

Student Money & Wellbeing 2022

How are money worries
and the cost of living crisis
impacting students?

A Blackbullion whitepaper,
in association with Censuswide

***blackbullion**

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Foreword

Welcome to Blackbullion's second annual Student Money & Wellbeing Report. As the culture around financial wellbeing continues to transform the student experience, we once again find ourselves leading a fast-changing conversation.

Last year, we set out to explore the intractable link between money and mental health for young people in higher education. With this relationship clearly, and undeniably, established, we're delving deeper into the complexity that comes with understanding and navigating finances as a student.

Coming out of the precariousness – in all senses – of the pandemic's impact on students' lives, we're seeing a new force at play in 2022: the rising cost of living. As inflation soars, we tap into what this means for students, whose lives, university experiences and futures have already been so affected by the pandemic.

Within this report, we unpack the latest findings on:

- How students' financial wellbeing has changed over the past 12 months and whether they can afford to study in 2022
- How money worries are impacting students, their mental health, physical health and university experience
- Students' current attitudes and behaviours towards money and where they're learning about money from
- How students feel when looking ahead to their financial future
- How students' financial experiences vary across genders

This report explores the findings from a 2022 survey of just over 1,000 university students across the UK, conducted in partnership with Censuswide.

We hope this report helps university and college leadership, support staff and the higher education community as a whole to better understand the very real impact that finances have across the entire student experience on a day-to-day basis and how the picture has changed in just the last 12 months.

Student Money & Wellbeing 2022 also sets out opportunities for universities, colleges and other providers, as well as practical steps that can be taken to best support students' financial wellbeing and access to funding to drive attainment, engagement and retention.

It has been a (very!) challenging year again, and staff have acted with incredible care and dedication; we are so proud to continue to support their commitment to students' positive money habits.



Vivi Friedgut

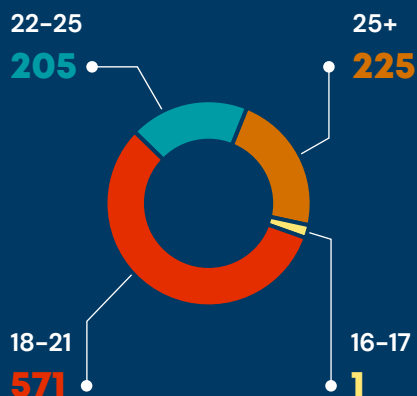
Founder & CEO, Blackbullion

About the research

1,002

university students

Age



Gender

Female	Male	Non-binary	Transgender male
492	483	16	7
Transgender female	Agender	Other	Prefer not to say
0	1	1	2

Year of study

Undergraduate:
first year

293

Undergraduate:
second year

281

Undergraduate:
third year

193

Undergraduate:
fourth year or above

82

Undergraduate:
placement year
or study abroad year

16

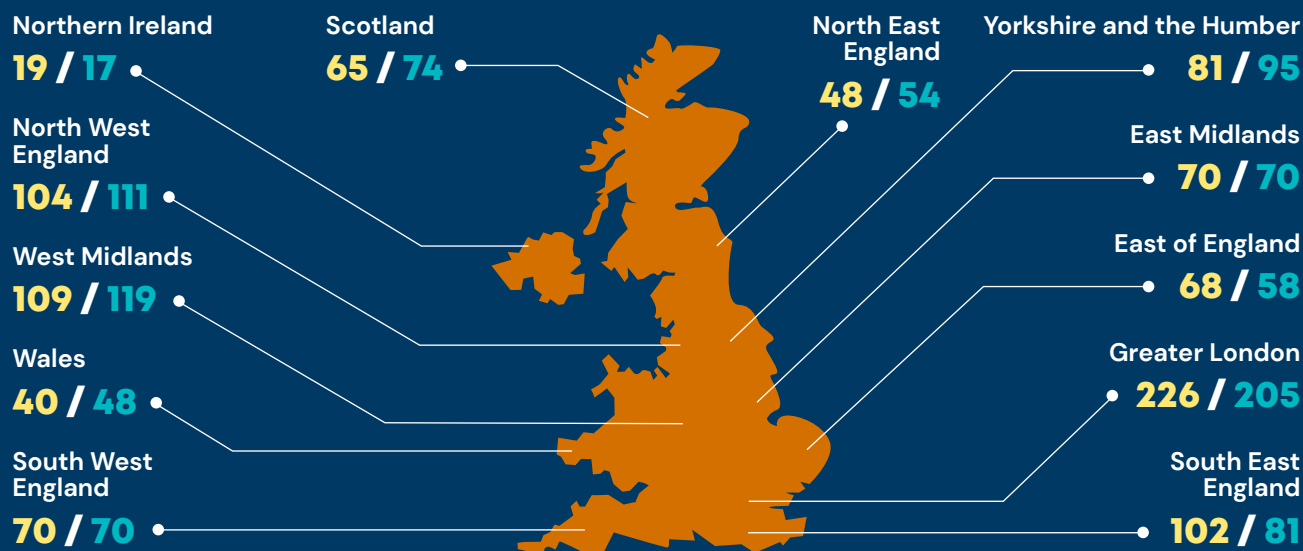
Postgraduate:
first year

93

Postgraduate:
second year or above

44

Region of residence / university



Summary

On average, students say they need

£395 extra¹

a month, compared to what they actually have, to feel confident they will be able to complete their degree.

20% more

than in 2021 (£329)

Females report an average monthly budget of

£136 less

than males²



of students surveyed say they worry about finances



say worrying about finances negatively impacts their mental health



say it impacts their ability to focus and study



say their physical health is impacted



say their grades are affected

1 in 5 students⁴

surveyed feel pessimistic and unconfident about their financial future



of students surveyed are worried about the rising cost of living



of students are worried about Covid having a potential negative impact on their financial future

¹ When referring to 'the average of the amount students feel they need to complete their degree and what they actually have' throughout the report, this excludes those who prefer not to say

² When referring to males and females throughout this report, this is in reference to people who chose to identify as either male or female at the beginning of the survey

³ Of the 751 students who worry about finances

⁴ 19% of 1,002

Female students engage in more conservative, 'traditional' methods of making and managing money, while male students are:

3x

more likely to invest in cryptocurrency or buy an NFT⁵

2x

as likely as female students to invest into stocks and shares

4x

more likely to automate investments



of females surveyed have learned about money from their caregivers⁶, compared to 48% of males

⁵ NFT stands for 'non-fungible token', which is a one-of-a-kind digital asset that can be bought and sold. Popular NFTs include digital artwork and music

⁶ Parent(s)/guardian(s)/family

Six key areas of findings:

1

Can students afford to study in 2022?

Just 42% of students surveyed say the money that they receive from Student Finance is enough. On average, students say they would need an additional £395 extra a month to feel confident they can complete their degree. This is a 20% increase on 2021 (£329). Throughout the findings, we see that soaring inflation is redefining student finances today and 72% of students surveyed are worried about the rising cost of living.

Female students have significantly less (£136) to spend on average each month than their male counterparts. Since 2021, male students report that their average monthly budget has grown 15%, whereas female students have seen just a 3% increase year-on-year – the monthly budget gap between males and females has more than doubled in just a year and is a concern to track into 2023.

2

How are money worries impacting students?

75% of students surveyed say they worry about finances – the same figure as in 2021. Factoring in that last year's research was undertaken during the third Covid-19 UK lockdown, this suggests that the impact of finances on student mental health is becoming endemic to the student experience.

We see students' worries about money present in a number of ways:

- 57% of the students surveyed who say they worry about finances report that this negatively impacts their mental health
- 44% say it negatively impacts their ability to focus and study and 32% say it affects their grades
- 1 in 3 (34%) say their physical health is impacted

3

How are students plugging the financial gap between what they need and have?

The primary way students supplement their Student Finance funding is with financial support from their parent(s)/guardian(s)/other family members (44%), with female students relying more heavily on their caregivers than their male counterparts: at 50% compared to 37%.

4

How do students' perceptions compare to their real-world financial behaviour?

There's a discrepancy between students believing they're 'good with money' and their money habits, with a further divide between gender behaviours. Female students surveyed showed a tendency to lack financial confidence and be more risk-averse than their male counterparts, who are willing to embrace newer, more innovative ways of managing and making money.

5

Where are students learning about money?

Caregivers are the key source for financial education for 58% of all students surveyed, followed by social media at 33%. There are gender differences here again; 67% of females have learned about money from their parent(s)/guardian(s)/other family members, compared to 48% of males, who are twice as likely to learn about money from an internet forum. This perhaps indicates one reason as to why female students are sticking to 'traditional' financial behaviour more than males.

6

How do students feel about their financial future?

1 in 5 students feel pessimistic and lack confidence about their financial future, with the rising cost of living being overwhelmingly the most acute concern for students: 72% of students surveyed are either very or somewhat worried about it. Overall, males feel more confident and optimistic than females about their financial future.

Please see the following six sections for further figures and more detail on each of these findings, and the conclusion on page 36 for our final thoughts.

Can students afford to study in 2022?

On average, students say they need

£395 extra

a month, compared to what they actually have, to feel confident they will be able to complete their degree;

20% increase

compared to 2021 (£329)

Starting this report with a barometer of whether students feel they can afford to study in 2022 and how this has changed since 2021, just 42% of students surveyed said the money they receive from Student Finance is enough to cover all their expenses and living costs as a student (including rent but excluding tuition fees). For many students, Student Finance funding isn't enough to even cover their rent.

Students believe they need an additional £395 each month to feel confident they will be able to complete their degree course; an increase of 20% on 2021's findings. In the context of students' monthly budgets, it's a significant gap.

While we have to allow for some financial mismanagement on a case-by-case basis across the student population, it's easy to see why money worries are playing such a huge part in students' lives, as they try to find ways to make their budgets last the month.

The soaring cost of living is redefining student finances. With inflation rising at its fastest pace in 30 years (from 0.7% in January 2021 to 5.5% in January 2022)⁷, concerns about the increasing cost of daily life are well-placed. Inevitably, we're seeing this shape the everyday lives of students with the consequences of increased inflation evident across the entire financial experience of students.

Subsequently, as we see throughout the survey findings, worries about money are impacting students' mental health, physical health, university attainment and experience, as well as leaving them wondering how to best navigate through this period and questioning the brightness of their financial future.

While there is no doubt that the cost of living crisis is having a very real impact on students and their budgets, our experience also suggests that students who are considering university – long before they arrive on campus or even accept an offer – need a better understanding of Student Finance and assurance that they have a way to supplement this funding.

Ultimately, the support is designed as a contribution towards the cost of studying, rather than to cover the full cost. This is something that is not widely understood by students themselves, nor their parent(s)/guardian(s). There's also a clear need to provide and personalise financial education, to help those considering higher education to prepare for the real cost of student life.

⁷ SOURCE: [ONS](#)

Students say:



It is a constant worry.



It has been very hard for me and at times I find myself struggling for money for food. This is because on top of rent and required equipment for uni and clothes washing I have to cut back on food most weeks. I don't go out at all or spend money on things I like because I am struggling down to the pence.



I struggle to afford the essentials of living so I am always in my overdraft.



Absolutely shocking how I'm expected to live. Constantly working, constantly struggling and it never ends. Sometimes I wonder why I bother. Very depressing and demotivating.



It's hard. Everything is more expensive now.

Female students have

£136 less

to spend each month than their male counterparts

The survey findings identify a growing gap in monthly budgets between male and female students. On average, male students have a monthly budget of £714, while their female peers have 23% less at £578.

In 2021, male students surveyed reported an average monthly budget of £622 with female students relying on £562 each month. Alarming, while male students report having 15% more to spend a month this year than they did in 2021, female students have seen just a 3% increase year-on-year in what they have to spend each month. This means that the monthly budget gap between males and females has more than doubled within a year.

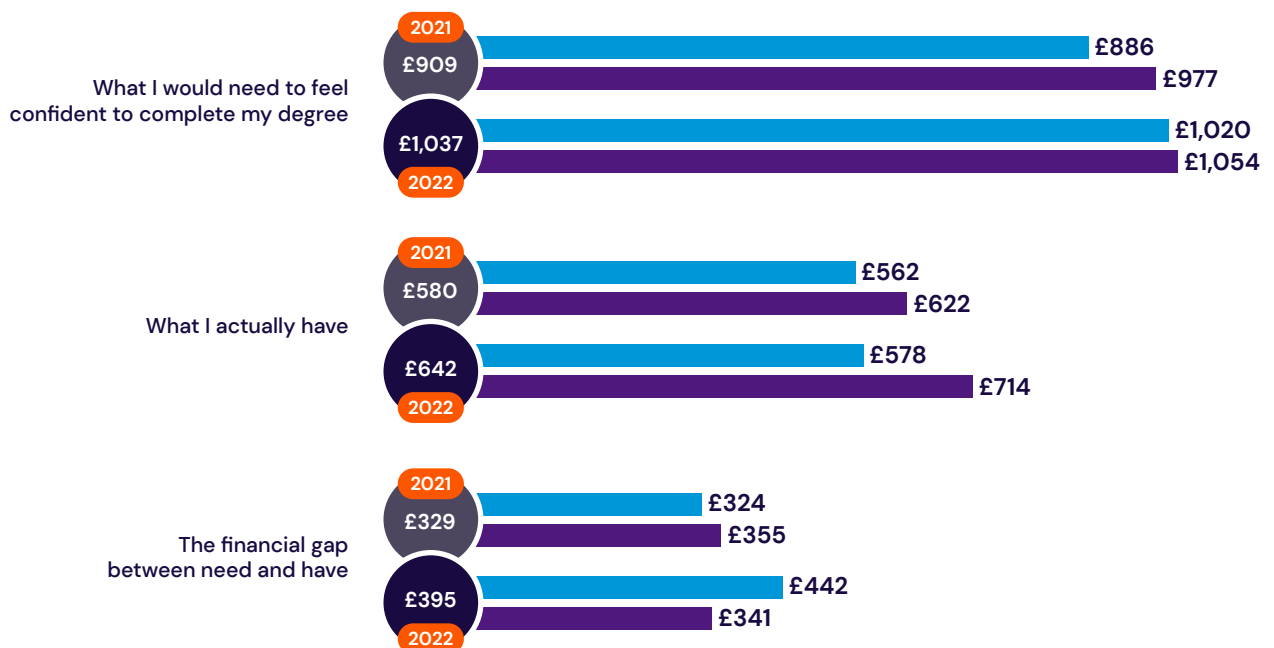
Once again, the research points to clear financial inequities emerging at this early point in students' lives. It's a trajectory we see elsewhere; while 47% of male students feel that the money they receive from Student Finance is enough to cover their costs (other than tuition fees), just 37% of female students feel the same.

Despite this, male students show greater willingness to seek additional funding from their university (e.g. hardship funding) and 24% of the male students surveyed had already applied with a further 17% planning to. In comparison, 18% of females surveyed had applied for additional funding from their university, with 12% planning to.



*Mean of all survey respondents

Approximately, how much money would you need, each month, in order to feel confident that you will be able to complete your degree and how much do you actually have?



Students say:



After receiving my student finance and paying my accommodation fees I am left with approximately £100 to last all term. . . .



My funding from student finance isn't enough to cover my student house rent. It's over £2,000 under. I don't receive any money from my parents. My wage from my employment mostly goes into rent & my car. I'm not left with a lot for a lot else.



Totally useless. Does not even cover the rent.



I get the maximum student loan due to my mother being disabled, however it barely covers my university accommodation which is just over £8k. I have a bursary which is £3,000 a year but I travel a lot for work which is the main way my money is depleting.



It's never enough to cover what I need. I'm currently struggling with my student finances because of this.

How are money worries impacting students?



75%
of students worry about finances

75% of students surveyed say they worry about finances – the same figure as in 2021. While it's reassuring that there's no increase, we need to consider that last year's research was undertaken in January, during the third Covid-19 UK lockdown – an acute point of crisis and disruption for students. The concern here is that rather than the impact of finances on student mental health being a transitory, one-off event, it could become endemic to, or even part of, the student experience.

We see this reflected in the language that students used to describe their financial experience throughout the survey. Delving into their comments, we hear the words "always" and "constantly" on repeat, highlighting how feeling worried about finances is a seemingly permanent state of being for today's students.

As we also found last year, there are discrete experiences relating to different student populations. The most striking is that in 2022, 80% of female students say they worry about finances: that's 4 out of 5 females in higher education. For their male peers, it's 70%, which is still plenty for us to be concerned about.

The experience of young people compares unfavourably to the wider population of UK adults, 48% of whom, according to the Money and Pensions Service⁸, say they regularly worry about money.



57%
of students who worry about finances say it negatively impacts their mental health

When it comes to how money worries are impacting students' mental health and wellbeing, 57% of the students surveyed that say they worry about finances report a negative impact on their mental health.

While, concerningly, nearly half of male students (47%) say that money worries impact their mental health, it's disquieting that 65% of female students are experiencing a negative impact on their mental health as a direct result of money worries.

An overwhelming 95% of the students in this group⁹ experience stress relating to money. Nearly two thirds (61%) feel stressed about money on a regular basis.

87% of those who say worrying about finances negatively impacts their mental health report that money worries trigger anxiety for them. Over half (51%) said they experience money-related anxiety often. Around a third (31%) of UK students are regularly depressed because of their financial circumstances. Those are powerful figures to think about.

⁸ SOURCE: [Money & Pensions Service 2020](#)

⁹ Those who say worrying about finances negatively impacts their mental health

Digging further into the impact that mental health has on the student experience, concerns about finances are shown to exacerbate loneliness in young people; 71% of students who say that worrying about money negatively impacts their mental health have feelings of isolation.

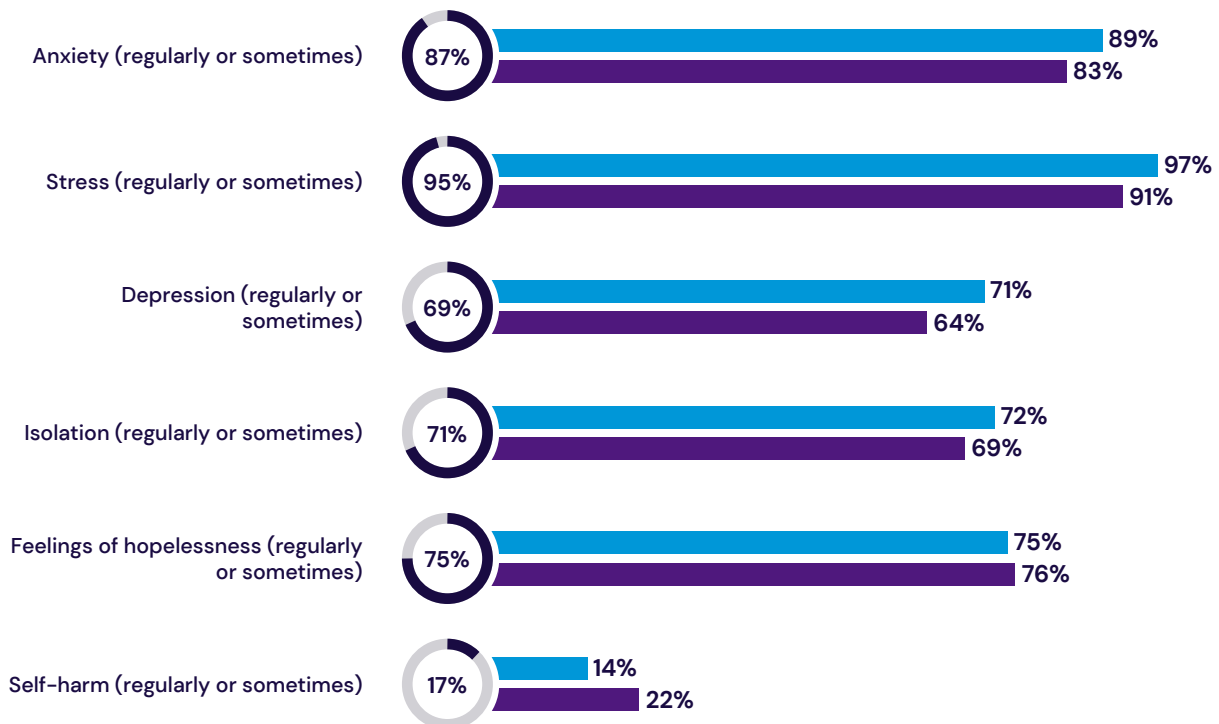
So not only do finances impact relationships, friendships and sociability – the cornerstone of university life – but money worries make students withdraw even further, effectively suffering in silence. A combination of the pandemic, an over-reliance on social media and living many aspects of life online has led to a loneliness epidemic that cuts right across the current student cohort.

For HE providers, there’s an essential need to place conversations, events and human connection back into the centre of the student financial experience to help tackle isolation. This requires more than signposting. Instead, student support teams could go where their students are: student accommodation, social spaces and the library, so that students become more familiar with who they are, grow trust and develop relationships, helping to ensure fewer cracks through which students might fall.

○ Overall ■ Females
 ■ Males

You said worrying about finances negatively impacts your mental health, how often have financial worries triggered the following for you, if at all?

*Of the 57% of students surveyed who say worrying about finances negatively impacts their mental health



Students say:



I'm about to be made homeless as I can no longer afford the rent.



I feel constantly anxious and sometimes feel alone and depressed because I can't go out and socialise in fear of running out of money for living.



Can't go out with friends as much as I'm scared to tell my parents when I have entered overdraft. Can't eat as well as I can only afford tinned foods.



I limit what I eat, I don't join friends in social activities that cost money, I rarely get a break as when I am not at uni I work multiple jobs to prepare for the following semester. I am burnt out. I rarely buy luxuries, my laptop is broken and I can't afford to fix it.



My loan has to support my mother as well. So when I can't afford to support her the way I should, I feel like I'm letting her down. There's also the daily worry of whether my card will be rejected when I try to get on the bus to uni. I have no backup for if that happens.

Money worries are negatively impacting the physical health of

1 in 3
students

While there is an indisputable link between money and mental health, around one third (34%) of the students surveyed who say they worry about finances also report that their money worries negatively impact their physical health.

There is, of course, a bidirectional overlap between mental health and physical health, with each exacerbating the other, and what is clear from the survey findings is that money affects every touchpoint of student life. When it comes to worrying about finances:

- 44% say their sleep is negatively impacted
- 42% report a negative impact on their motivation and productivity
- 40% say their confidence is negatively affected
- 29% say money negatively impacts their relationships and friendships

The figures show we should examine the impact of money worries on young people's health in two ways. Firstly, there's the inevitable effect that poor mental health has on physical wellbeing – the toll that anxiety, feelings of depression, poor sleep, low energy and mood will take on the body over time.

There's also a tangible consequence of not having enough money; students simply cannot afford to meet their health potential, with hundreds citing skipping meals, opting for cheaper, less healthy food choices and poor diet. We're seeing the impact of the cost of living crisis emerging here, already having a crucial effect on student health, holistically.

Despite this picture, when we asked students if they felt their financial wellbeing had improved in the last year, 40% of students said it had. Those who report an improvement cite some of the reasons for this as side hustles, access to financial education, improving budgeting skills and changes in lifestyle. For those who feel their financial wellbeing has worsened in the last year, Covid and the subsequent financial fallout from the pandemic features heavily as to why.

Again this tracks differently across the genders: 47% of male students cited either somewhat or significantly improved financial wellbeing over the last year, with just 18% reporting that it had worsened. For female students on the other hand, just over a third (35%) reported an improvement while almost another third (29%) say their financial wellbeing has either somewhat or significantly worsened in the last year.

Whilst further research would be needed to better explain these gender differences, our findings are consistent with decades of research from around the world; all concluding that there are clear differences in the way that males and females think about saving, investing and financial guidance and that these differences manifest in both behaviour and attitude.

What this year's findings do clearly show is a widening gap between the financial wellbeing of females and males, worryingly demonstrating that the gender gap emerges long before entering the world of work. This is undoubtedly something to monitor into 2023.

Students say:



[I] eat less food to save money.



I cannot sleep, I also cannot study and eat without worry[ing] about me not earning and also worrying about spending. I think I should do other jobs but I don't think it will help a lot.



... I am losing my hair a lot at the moment due to the stress which then creates a vicious circle as I stress even more.



I normally go without eating and when I do eat I binge eat unhealthy food. I drink on a regular basis to feel normal and not worry about everyday life.



It worsens my existing health conditions and makes it even harder to do well at my course and find a job. . . .



44%

of students who worry about finances struggle to focus and study

Money concerns are also impacting how students learn and their university attainment: 44% of students surveyed who worry about finances say this negatively impacts their ability to focus and study, with nearly 1 in 3 (32%) saying it affects their grades.

Financial worries clearly occupy a huge amount of student headspace and these figures show that ultimately, money is compromising the core purpose of their being at university or college.

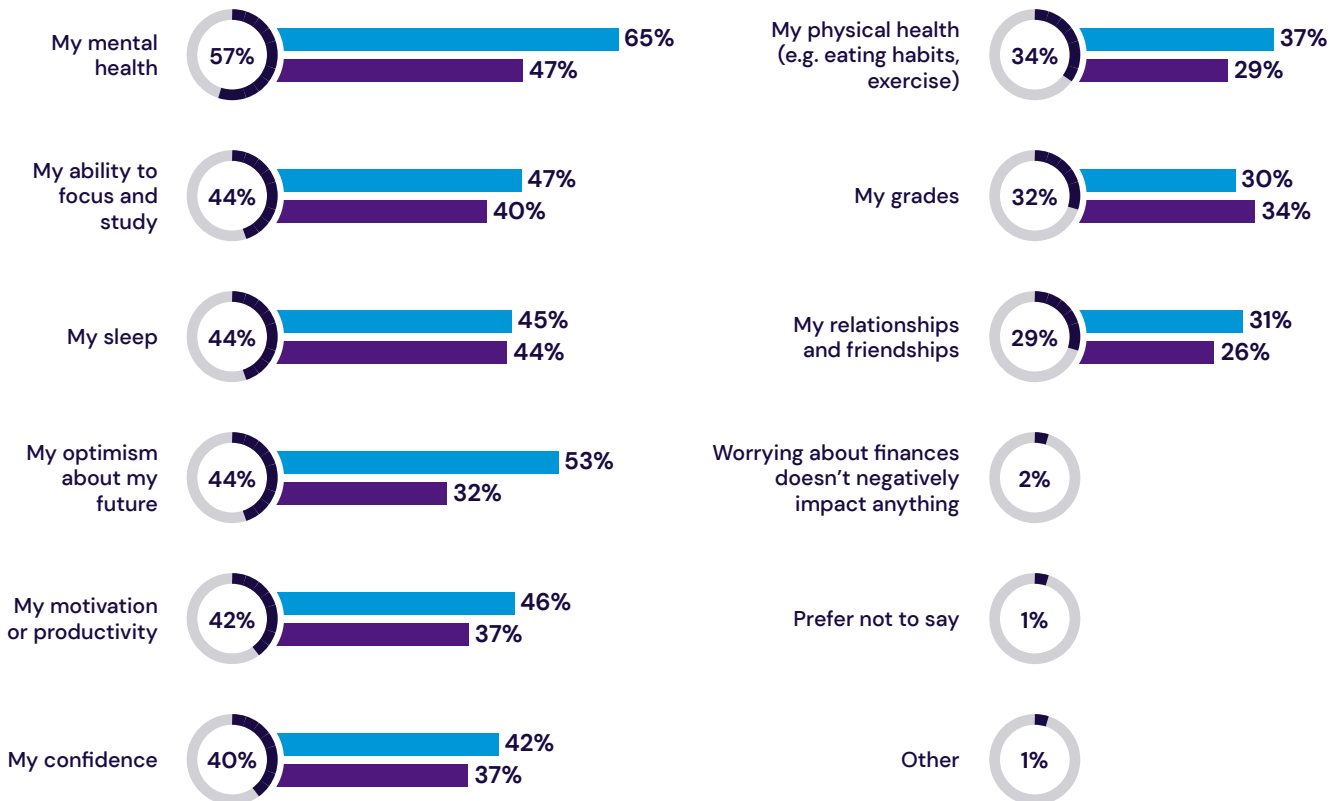
How can HE providers ensure that financial anxiety doesn't detract from students' learning experience and performance? Taking a proactive, whole institution approach to student financial wellbeing would be beneficial here so that everyone is bought into this same purpose. Integrating money conversations across the curriculum creates a more coherent and collaborative approach to institution-wide financial education. Support throughout the year, in addition to particular focus at key events such as Freshers' Week, also serves to normalise the conversation and raise confidence.

A holistic approach matters. Some may be concerned about taking up learning time, but this needs to be offset by the very real negative effect that money worries are having on students' ability to focus, learn and study. The long term gain is evident.

Overall Females Males

What, if anything, does worrying about finances negatively impact for you? (Tick all that apply)

*Of the 75% of all students surveyed who say they worry about finances



Students say:



I constantly lose weight and could not sleep at night due to my financial situation. I hardly can study, let alone recall what I have read and studied.



It is difficult to do a part time job and also concentrate on studying.



I think that study is not useful when I have no money to eat.



More energy spent focusing on trying to save rather than studying/being productive.



I worry because my current financial instability could affect my university attainment which could have knock-on effects later in life.



[It's] food vs rent vs study.

How are students plugging the financial gap between what they need and have?



of students rely financially on their caregivers, but this is not without problems

When it comes to supplementing their Student Finance funding, 44% of students surveyed receive money from their parent(s)/guardian(s)/other family members.

This figure reflects our 2021 research, where over 2 in 5 students (44%) who had considered dropping out or deferring a year due to money worries, said that it was the financial support they received from their parent(s) or guardian(s) that stopped them from doing so.

However, this dependency is a source of anxiety in itself with many students reporting concern as to the financial strain on their caregivers. And a worry is that as the rising cost of living continues to squeeze household finances, many of which have already been impacted financially by the pandemic, the 'Bank of Mum and Dad' will inevitably be affected too - having a knock-on effect on students' finances.

A number of students feel strongly that there are flaws in the Student Finance system, citing failure to take into account parent/guardian/family willingness to support, regardless of their ability on paper, as well as various issues associated with household means testing.

Students say:



Due to my parental income I receive the minimum loan, as a medical student I don't have time to work during term time. I struggle financially and feel like a burden on my family.



My maintenance loan does not cover my rent so I have to ask parents for help financially which is hard on them.



I have to ask my parents constantly for help and it has put a strain on our relationship.



They didn't consider for me personally that just because my parents have the financial means to support me it doesn't mean they are willing to do that.



It's difficult to save much money so I regularly need to seek help from my parents. It undermines your confidence knowing that you don't have financial independence.



... Student finance should be the same for every student. I know students who get nothing off their parents, because they had a bad relationship, who then get the lowest student finance loan and therefore struggle and have to work. And I know other students who get the full student finance loan; even though their parents are millionaires, but their parents were "retired" so they get the full loan. It makes no sense. It also SHOULD NOT take into account the income of step parents, step parents often make no contribution to children who are not their own.

Females

rely more heavily than males on money from their parent(s)/guardian(s)/other family members

Once again, the gender gap emerges here: 50% of female students rely on financial support from their caregivers, compared to 37% of males.

Let's consider that female students are more reliant on parent/guardian/family support in the context of rising inflation adding pressure to household finances. We also need to couple this with the financial fallout from the pandemic that students were already telling us about in January 2021, before the cost of living crisis truly emerged.

With this all in mind, it could go some way towards explaining why female students report having £136 less a month on average to spend than their male counterparts. As well as why females have a bigger financial gap to bridge between what they have and what they need each month and a much smaller year-on-year budget increase than male students (15% for males compared to 3% for females).

It's likely that students are simply less able to get as much as they need from their caregivers to keep up with living costs at this time and by being more reliant on their parent(s)/guardian(s)/family than their male peers, female students are feeling the brunt of the impact of this on their budgets.

With household finances stretched, what are the other ways that students are seeking to bridge the gap in their finances? 20% of students surveyed have jobs to supplement their Student Finance funding. 19% of students regularly use a credit card or overdraft to get by. When it comes to both employment and using credit cards and overdrafts, there was a much smaller discrepancy between males and females; with females relying slightly more than males on employment and males slightly more than their female counterparts on credit cards and overdrafts.

We also found that male students are more than twice as likely as females to generate income online (via Instagram, TikTok, YouTube, OnlyFans etc.). This tracks with our 2021 findings, which showed that male students tend to be more self-sufficient in generating additional income.

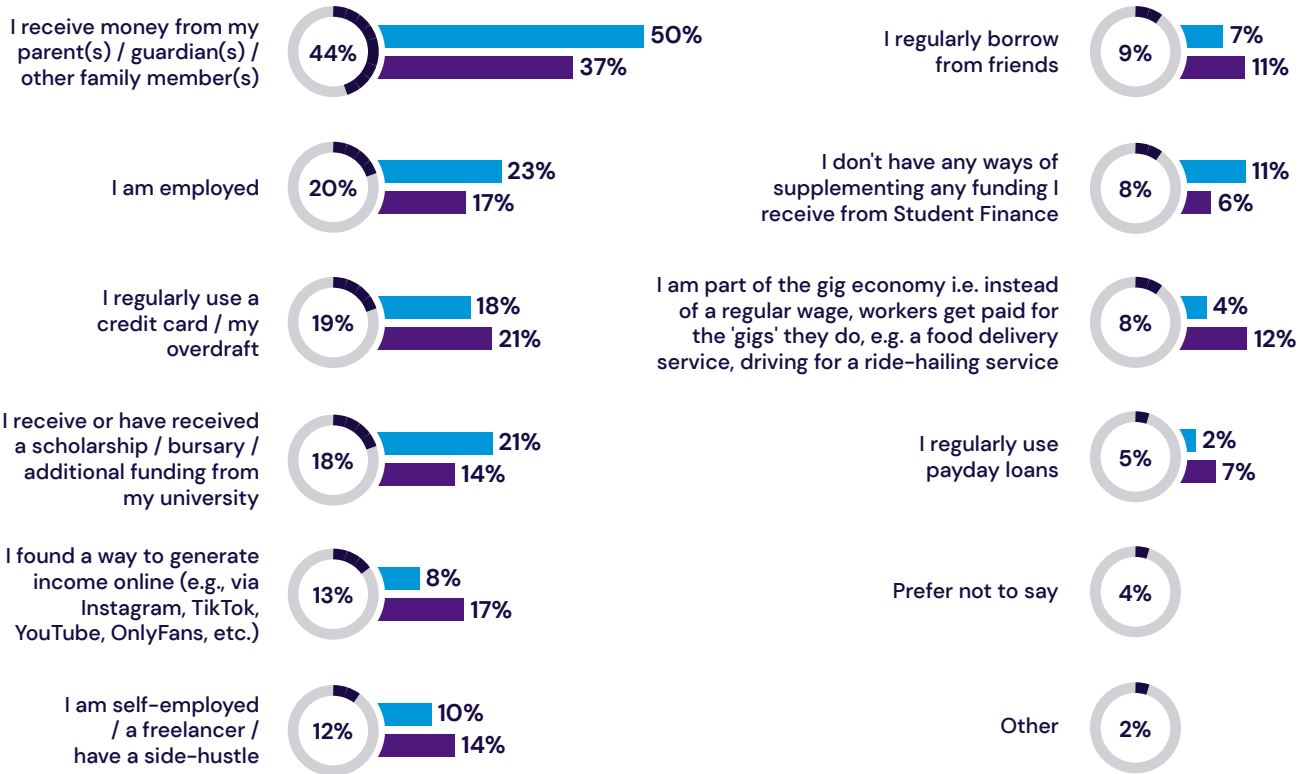
It also tallies with reports on variations between male and female entrepreneurship¹⁰, and speaks to the difference in confidence between males and females that continues into post-graduation life and causes females to apply for 20% fewer jobs than males despite similar job search behaviours¹¹.

¹⁰ SOURCE: [The Alison Rose Review of Female Entrepreneurship 2019](#)

¹¹ SOURCE: [LinkedIn Gender Insights Report](#)



What ways of supplementing any funding you receive from Student Finance, if any, do you have? (Tick all that apply)



Students say:

I make a bit from crypto.

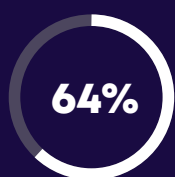
Anything and everything to get by (legally).

Relying on the overdraft, but once you're in it it's very hard to recover from it. . . .

I have a TikTok account where I upload videos and generate money from it.

I apply for any part time jobs which become available that can fit into my timetable, though it is quite hard to find jobs which can accommodate that.

How do students' perceptions compare to their real-world financial behaviour?



of students feel they are good with money, but this doesn't always correlate with their actions

To better understand student financial behaviours and habits, we asked students surveyed if they feel they are 'good with money'; over 3 in 5 (64%) said yes. Even allowing for subjectivity, their perception doesn't always seem to correlate with their behaviour when it comes to finances.

20% of those who say they are good with money also report that they have had to borrow from someone other than a parent/guardian/family member in the last year. While it's not uncommon to borrow money in an emergency, there is potential for students to fall victim to lenders who meet the legal definition of a loan shark¹², as well as to develop a pattern of acquiring debt that they can't keep up with, which in turn could spiral into other risky areas such as reliance on payday loans.

Meanwhile, of the students who say they are good with money, we see little evidence of contingency planning with just over 1 in 4 students (26%) having or saving into an emergency fund – one of the core building blocks of financial wellbeing.

It's clear that students are thinking in the shorter term when it comes to their financial behaviour, and while just over half (54%) track their spending, this is likely as an immediate need to ensure their funding stretches to the next payment date, rather than to plan for their future.

This shows us that many students' financial foundations are shakier than they are willing, or able, to acknowledge. While this reflects the nature of being young and for many the lack of a consistent or stable income, the average student today has over £3,000 worth of kit¹³, e.g. bikes, laptops and phones, making an emergency fund more critical than ever.

That said, the widespread lack of such a fund is understandable given the intense financial pressure students are under, and is a likely consequence of the financial gap that students report between what they have and need each month. Without enough to cover all living costs, it's unsurprising that students are unable to put money aside for a rainy day, no matter how financially literate they are.

¹² SOURCE: stoploansharks.co.uk

¹³ SOURCE: [Aviva 2019](#)

While there is a limit to the financial support institutions are able to offer, there are nonetheless a range of actions that universities and colleges can explore to add huge value and help students supplement their finances:

- **Building relationships with local industry:** university towns and cities massively benefit from a rich and diverse student population and encouraging links with local industry can support jobs in the short term and bring long-term careers and sectors into focus and within reach for graduates.
- **Encouraging enterprise:** with 12% of respondents already undertaking a 'side hustle' and with the majority of Generation-Z hoping to run their own business within the next 10 years¹⁴, on-campus enterprise support has never been so valuable.
- **Centralising all funding available:** streamlining all on-campus funding ensures students in need are best able to discover and apply for additional funding through their university or college.

There is also a real need for more financial education as a concern is that today's students are increasingly exposed to financial risks and may look towards seemingly attractive, independent activities without considering the potential implications for their future financial wellbeing. It's crucial to educate students around the possible long-term impact of easy-to-access, tech-enabled activities from fast spending, to seamless self-serve trading and investing platforms, to quick debt.

For instance, of those who say they are good with money, 1 in 5 (19%) have bought cryptocurrency in the last year and some seem to have strong beliefs in the activity: "Crypto is a way forward." This is an interesting finding given that cryptocurrency carries significant financial risk and extreme volatility and is neither simply 'good' nor 'bad'; in some instances it can prove lucrative, in others it can be significantly financially damaging.

This provides an opportunity for university and college outreach teams to offer preventative support and encourage open and honest conversations about money and past financial mistakes. By creating a consistent understanding of what being 'good with money' really means and instilling this early, we can give young people the power to better understand the consequences of their financial behaviour and prioritise their financial wellbeing, in both the short and long term.

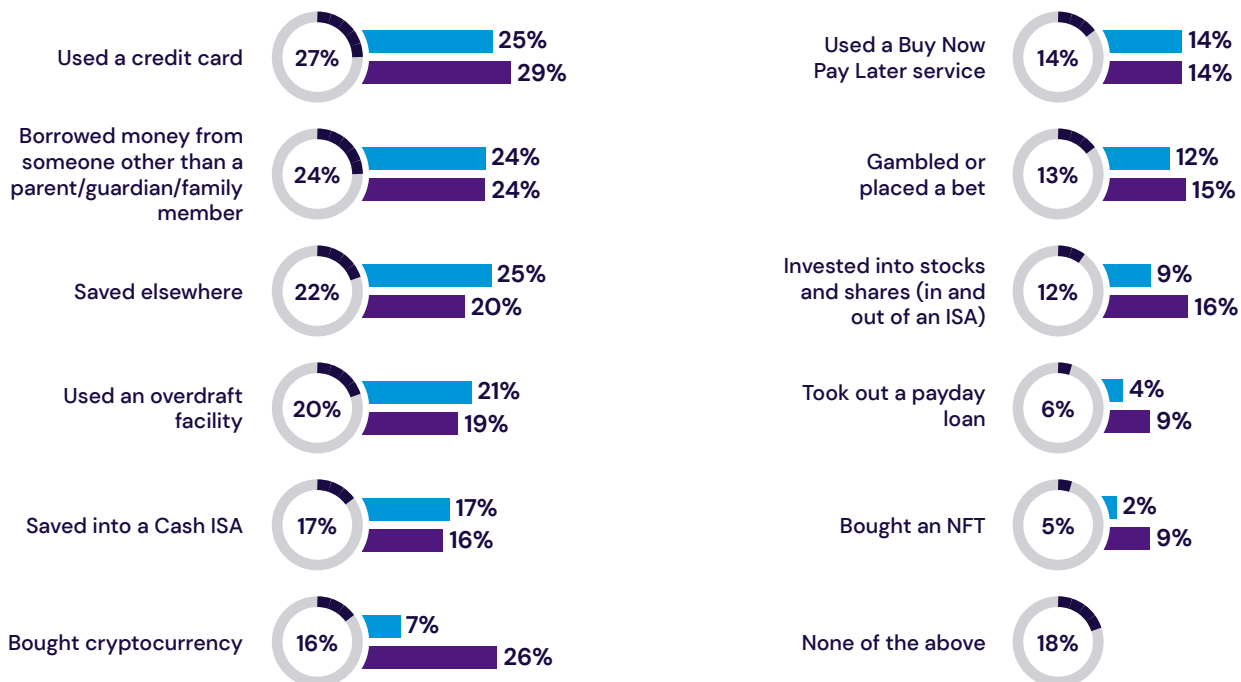
While we've come a long way to remove the stigma around honest money conversations in recent years, many young people are still uncomfortable talking about it. As one student told us: "I don't think I've actually sat down and discussed finances with anyone as it's such a taboo subject." Looking at the wider societal picture, the fact that 29 million UK adults don't feel comfortable talking about money despite feeling worried about it¹⁵ also shows that there's more work to be done in this area.

¹⁴ SOURCE: [ey.com 2021](#)

¹⁵ SOURCE: [Money & Pensions Service 2020](#)

○ Overall ■ Females
 ■ Males

Which of the following, if any, have you done in the last year? (Tick all that apply)



Students say:



It can be very difficult to not spend money on a brand new thing or a trend for further instances to not be a part of that group where people will fantasise about.



No matter how much money I get I'm always in my overdraft or paying off credit cards and it's just an endless circle.



... I'm really interested in starting to sell nfts and get into crypto. I'm optimistic as it's a booming way of earning financial security on the side of my degree and a job for passive income.



I feel pessimistic about my future ... I always end up spending the little I have in my account over stupid things and then struggle with my confidence and motivation.

Females are more likely to track their spending, but males are almost

2x

as likely to invest

There are clear gender differences when it comes to students' financial behaviour. Female students are 18% more likely to track their spending than their male counterparts and are also more likely to budget and organise their money by using different accounts for different expenses. However, male students are almost twice as likely to invest in stocks and shares and four times more likely to automate their investments.

Male students also demonstrate an inclination towards riskier financial behaviours. For instance, the male students surveyed were almost four times as likely to buy cryptocurrency than their female counterparts (males 26%, females 7%), and over four times as likely to buy an NFT¹⁶ (males 9%, females 2%).

Throughout the survey, male students lean towards higher financial confidence, show greater willingness to embrace innovative activities and demonstrate a larger appetite for financial risk than their female peers. For example, the males surveyed were almost four times as likely to regularly use payday loans to supplement their Student Finance funding. Female students, on the other hand, favour a more conservative and risk-averse, 'traditional' approach to money.

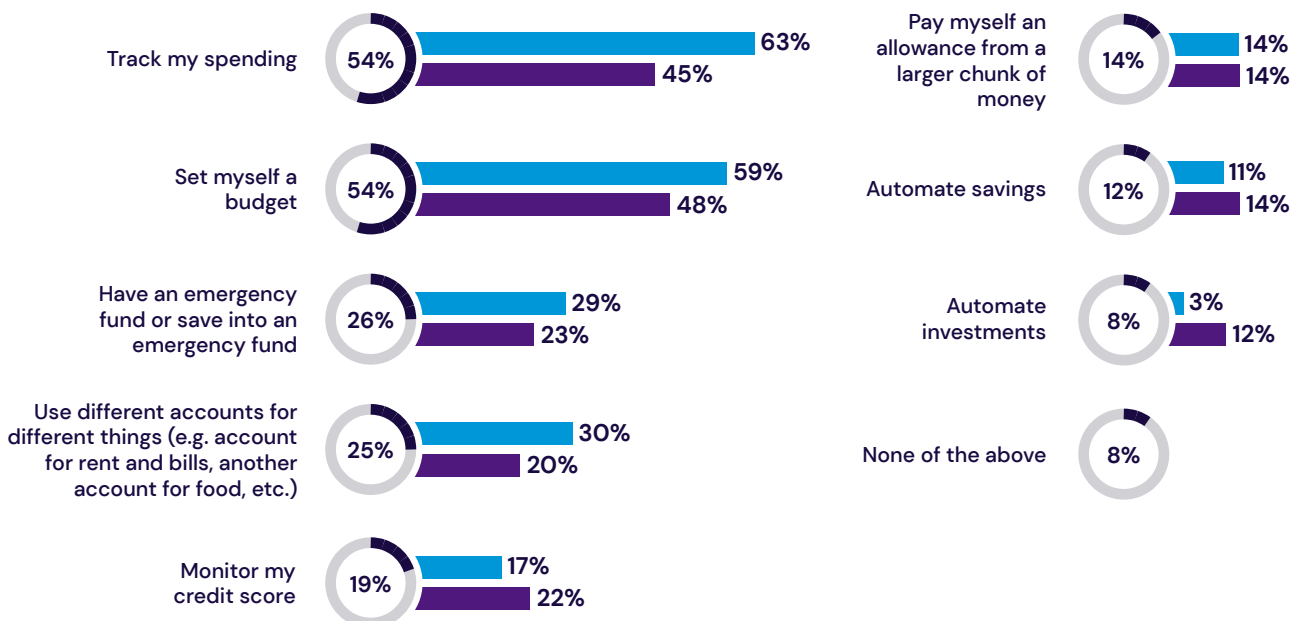
This raises two key points. The first is, particularly for male students, how do we ensure that financial confidence is balanced with a robust understanding of risk? The second is the impact that these differences have on the financial gap between males and females – clearly seen to be at play before they even enter the workforce.

For universities and colleges, there's an opportunity to start to build confidence, for female students in particular. Suggestions for ways to do this include facilitating peer-to-peer conversations about money and providing resources or access to information on a range of financial topics.

¹⁶ NFT stands for 'non-fungible token', which is a one-of-a-kind digital asset that can be bought and sold. Popular NFTs include digital artwork and music



Which of the following, if any, do you currently do? (Tick all that apply)



Where are students learning about money?



of students have learned about money from their caregivers

Home is where most students have learned about money; 58% of students surveyed say they have learned about finances from their parent(s)/guardian(s)/family. This was followed by social media with a third (33%) of students using this for financial education.

We know that familial influence reigns strong when it comes to money; in 2021, the majority of students (62%) told us that they would first seek help and guidance from their parent(s)/guardian(s) if they had financial difficulties.

A concern though is how we break cycles of inherited learning and behaviour that firstly, are not reflective of new financial challenges that the current cohort of students are facing as they simply didn't exist when previous generations were studying, such as easy-to-access credit and cryptocurrency. And secondly, that may not always be conducive to financial wellbeing; the UK currently ranks below the OECD average for adult financial literacy¹⁷ and one in two adults in the UK don't feel confident in managing their money day to day.¹⁸

Again, there's a huge opportunity for universities and colleges to step in with support here, and help students think in broader terms about finances.

¹⁷ SOURCE: OECD/INFE International Survey of Adult Financial Literacy Competencies 2016

¹⁸ SOURCE: Money and Pensions Service Financial Wellbeing Survey 2021

Students say:



My mom helps as much as she can and gives me some great advice but neither of us have much money to do anything with so it's groundhog day.



I think my parents influenced me the most. Throughout my life as a kid, they would ask me questions about random scenes and what I would do if I was that person.



From not being in a very financially stable home, I have been able to know how much to spend and how much not to spend. In a way it has helped me understand money more than I would have if I could get everything I want.



I think there's an inadequate amount of financial education at school/college/university. I have never learnt about taxes, budgeting etc. I'm more likely to ask my mum . . . [but] I don't think parents should be the go to on financial advice, there should be more formal education.



I learnt from my parents and I somehow figured on my own or with the help of my friends in the UK how things work here as it is a bit different from my home country.

**1 in 3
students**

have used social
media to learn
about money

It is of concern that social media is students' second most used source for learning about money (33% of all students surveyed), as we've heard from young people that it's not always easy to spot where self-proclaimed 'money gurus' are potentially spreading misinformation. The reality is that by turning to social media as a source to learn about money from, students are left vulnerable to unqualified and potentially unsound guidance from a glossy finfluencer¹⁹ 'living their best life'.

3 in 10 students surveyed say they have learned about money from their university, but when we asked students last year why they would be reluctant to turn to their university for support with financial concerns, over 1 in 4 (27%) said they wouldn't know who to go to.

This gives HE providers the opportunity to develop an integrated cross-departmental approach to raise greater awareness of the financial support available for students within their institution, as well as signposting to qualified sources of information and third-party organisations to suit students' personal money-related needs.

¹⁹ An influencer who specifically focuses on money-related subjects



of females have learned about money from their caregivers, compared to



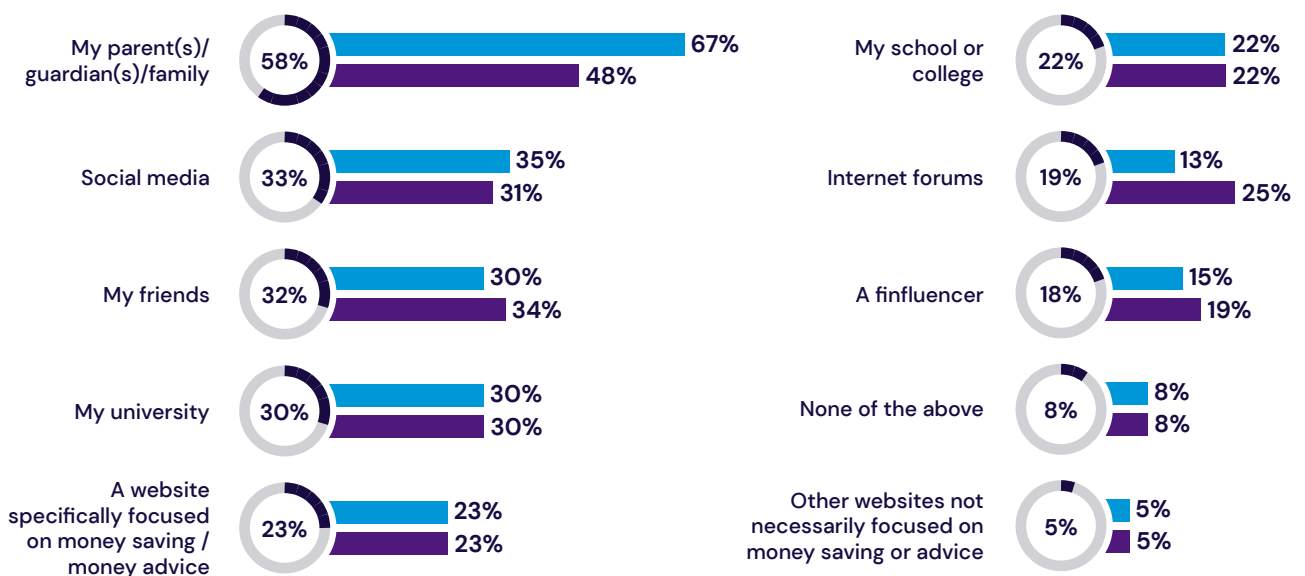
of males, who are 2x as likely to learn about money from an internet forum

We also see stark differences in how female students learn about money compared to their male peers. 67% of female students surveyed have learned about money from their parent(s)/ guardian(s)/family, compared to 48% of males, who are nearly twice as likely to learn about money from an internet forum and slightly more likely (4%) to listen to a finfluencer.

While we can only make educated guesses about the reasons for this disparity, it would be reasonable to conclude, especially when accounting for the fact that female students reported lower money confidence (on average) than their male counterparts and given that males showed greater willingness to engage in higher risk financial activities (on average), that these tendencies manifest in significantly different sources of information and guidance.



Which of the following sources, if any, have you learned about money from? (Tick all that apply)



Students say:



There are a lot of money hacks on TikTok.



I learned from influencers on YouTube like JRNY crypto, Michael Saylor, Charles Hoskinson and was informed about crypto by friends.



I'm largely self taught and have used whatever I could get my hands on.



I have not learnt an awful lot about money, however I've learnt from my own past mistakes.



I found a lot of tips on YouTube some are very bad advice some are really good advice you just got to be smart about what advice you take.



How do students feel about their financial future?

**1 in 5
students**

surveyed feel
pessimistic and
lack confidence
about their financial
future

Almost 1 in 5 (19%) students surveyed feel pessimistic and unconfident about their financial future.

The rising cost of living is overwhelmingly the most acute concern for students, with 72% of the 1,002 total students surveyed feeling either very or somewhat worried about it. In a period where inflation is increasing at its fastest pace in 30 years²⁰, it's clear that students are anxious about making ends meet in the immediate future.

Elsewhere, 56% of students are somewhat worried/very worried about being in debt and 54% are worried about their employment prospects. Overall, there's a sense of disillusionment and frustration with the current way of things, a key factor perhaps in some students leaning towards riskier financial activities as a perceived 'nothing to lose' path to financial stability.

Paying back their student loan and tuition fee debt was at the bottom of the list of what students worry about in relation to their financial future, although this answer was still selected by 1 in 2 students. For those who do worry about this, the concern seems to be around the repayment process and there's a marked split between students who understand the repayment threshold and how the scheme works vs. those that seem to be under the impression that they will have to start repaying immediately upon graduation, regardless of how much they are earning.

This is only going to become more important following the government's announced changes to the system²¹. The reform will result in an even greater need for more information about the student finance system, before students make the decision to study and long before they arrive on campus. As well as reiteration of how repayment works, at multiple stages in the student journey. It's a case of the younger the better in terms of when this information is first introduced; to ensure young people truly understand the financial implications of higher education and feel confident it's the right path for them.

Also on the topic of student debt, while we commend the government on the decision to try and apply a fairer interest rate formula by tracking RPI only, we are concerned that the move to lower the salary threshold at which graduates start repaying will increase the financial burden on the lowest earning graduates and exacerbate the cost of living challenges already faced.

²⁰ SOURCE: ONS

²¹ SOURCE: gov.uk

Students say:



I feel as if I will never be financially stable.



I worry I can't get a stable job after I graduate. If I don't, I will think myself as a useless person.



Getting on the property ladder feels like chasing something whilst running on a treadmill. No matter how much I save, inflation eats up to 5% and the property market climbs 10%.



Not very confident or optimistic as inflation is rising and life is getting more expensive.



As I do not have a lot of money now and with the increasing difficulty of obtaining mortgages, I worry about whether I will ever be in a position to buy a house.



It worries me that the cost of living is increasing but the earning potential and job prospects do not seem to be promising. These two contradict each other and do not seem promising.

Male students

feel more confident and optimistic than female students about their financial future

Overall, male students are both more confident and more optimistic about their financial future than their female counterparts. 59% of males are either somewhat or very confident compared to 48% of females, while 58% of males are optimistic compared to 50% of females.

While this perhaps speaks to an inherent belief in males that 'everything will turn out ok' that isn't reflected to the same extent in their female counterparts, it could also be indicative of the consequence of the UK gender pay gap on students' psyches - a difference of 7.9% between full-time employees in 2021²².

Both females and males agree that the rising cost of living is significantly more concerning than the other factors related to their financial future. Yet females are more worried about it than males at 77% compared to 67%. This makes sense given the 23% gap between what females and males have to spend each month on average (£136).

Throughout the survey, female students showed a lack of confidence about their financial futures. They also track as more anxious about their earning potential (58% of female students are worried compared to 49% of males) and employment prospects (57% of females worried compared to 50% of males).

Potentially compounding this issue is the upcoming changes to the student finance system, which are predicted to hit female graduates much harder than their male counterparts. In fact, on average, males will repay around £5,500 less towards their student loans under the new system, whereas females will pay £6,600 more²³. These figures are based on females earning less on average than males and the assumption that they will spend more time out of work too.

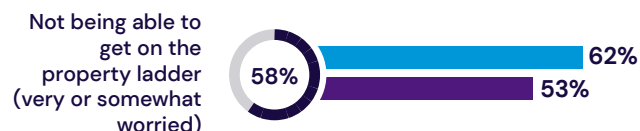
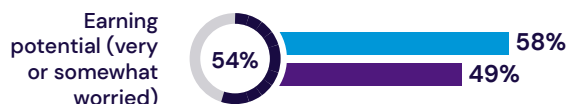
Despite this, we remain optimistic about the future given the increased focus on female financial empowerment and believe that, over time, we will bring the genders closer to financial parity. The question is, how can we also inspire this feeling of optimism in young women, to help build their confidence, so that they don't enter the adult world already feeling at a disadvantage to their male peers?

²² SOURCE: ONS 2021

²³ SOURCE: Institute for Fiscal Studies



How worried, if at all, do you feel about the following in relation to your financial future?



62%

of students are worried about Covid having a potential negative impact on their financial future

Two years into the pandemic, 62% of students surveyed are still worried about the potential negative impact of Covid on their financial future, as the long tail of the event continues to disrupt students' lives and their financial wellbeing in a very real way.

56% of students surveyed are worried about climate change with 50% concerned about potential negative impact from Brexit on their financial futures. As we'd expect for young people, it's the short-term reality driving anxiety around money. This is also likely symptomatic of students feeling overwhelmed and unclear on what they can do to affect wider issues, instead focusing on what they can control in the near future.

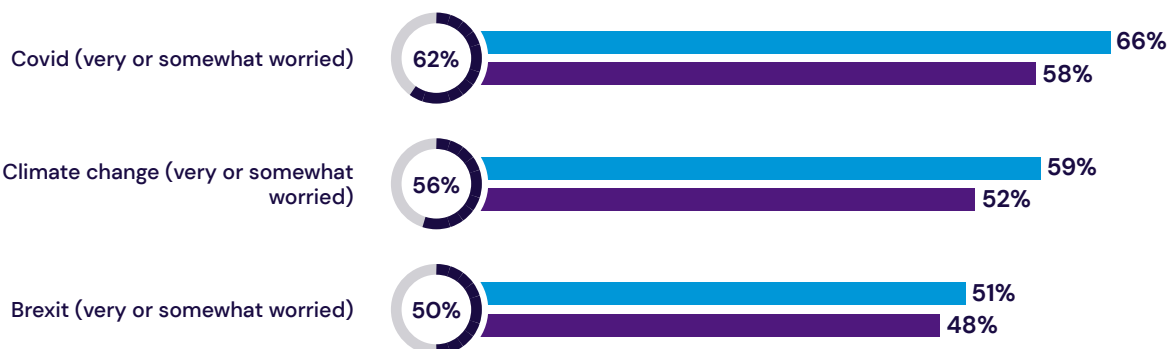
Undeniably, students have been acutely impacted by Covid – not only their emotional wellbeing, on-campus learning and social lives but additional opportunities from earning and saving extra money to securing internships and work experience have also been lost. Now with many workplaces changing in response to Covid and shifting to a remote or hybrid work-from-home model, it will be potentially harder for students looking for their first full-time job to hit the right trajectory post-graduation.

Despite this, some of the students surveyed report confidence about their futures because they believe the degree they're studying for will lead to a good job that will improve their financial situation, showing that students see the value of higher education. This does appear to vary depending on students' courses though. Those studying medicine stand out from the students surveyed as those demonstrating the highest confidence about their financial future, with comments such as: "I am currently in medical school, my career as a doctor will provide job stability."

When it comes to those who do report feeling confident and optimistic about their financial future, further research would be needed to understand whether there is true belief in a bright financial future or whether the confidence and optimism they report is possibly a response to feeling overwhelmed by all the macro conditions (Covid, Brexit, climate change) currently impacting the economy. Where students feel powerless in the face of everything going on, perhaps the only way forward is to believe that it will all work out.

○ Overall
■ Females
■ Males

How worried, if at all, are you about the potential negative impact the following might have on your financial future?



Students say:



I think that the cost of living will rise so much after Covid and I am afraid that I don't have enough money to support myself.



I think that Coronavirus will decrease my chances of employment significantly and I don't see the circumstances changing soon.



The pandemic has set back employment opportunities and it's likely that young people will have to pay for the pandemic.



... Although I am somewhat confident, the covid-19 pandemic has created uncertainty of how the future will be. . . .



... With earning potential and covid I feel a bit uncertain as I work in the events industry and they are heavily affected by the pandemic and therefore not being able to find a job or do have a job but not have any events to work on can definitely affect my earnings. . .

Conclusion

This report paints a complex picture of student finances in 2022 and what it means to be a student facing a future shaped by troubling macro global forces, from Covid through to the cost of living crisis.

The findings clearly show that money continues to be a defining force across the entire student experience. While the number of students saying they worry about finances holds steady (compared to 2021), at a worrying 75%, there's an encouraging uptick in students' overall sense of financial wellbeing with 40% of students surveyed reporting an improvement in the last year. Intuitively, this makes sense given we were in the throes of the pandemic at this point in 2021 and it is gratifying to see that financial wellbeing can be positively impacted, even if the overall worry about money remains static.

Despite this, our findings show that money is acutely affecting students, their mental health, physical health and university experience and attainment. In particular, the prevalence of isolation, disaffection, and the inability to connect socially with peers stands out for me, but we need to zoom in on figures pointing to academic capabilities and performance too. 44% of the students surveyed who say they worry about finances report that this negatively impacts their ability to focus and study, and 32% say it affects their grades. So the very reason students are attending university in the first place – for a higher education – is being compromised by financial anxiety.

Equally concerning is how fast the gap between male and female students' relationships with money is widening. Throughout the survey, we saw female students emerge as more exposed to financial pressure and impact, not least by having £136 less a month to spend than their male peers. And with the cost of living crisis emerging as the major player in this year's report, we need to look at practical steps to help close this gap.

At the same time, we see how female students are bound to traditional perspectives of money, without seemingly considering how it can be used as an asset. Combined with a lack of financial confidence, it seems female students entrench themselves in a reactive relationship with money that isn't on their terms from the outset. Meanwhile, their male peers are open to more innovative and longer-term ways of managing and making money, involving an element of risk.

For universities, colleges and other HE providers too, this shows the ongoing need to look at financial education and services in a more nuanced, personalised and inclusive way. What's clear is that when it comes to money, a one size fits all approach simply doesn't work.

Financial wellbeing underpins the student experience – from funding support to access to financial education. This demands a holistic, integrated, future-focused approach from HE providers seeking to drive recruitment and retention in an ever-competitive environment, by:

- Providing meaningful financial education to support positive money behaviours
- Responding to the rising need for financial help and mental health interventions for students affected by very real money concerns; peer groups to encourage connection and combat feelings of isolation could be a first step
- Ensuring students are aware of and can access tech-led funding application support consistent with their digital-first mindset

In the midst of the cost of living crisis, coming straight after the disruption of the pandemic, focusing on the impact of money worries on students has never been more urgent. HE providers today have a unique opportunity to underpin the whole student experience with financial wellbeing, helping students develop lifelong skills and set the foundations for a positive financial future for our entire society.



Vivi Friedgut

Founder & CEO, Blackbullion

About Blackbullion

Please get in touch if you have any comments or questions about the findings in this report.

hello@blackbullion.com

business.blackbullion.com

Blackbullion is the award-winning financial wellbeing platform on a mission to demystify the world of finance and improve access to funding for young people.

Available to 1 million+ students at almost 50 partner universities and colleges across the UK, Australia, New Zealand and South Africa.

Our platform is deeply embedded into student support departments to help with funds distribution and provide financial education, giving students the skills and confidence to create a money-smart future. [Get in touch](#) to learn more.

2022 research was conducted by Censuswide, with 1,002 university students (equal gender split) between 04.01.22 – 13.01.22. Censuswide abides by and employs members of the Market Research Society, which is based on the ESOMAR principles.