

Young Brits Looking To 'Safeguard Finances Before Starting University'

Young people are taking more steps to secure their financial future, new research has indicated.

October 30, 2007 (FPRC) -- In a study carried out by NatWest, a rising proportion of school leavers considering taking a gap year before starting university are looking to use the time to work so they can save money to help alleviate the cost of further education. According to the financial services firm, more than 50,000 new students are set to take on work in the 12 months prior to beginning higher education and will earn some 212 million pounds. This in turn could well help them to manage their money better while at university and foster a better attitude towards applying for and paying back personal loans and other forms of borrowing in later life.

Mark Worthington, head of NatWest Student Banking, said: "It is easy for students to get caught up with the excitement of taking a gap year and forget about what great money-saving opportunities it can present. It is therefore encouraging that young people are thinking ahead and using their gap years as a valuable opportunity to save for their future studies."

Meanwhile, research from the firm also showed that school-leavers are more concerned about the monetary pressures of going to university than they are about getting good grades. Overall, 55 per cent of school leavers believe that they are not adequately prepared financially for higher education, while 17 per cent believe that it will take them more than ten years to pay back their student debts. Those graduating, meanwhile, believe that they will owe an average of 15,000 pounds after leaving university. The study also showed that a third of graduates claim that they would have re-considered about whether to go to university if they knew beforehand about how much debt they would be in.

"As the anticipated cost of university continues to increase and following the recent rise in tuition fees, school leavers are becoming increasingly forward thinking and enterprising during their gap years. They recognise the huge strain that university puts on their finances and are starting to take preventative action," Mr Worthington added.

Meanwhile, research carried out by Halifax earlier this month revealed that a number of parents are set to apply for a secured loan to help their child meet the costs of going to university. According to the financial services firm, just over one in ten (11 per cent) of mums and dads are considering getting such loans to pay for tuition fees. However, parents living in Northern Ireland particularly have their hearts set on taking out a loan as 24 per cent of those in the principality are prepared to do so in a bid to financially aid their offspring.

The study also showed that one in ten mums and dads are considering remortgaging their home, while 59 per cent are set to raid their savings accounts. Neil Chandler, head of Halifax Unsecured Personal Loans, warned parents that as committing to financially supporting their children can last several years, they should take the time to consider the full impact such a move can have on their own finances.

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For more information contact Abbi Rouse of All About Loans (<http://www.allaboutloans.co.uk>)

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