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STEAK LIFESTYLE ON A NOODLE BUDGET

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It's tough being a student. Beset on all sides by university or polytechnic fees and expenses, with little or no disposable income, many students have to scrimp and scrounge to pay the bills. Scungy flats are common, and mince and noodles are staple foods.

The less prudent alternative, of course, is to splurge and hope for the best. Students subscribing to this school of thought can be spotted wearing designer labels, guzzling lattes and sporting the latest smartphone. This lifestyle is usually financed by bumping up the student loan, extending the overdraft or maxing out the credit card. The future is, after all, a distant realm.

But even as student debt marches steadily on to the $12b mark, there is still hope. A comfortable middle ground exists between living in parsimonious misery, and throwing all caution to the winds. We asked budgeting gurus to compile their top tips on how to keep debt down and live like a king - well, almost - on the smell of an oily rag.

1. Planning

The single most important thing that students can do is also the simplest, says Raewyn Fox from the New Zealand Federation of Family Budget Services. Plan ahead.

Student finances vary over the year because of irregular income from work and Studylink payments, as well as major costs like fees and textbooks. To counteract these fluctuations, Fox recommends students sit down and map out an entire year's budget in advance.

"Look at when your expenses are going to fall, and then you know what you've got to allow for and what you've got to save up for."

2. Get a job

Another no-brainer. Every extra dollar coming in is another dollar that could be spent on paying down debt - or to be realistic, buying booze and takeaways.

As manager of Financial Support and Advice at Victoria University, Maria Rorke is well versed in dealing with poverty-stricken students. She encourages most to try and secure up to 15 hours of work a week. "With that advice, of course, it's a balancing act," she says. "That's why you want to work and save up over the summer, so that the amount of work during term time doesn't interfere with your study."

3. Little luxuries

You've got to treat yourself every now and then to stay sane, says Rorke. "If you need that one coffee a day, then that's what you've got to do. But don't slip into having two or three every other day." Moderation is the key.

4. Move in with the parents

At the risk of losing street cred, swallowing your pride and moving back in with your folks can be a big saver. Fox says rent is the single biggest cost for most students.

"You've got to decide what your priorities are," she says. "If your greatest priority is to get your education at the lowest cost, then maybe that's what you have to do."

5. Lock it up

"Just like there's safe sex practices, there's safe money practices," says Rorke. And one of the ways to stay safe is to take advantage of the flexibility of modern banking.

For example, according to Westpac spokesperson Suzy Marsden, students can create several accounts and sub-accounts at no extra cost. She suggests scheduling payments so income transfers automatically into rent, bills and food accounts.

Rorke adds that if multiple accounts are too hi-tech, there's always the "give your money to mum" option. If your own willpower is lacking, a trusted friend or family member can help rein in wasteful spending.

6. Eat smart

Avoiding the infamous noodles, mince, and endless variations thereof is easier than most students think, says Fox. Budget cookbooks are a good place to start.

Beyond that, some student bodies will have buying co-operatives where bulk foods can be acquired on the cheap.

"It's really good to get together with other people to do that, because sometimes for students the initial outlay is just too much."

Fox also suggests checking out community markets for cheap deals on fresh fruit and veges.

7. Flat in the suburbs

Most uni campuses are based in the cities, and inner city living ain't cheap. Though it varies from city to city, Fox reckons it's often cheaper to rent a little further away, with any increased transport costs offset by carpooling.

As for sharing your flat, it's is a must if you want to save on the accommodation bill, unless your family has the werewithal to pay it for you, of course. Uni years are no time to be a lone wolf.

8. Use cash

Though cash may be being replaced by cold, hard plastic, Marsden says leaving the Eftpos card at home will help control wasteful spending. Withdraw the amount you can afford before a big night out, and avoid that familiar sinking feeling when assessing the damage to your bank balance the next morning.

9. Avoid debt

Fox stresses that students should only take on debt when it is absolutely essential. For the record, throwing that new Playstation game on your Studylink course-related costs doesn't qualify as "essential".

If you really have to, Rorke suggests using an overdraft for cashflow emergencies, and even then to pay it back ASAP.

10. Borrow money

No, that's not a typo. You may want to ignore the previous tip if you are entering study with decent savings already stashed away.

In this situation, Rorke says it can sometimes be useful to take out a student loan, even if it is not strictly needed. This interest-free loan gives you the security of having your savings on hand as insurance against unexpected events.

It sure doesn't hurt that when you pay off the loan in a lump sum, you get a 10 per cent write-off either. Don't get too excited though. Rorke stresses that trying to rort the loan system is not a good idea - security should be your only motive.

So there it is - 10 tips to help students live a steak lifestyle on a two-minute noodle budget. Though the tips might free up some cash, the budgeting boffins all emphasise there is no quick fix or silver bullet.

Sadly, financial freewheeling through student life is not conducive to a debt-free future. Rorke says it really all comes back to the first tip: planning, and having some kind of budgeting system.

And the message she's sending doesn't just apply to students: "Everyone needs a system. If you don't have a system, you're probably not doing too well."

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