

Alvin's money savers

Check out money expert **Alvin Hall** – he's going to save you pounds every week

MY TOP
5
TIPS

SHOP LIKE A PRO!

- 1 Don't buy something new every time you go out. Instead buy a few good quality items that you can mix, match, and accessorise in many different ways – making it look fresh for each occasion. Remember – quality trumps quantity at all price points. And you can enhance the benefits of this approach by buying a few posh classics or basics in the sales.
- 2 Target-shop before you lay down the cash or plastic. If you really love to shop, then turn the process into your research expedition, instead of your spending expedition. Get to know the prices of items, which stores have the most stock, which stores are likely to run special offers, and when those special offers are likely to occur. You can then pounce when the price is right.
- 3 Always aim to come in under budget. Think about what you need and what you can afford. Then reduce that amount by 15% to 20% – the approximate percentage of money that I estimate is typically wasted on impulse buys in every area that never get used – whether it's clothing or food. Do your own maths to see if it's true for your own impulse purchases.
- 4 Impose a 48-hour cooling-off period. During this time, ask yourself three questions: a) do you really need it? b) do you already own something that is essentially the same? And c) could you use the money to cover an essential expense or need, or to buy something else that would be more satisfying? This is tough to do but it will mean you won't have to face credit card bills you would rather not open.
- 5 Spend only if it will lower your desire to spend again. If buying that handbag or pair of shoes, or taking that holiday will be so pleasurable that it will remove your desire to spend again for weeks (or even better, months), then I say do it. If you find yourself back in the high street or shopping centre in a week or two, then return the item.

GOT A HOT MONEY-SAVING TIP? I'D LOVE TO HEAR IT!

Email me at alvin.hall@natmags.co.uk.
Or post to: Alvin Hall, Reveal, 33 Broadwick Street, London W1F 0DQ

Li-Lo knows how to target-shop – make sure you get the best deal before you buy

Q&A

I've been reading about the Child Trust Fund in the papers and that kids get an extra £250 voucher from the government when they're 7 years old. My daughter will be 7 in November. What do I have to do to get it?

Tracy-Ann, by email

ALVIN SAYS: A Child Trust Fund (CTF) is tax-free, long-term savings and investment account where the money is locked away until your child's 18th birthday. The good news is you don't have to do a thing. You'll get an extra £250 (or £500 if you're claiming the full level of child tax credit) paid into your daughter's account automatically a week or so after her 7th birthday. You'll get a letter from HM Revenue & Customs and you may also be sent one by your Child Trust Fund provider (although this varies from company to company). If you haven't received the money after a few weeks, contact your Child Trust Fund provider. For more information visit childtrustfund.gov.uk.

£ Your parents' home insurance may cover your possessions while you're at university, but be aware that some insurers will charge for this (while others offer it free) and several have low limits – between £2,500 and £5,000 – on contents they'll cover in your student flat or house. Some policies don't let you claim if something's stolen from your room, especially if it doesn't have a lock.

£ The National Union of Students (NUS) sells a discount card for £10 a year which offers loads of discounts. And some shops in university towns will give all students a discount if you have a student ID card (which you can get for free from your college or university). Of course, it's worth taking advantage of every discount you can and it doesn't hurt to ask if they're not advertised.

BE A CASH-SAVVY STUDENT

If you're about to head off to university, congratulations. It's an exciting period in your life that could turn out to be one of the best! But (and you knew there would be a 'but', didn't you?) there will be financial challenges ahead as well. One in four who start university this year expects to graduate with over £20,000 of debt. Sorting out your finances is something you'll have to deal with, but you don't have to become an expert overnight.

£ Don't be tempted by freebies from the bank. It's the size of the interest-free overdraft that's important. According to price comparison site uSwitch.com, Lloyds TSB's student account has the biggest interest-free overdraft in the first year (£1,500), although I found that the Co-operative has the biggest interest-free overdraft over three years: £1,400 in the

first year, £1,700 in the second, £2,000 in the third. It's not a case of 'the bigger the overdraft, the more you can spend', but student life is tough enough without paying interest when you're overdrawn.

£ It's easy to feel rich when you get your student loan cheque – it's probably the most money you've ever had in your hands at one time. I know it's dull to think about budgeting when there are fresher's week events to go to and new friends to make, but that money will slip through your fingers faster than you think. Take the time to plan how to use that money prudently. You don't have to be a 'Billy No-Mates' and never go out, but it's wise to stick to a budget and get into the habit of keeping track of what you spend.



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Each week in Reveal I'll be sharing my advice with you

Spending money remains a strong, satisfying urge at nearly all stages of our lives, so it's important to learn early on how to do it wisely. With thousands of young people having just started at university, I thought it wise to offer some advice about being a savvy student with your money. At the same time, autumn is one of the biggest spending seasons for all of us, culminating with Christmas, of course. This week I remind us of those classic bits of advice that will help you not only spend wisely, but also satisfyingly. I also answer an interesting question from a reader about a Child Trust Fund (CTF).

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