



Student Spending Index 2017

THE QUESTION

As a student how much money do you spend to the following expenses each month?

One common stereotype is that most students are avid drinkers and prefer lifting a can of lager over anything else. To investigate whether this stereotype has any grounds, we took to the streets to attempt some mythbusting. Last month we questioned over 2000 present and former students about their monthly expenses, taking the opportunity to ascertain the typical spending habits of higher education attendees from different generations and establish whether the trends have changed. As an interesting angle, we also asked people who don't fall into any of those categories to give their opinion of student expenses. The following table sets out the figures involved and demonstrates how the survey was

structured. The 2,004 respondents (all UK adults) included an even split between current students, those who graduated between 2007 and 2017, those who graduated between 1997 and 2006, and those who have never attended university. By age, location and gender, the respondents in each of these four groups are nationally representative, meaning the sample serves as a microcosm of UK society as a whole with even cross-breaks within the sample that are reflective of the same proportions across the country.

Sample size: 2,004 UK adults in 12 different cities. The sample is nationally representative, which means it is an accurate representation of the UK population as a whole in terms of the age, sex, location and working status of the respondents. The numbers shown in the table are median values.

THE RESULTS

Generation / Expense	Current university students	Graduated 2007 - 2017	Graduated 1997 - 2007	Non-student opinion *
Rent and bills	£274 £3,288 <i>per year</i>	£266 £3,192	£270 £3,240	£291 £3,492
Transportation	£235 £2,820 <i>per year</i>	£68 £816	£86 £1,032	£63 £756
Clothes, fashion and beauty	£179 £2,148 <i>per year</i>	£66 £792	£67 £804	£66 £792
Groceries and everyday shopping	£157 £1,884 <i>per year</i>	£97 £1,164	£112 £1,344	£108 £1,296
Sport and fitness	£120 £1,440 <i>per year</i>	£33 £396	£33 £396	£32 £384
Nightlife	£119 £1,428 <i>per year</i>	£59 £708	£63 £756	£72 £864
Eating out	£86 £1,032 <i>per year</i>	£69 £828	£66 £792	£83 £996
Academic items	£69 £828 <i>per year</i>	£52 £624	£57 £684	£67 £804
Alcohol	£68** £816 <i>per year</i>	£71 £852	£79 £948	£94 £1128

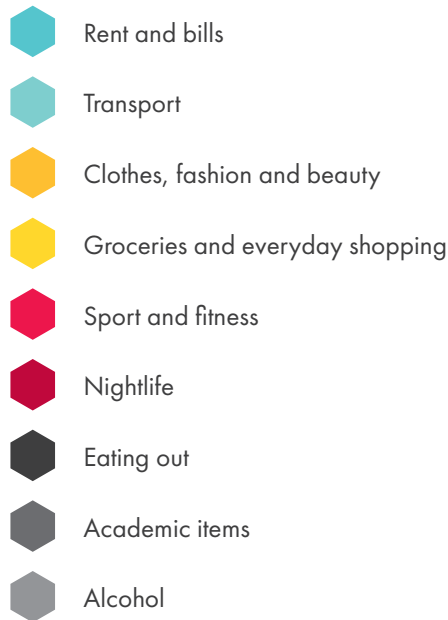
* Respondents who had never attended university were asked to estimate how much they think the current university student spends on each outgoing.

** 18% of current students said they spend £0 a month on alcohol, and a further 30% said less than £40.

As expected, at the top of the list of expenditure was rent at an average of £274 a month which, as a median average, counts for both students living at and away from home. According to NatWest's annual student living index 2017, which covered student populations in 35 universities across the UK, the cost of being a student varies greatly depending on the city. The index found Cardiff to be the cheapest place to be a student and Glasgow the most expensive, whilst London came in second. Travel has also become hugely costly, possibly as a result of people moving further from home for university, the result of increasing train and petrol

prices – or most likely a combination of these factors. Another factor might be the increasing availability of cheap flight tickets and travel packages encouraging more travel. A recent study done by the Harris Group has shown that younger generations are giving increasing value to travel and would rather spend money on an “experience” rather than material goods. Whether this is a general mindset shift or rather a pursuit of social content that can impress their peers, it remains to be seen. Groceries and household items are also a bigger expense today at £157 up from £97 which can be explained by inflation.

THE RESULTS



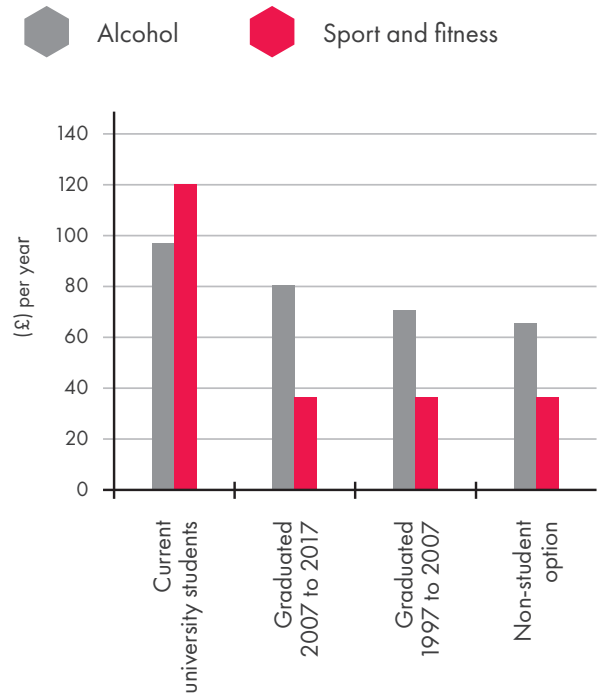
The overall results may or may not surprise you, but one certain surprise was the vast reduction in expenditure on alcohol, and the significant increase in fitness and lifestyle outgoings.

The average student today spends £68 per month on alcoholic beverages (both in supermarkets and pubs), which is almost 14 per cent less than their counterparts 20 years ago, and almost a half of what they spend to get in shape. Roughly 18 per cent of students surveyed said they don't spend any money on alcohol and almost a half confirmed they spend less than £50 per month. Conversely, outgoings on fitness pursuits quadrupled compared to 10 and 20 years ago. That's no wonder considering the ever improving range of offers gym chains have been putting out to jump on the healthy lifestyle trend, and the general availability of home devices, protein powders and on-site gyms in many student halls. This expense is far higher than it ever was for previous students and much higher than the general public expect. Together, these stats provide a different picture of the modern student, one which is far more health conscious than in years gone by.

THE RESULTS

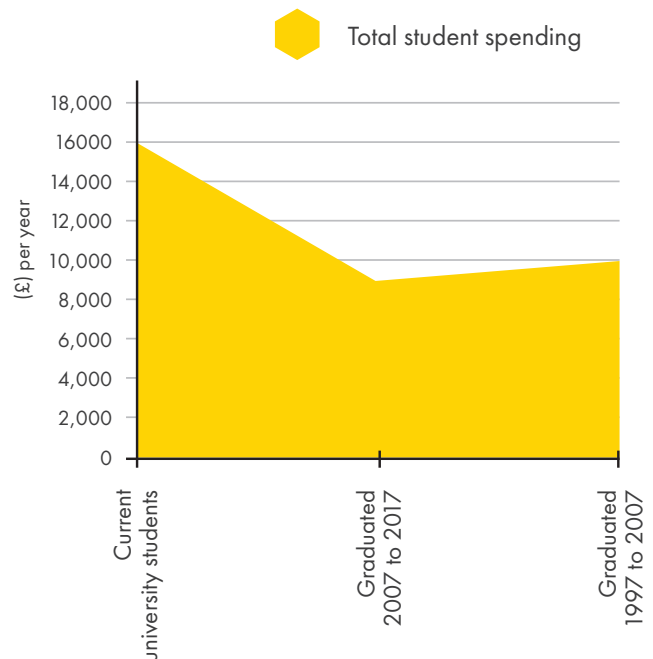
Fitness over drinks

Another interesting finding can be drawn from the comparison of expenditures between different generations of students. It is quite clear that today's students spend a significantly larger amount of money during their time in university. This can be explained by changing inflation rates and trends in the UK economy over the past two decades, as well as the higher number of students with part-time employment. Many studies have shown that students tend to take a side job to enable them a higher degree of independence, which results in their increased awareness in taking everyday responsibility.



Total student spending habits over generations

To conclude, our survey demonstrated some interesting results. As many student halls continue to improve their offers and install on-site gyms and include fitness memberships, the smaller landlords should look the same way. Proximity to swimming pools, parks, gyms is highly appreciated and fitness equipment is getting cheaper by the day. In years to come we expect to see rapid expansion of energy generating gym devices that can save you on electricity bills, so consider equipping your property with some and start saving for an investment that will surely return its value in no time.



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