full

Attitude: They love planning and saving regularly, and are much less inclined to spend money

They are big savers...



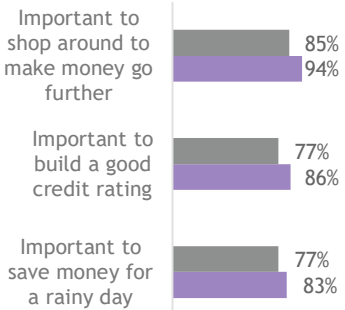
Most likely group to put money in savings every month



Most likely group to be saving for a deposit on a home
41% vs 31% average



Joint most likely group to know their account balance within a pound or two

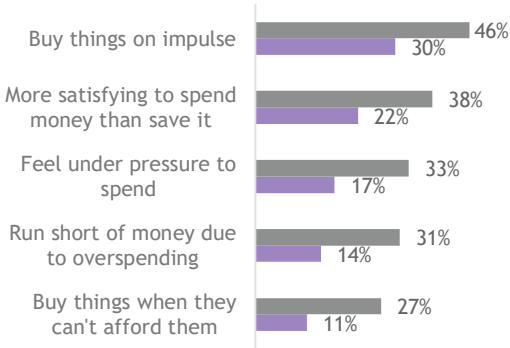


Good emotional health...



Less likely to suffer anxiety or stress because of their financial situation
Less likely to experience any negative moods or behaviours because of their financial situation

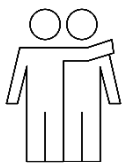
Don't like spending...



They like planning, and talk to their partner instead of parents about their finances...



Most likely group to have a plan of how to achieve financial goals



Most likely to talk to their partner/spouse about their finances



Prefer saving money over borrowing it



Keep track of their personal expenditure very closely



Least likely to ask their parents for help with an unexpected bill



Most likely group to have time to sort out their finances

Confident and Thrifty - Recommendations

Problems they face now	Problems they might face in the future	How to engage them
<ul style="list-style-type: none">• Preparing for the future: This group is focussed on future goals like owning a house. However, they may need advice on how to reach these goals and how to prepare for them now (beyond saving money)• Building credit: This group is likely to be debt-averse, meaning they may need to better understand credit referencing and its value• Not investing money: They save regularly, but may need advice on effective ways to invest their money to achieve their goals	<ul style="list-style-type: none">• Evaluating when to pay off debt: Their debt-averse nature could sometimes lead to financially-disadvantageous decisions, e.g. overpaying a student loan• Lack of family knowledge: Their family may have less financial knowledge, e.g. since their family are renting, they may not have advice on buying a house• Understanding the value in quality: They are always looking for a good deal and the best price. They might misjudge decisions where quality is more important than the cheapest price	<ul style="list-style-type: none">➤ Make their money ‘work harder’: Showing this group how they can use their savings to achieve the life they want e.g. which bank accounts to use to get the highest interest➤ Online content on reducing customer credit commitments: Showing them how to reduce their debt while making advantageous financial decisions will appeal➤ Target their partner as well: Since they are likely to be in a committed relationship, show them how their money can work together, e.g. joint accounts

Inexperienced and at Risk

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Inexperienced and at Risk - They lack financial knowledge because they don't immediately need it

80% are satisfied with their life
vs 80% average

52% are satisfied with their financial situation
vs 56% average

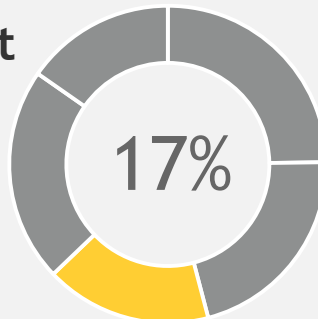
A typical issue...

I've just started university and realised everything is so expensive! How do my friends survive on just a student loan? I'm enjoying myself but I'm so glad I'm living at home and don't have to think about finances yet.

Sheltered from any financial decision-making

This group hasn't had to start thinking about their finances yet as they are still living at home and rely heavily on their parents. Their parents handle university costs, financial decision making and even credit card bills. This group is therefore less knowledgeable when it comes to money matters.

However, their situation isn't completely easy. They have good intentions and recognise the importance of saving for their future, but currently haven't made any changes in their life to reflect this. They need to start learning how to handle money before they move out and have to make decisions themselves for the first time.



CUSHIONED

SQUEEZED

STRUGGLING



BACKGROUND

Average affluence

FINANCIAL EXPERIENCE

Almost none

ATTITUDE

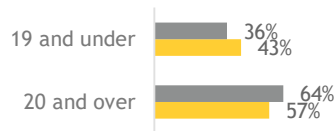
Well intentioned

Background: Young women from working class families, who are living with their parents during university

Who they are...



More **female** than average



Significantly **younger** than average



28%

vs 22% average

More likely to be **BAME**

University life...



More likely to go to a **Post-1992** university



More likely to attend university in **London**
13% vs 10% average



Most likely to **not know** whether they receive a bursary or financial aid for university



Less likely to be paying for their own university accommodation

44% vs 47% average

Family life...



33%

vs 36% average

Less likely to be first in their immediate family to go to university



18%

vs 15% average

Most likely to **live in London** outside of term time



Family is more likely to be **working class** (C2DE)

31% vs 28% average



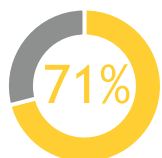
23%

Most likely to live with **parents** during term time

vs 20% average

Experience: Being dependent on their parents means they're in the dark about financial situations

They are less confident and rely on their parents...



vs 73% average

Feel confident managing their money, but only...



vs 57% average

...feel confident making decisions on financial products



More likely to receive extra income from parents



53%

Feel financially dependent on their parents

vs 49% average

They have a lack of financial knowledge...



Least likely to keep track of their money through any method, particularly mobile banking



Least likely to know of any advice providers or use any of them, but are willing to go to university advisers

If the inflation rate is 5% and the interest rate you get on your savings is 3%, will your savings have more, less or the same amount of buying power in a years time?

55% correctly say less vs 62% average

Suppose you put £100 into a savings account with a guaranteed interest rate of 2% per year. How much would be in the account at the end of the first year, once the interest payment is made?

76% correctly say £102 vs 81% average

Keeping up with bills because they don't have to pay many...



They are less likely than average to be paying for their own bills, e.g. insurance and utilities.

Living at home means that their parents are responsible for bills.

18% don't have any bills or credit commitments 15% average

Unlikely to be in debt, but generally unaware of their situation...

13%

don't know which type of loans they currently have

vs 8% average



Have no outstanding debts vs 56% average

31% have a credit card vs 30% average



19% don't know how much of their credit card gets paid off each month, likely because their parents pay for it

Attitude: They have good intentions about saving and achieving goals in the future

They realise the importance of saving, but don't save much...



They save often

28% save every month
vs **26%** average



Most likely to be
saving to pay off
student debt

27% vs **22%** average

91% say it's important to put money
aside for after graduation...
vs **82%** average

...and **82%** say it's important to save
money for a rainy day, but...
vs **77%** average

10% have no savings or investments
vs **9%** average

Their finances can easily become too much to handle...

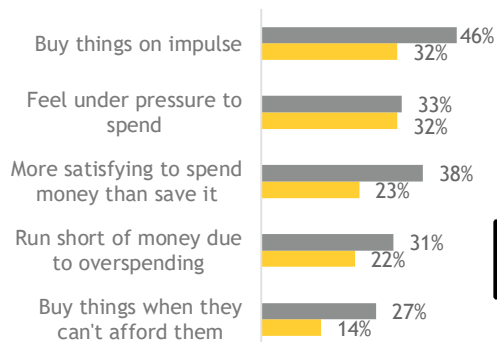


They are likely to
experience **stress or
anxiety, difficulty
concentrating or
relaxing**, or have
panic attacks due
to their finances



Prefer to not talk
about their finances
vs **10%** average

Sensible with their spending, but don't look for deals...

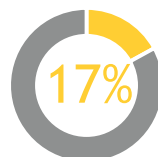


**Less likely than
average to shop
around** for better
deals on insurance
and utilities etc.



35% would cut
back on essentials
in order to pay an
unexpected bill
themselves
vs **33%** average

They don't keep track of daily budgets, but do think about longer-term goals...



vs **15%** average

Don't keep track
of their personal
income and
expenditure



They check how much
money is in their
account **less than
once a fortnight**



Least likely to
set a personal
budget



**More likely to have
a plan** of how to
achieve their
financial goals

Inexperienced and at Risk- Recommendations

Problems they face now

- **Lack of knowledge about their finances:** This group doesn't know much about the money they owe or the products they have, despite being generally well-intentioned. Their parents take care of everything when they're living at home
- **Keeping track of savings:** They're unlikely to keep track of their money in general, so may miss opportunities to save more
- **Don't know where to look for financial advice:** They're unlikely to know financial advice providers if they're in trouble

Problems they might face in the future

- **Lack of experience for independence:** This group may have the means to become independent in the future, but could lack relevant financial knowledge and skills at first
- **Advice on budgeting:** This group doesn't currently keep a daily budget, so may need help in the future when budgeting for the first time
- **Financial product decisions:** Since they aren't currently making financial product decisions, they may need support with these decisions in the future

How to engage them

- **Target through university staff:** Equip university staff, e.g. student advisors, with information on financial advice. This group is willing to reach out, but doesn't know who to reach out to
- **Advice on budgeting:** This group doesn't know how to budget and keep track of their money. Advice on this would be very helpful
- **Target London:** This group is likely to be in London, which has a different financial landscape and its own set of challenges

Anxious but Spending

YouthSight

Anxious but Spending: They struggle with budgeting and outside pressures

75% are satisfied with their life
vs **80%** average

39% are satisfied with their financial situation
vs **56%** average

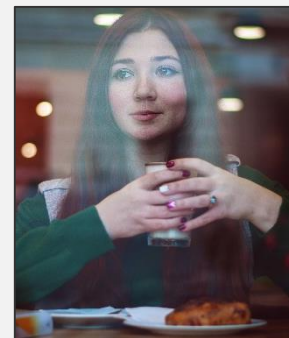
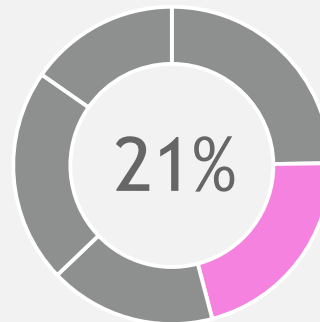
A typical issue...

I really want to go on holiday next year but I need to pay off my debts first. I've been spending too much recently. Being more restrained could help me build a savings buffer.

Falling into debt from overspending

This group can spend too much without keeping track of their spending habits. Their expenses are often more than they can afford, meaning they've ended up in debt and sometimes fail to keep up with payments.

They are anxious and stressed about their financial situation, knowing they should be saving but having difficulty keeping to a budget. They don't have any clear plans in place to change their spending and saving habits, which means that their habits and debt could continue into the future. They are in need of financial help to reduce their debt and build healthy coping mechanisms.



CUSHIONED

SQUEEZED

STRUGGLING



BACKGROUND

Average
affluence

FINANCIAL
EXPERIENCE

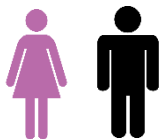
Moderate

ATTITUDE

Often
heedless

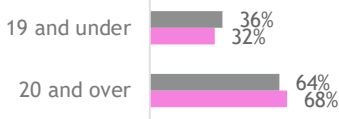
Background: Older female students from less affluent backgrounds, with financial commitments

Who they are...



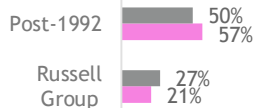
More **female** than average

Older than average



44% have income from a **job or occasional work** vs **41%** average

University life...



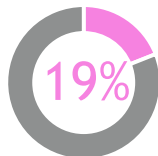
Most likely to go to a **Post-1992** university, and least likely to attend a **Russell Group** university



More likely to be **renting from a private landlord**



More likely to receive a bursary, which is most often a **hardship fund bursary**



vs **11%** average

Most likely to have **fallen behind on or missed a university payment** in the last **6 months**

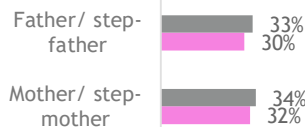
Family life...



Family is **averagely** affluent



Family are more likely to **rent their home from a private landlord**



Parents are **less likely** to have attended university

If they had an unexpected bill...

36%

...would pay for it using money from their parents vs **28%** average

Experience: They have experience of financial commitments and debt, but don't have the good habits to pay these on time

Struggling to keep up with bills...

40% Say that keeping up with university costs is a heavy burden
vs 27% average



Most likely to pay the **minimum** on credit card bills



More likely to take out any loans, and then fall behind on paying them back



7% have fallen behind on bills
vs 4% average

Less knowledgeable and don't seek advice from established sources...



More likely to have **no savings**
25% vs 20% average



More likely to talk to their **friends** about their finances

If the inflation rate is 5% and the interest rate you get on your savings is 3%, will your savings have more, less or the same amount of buying power in a years time?

57% correctly say less
vs **62%** average

Suppose you put £100 into a savings account with a guaranteed interest rate of 2% per year. How much would be in the account at the end of the first year, once the interest payment is made?

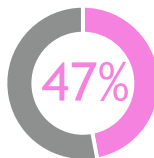
81% correctly say £102
vs **81%** average

They're not confident and rely on their parents...



58%
vs 49% average

More likely to be financially dependent on parents



vs **73%** average (managing money)

vs **57%** average (financial product decisions)

Less than half feel confident **managing their money**, or **making decisions** on financial products

They are susceptible to getting into debt...

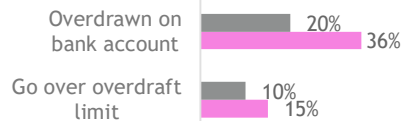
More likely to have a credit or store card...



15% have a store card
vs 11% average

31% have a credit card
vs 30% average

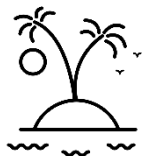
Also most likely to have **3 or more credit cards**



Most likely to be frequently **overdrawn** on any bank account. When this happens, they attempt to manage their money and look on the internet for information
14% owe £1000 - £4999 vs **9%** average

Attitude: Given external pressures, they struggle with planning for tomorrow and keeping to budgets although they try their best

Spending and debts prevent them saving for goals...



Most likely to be **saving for a holiday**

55% vs **48%** average

36%

agree



'I prefer to live for today than plan for tomorrow'
vs **19%** average

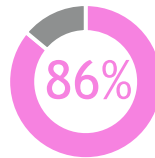


Most likely to **never** put money aside in savings...

...however, **they** are keen to pay off their debts

26% vs **17%** average

They're anxious about their situation...



vs **65%** average



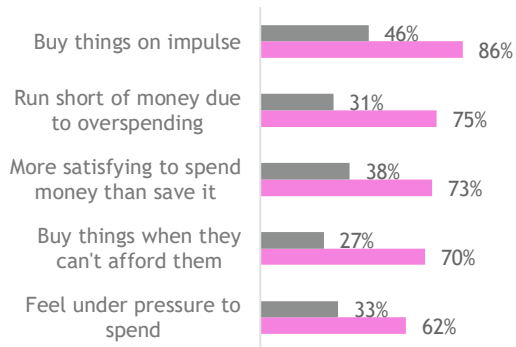
Their financial situation makes them **anxious, stressed and depressed** at times



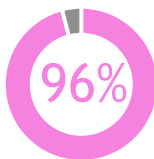
Most likely to **drink more alcohol** when they feel low

15% vs **7%** average

They love to spend...



They recognise the importance of tracking their money, but fail to implement positive changes in their own life...



Say it's important to **keep track** of their money... vs **93%** average

And they're most likely to **anxiously look at their bank balance every day...**



However, this doesn't translate into action. They are unlikely to change their expenditure and **least likely to keep track of their expenditure**

22% vs **15%** average



Of those who have set a personal budget, they are most likely **not to stick to it**



Less likely to have a clear plan on how to achieve financial goals

Anxious but Spending - Recommendations

Problems they face now

- **Prioritising saving over spending:** This group has difficulty in correctly prioritising what to do with their money. They know they should save, but spend instead
- **Impulse control:** They are likely to overspend on impulse, not because it is a thought out purchase
- **How to pay back their debts:** This group struggles with missing payments for their debts. Their amount of debt therefore continues to grow and they may get into greater financial trouble

Problems they might face in the future

- **Impact of their spending:** This group will have to deal with the impact of unpaid debts on their credit scores and savings in the future
- **Impact on independence:** Low savings and bad credit scores mean they'll find it harder to move out after graduation and become independent of their parents
- **Continuation of spending habits:** They may continue to feel under pressure to spend but unable to keep to budget, lacking financial skills to help themselves

How to engage them

- **Target through student websites:** Student websites may be good places to reach these students - they're unlikely to look for advice websites themselves
- **Make money engaging on their terms:** BuzzFeed-style 'money quizzes' would be attractive to this group to present money in a fun way
- **How to save for the things they want:** This group has shorter-term aims like holidays. Show them how to save for holidays to engage them and develop better habits

Disengaged and Overwhelmed



YouthSight

Disengaged and Overwhelmed - Feeling like they can't change their finances, they let their debts spiral

76% are satisfied with their life vs **80%** average

45% are satisfied with their financial situation vs **56%** average

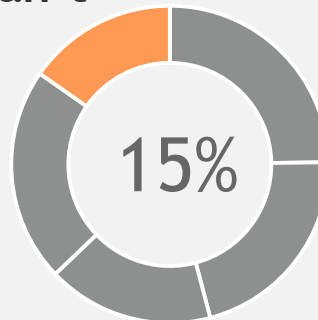
A typical issue...

I'm in debt and have a tendency to go into unauthorised overdrafts or use short-term loans as a way to keep myself afloat. I can't always see the value in planning for the future, so I don't always save. I do worry about my finances, but is there any point in trying to improve them?

Deep in trouble

This group come from an averagely affluent background, but are more likely to be fending for themselves. They pay their bills themselves but are falling behind on payments. A lack of support from parents or part-time jobs means they use loans and overdrafts to help themselves cope.

Their financial situation stresses them out so they check their balance regularly. They are so embedded in debt and loans that they are fatalistic about their financial situation. They are in need of help - with advice about how to get out of debt and reengaging them with their finances.



CUSHIONED

SQUEEZED

STRUGGLING



BACKGROUND

Average
affluence

FINANCIAL
EXPERIENCE

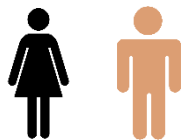
Moderate

ATTITUDE

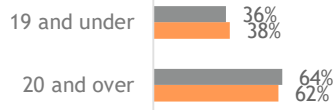
Fatalistic

Background: Male students who don't depend on their families, and who are more likely to rent from a local authority or housing association

Who they are...



More **male** than average



Average student age



83%

vs **86%** average

Less likely to be single

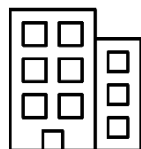
University life...



More likely to go to a **Pre-1992** university

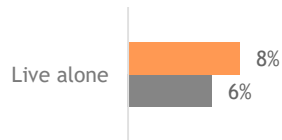


More likely to go to university in **England**



More likely to live in **rent from a local authority or housing association**

13% spend £4001 - £5000 on university accommodation per term vs **8%** average



Most likely group to live **alone**

Family life...



Family is **less likely** to be affluent



Family more likely to **rent their home from a private landlord**



More likely to be **estranged from their parents**

10% are **estranged from their parents** vs **7%** average

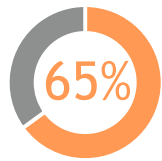


More likely to receive a bursary **AND** family members other than their parents are more likely to pay university fees

Experience: They rely heavily on loans and credit, and lack basic financial knowledge and skills

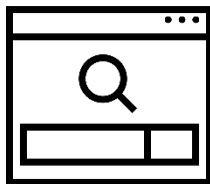
Disengaged and Overwhelmed

Not confident with money and don't ask for help...



vs 73% average

Only 65% feel confident managing their money, and only...



Least likely group to have used internet search engines or internet specialist sites for money advice



vs 56% average

...have asked their family for advice about money

Not great savers and not knowledgeable about money....



Least likely group to have money in a savings account, an ISA or a current account

Most likely group to say they have no savings

19% have less than £100 in savings vs 11% average

If the inflation rate is 5% and the interest rate you get on your savings is 3%, will your savings have more, less or the same amount of buying power in a years time?

58% correctly say less vs 62% average

Suppose you put £100 into a savings account with a guaranteed interest rate of 2% per year. How much would be in the account at the end of the first year, once the interest payment is made?

73% correctly say £102 vs 81% average

Keeping up with payments is a struggle...



More likely to have fallen behind on payments in the last 6 months...

...and when they fall behind, they don't do anything to deal with it

22% have fallen behind on university tuition fees vs 12% average

Lots of loans and lots of debt...

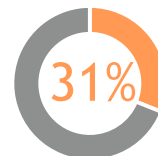
Most likely group to owe a lot more than this time last year...

15%

Most likely group to have taken out a short-term loan vs 6% average

3%

Most likely group to have a loan from unregistered money lender vs 1% average



Frequently go overdrawn vs 20% average



Most likely group to have income from gambling or non-legal means

15% owe £1000 - £4999 vs 9% average

Attitude: They are aware of their financial problems, but cannot see how their situation can be changed

Don't think saving for the future is important...



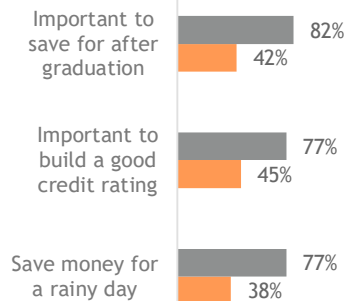
Least likely to be saving for a **planned expense**



Least likely to put money aside in savings every month
17% vs 26% average



Most likely to have **less than £100 in savings and investments**



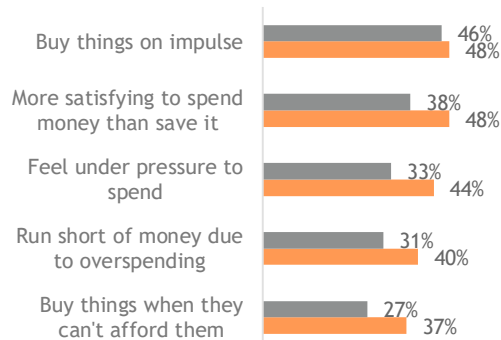
Bad emotional health...



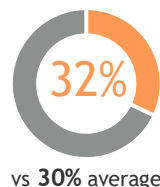
Their financial situation makes them **anxious and stressed**

Most likely group to experience **increased use of illicit drugs** as a result of their financial situation

Spend more than they should...



They try and keep track of their money, but are fatalistic...



More likely than average to keep track of their spending very closely, but...



Don't talk to **family** about their financial situation



Feel they **don't have time** to manage finances

15%
fail to keep to budget vs 10% average

...they **don't keep to budgets** they set themselves



Most likely to go into **unauthorised overdraft** to deal with an unexpected bill



They are **fatalistic** about their situation

Disengaged and Overwhelmed - Recommendations

Problems they face now

- **Lack of motivation:** This group feel overwhelmed by their situation and like they're unable to change it. They need encouragement to ask for help to try and change their situation
- **How to pay back debt:** They have trouble paying back their debts, and if they don't prioritise it their debt will continue to grow
- **Don't recognise the importance of saving:** Saving may not be possible for this group due to their financial burdens, so they struggle to see the importance

Problems they might face in the future

- **Financial habits could continue:** In the future, they could continue to rely on payday loans and unauthorised overdrafts to keep them afloat, leading to further debts and pressures
- **Dealing with their debts:** Short-term loans and unauthorised overdrafts come with heavy charges. If they don't pay them back, they will have substantial debts in the future
- **Lack of goals for independence:** They will take a long time to become independent - it isn't even a goal for them currently

How to engage them

- **Real-life, relatable stories:** This group needs to see it's possible to change their situation. Real-life examples promoted on websites they already use could be a way to give them hope
- **Achievable short-term milestones:** They need small goals they can achieve, e.g. paying £50 off debt is a great goal
- **Appeal to the now:** They are thinking about their circumstances in the here and now. Long-term goals are unlikely to attract them

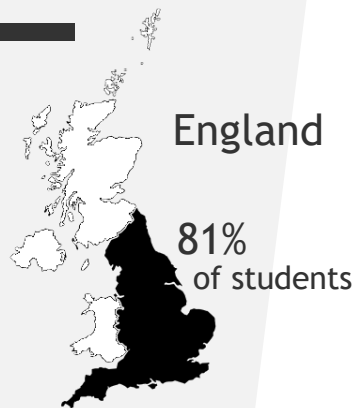
Appendix



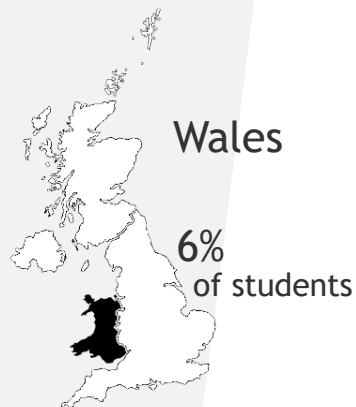
YouthSight

Student groups by Demographics

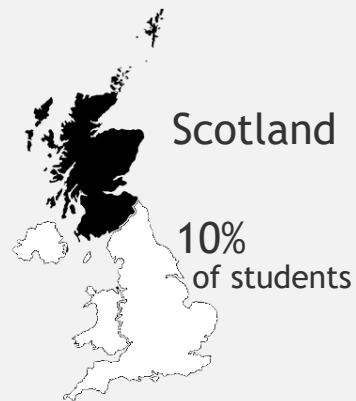
Student groups by nation



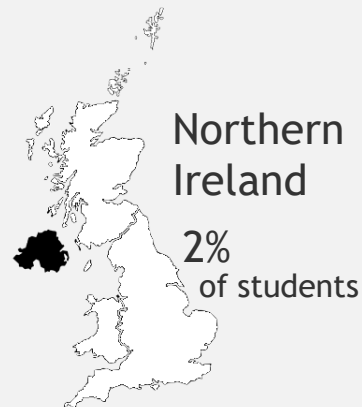
Supported and Sensible	25%
Confident and Thrifty	22%
Anxious but Spending	21%
Inexperienced and At Risk	17%
Disengaged and Overwhelmed	15%



Supported and Sensible	25%
Anxious but Spending	24%
Confident and Thrifty	23%
Disengaged and Overwhelmed	15%
Inexperienced and At Risk	13%



Supported and Sensible	26%
Anxious but Spending	23%
Confident and Thrifty	17%
Inexperienced and At Risk	17%
Disengaged and Overwhelmed	16%



Confident and Thrifty	32%
Supported and Sensible	20%
Anxious but Spending	20%
Disengaged and Overwhelmed	16%
Inexperienced and At Risk	12%

Green arrows indicate where a student group size is larger than average by 3% or more. Red arrows refer to where a student group size is lower than average by 3% or more.

Average across the UK: 25% Supported and Sensible, 22% Confident and Thrifty, 17% Inexperienced and At Risk, 21% Anxious but Spending, 15% Disengaged and Overwhelmed

Student groups by university group

Russell Group
27%
of students

Supported and Sensible 36%



Confident and Thrifty 18%



Anxious but Spending 17%



Inexperienced and At Risk 16%

Disengaged and Overwhelmed 14%

Post-1992
50%
of students

Confident and Thrifty 24%



Anxious but Spending 24%

Inexperienced and At Risk 18%

Supported and Sensible 18%



Disengaged and Overwhelmed 15%

Pre-1992
21%
of students

Supported and Sensible 27%

Anxious but Spending 21%

Confident and Thrifty 20%

Disengaged and Overwhelmed 17%

Inexperienced and At Risk 14%



Small institutions
2%
of students

Confident and Thrifty 28%



Inexperienced and At Risk 25%



Supported and Sensible 22%



Disengaged and Overwhelmed 13%

Anxious but Spending 11%



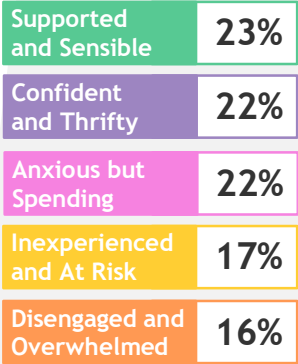
Green arrows indicate where a student group size is larger than average by 3% or more. Red arrows refer to where a student group size is lower than average by 3% or more.

Average across the UK: 25% Supported and Sensible, 22% Confident and Thrifty, 17% Inexperienced and At Risk, 21% Anxious but Spending, 15% Disengaged and Overwhelmed

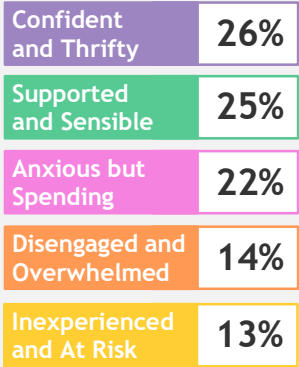
Student groups by current course year



1st Year
38%
of students



2nd Year
29%
of students

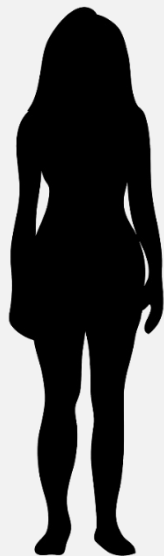


3rd+ Year
34%
of students

Note: Adds up to 101% due to rounding.

Green arrows indicate where a student group size is larger than average by 3% or more. Red arrows refer to where a student group size is lower than average by 3% or more.
Average across the UK: 25% Supported and Sensible, 22% Confident and Thrifty, 17% Inexperienced and At Risk, 21% Anxious but Spending, 15% Disengaged and Overwhelmed

Student groups by gender



Females
68%
of our sample

Supported and Sensible	24%
Anxious but Spending	23%
Confident and Thrifty	22%
Inexperienced and At Risk	18%
Disengaged and Overwhelmed	14%



Males
32%
of our sample

Supported and Sensible	25%
Confident and Thrifty	23%
Disengaged and Overwhelmed	19%
Anxious but Spending	18%
Inexperienced and At Risk	15%



Note: This survey didn't include quotas for gender, meaning the gender split fell out naturally. According to HESA 2016/17 data, the undergraduate students' gender split is 56% female, 44% male. We ran a weighting scheme to check that our gender split had not affected responses. There were no significant differences between running the data with this gender split or with weighting based on the national split.

For further details, please see the separate technical report.

Green arrows indicate where a student group size is larger than average by 3% or more. Red arrows refer to where a student group size is lower than average by 3% or more.

Average across the UK: 25% Supported and Sensible, 22% Confident and Thrifty, 17% Inexperienced and At Risk, 21% Anxious but Spending, 15% Disengaged and Overwhelmed

Methodology and Sample

Methodology

Online Survey May '18



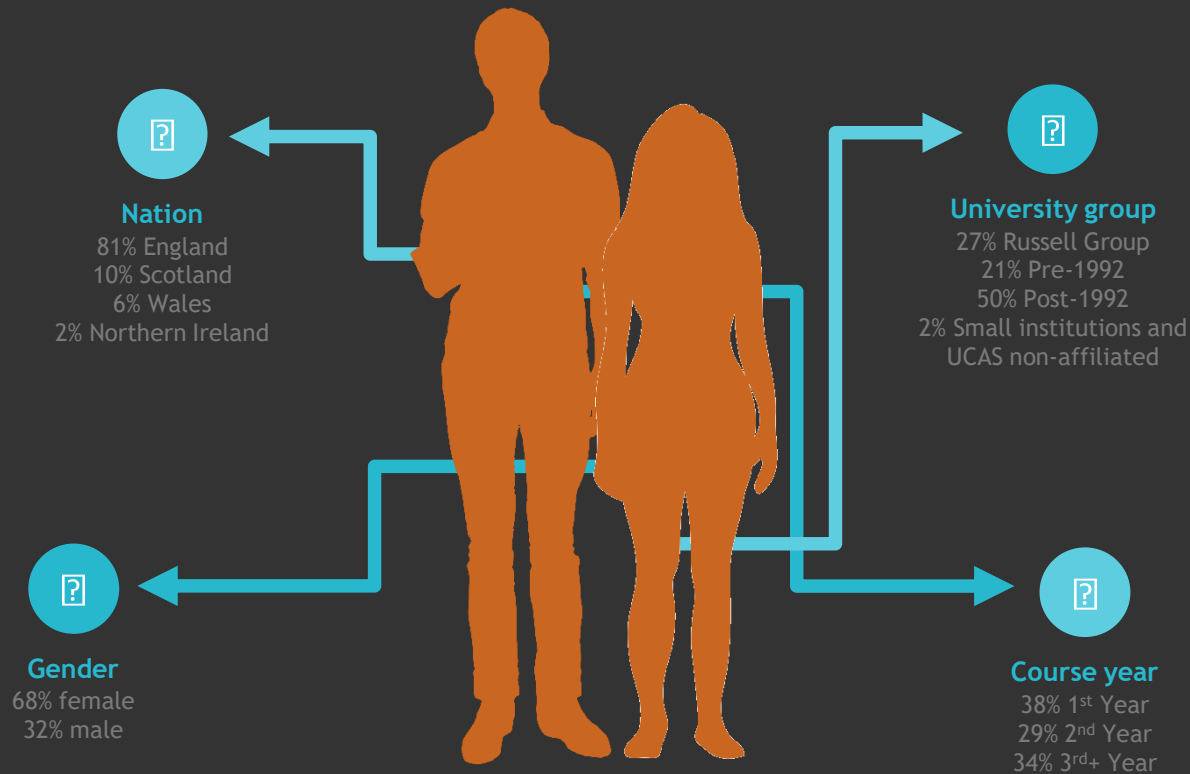
Conducted with 5118 full-time undergraduate students in the UK. The sample was representative in terms of course year, university group and nation (England, Scotland, Wales, Northern Ireland).

The survey explored:

- Background and demographics, including bursaries and dependence on family
- Personal well-being, financial well-being and confidence
- Pressures and burdens they face with costs and debts
- Planning and goals
- Product holding and credit use
- Saving, spending and budgeting habits
- Knowledge and use of financial information and guidance sources
- Financial literacy

A detailed methodology of the statistical analysis used in the segmentation is available in the separate technical report.

Who we spoke to



All participants were full-time, UK undergraduates

Student Diagnostic Tool

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