



CASH ASSISTANCE BUDGETING BEHAVIOR OF STUDENTS OF CAGAYAN STATE UNIVERSITY ANDREWS CAMPUS

CATHERINE JOY V. AQUINO

SHEENA MAE C. ARTATES

RINA FAE A. ASLARONA

ASHLEY R. RAPANUT

JAN MAE A. ROMERO

Student-Researchers-Bachelor of Science in accounting Information System

College of Business, Entrepreneurship and Accountancy

Cagayan State University-Andrews campus

Tuguegarao City, Cagayan, Philippines

ABSTRACT: *Student budgeting refers to the management of financial expenses within the budget given to them. The major challenge that students face is the difficulty to budget their expenses and save a proportional amount every time for contingent events since most of students get their monthly allowance from their parents and are responsible for their own expenditures. This study aimed to assess on the students' budgeting behavior towards their cash assistance from Cagayan State University (CSU). This study used the descriptive method of research. The participants of the study are the students of Cagayan State University - Andrews Campus who are receiving financial assistance with a total of at least 100 respondents using a survey questionnaire through Google docs, a link is provided to gather the data needed in the study. The data were tabulated, interpreted and analyzed using the Statistical Package for the Social Sciences (SPSS) using descriptive statistics such as frequency, percentages, mean using a Likert Scale. Through this study, it was concluded that the cash assistance of the students can control the way they spend. They know what to prioritize which they spent most on like basic needs followed by academic purposes. Considering in the midst of pandemic, it is evident that they are knowledgeable enough to budget their cash assistance they received. Considering the findings and conclusions of the study, the following recommendations are offered that the students need to have their budgeting plan to organize and manage their financial matters and the students should set their priorities and learn to differentiate needs from wants to maximize their budget with the expenses.*



Keywords: *grantee, spending behavior, budgeting behavior, cash assistance, driven influences, financial literacy, welfare programs*

INTRODUCTION

Student budgeting refers to the management of financial expenses within the budget given to them. The major challenge that students face is the difficulty to budget their expenses and save a proportional amount every time for contingent events since most of students get their monthly allowance from their parents and are responsible for their own expenditures. Starting to live independently, college students face new responsibilities to manage their finances, including budgeting, managing income and expenses, and paying bills. Students specifically need to print notes and reviewers, buy books for their course, pay tuition, uniforms, rent for the boarding house and any other expenses that may occur. Due to many expenses, most students face difficulties in budgeting their given allowance. Thus, most students seek help through applying for cash assistantship or scholarship grants offered by different institutions. With that scenario, majority of the students experienced financial independence during their college years and the cash assistantship helps them deal with their own situation on how they manage their budgeting behavior on their cash assistance received for their daily expenses.

The term budgeting behavior refers to a desirable financial behavior to indicate consumer financial capability (Xiao & O'Neill, 2018). Several factors influence the students' budgeting behavior. These factors can be technical as well as psychological and controllable or uncontrollable (Saumya, et al, 2020). In addition, the advanced marketing strategies of the firms have made the students spend extravagantly not just on needs but also on wants. However, as the pandemic disrupts the economy, as well as general lifestyle priorities, many students become more mindful with their expenses. Student-spending priorities have notably changed during the pandemic, as they spend their money in different areas compared to where they spend it before the pandemic. Thus, there is a vast difference in the budgeting behavior of students on their allowances and cash assistance received from school, before and during the pandemic.

Financial literacy is a basic need in the form of knowledge and ability to manage personal finances, particularly to make accurate decisions in finance and to avoid financial problems (Kezar & Yang, 2010). Financial literacy is not intended to complicate or curb people in



enjoying life and using the money they have, but rather with financial literacy, individuals or families can enjoy life by using their financial resources appropriately to achieve their personal financial goals (Stolper & Walter, 2017). According to Shahrabani (2012), financial literacy has a significant positive effect on financial management behavior. The higher the level of financial literacy, the behavior of personal financial management will also be better. Conversely, if the lower level of student financial literacy, then the level of personal financial management is also getting worse.

Budgeting is characterized as a tool that encourages students to plan and manage their cash assistance they received. Having lack of experience might be hard for college students to budget their allowance on their own. Singh et al. (2020), assert that student budgeting primarily refers to management of financial expenses within their assigned budget. Several factors make the behavior of students' dynamic and different from each other. These factors can be technical as well as psychological and controllable or uncontrollable.

Brown (2019), the scholarship money which does not have to be repaid, are a great way to help students afford college. They are funds awarded that can relieve some of the financial burden on students and their families while attending college. But what can you use scholarship money for? From books and lab fees to room, board, tuition and more, scholarships can cover many of the typical costs associated with higher education. If you find yourself needing to fill the gap between your federal aid and any scholarships or grants you win, private student loans can help you bridge that gap. While money from most large scholarships is sent directly to your college, some scholarship money may be paid directly to you. It's also possible that you will receive a refund check from your college for unused scholarship funds. If you receive scholarship funds directly, be sure to follow all rules about how you can – and can't – use that money. No matter the amount of scholarship money you are awarded, each scholarship will designate exactly what the money can be used for. It is your responsibility to understand those regulations. Read your scholarship award details carefully. Even if a scholarship covers living expenses, there will be language indicating the types of personal expenses allowed (such as travel or food). Scholarships come with strings attached, like requirements to keep a certain grade point average, take specific types of classes, or pay for specific items as mentioned above to ensure you will use the scholarship towards your education. If you spend scholarship money on things the



scholarship rules prohibit, or don't follow other requirements, you may be responsible for paying the money back, possibly with interest according to the U.S. Department of Education. College education is expensive. Scholarships are a sensible way to bridge the gap between the increasing cost of tuition and your budget. Fortune favors the prepared – research college scholarship opportunities and make a plan to apply. And when you do, make sure you avoid mistakes in order to enhance your chances of securing scholarship funds.

Holand (2016) states that many college students are unused to managing money. One of the biggest money challenges for them is staying on top of what they are spending. They may be trying to keep up with new, well-off friends or living in a high-cost area, and many are unused to managing money. Which means students spend too more than what they can afford. They need to handle tuition, textbooks, transportation, their housing, food and supplies together with socializing and expending in their luxuries that are most likely a factor in their cost, like going out to eat with friends, gifts for loved ones, or investing in high-quality professional clothes or any product that is a trend. Specially at a time of COVID 19 pandemic things are quite different, new norms are being adopt which change every sector of people lives.

Manju (2016), express that having a little hold on your cash expenses and controlling your spending amount is not only a good habit but also contributes to financial success which is very important in future. Since youth plays a lot more important role in our country, it is therefore important to monitor their behavior towards financial aspects. Money management is a long process of budgeting, saving, investing, spending and seeing the overall usage of cash. As far as students concerned, how they see spending is a matter of social freedom and they always are updated about the latest fashion in trend. For students buying good clothes, travelling to faraway places, going to famous fast food places all this is a daily expense for a college student on average and their parents give them a monthly allowance on that basis only.

The rationale of this study is to give students advice about how to best use their cash aid or scholarship grants, particularly during a pandemic. Because of the great responsibility of being solely responsible for one's finances, it is important for students to be motivated by their budgeting conduct. This study will act as a mirror for students and parents, allowing



them to see their desires and driving forces or factors that affect them, as well as raise awareness about their financial situation and budgeting habits. Since there has been a little research on the budgeting habits of the students in the Philippines, the findings of this study can be used as a reference data and summary.

In light of this, the researchers decided to conduct a case study on the budgeting habits of Cagayan State University students who receive cash assistance, especially during pandemic. As a result, this study demonstrates how encouraging students to cultivate good saving habits can be a powerful tool for encouraging the younger generation to live in a financially healthy manner. Students who have a better understanding of their financial responsibilities and status are less likely they are to be in debt.

STATEMENT OF THE PROBLEM

This study aimed to assess on the students' budgeting behavior towards their cash assistance from Cagayan State University (CSU). Specifically, it sought to answer the following questions:

1. What is the profile of the respondents in terms of:
 - 1.1 Sex
 - 1.2 Course and year level
 - 1.3 Name of cash assistance or scholarship
 - 1.4 Mother's occupation
 - 1.5 Father's occupation
 - 1.6 Parents' highest educational attainment
 - 1.7 Parents' monthly income
2. Where do the students spend the cash assistance?
3. Is there a significant difference on the spending of the students on their cash assistance when grouped according to profile variables?

HYPOTHESIS

There is no significant difference on the spending of the students on their cash assistance when grouped according to profile variables.



RESEARCH METHODOLOGY AND STATISTICAL TOOLS

This study used the descriptive method of research. The descriptive method of research is widely accepted and it is a fast-finding that involves an adequate and accurate interpretation of the findings of the research. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection (Glass and Hopkins, 1984). It often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution. Because the human mind cannot extract the full import of a large mass of raw data, descriptive statistics is very important in reducing the data to manageable form. When in-depth, narrative descriptions of small number cases are involving, the research will be using description as a tool to organize data into patterns that emerge during analysis. These patterns aid the mind in comprehending a qualitative study and its implications.

The participants of the study are the students of Cagayan State University - Andrews Campus who are receiving financial assistance with a total of at least 100 respondents using a survey questionnaire through Google docs, a link is provided to gather the data needed in the study. The data were tabulated, interpreted and analyzed using the Statistical Package for the Social Sciences (SPSS) using descriptive statistics such as frequency, percentages, mean using a Likert Scale.

RESULTS AND DISCUSSIONS

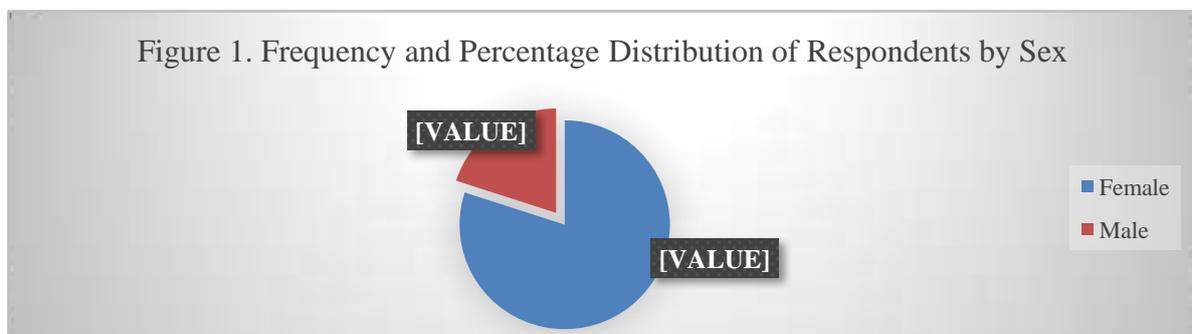
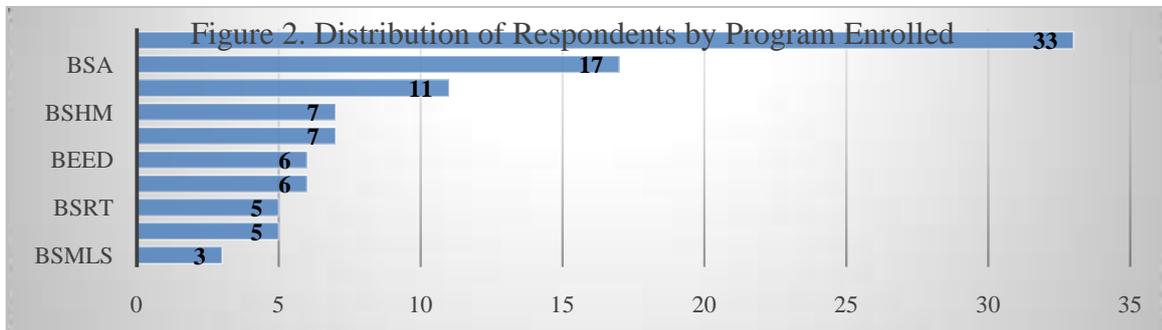


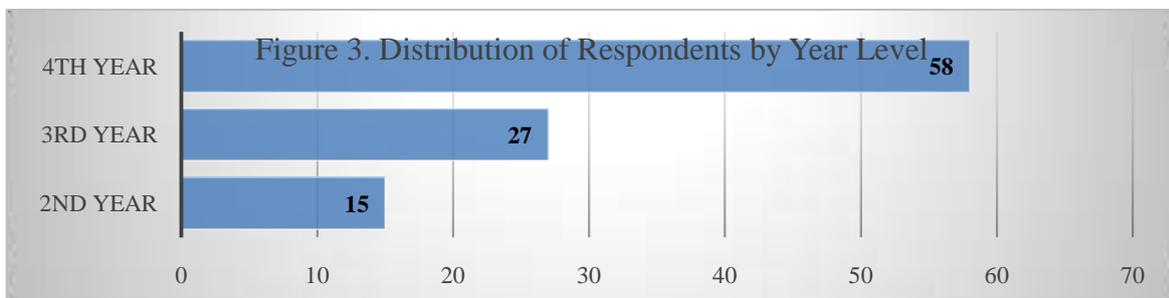
Figure 1 shows that the frequency and percentage distribution of respondents by sex. The figure reveals that out of 100 respondents 80% are female while 20% are male. This shows



that most of the respondents in this study belong to the female group. This implies that female group are mostly in need of cash assistance and have the eagerness to seek help financially.



Based on figure 2, most of the respondents were enrolled in the BS in Accounting Information System followed by BS in Accountancy and BS in Secondary Education. Moreover, less than 10 respondents were enrolled in each program such as BS in Hospitality Management, BSBA programs, BS in Entrepreneurship, and Allied Health programs.



Based on Figure 3, majority of the respondents belongs to the 4th year level. Only 27 and 15 students were in their 3rd year and 2nd year respectively.

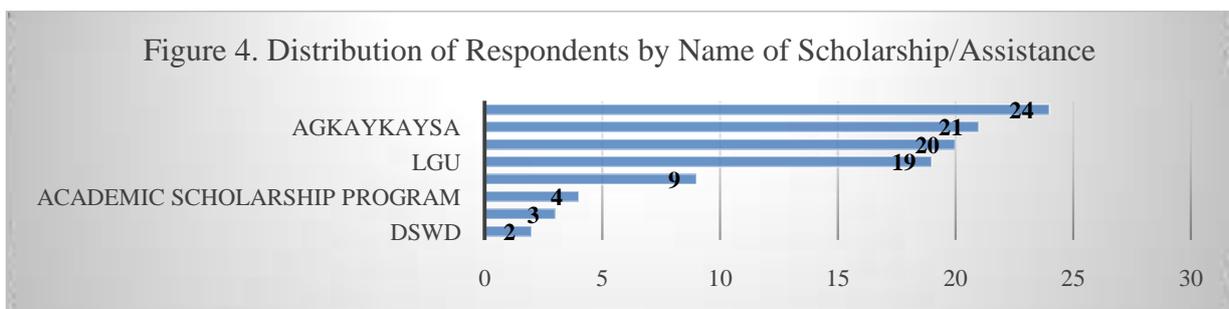
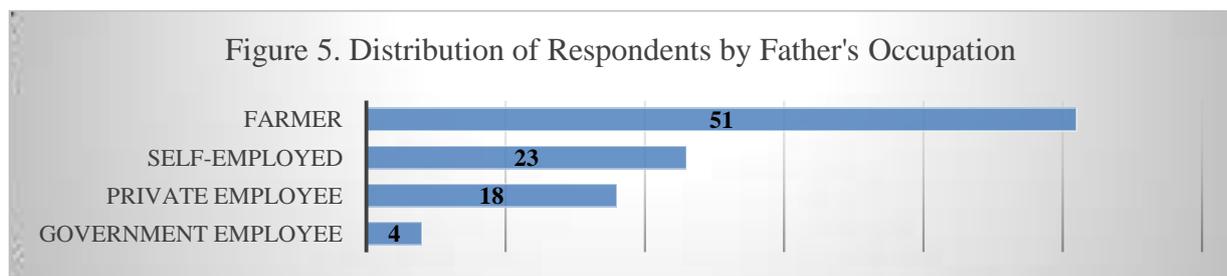


Figure 4 illustrates the distribution of respondents by the name of the scholarship or financial assistance. The figure shows that the top scholarships of the students are CHED Tulong Dunong Program followed by Agkaykaysa and Private Scholarships. Also, there were



19 of them availed Local Government Unit (LGU) Scholarship Assistance based on their Locality. Some students were also accepted in Provincial Financial Assistance, Academic Scholarship Program, DOST, and DSWD.

The **CHED-Tulong Dunong Scholarship** is intended for the high school graduates whose GWA is at least a passing grade and for graduating high school students whose GWA is at least a passing grade in the third year and in the three grading periods of the fourth year and who will enroll in identified priority courses in duly authorized public or private HEIs. Hence, before entering college, students may apply the said scholarship. (www.ched.gov.ph) The findings imply that **CHED-Tulong Dunong Scholarship is the most accessible and easy to apply because there is no high standards in maintaining grade.**



Majority of the respondent's father's occupation is engaged in farming activities. Likewise, there 23 that are self-employed while 18 are working in the private sector and only 4 are working in the government. Most of the self-employed were engaged in putting up their own business and some are in online business jobs. Online Business is any kind of business or commercial transaction that includes sharing information using the internet. Online business may include buying and selling products and services online. This is now the most trending job especially this pandemic. On the other hand, farming is the most common job among Filipinos due to the terrain and tropical climate condition of the country, farming and fisheries have been the largest agricultural sub-sectors in the country. (source: Statistical Research Department, 2021)

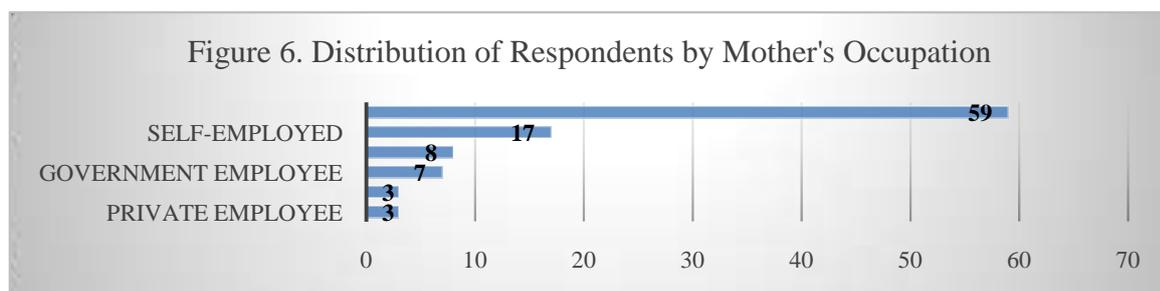




Figure 6 displays the distribution of respondents according to their mother's occupation. It can be concluded from the table that most mothers' occupation is housewife followed by self-employed and OFW. The rest of the groups are working in the government, some mothers are also engaged in farming activities and the rest are working as private employees. Likewise, a housewife is a woman whose work is inside the home, doing the cleaning, cooking, doing laundry, taking care of and transporting children, outdoor work, taking care of fellow family members. Housewifery is the toughest but most important job in a family.

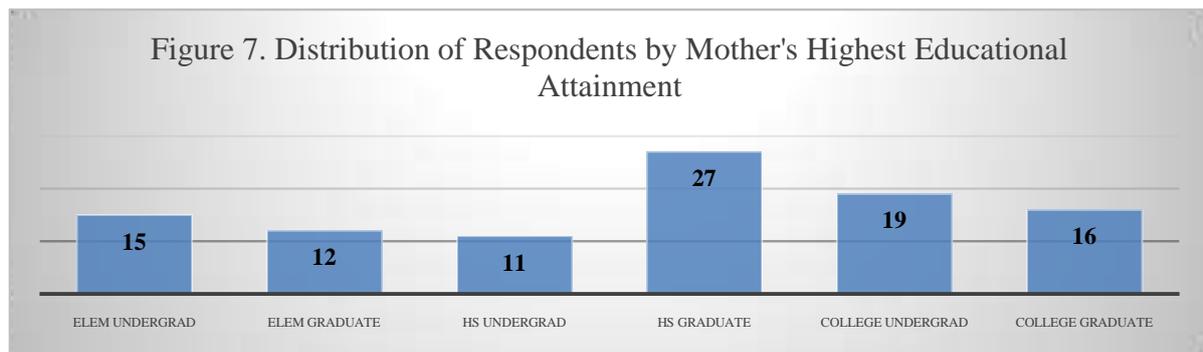
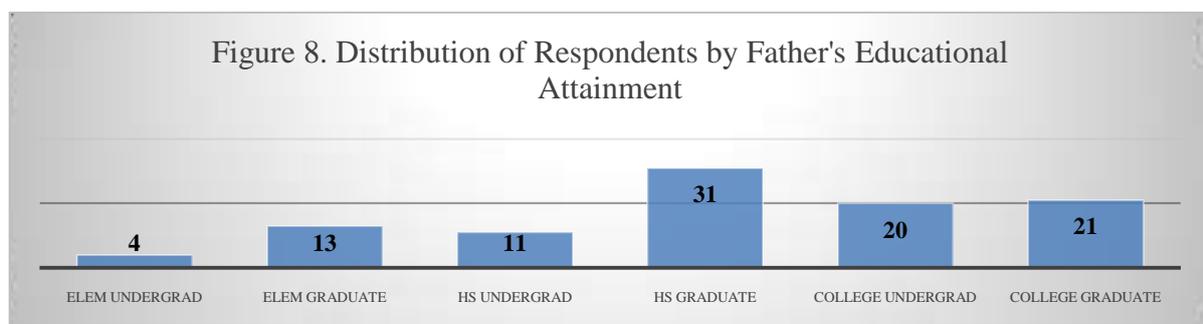


Figure 7 shows that 27 or the majority of the respondent's mother's highest educational attainment is High School Graduate. Also, there were 19 who did not finish college while 16 finished colleges. This infers that their parents recognized the importance of education in their lives. Education determines the quality of an individual's life. It improves one's knowledge, skills and develops the personality and attitude. Most noteworthy, education affects the chances of employment for people. A highly educated individual is probably very likely to get a good job. (<https://www.toppr.com>)



Likewise, in terms of their father's highest educational attainment, findings indicate that majority of their father had finished High School while there were 21 who finished college



and 20 who did not finish their career path. Education helps people to become better citizens, get a better-paid job, and able to shape a better society to live in.

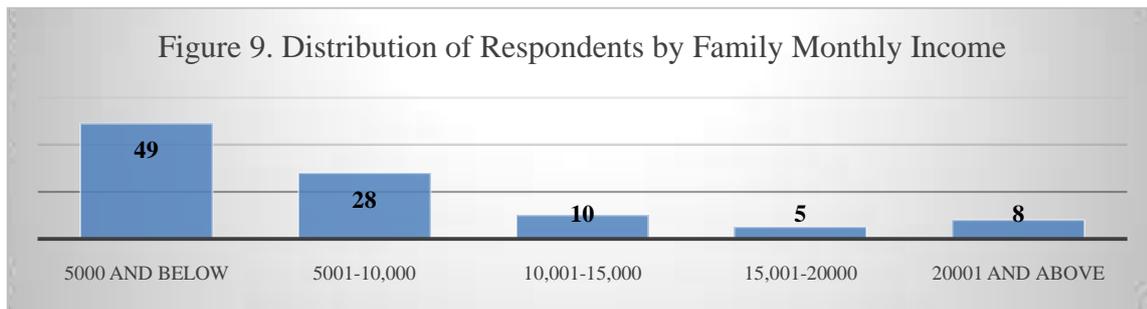
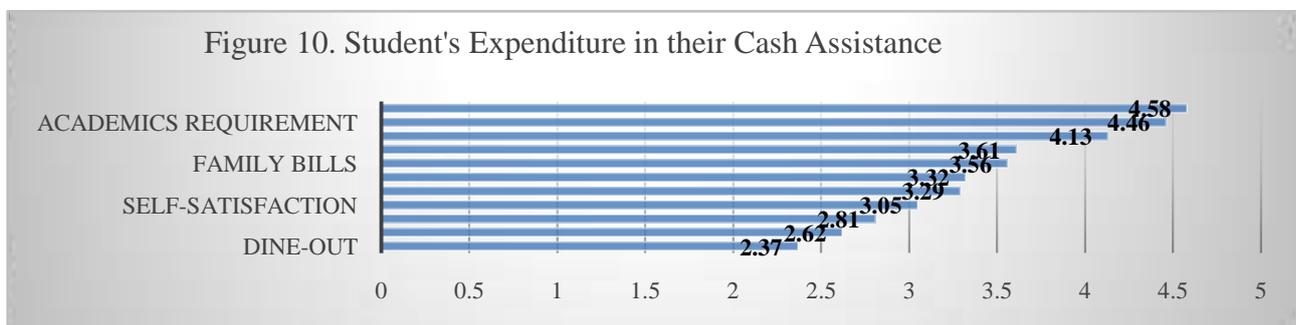


Figure 9 shows the distribution of respondents by average family income. It can be observed from the figure that almost half of their parents have an average income of 5000 pesos and below. The average monthly income of their parents is P6,167.34. This can be inferred that the majority of their parents are low-income learners. That's why these students need financial assistance and scholarships just to have support in their studies. According to the data from the Philippine Institute for Development Studies (PIDS), the income classes for an average household of five for low income between P9,000 to P21, 000 pesos. An average monthly income of less than P10,000 is classified as poor according to PIDS. (Padillo, 2021). According to a study by Choy (2000), students from low-income families typically need substantial financial assistance to be able to attend college. The study revealed that the majority of independent students are from low-income families.



expenditures of students in their allowances include food, shelter, and health. Also, some students' practices paid their family bills such as water and electric bills, farming inputs, and the like upon getting their cash assistance. According to a study by Gennetian et al (2021), nearly 75% of expenditures for families living in or near poverty go to food, transportation, rent, utilities, and cellphone service.



Table 1. Test of significant difference on the spending of the students in their cash assistance when grouped according to profile variables

Variables	F/T Computed	p-value	Interpretation
sex	0.36	0.002**	Significant
Age	1.01	0.098	Not significant
Program	-1.91	0.061	Not significant
Year level	1.23	0.651	Not significant
Name of scholarship	1.571	0.021*	Significant
Mother's occupation	1.4	0.231	Not significant
Fathers occupation	2.23	0.540	Not significant
Mother's highest educational attainment	0.92	0.752	Not significant
Father's highest educational attainment	0.78	0.000**	Significant
Average Monthly income	1.01	0.000**	Significant

****significant at 0.01 level* significant at 0.05 level**

Table 1 reveals a test of significant difference in the spending of the students in their cash assistance when grouped according to profile variables. Statistically, there is a significant difference in the spending habits of the students when group according to sex, name of scholarships, father's highest educational attainment, and average monthly income since the p-value is less than 0.05 level of significance. On sex, this means that the female group spends higher on their cash assistance than males, the fact that women have more expenditures in their studies than males.

According to one study, women buy on average about 7.1 times a year and men only about 5.4 times; they spend more money on the Internet. At the time of purchase, men are **more direct** and only buy **at the time they need something**. They focus on what they want without making additional purchases. Men are information seekers, research each product they want in-depth and look at all the features of the product (e-commerce marketing team, adglow, 2021).

Father's educational attainment has also a big impact on the student's expenditures in the cash assistance. Choy (2000) found out in her study that among dependent students, low-income status was related to parents' education. Among independent students, however, there was no strong relationship between parents' education and low-income status.



This study also revealed that the kind of scholarship or financial aid assistance they have is also correlated with their daily expenditures. The higher the cash assistance they get from their scholarship the higher their expenditure is. Also, average monthly income was found to be associated with their spending habit. This means that the higher the average monthly income of their parents the higher their expenditures are.

The rest of the independent variables showed no significant differences.

According to John Maynard Keynes in his income-expenditure theory, there is a relationship between income and expenditure (McConnel et al., 2015). When there is an increase money or an anticipation of receiving income, more money is spent on expenditure. There is a clear positive relationship between income and expenditure. If income increases, expenditure will also increase. This is a common economic principle used to describe spending trends for national and world economies. The identified determinants that may have influence on levels of consumption expenditures are changes in levels of wealth, debt, future income and price and government policy on taxation (Mc Cornell et al., 2015).

CONCLUSIONS

Cash assistantship is truly helpful for many students especially in colleges. Through this study, it was concluded that the cash assistance of the students can control the way they spend. They know what to prioritized which they spent most on like basic needs followed by academic purposes. Considering in the midst of pandemic, it is evident that they are knowledgeable enough to budget their cash assistance they received.

Therefore, the assistantship given by the government or private institution and individuals are based on the qualifications that you are academically excellent and have low combined parents' income to support your studies. It should also be spent for the student's studies welfare to help them complete their degree and graduate. With all the activities consuming all the assistantship, the student's assistantship recipients are safe to say that they are responsible enough to know how to prioritize what they needed and wanted because they spent their cash assistantship with school related matters like load allowance that is timely and needed during this pandemic.

To sum it all up, the cash assistantship budgeting behavior of the students from Cagayan State University-Andrews campus is excellent because they use it meaningfully for their studies.



RECOMMENDATIONS

Considering the findings and conclusions of the study, the following recommendations were made:

1. The students need to have their budgeting plan to organize and manage their financial matters.
2. The students should set their priorities and learn to differentiate needs from wants to maximize their budget with the expenses.
3. From the findings of the study, the Future Researcher should look for possible strategies on how to budget the cash assistantship they receive from any scholarship program.
4. The parents should also check on the expenses of the students so that they could guide their sons/daughters on how to spend their money.
5. Private and public scholarship grantors should require their grantees to submit expenses from the cash assistantship in able to monitor where the money goes

REFERENCES:

Akben-Selcuk, E., & Altiok-Yilmaz, A. (2014). Financial literacy among Turkish college students: The role of formal education, learning approaches and parental teaching. Psychological Reports.

Allen, K & Kinchen V. (2009). Global Journal of Business Research.

D'Silva, N. V. (2008). College spending habits. Market research on student spending.

De Guzman, M. R., & Gaston, F. (2007). Budgeting.

Delafrooz, N. & Laily (2011). Determinants of saving behavior and financial problem among employees in Malaysia. Australian Journal of Basic and Applied Sciences.



Eccles, D. W., Ward, P., Goldsmith, E. and Aarsal, G. (2013). The Relationship between Retirement Wealth and Householders' Lifetime Personal Financial and Investing Behaviors.

Erskine, M., Kier, C., Leung, A., & Sproule, R. (2005). Peer Crowd, Work Experience, and Financial Budgeting habit behavior of Young Canadians. *Journal of Economic Psychology*, 27(2), 262 - 284.

Esenvalde, I. (2010). Psychological predictors of saving behavior. Contrasting the impact of optimism and burnout on self-control, achievement motivation and savings behavior. Ph.D. dissertation, Alliant International University, Los Angeles, United States-California.

Folorunsho M Ajide (2015). The spending pattern among the youths in Lagos, Nigeria, ISSN: 2278-487X, Volume 17, No 4, April 2015.

Holland, K. (2016). How to help your new college student avoid money minefields.

John Axel C. Dimaala, Romilyn B. Gregorio, Adrian Jake Pamil, Cindy Vanzuela (2019). Spending Behavior: Monthly allowance affecting general weighted average of business management students of Polytechnic University of the Philippines IJARIE-ISSN(O)-2395-4396, Vol-5, Issue-6, 2019

Jorgensen, B. L. (2007). College Student Financial Literacy Survey. CiteSeerX.

Kanting sechaba thobejane, Olawale fatoki (2017) Budgeting and spending habitsof university students in South Africa, IFE centre for psychological studies, ISSN: 1596-9231, Volume 15, No 3, 2017

Levenson, N. (2014). Spending money wisely; getting the most from school district budgets. The District Management Council (2009).



Mckenzie, H. (2020). How COVID-19 has changed student spending habits. The S.I. Newhouse School of Public Communications.

Micomonaco Justin P. 23 April 2003. "Borrowing Against the Future: Practices, attitudes and knowledge of financial management among college students," Virginia Polytechnic Institute and State University.

Norvilitis, J., Merwin, M., Osberg, T., Roehling, P., Young, P., & Kamas, M. (2006). Personality factors, money attitudes, financial knowledge, and credit-card debt in college students. *Journal of Applied Social Psychology*.

Sabri M., MacDonald M., Jariah Masud, J., Paim, L., Hira T., & Othman, M. (2008) Financial Behavior and Problems among College Students in Malaysia: Research and Education Implication.

Singh, S., Gupta, S., Jain, S., Kabra, S. & Gupta, S. (2020). Student Budgeting and Spending Behavior. *International Journal of Creative Research Thoughts (IJCRT)*, ISSN: 2320-2882

Yuesti, A., Rustiarini, N. & Suryandari, N. (2020). Financial literacy in the COVID-19 pandemic: pressure conditions in Indonesia. *Journal of Entrepreneurship and Sustainability Issues*, 8(1):884-898

E-Websites:

Choy, S. P. (2000). Low-Income Students: Who They Are and How They Pay for Their Education. <https://nces.ed.gov/pubs2000/2000169.pdf>

E-commerce marketing team, (2021). E-Commerce: Men spend more than women. <https://www.adglow.com/blog/pt-br/e-commerce-men-spend-more-than-women>

Gennetian, L. A. et al (2021). How Do Low-Income Families Spend Their Money. Retrieved from <https://econofact.org/how-do-low-income-families-spend-their-money>



Licuanan, P. B. (March 11, 2014). *Revised Guidelines For The Implementation Of Student Financial Assistance Programs (StuFAPs)*[Memorandum]. Commission on Higher Education. <https://ched.gov.ph/wp-content/uploads/2017/10/CMO-13-2014.pdf>

N/A. Essay on Importance of Education for Students. Retrieved from <https://www.toppr.com/guides/essays/importance-of-education/>

Padillo (2021). Defining and profiling the middle class. Retrieved from <https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1818.pdf>

[Statista Research Department](https://www.statista.com/topics/5744/agriculture-industry-in-the-philippines/#topicHeader-wrapper), (2021). Agriculture in the Philippines - statistics & facts. [https://www.statista.com/topics/5744/agriculture-industry-in-the-philippines/#topicHeader wrapper](https://www.statista.com/topics/5744/agriculture-industry-in-the-philippines/#topicHeader-wrapper)