BRENTHURST GLOBAL WEALTH

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BUILDING WEALTH SINCE 2004

IN THIS ISSUE

Students can build a stronger financial future by budgeting wisely, avoiding unnecessary debt, resisting peer pressure, using resources responsibly, and developing money-management skills during their tertiary education years.

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FINANCIAL TIPS
FOR UNIVERSITY AND COLLEGE STUDENTS

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Every year, Youth Day highlights issues affecting young people. There are many matters to consider. Herewith a guide to a better understanding of how to be smart with money.

For many young people, attending college or university is their first experience of managing money independently. Unfortunately, many students begin their tertiary education without the financial literacy skills needed to make informed financial decisions.

Building a stable and successful financial future starts with understanding basic money-management principles. A lack of financial knowledge can lead to poor financial choices, the consequences of which may affect students for years after graduation.

CREATE AND FOLLOW A BUDGET

One of the most important financial habits students can develop is budgeting. Understanding the difference between **needs** and **wants** is essential.

NEEDS INCLUDE NECESSITIES SUCH AS:

- Food
- Accommodation
- Transport
- Study materials

WANTS INCLUDE NON-ESSENTIAL SPENDING SUCH AS:

- Clubbing and social events
- Expensive entertainment
- Luxury clothing and accessories
- Frequent takeaways

While this distinction may seem obvious, many students live beyond their means because they fail to manage their expenses effectively. Financial discipline and responsible spending are key to avoiding unnecessary debt.

USE STUDENT LOANS AND BURSARIES RESPONSIBLY

Students who receive loans, bursaries or other forms of financial assistance often have limited experience managing large sums of money. This can lead to the misuse of funds intended for tuition, accommodation and study-related expenses.

It is important to remember that failing a course does not necessarily eliminate the obligation to repay a loan or meet bursary conditions. Students who misuse these funds may find themselves unemployed and burdened with debt before their careers have even begun.

AVOID PEER-PRESSURE SPENDING

Peer pressure is a powerful influence on many campuses and often shapes students' spending habits.

The desire to fit in can create pressure to purchase:

- The latest smartphones and tablets
- Expensive clothing and accessories
- Concert tickets and entertainment
- Costly social outings

Students should recognise that financial success is not determined by appearances. Making spending decisions based on personal goals rather than social expectations can help prevent unnecessary financial strain.

TAKE ADVANTAGE OF STUDENT DISCOUNTS

Many businesses offer discounts specifically aimed at students. Making use of these opportunities can result in significant savings over time. Every rand saved can be redirected towards essential expenses or future financial goals.

CONSIDER SECOND-HAND TEXTBOOKS

Textbooks can be one of the largest academic expenses. Where possible, consider purchasing second-hand books or sharing resources with fellow students. This simple strategy can substantially reduce study costs.

EARN ADDITIONAL INCOME

Part-time employment can help students cover expenses while developing valuable work experience.

Possible opportunities include:

- Working at a coffee shop or restaurant
- Tutoring other students
- Serving as a teaching or research assistant
- Freelance or online work

Maintaining a healthy balance between studies, work and social activities is important, ensuring academic performance is not compromised.

BE MINDFUL OF YOUR PARENTS' FINANCIAL PRESSURES

Many parents make significant sacrifices to support their children's education. Even when bursaries or scholarships are available, parents may still contribute towards accommodation, transport, meals and other living expenses.

Students can help ease this burden by:

- Managing their money responsibly
- Avoiding unnecessary spending
- Seeking part-time employment where appropriate
- Contributing towards some of their personal expenses

SET FINANCIAL GOALS

Having clear financial goals helps students stay focused and avoid impulsive spending.

Whether the goal is:

- graduating debt-free,
- saving for future studies,
- purchasing a vehicle, or
- building an emergency fund.

Students who understand what they want to achieve are more likely to make responsible financial decisions.

DEVELOP FINANCIAL LITERACY EARLY

Financial education is one of the most valuable life skills a young person can acquire. Parents and educators should encourage students to develop independent thinking and sound judgement regarding money.

Students should also be aware of "herd mentality"—the tendency to follow the actions of others without considering the consequences. This cognitive bias can negatively influence spending habits, saving behaviour and future investment decisions.

CONCLUSION

University life offers valuable opportunities for personal growth and independence. By learning to budget, avoiding unnecessary debt, resisting peer pressure and setting clear financial goals, students can build a strong financial foundation that will benefit them long after graduation.

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She obtained her National Certificate in Financial Services, Wealth Management, in 2014 and has been in the financial services industry since 1998.

Leslie is a REGISTERED FINANCIAL PLANNER™ and a member of the Financial Planning Institute of SA and is fully qualified to give advice on all aspects of investments, retirement planning and life cover, which includes personal and business assurance.

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