

The Income-Expenditure-Saving Analyses of the University Students

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Abstract: *The objectives of this study are; i) to identify the students' sources of income and students' income level, ii) to explore students' expenditure pattern and student's expenditure level, and iii) to measure students saving status. 301 university students participated in this study. The instrument used for data collection is questionnaire set, which are constructed by using Google form and distributed through link sharing. The data are analysed by using SPSS version 23 software. The findings of the analyses provide indication that students' sources of income mainly come from government's loan (PTPTN) and parents. The average income level of the students is RM539.70. For expenditure analysis, the main expenditure items are; food and beverages, and accommodation. The students' average expenditure level is 915.94 (with average expenditure level on necessity items is 774.04). With the income and expenditure levels, the calculated saving level is -202.55 (considering expenditure on necessities only) and -344.45 (total expenditures). Based on this finding, we may conclude, the amount of money obtained by the students is relatively low, and insufficient even to cover their expenditure on necessity items. In relating to this, it is recommended the existing amount of PTPTN loan provided by the government to be review, and to be linked with parental income in order to guarantee the welfare and the wellbeing of the student.*

Keyword: *income, expenditure, saving, university students,*

I. INTRODUCTION

According 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).

Focusing on consumption expenditure component, it contributes the largest to overall expenditure level in the economy (McConell et al., 2015). This expenditure component is comprised of spending from various economic units. One of the economic units that play a vital role in aggregate consumption expenditure of the economy is the society of university students.

II. ISSUE STATEMENT

The expenditure patterns of the university students are considered as unique compares to other category of students in the education sector (Bona, 2017). Living in the new age, the expenses of the university students have increased overtime (Norain et al., 2017). Apart of having to deal with continuous price increase in the market economy, specific goods like laptops or desktops, and smart phone are considered as required items students must have to ease communications and to enhance studying and learning process.

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The expenditure behaviour among students, if focused individually, has high tendency to be different as the source of income among students is typically different. Some students are born rich, some may receive their funds through one (parent) or a few channels while some may receive welfare money from religious agencies, in addition to parental contribution, or some do part-time job to support their living cost in university. The different scenarios in students' income sources or students' income level justifies the claim on the inclination of spending behaviour among students are different. For low-income students, priority may have been given to essential items, while for the higher income earners, their scope of expenditure may be expanded to non-necessities or luxury items.

The issue highlighted above is directly linked to students' income and expenditure portfolio. From past literatures, many researches were conducted on university students' and many had found poor financial management of university's students (Barjoyai & Fairuz, 1996; Rubayah et al., 2015; Noor A'lim, 2005). This discovery have triggered the following questions; what are the level and the sources of student's income? What are the level and the expenditure items of the university students? Do university students practise saving?

In relation to the questions highlighted above, the existing study aims to investigate this issue further. The general scope of the study focuses on the analysis of income-expenditure, and to identify the saving status of the university students. In specific, this study is conducted to achieve the following objectives; i) to identify the students' sources of income and students' income level, ii) to explore students' expenditure pattern and students expenditure level, and iii) to measure students saving status.

III. LIMITATION OF THE STUDY

This study is limited in a few aspects. Firstly, the absolute truth of the findings it is limited to university students at Tanjung Malim Perak. Whether the result is homogeneous or heterogeneous to other university students in Malaysia, it is yet to be tested. Secondly, the findings is valid for a five year period starting 2020. Rapid politico-economic transformation that takes place around us may influence the validity of this findings after five years of its publication. In terms of methodology, the findings presented in the paper is limited to the results generated through descriptive and frequency statistics analyses which uses SPSS 23 software. A different set of result may be observed when the data us using other methodology or other type of software.

IV. LITERATURE REVIEW

The study of income and expenditure involves a broad scope. From the past literatures, this theme has been researched in various groups of economic sectors or units. Among the many studies, the current study put focus on income-expenditure of the households (Rashid et al., 2010; Ismail & Bakar, 2012), entrepreneurs (Jalil et al., 2017; 2019); teachers (Jalil et al. (2018) and university students (Rubayah et al., 2015; Sosooshian & Tan, 2014; Netty Zahura, 2006; Noor A'lim, 2005; dan Dacyczyn, 2011, 2014).

Rashid et al. (2010) who survey into household expenditure behaviour in the east coast of peninsular Malaysia. The overall findings provide evidence on the significant relationship between the income and the expenditure levels. In particular, the high correlation between the income and the total expenditure are observed in the housing loan, automobile loan and educational expenditure.

Ismail & Bakar (2012) researched on the same theme as Rashid et al. but specifically focusing on income-expenditure elasticity and saving level of the household. Their findings provide indication that the elasticity of income-expenditure is highest for rental expenses and loan payments, as well as health, while the lowest elasticity was recorded for daily needs. In terms of saving, most households allocate only a small proportion of their income for savings, while there are some households without any savings and some even spend more than their income.

Studies of Jalil et al. (2019, 2017) put focus on the business sector, or to be more specific on female business operators. In specific, the studies are doing income and expenditure management of women entrepreneurs at the East Coast of

Malaysia. The findings of this study lead them to conclude; the ability to manage income and expenditure guarantees business profitability, which then is becoming an inspiration and motivation to the entrepreneurs to continue operating the business sector and stay in the system.

Other than entrepreneurs, there are also studies on expenditure behaviour focusing on group of teachers. Among them are studies conducted by Jalil et al. (2018) and Ramli (2013). The study by Jalil et al. (2018) focuses on a group of teachers in deciding their expenditure on home purchases. The two main factors tested in this study are; economic factors and non-economic factors. The final results provide indication; economic factors (income) are the dominant factors in influencing teacher's decision on home purchase expenditure. In other words, a given level of income along with effective expenditure decision help the teachers to realize their dream.

The study by Ramli (2013) also analyse the income-expenditure pattern of the teachers. In specific, his focus is more into income-expenditure management. The findings discover respondents aged more than 45 years old had good financial management behaviour compares to younger aged respondents. In another word, as they grew older they cultivate organized expenditure pattern, and this lead to stable and better saving habit. Here we may imply, the financial behaviour describes the financial well-being of an individual or group; which than may influence the individual productivity level.

There are also studies of income-expenditure that focuses on youth. Among the few to be highlighted are; the income-expenditure pattern of youth who stay in urban areas (Bukhari, Hyun & Idris, 2018) and on university students. The findings of the former study figured that there is no significant relationship between income and expenditure for daily needs. Specifically, this means, an increase in income does not necessarily lead to increased spending.

Other types of youth study is the income-expenditure analysis on university students. The referred literatures for this group of households are the studies conducted by Rubayah et al. (2015); Sosooshian & Tan (2014), (Netty Zahura, 2006), (Noor A'lim, 2005) and (Dacyczyn, 2011; 2014). In general, the direction of the studies is divided into several areas namely; 1) students' degree of knowledge in expenditure management, 2) students' attitude toward expenditure activities, and 3) students' skills in expenditure decisions.

Rubayah et al. (2015) in their study found; the average level of financial literacy (knowledge) among students was low. The results show that, many students are unable to manage their budget to an extent the level of spending is always higher than the income level. A study by Sosooshian & Tan (2014) is slightly different from Rubayah et al. (2015). Sosooshian & Tan (2014) even though acknowledged students' knowledge in terms of expenditure management; however, inefficiency in money management persists because most of the students do not use the knowledge and skills they have in their daily financial management. The findings of both studies are in line with the findings of Barjoyai and Fairuz (1996).

Another study which is to students' level of knowledge in managing expenses is the research conducted by Dacyczyn (2011; 2014). The results of his study show that there are problems among students in making decisions about spending between necessities or wants due to lack of knowledge of financial management. This finding clearly indicates that a low level of knowledge promotes failure in prioritizing expenditure items, thus leading to overall money management failure. Other than knowledge; a study by Netty Zahura (2006) concludes, attitude factor also contributes significantly to student inefficiency in financial management. According to the researcher, some students feel that when they are away from the family, they gain freedom to decide what do and to buy without family intervention. This scenario not only lead them towards bad money allocation (between the necessity and the non-necessity expenses) but also inclined them to be trapped in an overspending behaviour. This kind of attitude factor is also related to the study conducted by Noor A'lim (2005). He concludes that the allowance received every semester by the students has not been spent wisely. Students had been spending the money without setting any priority to academic and health needs but using the money for entertainment such as watching movies and vacationing with friends. The same finding was obtained in the study of Mamat et al. (2013). The results show that the students do not have the financial management skills. Their expenditures outweigh the available

financial resources and students spend more money on non-academic matters than on academic matters. This finding is supported by Mustafa & Fikri (2011).

Based on the highlighted literatures, we may infer there are many directions of studies on income-expenditure of the target groups. For the existing study, the focus is similar to the work of Dacyczyn (2011; 2014), which concentrate on students' income sources and expenditure pattern.

V. METHODOLOGY

This section elaborates the methods used for data collection and analysis.

Data collection Method

This study is an exploratory study which involves primary data. The respondents of this study are college students from various discipline at Universiti Pendidikan Sultan Idris, Tg. Malim, Perak. The instrument used for data collection is questionnaire set which are distributed through Google form. The form is comprised of three main sections; A (Demographic), B (Income Analyses), C (Expenditure Analyses). The collected data are coded and then are analysed by SPSS Version 23 software.

Data Analysis Method

This is a quantitative analysis. The data are analysed by using the descriptive statistics method which mainly involves the minimum, maximum, frequency, and mean calculations.

VI. RESULTS REPORTING

The discussion in this section is divided into four parts; the demographics analysis, the income analyses, the expenditure analyses and finally the saving status of the university students.

The Demographics Analysis

The respondents' profile is displayed in Table 1. A total of 301 respondents took part in this study. By gender, the female category is comprised of 231 people (76.7%) while the following 70 or 23.3% are comprised of male students. The results for race distribution shows the highest percent (67.45% or 203 people) goes to the Malay race followed by Bumiputera of 38 people (12.6%), India with 32 people (10.6%), Chinese with 22 people (7.3%) and the least are of others race which is comprised of 6 people (2.0%). The age distribution shows that the youngest age starts from 18 years and extended to the maximum above 30 years old. By category, ages ranging from 18 years to 23 years showed a total of 294 respondents (97.7%), ages between 24 years to 29 years is comprised of 5 respondents (1.7%) and for those ages 30 years and above, is consisted of 2 (0.7%) people.

Table 1. Respondents' Profile

	Items	Frequency	Percent
GENDER	Male	70	23.3
	Female	231	76.7
	Total	301	100.0
RACE	Malay	203	67.4
	Chinese	22	7.3
	Indian	32	10.6
	Bumiputra	38	12.6
	Others	6	2.0
	Total	301	100.0
AGE	18-23	294	97.7
	24-29	5	1.7
	30 And Above	2	.7
	Total	301	100.0

Income Analyses

This section is divided into two parts; the income sources and the income level analyse.

The Income Sources Analysis

The overall findings of this analysis is displayed in Table 2. The results in Table 2 shows 219 people (72.8%) are taking up PTPTN loan and 82 people (27.2%) are not taking up PTPTN loan. This shows PTPTN was the most popular among 9 sources of income. The second highest is from parents (54.5%) which is half of respondents received money from their parents. Besides, only 6.3% students who works as a part-time while studies and the rest was full-time student. Students who get government scholarship (JPA) is higher than student who get state scholarship (Yayasan Negeri) which is 5% and 2.3%. The least are investment which is 0.7%. Zakat and others recorded between 20 to 30 people of respondents.

Table 2: Income Sources Analysis

Items	Answer	Frequency	Percent
PTPTN (Government loan)	Yes	219	72.8
	No	82	27.2
	Total	301	100
JPA (Government scholarship)	Yes	15	5
	No	286	95
	Total	301	100
Yayasan negeri (State loan/scholarship)	Yes	7	2.3
	No	294	97.7
	Total	301	100
Zakat (religious fund)	Yes	25	8.3
	No	276	91.7
	Total	301	100
Parents	Yes	164	54.5
	No	137	45.5
	Total	301	100
Part time working	Yes	19	6.3
	No	282	93.7
	Total	301	100
Investment	Yes	2	0.7
	No	299	99.3
	Total	301	100
Others	Yes	28	9.3
	No	273	90.7
	Total	301	100

The Income Level Analysis

The overall findings of this analysis is displayed in Table 3.

Table 3 Income Analysis

Item	N	Minimum	Maximum	Mean	Std. Deviation
Monthly Income	301	50	5000	539.70	571.485

Table 3 shows the minimum and maximum income earned by students are RM50 and RM5000. The average income value recorded is RM539.70.

4.3 EXPENDITURE ANALYSES

The overall results for the Students expenditure are shown in Table 4.

Table 4: Expenditure Pattern

Expenditure items	Min.	Max.	Mean	Std. Deviation
1. Foods & Beverages	0	960	232.76	130.431
2. Accommodation (include utilities)	0	1618	265.85	309.303
3. Stationery	0	500	56.57	59.713
4. Transportation	0	400	50.92	54.373
5. Internet	0	500	34.99	40.237
6. Cost Hand phone Usage	0	180	32.57	31.708
7. Other types of necessity items	0	1500	77.69	116.972
8. Entertainment	0	300	37.22	48.682
9. Personal Goods	0	300	50.61	44.335
10. Clothing	0	600	30.43	52.034
11. Others	0	1000	23.64	68.968

The results in Table 4 show the highest mean scores of 265.85 is recorded by Accommodation item followed by Food & Beverages (232.7) and Other types of necessity item (77.69). These mean scores provide indication that expenditures on Accommodation, Foods & Beverages, and Other types of necessity items are most important to the students. The lowest mean scores are recorded at Others item with mean score values of 23.64. Transportation, stationery and personal goods recorded the mean scores between 50 to 60. This show that transportation, stationery and personal goods are moderately important to the students.

4.4 THE SAVING ANALYSES

The overall results for students saving practices are shown in Table 5.

Table 5: Students savings

Question		Frequency	Percent	Cumulative Percent
Do you do savings?	Yes	161	53.5	53.5
	No	140	46.5	100.0
	Total	301	100.0	

From the results displayed in Table 5 we may infer 161 (53.5%) students proclaimed they do savings while the other 140 (46.5%) students do not do savings.

A very narrow margin of difference between the two groups has triggered the following question. With the calculated average income and expenditure levels; is there any surplus for saving purposes?

To answer the question, we calculate the difference between the income and the expenditure levels. The expenditure levels is divided into two; expenditures on necessities (bold texts), and total expenditure (include both necessities and non-necessities). The non-necessity items are displayed in non-bold texts. Refer Table 6.

Table 6 The Average Income-Expenditure Levels

Expenditure items	Mean	The (avg.) Expenditure level
1. Foods & Beverages	232.76	
2. Accommodation (including utilities)	265.85	
3. Stationery	56.57	
4. Transportation	50.92	
5. Internet	34.99	
6. Cost Hand phone Usage	32.57	
7. Other types of necessity items	77.69	751.35
8. Entertainment	37.22	
9. Personal Goods	50.61	
10. Clothing	30.43	
11. Others	23.64	141.90
Overall total		893.25

The level of saving (S) is generated from the difference between income (Y) and expenditure (C) levels. The overall result is displayed in Table 7.

Table 7 The Level of Saving

Income – expenditures items		Values (RM)	Levels of saving
Income level		539.70	
Expenditure levels	Necessities	751.35	-211.65
	Overall	893.25	-353.55

Referring to Table 7, the value of savings which are obtained from subtraction between the income and the expenditure level on necessity goods; and the subtraction between the income and the total expenditure level have both resulted minus level of savings of -211.65 and -353.55 respectively. From the results obtained, it is obvious, the saving status of the university students is negative. The income received by the majority of the university students are relatively low, just barely enough to cover the expenses of the main two necessity items (Food & Beverages and Accommodation)

VII. CONCLUSION

The objectives of this study are; i) to identify the students’ sources of income and students’ income level, ii) to explore students’ expenditure pattern and student’s expenditure level, and iii) to measure students saving status. 301 university students participated in this study. The instrument used for data collection is questionnaire set, which are constructed by using Google form and distributed through link sharing. The data are analysed by using SPSS version 23 software. The findings of the analyses provide indication that students’ sources of income mainly come from government’s loan (PTPTN) and parents. The average income level of the students is RM539.70. For expenditure analysis, the main items purchased are; food and beverages, and accommodation. The students’ average expenditure level is 893.25 (with average expenditure level on necessity items is 751.35). With the income and expenditure levels, the calculated saving level is -211.65 (considering expenditure on necessities only) and -353.55 (total expenditures). Based on this finding, we may conclude, the amount of money obtained by the students is relatively low, and insufficient even to cover their expenditure on necessity items. In relating to this, it is recommended the existing amount of PTPTN loan provided by the government to be review, and to be linked with parental income in order to guarantee the welfare and the wellbeing of the student.

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