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Research Article

Financial Challenges and Practices of Business Administration Students of a State University in Dumaguete City

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ABSTRACT

The study looked into the various significant financial challenges faced by business administration students of one of Dumaguete City's state colleges. Corollary to this objective, their current financial practices were also examined. Information from 308 respondents was gathered using a quantitative research method using Cochran's approach and convenience sampling technique was used in the study. A self-administered questionnaire was used. And several published research articles influenced the development of the instrument. The data was evaluated using weighted mean and ranking. The findings revealed that the two most common financial challenges students had grappled with throughout their moderately difficult college years were *obtaining a part-time job to supplement their parent-financed school allowance* and *not being able to purchase internet data to attend online classes*. One of the students' major financial practices is *to save as much money as possible*, markedly considered as **highly practiced** in the study. Business administration students were **moderately challenged** by the recognized elements of financial challenges while being **slightly practiced** as described under **Financial Challenges**. Students are good at *saving money* and *not buying things* (that may pose a financial risk), in addition to *working part-time*. Further, the study suggested that the school administration conceive and implement a comprehensive financial education, elevate the level of students' financial quotient by embedding financial courses in the curricula of programs, and consistently provide a series of seminars and workshops on the subject. Conducting pre-program and mid-program surveys may also determine the effectiveness of the program.

Keywords: *business administration students, Dumaguete City, financial challenges, financial practices, State University*

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Introduction

Education is essential for anyone who wants to improve their level of living, reduce poverty, and get an advantage over others in terms of employment and profession. Thousands of college students from public and private universities, as well as non-universities, will complete their degrees and begin a new chapter in their lives by working for a private entity, government agency, or even starting a business to make money as the years' pass. 233,194 students are enrolled in business administration programs, accounting for 29.27 percent of the total. Furthermore, education is one of the key reasons why parents strive to ensure that their children attend school until they graduate.

Students endure not only academic challenges, particularly in major subjects but also financial difficulties that harm their well-being during their college years. According to the results of an international survey conducted by Citizens Financial Group, Inc., 70% of college students said that financial concerns had influenced their plans. A component of the analysis also indicated that 56% of respondents expect their school costs to climb by \$8,700 on average (which covers tuition, room and board, meal plans, travel, and other activities). According to the findings, students in other nations experience the same issue of high educational fees. According to another study, as higher education expenses in both public and private educational institutions continue to rise, students at the tertiary level demand more money to pay for the cost of study and living at universities (Daud, et al., 2018). Even students at a public/state institution who pay lesser or no tuition fees must pay money to cover costs of study such as photocopying books, printing outputs, purchasing school materials, providing snacks and meals, and a variety of other charges. The researchers also revealed three significant financial concerns that students face: (1) their spending will always exceed their income; (2) they will use their personal finances for essential needs; and (3) they are anxious about their financial resources. In contrast to Daud et al., Azer and Mohammad (2018) discovered that the most common fi-

ancial difficulty among students is their inability to raise their income. Students do not have enough time to focus on growing their wages because they must devote more time to their academics. Another difficulty with money is that students frequently skip meals in order to save money. The administration should treat the latter finding as a red flag because it will harm the student's academic performance as well as their health. Furthermore, the data shown above suggests that students' financial problems and issues must be addressed as soon as possible in order to avoid them from dropping out.

In light of the aforementioned financial difficulties that students face, their bad financial habits contribute to financial stress and anxiety. Many students struggle to make ends meet and pay for their education because they have limited income, inadequate financial literacy, compulsive spending habits, and high debt levels (Widener, 2017). According to an article, poor personal finance practices among college students include not having a budget, not differentiating needs from wants, succumbing to peer pressures, and misusing the benefit of having credit cards (University of Nebraska-Lincoln, n.d.). Having a part-time job every semester break and buying things that aren't needed are two slightly practiced financial practices among the participants in Azer and Mohammad's study, whereas avoiding overspending and enjoying shopping are two highly practiced financial practices among the participants (2018). According to another study, financial mismanagement and its effects are one of the top five reasons for suicidal attempts among university students (Vijay, et al., 2015). According to the authors, more than 20% (20%) of the advised students had ended friendships due to financial constraints. Johanning's (2014) study indicated that financial illiteracy creates stress, which can lead to suicide and other problems. Furthermore, Acheampong et al. (2015) looked into financial literacy among university students and discovered that a lack of personal finance teaching in college curricula is one of the main reasons that half of the respondents are financially illiterate. As a result, the cost of being financially illiterate in

today's society is high, hurting not only the individual but also his or her family. As a result of the data and conclusions, the authors concluded that inappropriate financial practices should be rectified as soon as possible to avoid the negative outcomes they indicated in their study paper (Johanning, 2014; Acheampong, et al., 2015; Vijay, et al., 2015).

As explained previously, financial challenges and bad financial practices are recognized to be roadblocks in students' college careers. With this in mind, students should begin to consider financial education as more than a concept; it should be viewed as a turning point in conquering financial issues and improving poor financial habits that are impeding their ability to live a decent life. As a result, the study's lead researcher, a college instructor in a state university's business administration department, set out to investigate students' financial challenges and practices in order for the researchers to formulate a set of recommendations that could be endorsed by the institution's administration to assist students in overcoming financial challenges and gaining control over poor financial practices.

Research Objectives

The study intended to answer the following research agendas as a foundation for the ideas to assist business administration students in overcoming financial challenges and improving financial practices:

1. What is the level of financial challenges and practices of business administration students in a state university in Dumaguete City?
2. What recommendations that can be made and endorsed to the school's administration to help business administration students in overcoming financial challenges

and refining financial practices that helps them make sound financial decision and improves academic performance?

Methods

The study used a descriptive research approach to gather information about the participants' financial challenges and practices at a state university. The research was conducted at one of Dumaguete City's state universities, which offers business administration programs in financial management, marketing management, and human resource management.

The study used a modified version of Cochran's technique to draw 308 respondents from a total population of 1,552 BSBA students to determine the sample size. In addition, students who took part in the study were chosen using a convenience sample technique. Furthermore, these respondents are business administration students who are currently matriculated for the academic year 2021-2022.

In order to collect data, a self-administered questionnaire was used. In addition, several published research articles influenced the development of the instrument (Azer & Mohammad, 2018; Daud, et al., 2018; Allen & Kinchen, 2009) and the content validity was done by two experts in the field. Part I of the tool addresses the financial issues that BSBA students face, while part II addresses the students' financial practices. Further, the data was quantified, tabulated, evaluated, and analyzed after it was obtained.

The weighted mean and ranking were used as data analysis approaches. The scale, scale range, and its interpretation on both financial challenges and financial practices are shown in Tables 1 and 2.

Table 1. Scale of the Level of Financial Challenges of Business Administration Students

Scale	Scale Range	Interpretation
4	3.28 - 4.0	Highly Practiced
3	2.52 - 3.27	Moderately Practiced
2	1.76 - 2.51	Slightly Practiced
1	1.00 - 1.75	Not Practiced at all

Table 2. Scale of the Level of Financial Practice of Business Administration Students Result and Discussion

Scale	Scale Range	Interpretation
4	3.28 - 4.0	Extremely Challenging
3	2.52 - 3.27	Moderately Challenging
2	1.76 - 2.51	Slightly Challenging
1	1.00 - 1.75	Not Challenging at all

Result and Discussion

Table 3 unveils the identified parameters of financial challenges of business administration

students, weighted mean and individual interpretation.

Table 3. Ranked Items of Financial Challenges of Business Administration Students, Weighted Mean and its Interpretation

Items	Weighted Mean	Interpretation	Ranking
Get a sideline job to earn extra income	3.07	Moderately Challenging	1
Unable to afford to pay bills such as for the Internet to attend online classes	3.02	Moderately Challenging	2
Worried about having enough money for regular expenses	2.97	Moderately Challenging	3
No personal savings at all	2.90	Moderately Challenging	4
Insufficient financial resources until the end of the semester	2.89	Moderately Challenging	5
Working more hours to pay for the school expenses	2.82	Moderately Challenging	6
Cannot focus on lessons due to financial problems	2.79	Moderately Challenging	7
Knowing the difference between needs and wants	2.74	Moderately Challenging	8
Too many debts in the family that affects academic performance	2.68	Moderately Challenging	9
Succumbing to peer pressure	2.64	Moderately Challenging	10
Choose not to participate in school-related activities due to a lack of money	2.55	Moderately Challenging	11
Thinking of not continuing to study due to the high cost of living	2.55	Moderately Challenging	12
Skip meals to save money	2.54	Moderately Challenging	13
Do not know how to cut bad spending habits	2.32	Slightly Challenging	14
Spending impulsively in malls or online platforms (Lazada and Shopee), especially if they are on sale	2.12	Slightly Challenging	15
Overall Mean	2.70	Moderately Challenging	

Table 3 reveals the financial challenges that students face during their academic careers. Overall, business administration students were

moderately challenged on the dimensions identified by the researchers, with the exception of not breaking harmful spending habits and

spending impulsively in malls or on online platforms, which both received a slightly challenging interpretation.

Randell Tiongson (2019, p. 10) made the point in his book entitled *The No Nonsense Infographic Guide to Personal Finance* that producing more money is essential, especially when dealing with personal finance. The author also claimed that if a person reduces their spending as much as they can but still lacks money and is unable to begin saving, that person requires additional income. Additionally, he stated that increased money should ideally boost a person's savings and investment capabilities. Getting a side job is a wonderful place to start and will help you fully pay your expenses. Another study found that financial support, self-development, and internal motivation were the most important factors in students getting jobs while in university (Abenoja, 2019).

On the other hand, the results suggest that students were slightly challenged in terms of not knowing how to eliminate bad spending habits and impulsively spending in malls or online platforms like Lazada and Shopee. Psychological elements, according to Achziger (2022), play a role in why people overspend. Another study found that stressed consumers are more likely to increase their spending, particularly on things that they consider to be

necessities, and that gives them control in an otherwise unmanageable situation (Durante & Laran, 2016). They use buying items as a coping strategy, which leads to overspending. On the other hand, students' decision-making is influenced by impulsive shopping in malls or on online platforms. According to Rodrigues, et al. (2021), impulse buying in consumer behavior has been disputed since 1940, with estimates starting from 40 to 80 percent of purchases being impulse purchases. Consistent with Burton et al. (2018), impulse purchases occur when there is a sudden and powerful emotional desire, which arises from a reactive behavior that is characterized by low cognitive control. The immediate enjoyment provided to the buyer explains this inclination to buy immediately and without thought (Pradhan et al., 2018). Another survey found that people shop online because it saves them time and gives them access to a wider range of items and services (Rahman, et al., 2018). In addition to the findings, the researchers asserted that the majority of consumers are concerned about payment system security, and their overall happiness with online shopping is mixed.

Table 4 shows the identified parameters of financial practices of business administration students, weighted mean and individual interpretation.

Table 4. Ranked Items of Financial Practices of Business Administration Students, Weighted Mean and its Interpretation

Items	Weighted Mean	Interpretation	Ranking
Practicing saving money as possible	3.40	Highly Practiced	1
Separating needs to wants in every buying decision	3.21	Moderately Practiced	2
Taking a sideline job/s to earn money and save money for future use	2.94	Moderately Practiced	3
Practice identifying bad debt and good debt.	2.85	Moderately Practiced	4
Practice tracking my expenses every week or month	2.80	Moderately Practiced	5
Practicing budgeting on a piece of paper, using an envelope system, or any mobile applications to monitor it easily.	2.75	Moderately Practiced	6
Working more hours to pay for the school expenses	2.55	Moderately Practiced	7

Items	Weighted Mean	Interpretation	Ranking
Succumbing to peer pressure	2.35	Slightly Practiced	8
Skip meals to save money	2.21	Slightly Practiced	9
Do not know how to cut bad spending habits	2.21	Slightly Practiced	10
Spending something that is out of my current budget plan.	2.08	Slightly Practiced	11
Choose not to participate in school-related activities due to a lack of money	2.04	Slightly Practiced	12
Buying things that are unnecessary	1.94	Slightly Practiced	13
Spending impulsively in malls or online platforms (Lazada and Shopee), especially if they are on sale	1.90	Slightly Practiced	14
Spend money on cigarettes, alcohol drinks, gambling, and other vices	1.29	Not Practiced at all	15
Overall Mean	2.43	Slightly Practiced	

Source: Researchers (2022)

Table 4 shows the financial practices of business administration students at a Dumaguete City public university. Table 4 has an overall mean of 2.43, which can be read as slightly practiced. Students considered practicing as much money saving as possible as a 'highly financial practice,' while spending money on sin products was viewed as 'not practiced at all.' It shows that students appreciate the essence of saving money even if financial resources are limited. The lower section of the table shows that students do not spend money on these sin products and prefer to save their money.

Saving money is rated first among all recognized financial practices of students, as per table 4. Saving money is an important habit that everyone should develop in order to have resources in the event of a financial emergency or to respond to unforeseen occurrences that require money, such as medical costs, job loss, school payables, and other educational expenses. Savings must be prioritized during an individual's planning phase. Munohsamy (2015) stated in his study that the rule of thumb for savings should be 10% to 15% of monthly income. That range of percentage is just the minimum, it is better to save more. Sawsdpeera and Pandey (2012) investigated the life cycle hypothesis and the perpetual income hypothesis, two well-known savings

theories. It is assumed that people control their consumption throughout their lives in relation to their income and assets. They consume less than their resources, allowing them to save during their working years until they reach retirement when they will no longer be able to work as they did during their golden years. The latter, on the other hand, emphasized that a person's consumption is proportionate to his or her estimate of disposable income. Individuals will adapt their consumption level in response to changes in their perceived permanent income level. Furthermore, the major purpose of saving is the concept of long-term permanent income (for consumption). On the other end, impulsive shopping in malls or on online platforms, as well as spending on sinful products, were ranked 14th and 15th, respectively. It was deduced that students who were rated 15th are not practicing it at all. Cruize (2022) suggested in an article published in Ramsey Solution that there are four key reasons why individuals impulsively buy: our emotions, previous experience, a good price, and sheer love of shopping. According to her, to stop or lessen the effect of impulse buying, a person should make a budget and stick to it religiously. Another study looked into the phenomena of impulse purchases in the fashion sector (Argoncillo & Orus, 2018). Both offline and online channels were compared to

determine which is perceived as leading to more impulsive buying. The study discovered that the offline channel encouraged impulsive purchases slightly more than the online channel. On the other hand, social media has a significant impact on impulse purchases. Furthermore, the authors recommended that businesses should engage more on social media platforms like Facebook and Instagram to increase their online presence and inspire more consumers to buy. Zhang, et al. (2008) found that spending money on vices was linked to trial smoking, current smoking, and daily cigarette usage. In particular, alcohol intake was a significant mediator, accounting for 81 percent of the link between spending money and trial smoking, 38 percent with current smoking, and 37 percent with daily cigarette consumption. Furthermore, the researchers suggested that integrated tobacco prevention initiatives may be more effective and that raising tobacco and alcohol prices will raise juvenile price sensitivity and protect against adolescent smoking.

Conclusion

Taking all of this into account, the researchers came to the conclusion that business administration students were moderately challenged by the recognized features of financial challenges while also being slightly practiced by the given financial challenges in the study.

As per the findings, business administration students tend to seek a sideline job that allows them to earn money while they are studying. Even though they consider it a difficult effort, they continue to work side jobs to supplement their income, pay bills, and assist their parents by donating their hard-earned money. Paying for expenditures associated with online classes was also a concern for many. Students in the thick of the pandemic are devoting a portion of their allowance or money earned from a side job to attend a series of online classes, in addition to school supplies and other school-related costs. Furthermore, having side employment, effective money management, and sound financial judgments will assist and guide them in overcoming the financial issues they have recognized.

On the other end, business students viewed the identified parameters of financial practices as slightly practiced. Saving money as much as possible was ranked first and is widely practiced. This is a good sign that students are saving money because it is a good habit to save money and use it for future expenses. The students did not generally spend money on sin products, according to the latter section of the findings in table 4. This is also a positive indicator that students are focused and visionary in their efforts to complete their degrees while avoiding dangerous items.

Moreover, this implies that there are gaps that need to be addressed for the students to overcome financial challenges and enhance financial practices. A recommendation that was developed by the researchers addresses the weak areas that were identified in the study.

Recommendations

The study's authors suggested the following as a foundation for recommendations to overcome financial challenges and enhance financial practices:

- The school administration should offer a series of seminars and workshops to students on how to overcome financial challenges and improve financial practices, which will help students improve their financial health and academic performance.
- In the context of college students, the school administration should stress the importance of financial literacy. A financial professional must thoroughly examine the subject, which should involve financial planning and future preparation.
- Students should begin developing a financial plan as soon as possible, which includes a full picture of their current finances, a knowledge of their needs and wants, the creation of financial goals, and mechanisms to attain those goals.
- As the students' immediate mentors, college instructors must stress the need of learning solid financial management abilities. Students will be better prepared for financial stability in the future if they have a basic understanding of money management, saving, sensible spending, debt management, and future investments.

- Future authors interested in this topic should look at the demographic breakdown of the respondents and how it relates to financial challenges and practices. Future authors should also look at other college departments, such as non-business degrees, to see what their main financial challenges and practices are. Further, the researchers suggested that future authors include financial knowledge, attitudes, and behavior as factors because they are strongly linked to financial issues and practices.

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