



SPENDING PRACTICES AND MONEY MANAGEMENT STRATEGIES OF ASPIRING ACCOUNTANTS: AN INVESTIGATION

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Abstract: The study generally aimed to investigate the spending practices of the aspiring accountants at the Cagayan State University at Aparri. Specifically, the study sought to determine the profile of the aspiring accountants as to source of financial supports, occupation of parents and siblings and type of residence during schooling. It also assessed where do most of the allowances of students go and the strategies students employ when they fall short of allowance. The descriptive qualitative research design was used employing simple survey-questionnaire and interview. Findings revealed that financial support among aspiring accountants is mostly received from their parents. Most of aspiring accountants' father is a farmer, their mother is a housewife, their siblings are mostly OFW/DH/Seaman and their relatives are vendors or businessman. Their residence during schooling is mostly with their parents. Their money is most often spent on food, fare, cellular phone loads, school requirements and material possessions. When they fall short on their allowances, the students resorted to borrowing food or money from family or friends, drawing out from savings, lying, cutting back on spending, and earning extra money.

Keywords: *Spending Practices, Money Management Strategies, Aspiring Accountants*

I. INTRODUCTION

Money management is necessary as it has become essential that individuals get the skills to be able to survive in future with satisfaction. Financial literacy is now acknowledged globally as an important element for economic and financial stability and development. Trends support the rising global interest in financial literacy as a key to life skill. At present, students assume a vital part as one noteworthy part of the general purchaser spending in the nation. Proper financial management leads to improved available resources and reduced financial problems during education. With the advent of technology giving birth to online shopping, youths are faced with growing issues of money related unmindfulness. Bona, J (2017) emphasized that the spending conduct of youth and their constrained comprehension of cash administration invigorate propensities that may result to expensive budgetary errors today and in the future. The adolescent of today is developing in a society of obligation assisted by luxurious ways of life and simple credit (Dugas 2001). The more knowledge students have about their financial responsibility and status the less likely they are to be in debt (Norvilitis, et al., 2006).

Financial literacy is knowledge and understanding of financial concepts and risks, motivation and confidence to apply such knowledge and understanding in order to make effective decisions regarding the range of financial contexts and also to improve the financial well-being of



individuals and society, and to enable participation in the economic life, Performance of International Student Assessment (PISA), 2012.

Komal, Yadav and Mehta, 2017 concluded in their study that Money management is the ability to make informed judgments and to take effective decisions regarding the use and management of money. It enables individuals to improve their overall well-being and to plan for their future security. From this study it has been concluded that student did not make the planning for their finance according to their needs. Whereas, Norvilitis and Santa, (2002) also concluded that young adults may be unprepared to effectively manage the psychological costs associated with financial problems such as increased levels of stress and decreased levels of well-being. However, it is generally accepted among researchers that, financial education is the key to decrease financial problems, especially among students. On a study conducted by Bona, J (2017), most of the students spend their money blindly. Thus, the call for the need to improve the financial management ability among students to cope with future problems and challenges of finance knowing appropriate and wise spending practice.

The cost of education continues to rise and as a result its potential economic return seems more uncertain. It is good to note however that at the present times, the government imposes free education in the Philippines. While money is not solely spent for tuition in education, students must recognize the importance of their major decision in the weekly allowances that they have. Now, while students have a variety of ways for choosing their major, certain factors such as expected financial return to education are becoming increasingly important.

Research into this topic helps students to make good decision maker in term of finance management. Bridging on this gap and while a study has been embarked on the assessment of pre-service teachers and professional teachers, to date, no single study has ever been conducted in the Philippine setting to get the actual measure of financial literacy among promising accountant, whether and how this particular group of would be professionals are making informed decisions around their weekly finances. Masud (2004) and Sabri (2008) revealed that, university students were experiencing financial problems due to the lack of financial management knowledge.

Evidence-based findings of the study will be a basis for recommendation in addressing the need of promising accountants to include the right curricular intervention to enhance financial management practices.

Literature Review

Financial Management

A number of researches have been conducted related to financial management. Mandell (2009) defines financial literacy as “the ability to use knowledge and skills to manage one’s financial resources effectively for lifetime financial security.” Huston (2010) explains that financial literacy is made up of two elements: understanding and use. Understanding financial



literacy implies that a person is knowledgeable about personal finance and applies such knowledge in dealing with one's finances.

A majority of the literature reviewed focuses on demographic factors or socially constructed models of consumption to explain spending behavior. However, there is very limited knowledge on the applicability of existing economic theories that explain consumers' spending habits, particularly within the setting of college students.

Children often do receive pocket money and/or an allowance (Furnham & Kirkcaldy, 2000; Webley & Plaisier, 1998) from their parents, and extended family members. Baseon Katona's (1975) theory of discretionary savings, children's pocketmoney can therefore be viewed as discretionary spending money. Results of the students budgeting, and spending conducted by Stollak (n.d) revealed that women were much better planners and budgeters than males. Similarly, students became better budgeters and planners as they matured. Saving is imperative to improve individual and societal welfare. At the personal level, savings help households achieve smooth consumption patterns

Bona (2017) concluded that most of the respondents spent more money on their projects and assignments, tuition fees and school supplies, and room and board. This is due to increasing price of materials used in doing their projects and assignments. Moreover, the growing rate for tuition fees, and room and board resulted to more spending. Meanwhile, students spend less in clothing and accessories, transportation, laptops and other gadgets.

Students should plan their expenses so that their spending behavior can be better. They must put into consideration saving money and buying items that they really need rather than spending so much on their wants. Students must be conscious on the consequences of their financial decision because it affects their future. One-way students may lessen their spending is to analyze their spending practice.

Factors affecting money management

Financial management referred to the behaviors and perception of how well finances were managed by individuals. Meanwhile, student financial management was referred the behaviors and perception of how students manage their financial and handling their money while they are finishing their study. The manner in which college students manage their money is based on several factors such as age, personality traits, and knowledge (Norvilitis, et al., 2006) College students are in a unique situation because they have restricted incomes and high expenses; therefore, they manage money differently (Micomonaco, 2003). The more knowledge students have about their financial responsibility and status the less likely they are to be in debt (Norvilitis, et al., 2006). In "Borrowing Against the Future: Practices, attitudes and knowledge of financial management among college students,"

The concept of money management is not new. It is not limited to currency, economic conditions, or societal values. The importance of money management stems, quite simply, from common sense. Money is a limited yet critically necessary resource. As such, the ability to control the movement of one's finances is a significant factor in quality of life. Widener, 2017.



Because college students are still young and often partially dependent on their families, their finances are heavily impacted by their parents' statuses and other familial factors (Charles, Roscigno, & Torres, 2007). This financial background is the foundation for student perceptions of money, financial behaviors, and financial need. Another important factor that influences the financial standings of college students is their background, or more specifically, their parents' financial status. Family income is the starting point for any student, and regardless of the current dependency on parental finances, this background affects college student perspectives and behaviors regarding money. (Graves & Savage, 2015) Research has revealed that college students are not very adept at financial management. Many students lack the discipline of budgeting and are prone to overspending (Archuleta, Dale, & Spann, 2013).

Financial management is a significant skill for anyone to possess because money can impact several other major areas of life. While money has power of material and economic worlds, it also impacts mental health, psychological health, and social health (Bemel et al., 2016). It affects students' abilities to succeed, and adults' abilities to pursue a career (Dwyer et al., 2012).

Effects of poor money management

The effects of finances can spread into other psychological issues. Psychological burdens of debt can lead to a lack of motivation to succeed in other areas of life (Robb, Moody, & Abdel-Ghany, 2012). Motivation is an important element for school performance. Motivation is seen as a pre-requisite of and a necessary element for student engagement in learning. Student engagement in learning is not only an end in itself but it is also a means to the end of students achieving sound academic outcomes (Russell, Ainley & Frydenberg, 2005; Ryan & Deci, 2009). This is important because authentic engagement may lead to higher academic achievement throughout student life (Zyngier, 2008).

Research Questions

This study generally aimed to investigate the spending practices of the aspiring accountants at the Cagayan State University at Aparri.

Specifically, the study sought to answer the following:

1. What is the profile of the aspiring accountants as to:
 - 1.1. *source of financial supports*
 - 1.2. *occupation of parents and siblings*
 - 1.4. *type of residence during schooling*
2. *What are the spending practices of the students?*
3. *What are the strategies utilized by the students when they fall short of allowance?*

II.METHODOLOGY

Research Design

The study made use of the descriptive-qualitative research design. Descriptive method was used in the elicitation of responses as to the aspiring accountant's source of financial supports,



occupation of parents and siblings and the type of residence during schooling. Qualitative part of the study ventured on the spending practices and money management strategies of the participants using interview.

Participants of the Study/Settings

The participants of the study were the 84 students of the College of Business Entrepreneurship and Accountancy at Cagayan State University who responded affirmatively with the letter of consent sent to them. Cagayan State University at Aparri campus, Aparri Cagayan is one of the eight satellite campuses of the University. Total enumeration was used to ensure the validity and reliability of the study.

Data Collection / Instruments / Tools

To elicit data, a survey questionnaire was used to determine the aspiring accountant's source of financial supports, occupation of parents and siblings and the type of residence during schooling. On the other hand, Focused Group Discussion using unstructured interview questions was used to determine the spending practices and financial management strategies of the aspiring accountants. To elicit information on the students spending practice, the students were asked with the question, "Where does most of your weekly allowance go/where do they usually spend their allowance?" To determine money management strategies, they were likewise asked the question, "What do you usually do when you fall short of allowance/ what strategies they employ when they fall short of budget?" The data were treated using the following statistical tools/ measures: Simple frequency count and percentage were utilized to describe the profile of the aspiring accountant's source of financial supports, occupation of parents and siblings and the type of residence during schooling and the similarities of responses on the themes that emerged.

III. RESULTS AND DISCUSSIONS

Profile of the Students

Source of financial support

Financial support among aspiring accountants is mostly received from their parents (Table 1). The table revealed that the students financial support come from varied sources, yet parents was disclosed to be the most dominant source with the frequency of 33 and a percentage of 39. Sixteen or 19 percent from the 84 respondents however reported that their financial supports come from their siblings while ten or 12 percent come from relatives and scholarship. Nine or 10 percent of the total respondents receive financial support through their mother singly while three or 4 percent of them receive such from their father and the same frequency and percentage came from those who have themselves as self-providers of their finances.

Table 1. frequency and percentage distribution of the aspiring accountants' source of financial support



Sources of financial support	Frequency (n=84)	Percentage
Parents	33	39
Mother only	9	10
Father only	3	4
Siblings	16	19
Relatives	10	12
Scholarship	10	12
self-support	3	4

Occupation of parents and siblings

Most of aspiring accountants' father is a farmer, their mother is a housewife, their siblings are mostly OFW/DH/Seaman and their relatives are vendors or businessman. (Table 2). Noted on the table are the engagements of mothers, fathers, siblings and relatives most predominantly on blue collar jobs. While there were those who landed on average and highly paid job such as sea man, they are only few in frequency.

Table 2. frequency and percentage distribution of the aspiring accountants' parents and sibling's occupation.

Occupation	Father		Mother		Sibling's		relatives	
	f	%	f	%	f	%	F	%
Farmer/Fisherman	50	63	12	17	1	5		
laborer- farm/construction/factory	17	21	2	3	1	5		
housewife			32	45				
employee			1	1	3	16		
vendor/businessman	3	4	16	23	4	21	5	50
driver/delivery man	7	9						
OFW/DH/Seaman	2	3	6	8	8	42	3	30
Teacher			2	3	2	11	2	20



Type of residence during schooling

The distribution of the aspiring accountants as regards to type of residence is presented in Table 3. the table revealed that most of them live with their parents (39 or 47%) followed by 33 or 39% who live in their boarding houses and nine or 11 % who live with relatives for free, two or 2% who stay-in at their workplace while one or 1 percent live with sibling. The finding indicates that most of the aspiring accountants live with their parents. This is especially true since at their age, they are still dependent to their parents. In 2020, Malana & Javier reported that most students proved living in boarding houses a home away from home.

Table 3. frequency and percentage distribution of the aspiring accountants’ type of residence during schooling.

Residence during schooling	Frequency	Percentage
Living in boarding houses	33	39
Living with parents	39	47
Living with relatives for free	9	11
Stay-in at workplace	2	2
Living with sibling	1	1
	84	100

Spending Practices

To elicit information on the spending practices of the students, they were asked through interview as to where do most of their allowances go, result revealed six themes emerged.

Food

Food is where the majority of the aspiring accountants’ allowances are spent with a frequency of 28.

“Madali akong magutom kaya madalas kain ako ng kain”. (I often feel hungry hence, I often eat).

“Since nagboboarding ako, sa pagkain napupunta ang allowance ko. Kung sabahay kasi okay lang kumain kahit walang ulam”. (Since am staying in a boarding house, most of my allowance is allotted for foods. If I stay at home, it would be fine even if I don’t have viand).

“Madalas, lumalabas kasi kami ng grupo, friends bonding ang kainan”. (Oftentimes, we go out as a group, foods become our bonding time).

“Nasa tapat ng boarding house ko ang restaurant kaya palagi ako sa restaurant”. (My boarding house is just across the restaurant that is why I am always in the restaurant).

“Nakatira ako sa mga tita ko, kahit libre lahat nakakahiya kasi kung hindi ako bumili ng pagkain”. (I live with my aunts, while everything is free, I find it shameful if I don’t buy foods).

Tumatambay kami sa may milk-tea says a group of 6. (We hang out on milk-tea).



Dumadami kasi ang mga masarap na snack haus sa Aparri kaya madalas napapagastos kami sa kainan pero okay lang dahil worth-it naman. (A number of good snack haus increase in Aparri that is why we spend more on snacks though it's fine because, it's worth it)

Kokonti kasi yung takal ng student meal sa canteen kaya palagi kaming double meal. (The scoop for student meal is small, that is why we often double order budget meal)

The findings illustrate that the aspiring accountants spend most of their weekly allowance to foods which includes meals and snacks. Usual spending on foods include location of boarding house, frequency of eating, hanging out as illustrated in the verbatim. This study validates the recent study conducted by Mata (2018) in her study, "Babae, ano ba sa yo ang saya" that food makes most of the students happy. In her study, the filipina millennials were asked as to what gives them happiness and the dominant theme emerging in the different responses is on foods.

Transportation

Meanwhile, 17 of the respondents said that big chunks of their allowance go to fare or transportation cost. Common to all is the reason:

"Umuwi ako araw-araw, kaya nagagastusan ako sa pamasaha". (I go home every day, so I spent a lot of money in my fare). This finding indicates that these are students who are living with their parents and who need to travel from home to school.

Spending on transportation also resort from the sudden fare hike for tricycles which also in return affect the stable weekly allowance of the aspiring accountants as revealed in the verbatim below.

"Mahal narin kasi ang tricy, dati 7 lang ngayon 12 na". (Before, the fare for tricycles is only 7, now has increased to 12).

Cellular phone Load

With the advent of technology among millennial, findings revealed that there were 12 aspiring accountants who spent most of their money through cellular phone load.

"Kung di ako magload, di ako makaadvance sa ML. Makakantyanan ako ng barkada. (If I don't buy load, I would not advance in my Mobile Legend. My peers will definitely tease me). This finding means that student's weekly allowance is allocated to loads for pleasures on mobile games. Mobile legend of which becomes the in-thing for these millennial as they play it as team.

Another group of students also responded that they spend for load to browse social networking sites *"Kailangan kong mag-facebook" (I need to facebook, twitter, youtube).*

On another response, some also responded that they need to load reasoning out that:



“Nagagalit ang papa ko kung di ako nakakasagot agad pagchinecheck nya ako. Kaya everyday dapat ako ay may load” (My father tends to get angry when I cannot answer immediately when he checks me so every day I have to make sure I have load”).

School Requirements

Ten students said that most of their allowance spent on their school projects, photocopies, books, and other requirements.

“Pag maeffort ang output, mataas ang grade”. (When the output is given effort, the grade is high) reasons the ten students on the discussion.

“Pag si teacher nagpagawa ng creative work, ginagastusan ko talaga”. (When teacher asks for creative work, I really spent my money for it). On follow-up interviews, these students revealed that they tend to impress their subject teachers with their projects. However, a high-performing student also disclosed that he/she spends in requirements for advance reading as revealed in the verbatim below:

“ Requirements kasi e, its part of the grade and so I used to photocopy books so I could have advance reading and it helped me to maintain my grades” says another respondent.

Material Things

Two themes for material things emerged in the study. These include spending on Personal Hygiene and clothing.

Seven students disclosed that they spend on personal/hygiene needs.

“Bumibiliako ng gamit”. (I buy my things). These students claimed that while they live in their boarding houses, they also need to spend for their weekly hygiene needs such as shampoo, colognes, and lip tints.

Some spend on clothing frequency of two.

“Pag may Makita akong damit, bumibili ako basta gusto ko” (When I see clothes, I buy it if I like it)

Boarding house rentals

Some used to pay their boarding houses rentals with a frequency of five,

“Para hindi mabigat sa bulsa, imbes na monthly, weekly ako nagbabayad ng boarding house, yung ibibigay ni mama na para sa solo boarding house, tinatago ko”. (So, it wouldn't be hard to pay, instead of monthly basis, I pay my rental fee from my allowance every week. I save the separate money my mother sent)

Saving



While most of the responses on spending practice are on spending money, three from the aspiring accountants spend their allowance to save which is a manifestation of good financial literacy.

“Kamingytatlo, may paluwagan kami. Kaya weekly kami nag-aabot tapos yung sobra lang ginagastos namin”. (The three of us saves money. Weekly, we give the amount and then we only spend the excess).

Money Management Strategies of the Students

The aspiring accountants were also asked if they fall short on their allowances. From the 84 respondents, 75 or 89 percent of them reported that they do. Hence, these were the only participants asked on the strategies they do to augment their financial scarcity. Five strategies emerged from the answers of the students. These are borrowing, drawing out from savings, lying, cutting back on spending, and earning extra money.

Most of the aspiring accountants who fall short with their allowances resorted to borrowing of food or money from family or friends with a frequency of 49 or 65 percent.

“Umuutang ako ng bigas at pera minsan sa kaibigan or board-mate (I sometimes borrow rice or money from my friends or board-mates).

Some draw out from their savings with a frequency of ten or 13 percent.

“Kinukuha ko din saipon ko”. (I got from my savings).

Some honestly reported that they ask for additional support a frequency of nine or 12 percent.

“Drinadramahan ko si mama para magpadala ng dagdag pero di naman palagian”. (I dramatize to my mother so she’ll send additional allowance but not too often).

“Nagsisinungaling ako minsan, nagdadagdag ako sasinasabi kong bayarin”. (I sometimes lie, I add to the amount I am supposed to pay). This money management seems to be threatening as students values will be at risks.

Some cut back on their spending or they spend less or do without frequency of five or 7 percent.

“Naglalakad nalang ako tuwing hapon”. (I walked during end of the class from my school to my boarding house).

“Di na ako kumakain ng lunch para makatipid”. (I skip lunch to save money).

And some earn an extra money a frequency of two or 3 percent.

“Gumagawa ako ng assignment o report ng classmate ko tapos binabayaran nila ako”. (I make assignment or reports of my classmates and ask them to pay for it).



IV. CONCLUSION

Financial support among aspiring accountants is mostly received from their parents. Most of aspiring accountants' father is a farmer, their mother is a housewife, their siblings are mostly OFW/DH/Seaman and their relatives are vendors or businessman. Their residence during schooling is mostly with their parents. Their money is most often spent on food. When they fall short on their allowances, the students resorted to borrowing food or money from family or friends, drawing out from savings, lying, cutting back on spending, and earning extra money.

V. RECOMMENDATION

- Financial literacy should be taught early in school from elementary to senior high school to develop strong attitude toward money and skills in handling their day to day spending and saving for a better financial/economic condition in the future.
- Students should be informed of their careful planning of expenses so that their spending practice can be better. They must put into consideration saving money and buying items that they really need rather than spending so much on their wants.
- Future research might look into how these strategies employed by the students affect their academic performance.

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