

Budgeting Practices of Financial Management Students of Tarlac Agricultural University

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Abstract

University students need to master budgeting or the act of allocating money to help them make better financial decisions in the future. Being aware of the budgeting practices of university students is essential in order to be enlightened. Thus, allowing rooms for improvement to develop their budgeting skills. This study aims to shed light on the budgeting practices of the financial management major students in terms of their spending and saving habits as well as their financial problems and solutions. The sample composed of 104 Financial Management majors who were in their first, second, or third-year college standing. This undertaking utilized a quantitative descriptive method as research design. Through an online survey questionnaire, the desired data was gathered. The researchers were able to derive valuable information from the respondents to fulfill the research objectives by using frequency, rankings, and mode. Most of the respondents were at the age of 20 years old who are in the third year of Financial Management course in Tarlac Agricultural University. They receive a monthly allowance amounting to Php 1,001- 2000 (18USD-36USD). Findings revealed that most of the students can sometimes save money in a piggy bank or wallet; always save money for personal interests; rarely give their saved money to people that are close to them; and always save money for emergency purposes. In terms of the students' spending habits, the students consider the necessity, prices, and benefits of the products before purchasing, such as basic necessities, for their leisure activities, as well as their miscellaneous expenses. Additionally, results also showed that the main problems encountered by the students when budgeting are being indecisive in finance and having a lack of knowledge about the 50/30/20 budget rule. To solve these problems, students mainly direct their efforts toward becoming smart consumers. This information gathered through the conduct of this study helped the researchers develop a budget plan for the students to improve their budgeting practices.

Keywords: budget practices, financial management, spending habits, saving habits, budgeting plan



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INTRODUCTION

Budgeting is an essential financial skill that plays a crucial role in personal and professional life. The ability to effectively manage and allocate financial resources is vital for individuals to achieve their goals and make informed financial decisions.

One of the main causes of the lingering poverty in the Philippines is the low financial literacy (Olano, 2022). According to a survey conducted

by the Bangko Sentral ng Pilipinas in 2022, only 2 in 10 Filipinos attained a perfect score and 7 in 10 answered at least half of the questions about fundamental financial literacy queries. These results adhere to the 2015 World Bank report revealing that Filipinos had a 25% financial literacy which proves that the Philippines fall behind neighboring countries such as Malaysia (39%) and Singapore (59%). Similarly, Medalla (2022) cites an international study about financial literacy by Standard & Poor's (S&P Global Ratings) stating that the Philippines

ranked among the bottom 30 from the 144 countries surveyed.

Budgeting is crucial for success in life (Bona et al., 2018). Proper money management and financial literacy go hand in hand; being financially literate will help in proper personal financial management, preventing being drowned in debt and falling into bankruptcy (Sundarasan et al., 2016). Spending habits or repeated acts of purchasing something, affects financial management (Tuliao, 2019).

Financial management is the ability to discern, analyze, handle, and communicate personal finance issues towards financial wellbeing (Vitt et al., 2000; Atkinson and Messy, 2012). Chinen and Endo (2012) emphasized that a smart spending habit is to prioritize an individual's needs over wants. Furthermore, balancing income and expenditures can result in better self-discipline, risk management, clear financial goals, and reduced stress (121FCU, 2022). It is crucial to teach financial education to young adults because according to the National Economic and Budget Authority (2018), many Filipinos spend their money unwisely because of financial illiteracy contributing to the increase in economic inequality.

As years go by, spending habits vary because trends change (Bona, 2017). Young adults currently account for a significant portion of the nation's overall consumer spending (Leyco, 2022). Due to rapid globalization, popular brands utilize social media for marketing and building trends that the Generation Z follows. As a result, the youth has been spending more on wants rather than needs.

Student budgeting largely refers to the management of financial expenses within the confines of their allotted budget that is usually given by their parents or guardians. Achieving a financially sustainable life means mastering budgeting with limited resources.

Responsible spending means better preparation for financial decisions. As life in the Philippines gets tougher because of inflation rate and swelling debt, young adults need to

allocate their budget properly (Leyco, 2022). Students' earliest exposure to money management is their "baon" or allowances in school. With insufficient financial literacy, it is important to implement financial education initiatives to enhance students' budgeting capabilities.

Furthermore, studies have explored the factors influencing students' budgeting practices. For instance, research has shown that parental influence, financial independence, and part-time employment can impact students' budgeting behaviors (Robb & Sharpe, 2009; Shim et al., 2009). Understanding these factors can provide insights into the contextual factors that influence students' budgeting decisions.

Despite efforts to understand students' budgeting practices through research, the need to understand budgeting in the context of Filipinos remains essential. In an ever-changing landscape where basic commodities and fares continue to rise, the need for contextualized research is important to understand the financial behaviors of Filipino young adults. Hence, it is crucial that this gap is addressed by creating culturally relevant and context-specific research to develop targeted financial education initiatives for Filipino students.

Statement of the Problem. Anchoring the tenets of the above discussions, the study intends to analyze the budgeting practices of financial management students of Tarlac Agricultural University. The research aims to describe the students' socio-demographic profile in terms of age, year level, sources of income, and monthly allowance, which shows its relation to the various budgeting practices of the students. Another point of this study is to describe the budgeting practices of the students in terms of their spending and saving habits, which leads to the other focus of the study: determining the problems encountered by the students related to their budgeting practices and the perceived solutions. And lastly, developing the budgetary plans that can be proposed for the students to improve their budgeting practices.

LITERATURES

Although these literature and studies have assessed people's budgeting practices, it was necessary to determine if their results and findings are also similar in the locale of the study. These literature and studies are helpful to the current study to establish a concrete basis regarding the problem. Whether the respondents of the study faced issues related to money management, it was important to provide a foundation for them to assess if the students are capable of applying their knowledge on financial management.

Budgeting. Budgeting, whether it be done by students or professionals, is an integral part of financial management. The International Monetary Fund (n.d.) emphasizes the importance of having a proper budget structure for its successful execution. According to Singh et al. (2020), student budgeting refers to the management of expenses with limited allowance. A budget is a plan that helps individuals to properly manage their money and make smart financial decisions to avoid financial problems like excessive spending, debt, or being short on funds (Khan Academy, n.d.).

Money is essential for all people, especially to students who need their allowances for school. With the allowance that they have, properly managing their money is important. Budgeting is planning on how and where they would spend their money on their different expenses. Saving money at a young age is a great way to begin managing their own finances, knowing how to manage their money will help them and also their parents to lessen unnecessary expenses.

According to the study of Boral et. al (2020), some students find it difficult to budget their money for schoolwork because of some unexpected school or miscellaneous expenses needed in their school, the fees are unexpected resulting in them not being able to include that expense in their initial budget plan. Another respondent also shared that having many school fees as a graduating student lead to the respondent's budget plan being disregarded.

The students were having this problem because their allowances are not enough for the school fees. Their allowance is enough for their food and transportation but not enough for the required school fees. They also have the problem of impulsive buying because of their materialistic attitudes and buying unnecessary items without thinking about their needs.

The study of Bonggaoen et. al (2019) revealed the differences between the budgeting practices of every strand in senior high school. The ABM and TVL students regularly budget manage their allowances. The HUMSS students rarely practice saving money and do not really practice budgeting for their expenses, while the STEM students rarely budget their allowance in their expenses and rarely practice saving their allowances. Through this study, it just shows that strands with subjects that have connections about financial literacy do have an effect on how the students budget their money on a daily basis.

One of the recommendations of the study of Boral et. al (2020) is that students should be more responsible in allocating their money wisely, they should prioritize their needs instead of spending their money on unnecessary things. They should have budgeting skills for them to prepare themselves for their future. While in the study of Bonggaoen et. al (2019), they also recommended that students should manage their allowance and save their money wisely. They should think first about how they will spend their money and spend their money on important things. Also, for the students that are already saving their money, the researchers suggested that they should continue doing that habit.

According to Singh et al. (2020), financial management is one of the most challenging problems of college students. The findings of the study also stated that college students spend tightly when it is for shopping, traveling and academic purposes but loosely when it is for entertainment and lifestyle. Students are on a limited budget to pay their expenses and maintain their standard of living. Most students struggle with budgeting their allowances, some

can manage their allowances, but some cannot (Deloso et al., 2019). Singh et al. (2020) said that the difficulty college students have in managing their finances is a challenge that affects them. As future professionals in the corporate world, having good financial management skills can be an asset for business majors. According to Mollah et al. (2020), budgeting is vital in an organizational firm's success and survival because choosing the right investment decision ultimately means good financial income. Moreover, the International Monetary Fund (n.d.) states that a budget plan must be feasible and desirable in terms of how it is used.

Since money is a limited resource, it is vital to prioritize the important expenses for themselves and their family. A budget can help individuals to see how much money they have and to know where it will be spent (Khan Academy, n.d.). There are various ways on how to budget allowances. In the study of Deloso et al. (2019), it was shown that there were different budgeting strategies that the students use, it includes planning their weekly meals, using piggy banks and prioritizing needs over wants. Additionally, the results revealed that budgeting practices such as those mentioned have an impact on the financial decisions of the students.

Budgeting is important and should not be ignored. It should be practiced by everyone, no matter what their financial status is.

Spending. Tuliao (2019) studied the spending habits of college students in Cabiao, Nueva Ecija, identifying factors influencing their spending habits. He found that students prioritize specific factors, providing knowledge on budgeting and priorities. This information can guide future students and inform future spending decisions. The study used a descriptive quantitative research design to collect data.

The study of Tuliao (2019) examined the spending habits of aspiring accountants at Cagayan State University at Aparri, focusing on their financial support sources, parents' occupations, and residence type. Results

showed that most support comes from parents, with most being farmers or housewives. Students often spend their allowances on food, school supplies, and other expenses. When they fall short, they resort to borrowing, lying, cutting back, or earning extra money (Doniego, 2021).

Sabri et al. (2008; as cited in Tuliao, 2019) stated that one of the difficulties that college students have is controlling their spending habits, and how they handle their money will affect their financial situation in the near future. The extent to which the perceived problem affects spending has yet to be determined. As supported by the study of Bona (2017; as cited in Doniego, 2021), most of the students spend their money blindly. Impulsive buying, for one, is an effect of spending blindly.

Kamis et al. (2020) concluded that age is the socio-demographic component that has the biggest impact on how much money college students spend. Additionally, gender and locality to the university were the main variables that affected how much the students spent (Singh et al., 2020). According to Obagbuwa et al. (2021), students' attitudes toward managing their finances were positively influenced by their understanding of finance, and a higher degree of these views led to more responsible spending habits. Furthermore, a study by Kwenda & Obagbuwa (2020) revealed that students' financial attitudes have a significant impact on their purchasing behaviors.

This paper discusses how the presence of international students extends economic benefits to the university, the city and the destination country. These benefits are directly realized in tuition fees and living costs. Money spent on accommodation, living costs, recreation and transport has a positive effect on local economy. Together with tuition fees, they indirectly contribute to the gross domestic product and job creation. Besides evidence found in related international literature, our research team focused on providing local experience. Our empirical research, which was carried out in three major university cities in Hungary, found that international students

spend 47,478,301 euros annually, maintain 13,200 jobs (one student “finances” 1.2 jobs) and contribute to 0.47% of the three counties’ gross domestic product. Their presence, therefore, is a significant factor in bolstering economy on an international scale (Császár et al. 2019).

The main aim of this study is the various psychological and demographical factors that drive the spending behavior of the Indian youth. The paper shows how even after trying times of Surgical strike, demonetization and GST etc., India just eventually moves on from everything. Yes, it did suffer a temporary halt in spending, but it is now back to normal. The paper highlights how the spending demographic trend is majorly highlighted by the Indian youth under the age of 30. Fueled by health and social image consciousness and the ‘want it all’ attitude, Indian youth is now spending more than ever. They have been classified as ‘experimentative’ by various MNCs especially with regards to food, media and personal care. A general trend in their spending behavior shows that a majority of their purchases are impulse driven and that too relying on the word-of-mouth publicity. These purchases reflect their characteristic to be ‘rich enough’ and high demands and aspirations. They finally concluded that students’ spending patterns differ based on different education levels, gender, entertainment and investments (Shah, et al. 2017).

Saving. Doniego (2021) asserted that students should prioritize saving their money rather than spending it on things they do not truly need. Doniego (2021) suggested that saving money is an indication of being a financially literate citizen. This claim is also supported by Tuliao's (2019) study, where he emphasized that students must consider saving their money and purchasing only what is necessary.

Bona's (2019) study explored the factors influencing the saving habits of Generation Z students, collectively known as Gen Z, or those who were born in 1995 or later. The author recognizes the importance of saving money because this will help individuals to be financially secure in the future. Findings

revealed that people who are financially literate tend to plan for their retirement. Furthermore, Gen Z students affirmed that they are allocating and saving their finances for emergency purposes as much as possible. Overall, saving money should be practiced avoiding or minimize financial challenges in the future (Bona, 2019).

According to Fiergbor (2020) savings, in its simplest definition, is the practice of setting a portion of money or income aside for future use. Much like daily spending routines, saving money is also an integral aspect of life. Acquiring this habit is crucial as it has the potential to improve one's financial well-being.

However, the study of Fiergbor (2020) revealed that many college students face financial challenges in saving their money due to lack of income, thus making it difficult for them to save money for future use. While most of the respondents recognize that savings is important, only a few were practicing the habit of saving. Respondents believed that they are young and have many years ahead to accumulate wealth before retirement.

Meanwhile, the study of Nasiri et al. (2021) was equipped with a new approach by exploring how students manage their finances when they are far away from their family and relatives. It mainly examined the spending habits of the students and the factors affecting their saving habits. Results revealed that most students are thrifty about saving money, reduce their expenses to save, and prioritize fixed costs. Students are disciplined when it comes to spending as they do not purchase something when they do not need it.

According to Stewart and Maisonville (2019), as mentioned in their book, setting aside some funds for emergencies or unexpected events has a considerable impact on an individual's financial standing. It is much less stressful in times of financial problems when having savings. Stewart and Maisonville (2019) also gave advice to working students about handling their money. Their goal should be to make as much money as they need, and a little more to save.

Spending Habits. Individuals engage in spending almost every day, and it has become an integral part of their lives. According to Sandrasegaran and Rambeli (2023), spending is the most crucial activity that most individuals tend to do regularly. While spending habits vary from one person to another, it is essential to understand one's spending habits as this can affect their future. Furthermore, this can help create solutions to resolve financial problems.

Students find it very challenging to manage their finances and regulate their spending, which often leads to difficulties in terms of money (Tuliao, 2019; Singh et al., 2020; Podaca & Rey, 2020). Today, the youth has been too reckless in spending their money, especially when entering into tertiary institutions as this signifies independence from their parents' supervision (Sandrasegaran & Rambeli, 2023). Parents are considered one of the significant factors on students' spending habits. According to an article from BDO Debt Solutions (2022), people's spending habits develop from the influence of their role models, one of these is their parents, and from their unique personality.

Singh et al. (2020) stated that college students face challenges in how they spend their money and very minimal studies have been conducted about this topic. Thus, their study focused on determining the spending behavior of the university students in Delhi and Mumbai, India. Their study revealed that the majority of the spending of the students was allocated on their lifestyle and entertainment. This trend is also similar with the study of Podaca & Rey (2020) as youth are inclined to spend their money on shopping, food, and other forms of entertainment.

Over the past few years, the spending and saving habits of the youth were revolutionized by Westernization and increased spending capability (Prasanna & Jancy, 2022). Although there are many factors in the youth's spending habits, the influence of marketing in social media made Generation Z spend more money on entertainment and leisure (Prasanna & Jancy, 2022). It was also noted by Prasanna &

Jancy that this led to a diminish in saving habits over the years.

METHODS

Research Design. This study utilized a quantitative descriptive research design, specifically focusing on assessment or evaluation of a study. Mc Combes (2019) defined descriptive research as an accurate and systematic description of a population, situation, or a phenomenon. It is an appropriate choice because the goal is to describe the socio-demographic profile of respondents, budgeting practices, problems encountered, and proposed strategies of Bachelor of Science in Business Administration (BSBA) major in Financial Management students at Tarlac Agricultural University's College of Business and Management (CBM). It stresses objective measurements and statistical, mathematical, or numerical analysis of data obtained by questionnaires and surveys, as well as by modifying pre-existing statistical data using computing approaches.

Location and Participants of the Study. The study was conducted at Tarlac Agricultural University (TAU), Philippines, employing the students of the College of Business and Management (CBM) as respondents of the study. The college is one of the newest colleges in the university, offering six programs and having more than 1,000 students this academic year 2023-2024. The respondents consisted of 104 Financial Management majors who are not graduating students.

Instrumentation. In this study, an online survey questionnaire was utilized to collect valuable insights regarding budgeting practices of BSBA major students, specifically from the field of Financial Management, at TAU. This aimed to determine and describe the specific budgeting practices employed by the students. The survey questionnaire that was used in this study was adapted from the study of Carpio et al. (2022) with minor modifications to become appropriate for the study. It includes a set of standardized questions with a fixed scheme for gathering information from the respondents.

The survey questionnaire was used to generate information about the socio-demographic profile of the respondents, which includes their age, gender, sources of income, and monthly allowance. The second section of the questionnaire describes the respondent's budgeting practices, specifically their spending and saving habits. The third part is to identify the respondent's problems encountered with their budgeting practices and their solutions. The attainment of information from the questionnaire helped the researchers develop budget plans to improve the students' budgeting practices. Thus, by collecting responses through the survey, the researchers achieved the objectives of the study.

Data Collection. The researchers sought permission from the College Dean of CBM to conduct this study. The researchers gave the respondents a data privacy consent form at the start of the survey in which the respondents agreed upon. The online survey questionnaires were distributed to the respective group chats of the BSBA Major in Financial Management students.

Data Analysis. Appropriate statistical tools were used for the analysis and interpretation of the data collection. To determine the students' socio-demographic profile, frequency and percentage were used. Frequency measures how often a particular data appears in the datasets while percentage expresses data into a proportion relative to the whole dataset. Moreover, mode was used to identify the value that appears the most in the budgeting practices of the students in terms of spending and saving habits. To determine the students' problems related to their budgeting practices and their perceived solutions, frequency and ranking were utilized to arrange the acquired data from most to least frequent.

RESULTS

Profile of the Respondents. The following table shows the socio-demographic profile of the respondents and their classification based on their age, source/s of income, and monthly allowance.

Table 1

Frequency and Percentage Distribution of Respondents in terms of Age

AGE	FREQUENCY	PERCENTAGE
18 years old	23	22.1%
19 years old	29	27.9%
20 years old	39	37.5%
21 years old	12	11.5%
22 years old	1	1%
Total	104	100%

Table 2

Frequency and Percentage Distribution of Respondents in terms of Year Level

YEAR	FREQUENCY	PERCENTAGE
First year	33	31.7%
Second year	32	30.8%
Third year	39	37.5%
Total	104	100%

Table 3

Frequency and Percentage Distribution of Respondents in terms of Source/s of Income

SOURCE OF INCOME	FREQUENCY	PERCENTAGE
Parents/Guardians	100	1
Scholarship	18	2
Business	3	4
Salary from work	4	3

**Multiple responses*

Table 4

Frequency and Percentage Distribution of Respondents in terms of Monthly Allowance

MONTHLY ALLOWANCE	FREQUENCY	PERCENTAGE
Less than Php 1,000	10	9.6%
Php 1,001- Php 2,000	30	28.8%
Php 2,001- Php 3,000	26	25%
Php 3,001- Php 4,000	17	16.3%
Php 4,001-Php 5,000	8	7.7%
Php 5,001- above	13	12.5%
Total	104	100%

Table 1 reveals that most respondents were at the age of 20 (39) with a percentage of 37.5%, while there were only one (1) respondent with the age of 22 (1%). Moreover, Table 2 shows that among all the respondents, 37.5% were third year students while 30.8% were second year students. In terms of sources of income, Table 3 reveals that 100 students who chose

parents/guardians which is ranked 1, and only 3 students chose business which is ranked fourth. Lastly, Table 4 shows that 28.8% of students have Php 1001-2000 (18 USD- 36USD) monthly allowance while only 7.7% of respondents got a monthly allowance of Php 4001-5000 (72USD- 90USD).

The data above shows that most of the respondents are 20 years old or young adults who are quite experienced in managing their school allowances and mostly amateur in budgeting larger amount of money as an adult. Also, majority of the respondents have already studied Financial Management for three years which implies that they are quite familiar in managing expenses as a university student. Tuliao (2019) and BDO Debt Solutions (2022) affirm that most of students mainly rely on their parents or guardians for finance. Amounting to Php 1001-2000 (18 USD- 36USD) per month, most of the students are aware of money management.

Saving Habits of the Students. Individuals' saving habits vary from one another. They save some of their money from their allowance for various purposes and in different ways. The following table shows the several saving habits of the respondents.

Table 5
Saving Habits of the Financial Management Students

Saving Habits	Mode	Description
1. I can save my excess money from my allowance.	3	Sometimes
2. I put my excess money in a piggy bank or wallet.	5	Always
3. I give my savings to my friend, parents, siblings or any other trusted person.	2	Rarely
4. I put my savings in a bank.	1	Never
5. I save money to buy something for myself.	5	Always
6. I save money for emergency purposes.	5	Always

1 - Never; 2 - Rarely; 3 - Sometimes; 4 - Often; 5 - Always

The data above shows that most students always put excess money in a piggy bank or wallet, save money to buy something for themselves, and save money for emergency purposes. In the study by Deloso et al. (2019), results showed that one of the most preferred budgeting strategies of students is to use piggy banks or wallets to store their excess money.

Moreover, Stewart and Maisonville (2019) highlighted the habit of students saving money for emergency purposes, which prepares them for financial problems in the future. Lastly, several studies such as that of Singh et al. (2020) revealed that students usually save money to buy something for themselves. These related studies show that the students' saving habits, particularly statements 2, 5, and 6, are widely practiced.

Meanwhile, none of the students have given savings to friends, parents, siblings, or any other trusted person. This implies that the majority of the students know how to manage their own finances without the need to depend on others.

Spending Habits of the Students. Below are the results of gathered data indicating the spending habits of the students in terms of basic necessities, leisure activities, and miscellaneous expenses.

Table 6
Spending Habits of the Financial Management Students in terms of Basic Necessities

Basic Necessities	Mode	Description
1. I only buy food, water, etc., when necessary or needed.	5	Always
2. Before I buy food, water, etc., I think about its benefits first.	5	Always
3. Before I buy food, water, etc., I compare the prices of the products first.	5	Always
4. When I receive my allowance, I immediately separate a specific amount of money for food, water, etc.	3,5	Sometimes and Always

1 - Never; 2 - Rarely; 3 - Sometimes; 4 - Often; 5 - Always

This table indicates that statements 1-3 consistently yield a mode of 5 (always) which implies that majority of the students always observed the spending habits described in statements 1-3. On the other hand, statement 4 is bimodal with both mode of 3 (sometimes) and 5 (always), suggesting a mix of occasional and regular occurrences in the respondents' budgeting patterns. A potential factor to the result of statement 4 is the sociodemographic profile of the respondents, specifically their monthly allowance since students receive different amount of money and can be allocated to different expenditures.

The study of Bona (2017; as cited in Doniego, 2021) revealed that most of the students spend their money blindly. Contrary to the results of this study, the respondents practice responsible spending by spending mainly on basic necessities rather than unnecessary wants.

Table 7

Spending Habits of the Financial Management Students in terms of in terms of Leisure Activities

Basic Necessities	Mode	Description
1. I only spend money on my hobbies when necessary or needed.	3	Sometimes
2. Before I spend my money on things that will make me happy, I think about its benefits first.	5	Always
3. Before I spend money on my leisure activities, I compare the prices of the commodities first.	5	Always
4. When I receive my allowance, I immediately separate a specific amount of money for my leisure activities.	3	Sometimes

1 - Never; 2 - Rarely; 3 - Sometimes; 4 - Often; 5 - Always

Table 7 shows that when spending for leisure activities, most respondents always think about the benefits first (statement 2) and always compare the prices of the commodities (statement 3). Moreover, the students sometimes separate a specific amount of money for leisure activities (statement 4) and sometimes spend money on hobbies only when necessary (statement 1). Hence, the results adhere to the study by Bonggaon et al. (2019) stating the habits of students to think and consider benefits, price, allotted allowance, and necessity on spending their money.

Table 8

Spending Habits of the Financial Management Students in terms of Miscellaneous Expense

Miscellaneous Expense	Mode	Description
I only spend money on miscellaneous when necessary or needed.	5	Always
Before I spend my money on miscellaneous expenses, I think about its benefits first.	4	Often
Before I spend my money on miscellaneous expenses, I compare the prices of it first.	5	Always
When I receive my allowance, I immediately separate a specific amount of money for miscellaneous expenses.	3	Sometimes

1 - Never; 2 - Rarely; 3 - Sometimes; 4 - Often; 5 - Always

As shown in the table, statements 1 and 3 showed a mode of 5 (always), statement 2 yielded a mode of 4 (often), while statement 4 had a mode of 3 (sometimes). Boral et al. (2020) revealed that miscellaneous expenses or

unexpected fees disrupt students' budgeting practices since they fail to prepare beforehand. In this study, students approach this issue by keeping the expenses to a minimum through careful consideration if the expense is necessary, if the expense is reasonable based on other options, if the benefits are sufficient, and if enough money is allocated.

Problems Encountered and Proposed Solutions.

Being a university student entails financial demands – from fare expenses to food expenses to school-related expenses. Hence, problems arise in the budgeting process of the students from their limited allowance. To overcome these problems, they implement a set of solutions. The following table shows the problems and proposed strategies for Financial Management university students of TAU.

Table 9

Problems encountered by the university students

PROBLEMS ENCOUNTERED	FREQUENCY RANK	
1. I lack knowledge when it comes to budgeting.	99	4
2. I struggle to keep track of my budget.	103	2
3. I am indecisive about finance	104	1
4. I do shop impulsively.	101	3
5. I lack knowledge on how to use the 50/30/20 budget rule.	104	1
6. I struggle with limited budget when sudden expenses arise.	34	5
7. I tend to overspend when I am with my friends.	8	6

As shown in Table 9, 104 college students were indecisive about their finance and lacked knowledge on the 50/30/20 budget rule while eight (8) tend to overspend as influenced by friends. According to Chen and Vole (1998; as cited in Lyons et al. 2006), many students lack the necessary knowledge and skills to effectively budget and manage their finances. Also, some depend on their friends when it comes to spending.

Table 10
Solutions to the problems encountered about budgeting

PROBLEMS ENCOUNTERED	FREQUENCY	RANK
1. I become a smart shopper.	73	1
2. I separate wants and needs.	71	2
3. I aim to save in advance for upcoming expenses.	68	3
4. I aim to save regularly.	67	4
5. I aim to use 50/30/20 budget rule.	67	4
6. I aim to create a budgeting plan.	58	5
7. I intend to take advantage of free and low-cost activities to save more.	28	6
8. I intend to spend less than I intend to.	28	6
9. I delete shopping apps from my phone.	24	7
10. I make use of financial application.	23	8

The data above shows that most of the respondents solve financial problems by applying budgeting techniques as shown in statements 2, 5, 6, and 10, consistent saving habits as shown in statement 3 and 4, and disciplined spending habits as shown in statements 1, 7, 8, and 9. Among the most practiced solution is becoming a smart shopper while the least voted solution is making use of financial application. Hence, most of the respondents take varied steps toward solving financial problems by having the right mindset first and applying this to budgeting practices,

DISCUSSION

Majority of the respondents are 20-year-old Financial Management students in TAU in their third-year level who receive monthly allowance from their parents or guardians amounting to Php 1001-2000 (18 USD- 36USD). In line with Tuliao (2019), college students are usually young adults who still depend on parental financial support. This implies that the respondents are in the path of financial management, with their parents or guardians as their safety net in case they face financial problems.

Most of the students always put excess money in a piggy bank or wallet, save money to buy something for themselves, and save money for emergency purposes. Deloso et al. (2019) and Stewart & Maisonville (2019) affirms that students find it more effective if they handle their money themselves instead of relying on others. In contrast to the study of Fiergbor (2020), the results of this study showed that many college students know how to save their

money from their monthly allowance because they do not just recognize the importance of saving but also apply it in their lives.

The respondents are also responsible in spending for their basic necessities. But the bimodal result of statement 4 raises an interesting viewpoint; an equal number of the respondents allocate a specific amount for basic necessities sometimes and always. This can be attributed to the fact that students receive different monthly allowances and existing studies showed that spending habits are affected whether the allowance is higher or lower.

Most of the time, the respondents also think carefully when spending for leisure activities by considering its benefits, price, allotted allowance, and necessity. While Leyco (2022) suggests that young adults have been the nation's largest consumers because of social media marketing, the data affirms that college students still do not blindly and impulsively splurge for entertainment. More so, they always consider the benefits and allotted allowance first, then the available prices and necessity of the miscellaneous expense. This data is in line with Boral et al. (2020) that revealed the tendency of students' budgeting practices to get disrupted because of unexpected fees. However, the result of this study shows that most college students approach this problem by carefully examining the importance of the expense and their capability to spend in such.

Being a university student entails financial demands – from fare expenses to food expenses to school-related expenses. Hence, problems arise in the budgeting process of the students from their limited allowance. To overcome these problems, they implement a set of solutions.

The financial problems encountered by the students reveal the struggle of students to be decisive and strategic about their budgeting practices. Chen & Vole (1998) affirms this finding that students find it hard to effectively manage their finances.

Findings show that most of the respondents solve financial problems by applying budgeting technique, consistent saving habits, and disciplined spending habits. Unlike previous studies, such as the one by Bona (2017), claiming that most students spend their money blindly, our study reveals that students proactively solve financial problems. This implies that students' budgeting practices may have been more effective throughout the years because of enhanced financial literacy.

While some students are capable of taking the necessary steps toward solving financial problems, many are still not familiar with budgeting techniques and have ineffective budgeting practices. With this apparent struggle, the researchers developed an original budget program to aid the students in improving their financial management skills.



Figure 1
Visual Presentation of the Proposed Budgetary Plan

First, pre-planning the budget for future expenses can be done by allocating an estimated portion of the allowance for specific expenses such as fare, food, etc. In this way, the students can prioritize their needs and prevent overspending. Second, the students may track expenses either manually (i.e. writing in a notebook specifically for budgeting) or electronically (i.e. budgeting apps such as MyMoney or Budget planner). Another method

is gaining financial knowledge from online sources and seminars so that they can improve their knowledge and be exposed to budgeting technique. This can be conducted by educational institutions which is in this case, Tarlac Agricultural University, Philippines so that students can expand their knowledge on budgeting. Lastly, the students can implement budgeting techniques to properly budget their limited allowance. Among the budgeting methods the students can apply are the 50/30/20 rule which allocates 50% for needs, 30% for wants, and 20% for savings, and the 80-20 rule which recommends 80% for needs and 20% for savings.

Limitations. It is important to note that the sample respondents of this study are delimited to only one university with a specific course meaning a narrow scope of study. This study did not delve into the causal effect of the students' course and budgeting practices. Also, the university is situated at a province which means results from a similar study with a university in a city can also significantly differ. With these limitations, the sociodemographic profile of the respondents is an important factor of the results.

Recommendations. Firstly, university students must use their financial literacy to establish an effective and consistent budgeting practices such as the proposed budgetary plan. Second, financial literacy to personal finance must be taught by educational institutions through seminars to assist them in early adulthood. Lastly, future researchers may conduct a similar study about how their Financial Management program correlate to their budgeting practices.

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