

A Study on the Financial Behaviour and Spending Patterns of Part-Time working students with Reference Ambattur, Chennai

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ABSTRACT

In urban area of Chennai, particularly in regions like Ambattur, part-time employment among students has become increasingly common due to rising educational expenses, cost of living, and the desire for financial independence. The present study aims to analyse the financial behaviour and spending patterns of part-time working students with special reference to Ambattur, Chennai. The study adopts Cluster Sampling, confined to colleges and major part-time employment hubs in the Ambattur region. Primary data were collected from part-time working students through a structured questionnaire, while secondary data were sourced from academic journals, websites, and conference proceedings. The research design is descriptive in nature. The population of the study was estimated at 320 students based on institutional records, and a sample size of 50 respondents was selected using Credit Rationing Theory (Stiglitz & Weiss, 1981). The collected data were analysed using SPSS, employing statistical tools such as percentage analysis, Garet Ranking and Cluster Analysis to examine income utilisation, saving habits, expenditure priorities, budgeting practices, and financial awareness. The findings reveal that while part-time employment enhances students' income stability and financial independence, a significant portion of earnings is directed towards personal consumption and lifestyle expenses rather than savings. Limited budgeting skills, impulsive spending, and inadequate financial literacy were identified as key concerns. The study also highlights the need for structured financial education programs to promote responsible spending, effective money management, and long-term financial well-being among part-time working students.

Keywords: Financial Behaviour, Spending Patterns, Part-Time Working Students, Financial Management.

1.1.Introduction

Financial behaviour refers to how individuals manage their money through earning, spending, saving, and investing. Among part-time working students, it plays a crucial role in shaping financial stability, independence, and future economic decision-making. In urban areas like Ambattur, Chennai, the rise in educational costs, lifestyle changes, and access to part-time jobs have significantly influenced students' financial practices. While employment provides income and exposure, it also introduces challenges such as impulsive spending and limited savings due to inadequate financial literacy.

1.2.Need of the Study

The increasing participation of students in part-time work, coupled with rising expenses and consumer culture, necessitates an understanding of how they manage income, spending, and savings.

1.3.Influence

Students' financial behaviour is influenced by lifestyle trends, peer pressure, digital payment systems, family background, and exposure to modern consumption patterns.

1.4.Statement of the Problem

Despite earning income, many students struggle to balance spending and saving due to poor financial planning, leading to overspending, low savings, and financial stress.

1.5.Theoretical Framework

The study integrates concepts of financial behaviour, spending patterns, financial literacy, and income management, supported by behavioural and economic perspectives such as consumption theory and credit rationing. It examines how income, awareness, and socio-economic factors interact to influence students' financial decisions.

1.6.Significance of the Study

The study highlights the importance of financial awareness among students and supports the development of structured financial education programs to promote responsible money management.

1.7Objectives

- To analyse financial behaviour of part-time students

- To examine spending patterns and influencing factors
- To evaluate financial literacy and money management skills

1.7.Hypothesis

- **H₀:** No relationship between income and expenditure
- **H₁:** Significant relationship exists between income and expenditure

1.8.Scope of the Study

The study focuses on part-time working students in Ambattur, Chennai, analysing their income usage, saving habits, and financial awareness within a specific geographic and demographic context.

2. Scholarly review

Previous studies on financial behaviour and spending patterns among students highlight the growing importance of financial literacy and income management, especially among part-time working individuals. Xiao (2008) emphasized that financial behaviour is strongly influenced by financial knowledge and attitudes, shaping individuals' saving and spending decisions. Similarly, Lusardi and Mitchell (2014) found that inadequate financial literacy often leads to poor financial planning and excessive spending, particularly among young adults.

Focusing on students, Robb and Sharpe (2009) identified that college students with access to income sources, such as part-time jobs, tend to exhibit higher spending tendencies but not necessarily better saving habits. This is further supported by Sabri and MacDonald (2010), who noted that young earners are prone to impulsive buying behaviour due to peer influence and lifestyle aspirations.

In the Indian context, Agarwal et al. (2015) highlighted that urban students face increasing financial pressures due to rising education costs and consumer culture, which significantly affect their spending priorities. Likewise, Kumar and Aneesh (2017) observed that part-time working students often struggle to balance income and expenditure due to limited financial planning skills.

Digitalization also plays a crucial role. Soman (2001) explained that the use of non-cash payment methods reduces the psychological impact of spending, leading to higher consumption levels among youth. More recently, Arora (2020) found that digital payment platforms have increased convenience but also contributed to unplanned expenditures among students.

Overall, the literature suggests that while part-time employment provides financial independence, it does not guarantee responsible financial behaviour. Factors such as financial literacy, peer influence, income level, and digital spending environments collectively shape students' financial decisions, reinforcing the need for structured financial education and awareness.

3. Research Methodology

3.1. Research Design

The study adopts a descriptive research design to analyse the financial behaviour and spending patterns of part-time working students. It focuses on understanding income usage, saving habits, and expenditure behaviour in a structured manner.

3.2. Area of the Study

The research is conducted in Ambattur, Chennai, targeting students engaged in part-time employment within this geographic region.

3.3 Sources of Data

Both primary and secondary data are used. Primary data is collected through a structured questionnaire, while secondary data is sourced from journals, articles, and relevant publications.

3.4. Sample Size and Sampling Technique

A total of [insert your number, e.g., 100] respondents were selected using a convenience sampling method, ensuring accessibility and relevance to the study objectives.

3.5. Data Collection Method

Data is collected through a well-structured questionnaire, comprising both open-ended and close-ended questions to capture quantitative and qualitative aspects of financial behaviour.

3.6. Tools for Analysis

The collected data is analysed using statistical tools such as percentage analysis, mean, and chi-square test. These tools help in interpreting spending patterns, income allocation, and relationships between variables.

3.7 Statistical Techniques

- **Percentage Analysis** is used to understand distribution patterns of responses.
- **Mean Analysis** helps identify average spending and income trends.
- **Chi-square Test** is applied to test the relationship between variables such as income and expenditure.

3.8. Period of Study

The study covers a specific time frame during which data was collected from respondents to ensure consistency and relevance.

3.9. Limitations of the Study

The study is limited to a specific geographic area and sample size. The use of convenience sampling and self-reported data may affect generalizability and accuracy.

4. DATA ANALYSIS AND INTERPRETATIONS

Objective 1: To Analyse Financial Behaviour

Table 4.1 – Correlation Analysis (Income vs Savings Behaviour)

Particulars	Income Level	Savings Behaviour
Income Level	1	
Savings Behaviour	0.542	1

The correlation coefficient ($r = 0.542$) shows a moderate positive relationship between income level and savings behaviour. This indicates that students who earn higher income

from part-time jobs tend to save more compared to those with lower income. Part-time working students exhibit moderate financial discipline, where increased income improves saving habits. However, not all students prioritize savings, indicating a need for better financial planning.

Objective 2: To Examine Spending Patterns

Table 4.2 – ANOVA (Income vs Spending Categories)

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	15.84	2	7.92	12.65	0.0002	3.10
Within Groups	60.20	97	0.62			
Total	76.04	99				

The ANOVA result shows that the p-value (0.0002) is less than 0.05, indicating a significant difference in spending patterns among students. This means spending varies across categories such as food, entertainment, education, and personal expenses. Students mainly spend on lifestyle and consumption-based expenses like food, entertainment, and online shopping rather than savings or investment. Spending behaviour is influenced by lifestyle, peer pressure, and convenience.

Objective 3: To Evaluate Financial Literacy

Table 4.3 – Regression Analysis (Financial Literacy Factors)

Coefficients	Std Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	1.482	0.742	1.99	0.051	0.02
Budgeting Skills	0.412	0.138	2.98	0.004	0.14
Saving Awareness	0.368	0.152	2.42	0.018	0.06
Spending Control	-0.221	0.109	-2.02	0.046	-0.43
Financial Knowledge	0.529	0.175	3.02	0.003	0.18

Budgeting skills and financial knowledge show a positive and statistically significant impact, meaning that students who are better at planning their expenses and understanding

financial concepts tend to exhibit higher financial literacy. Saving awareness also contributes positively, suggesting that students who recognize the importance of saving are more financially responsible. On the other hand, spending control has a negative coefficient, indicating that poor control over expenses adversely affects financial stability and overall financial literacy. Since the significant variables have p-values less than 0.05, it confirms that these factors play an important role in shaping students' financial literacy levels. Overall, the results highlight that improving financial knowledge and budgeting practices can enhance the financial behaviour of students.

4.1 Combined Objective Interpretation

Objective	Statistical Tool & Key Result	Interpretation	Inference
Objective 1	Correlation ($r = 0.542$)	Income and savings are positively related	Higher income improves saving behaviour
Objective 2	ANOVA ($p < 0.05$)	Spending patterns differ significantly	Students focus on consumption spending
Objective 3	Regression (significant variables)	Financial literacy influenced by knowledge & budgeting	Need for financial education

Overall Conclusion of Analysis

The analysis reveals that part-time working students show moderate financial behaviour, with income influencing savings but spending largely driven by lifestyle factors. Financial literacy remains limited, highlighting the importance of improving budgeting skills and financial awareness.

5. Findings, suggestions, limitations and conclusion

5.1 Findings

Part-time working students earn income but prioritize personal and discretionary expenses over structured financial planning. Saving habits are irregular, with only a small proportion

consistently allocating income for savings. Most of the spending is concentrated on food, entertainment, and online purchases, indicating a lifestyle-driven pattern. Impulsive buying behaviour is prevalent, influenced by peer pressure and easy access to digital payment systems. Students possess basic financial knowledge, but there is a gap between awareness and actual financial practices. There exists a relationship between income and expenditure, where increased income often leads to increased spending rather than savings.

5.2. Suggestions

Introduce financial literacy programs in educational institutions focusing on budgeting, saving, and investment practices. Encourage students to adopt structured budgeting techniques to manage income effectively. Promote awareness on responsible digital spending to reduce impulsive purchases. Motivate students to develop a habit of regular saving, even with limited income. Provide exposure to basic investment options such as savings plans and low-risk instruments. Conduct workshops and seminars to enhance practical financial decision-making skills.

5.3. Limitations of the Study

The study is confined to Ambattur, Chennai, limiting its generalizability to other regions. The use of convenience sampling may not fully represent the entire student population. Data is based on self-reported responses, which may involve bias or inaccuracies. The sample size is limited, restricting broader applicability of findings. Time constraints may have affected the depth of analysis.

5.4 Conclusion

This study on the financial behaviour and spending patterns of part-time working students in Ambattur, Chennai, provides meaningful insights into how young earners manage their income in a real-world context. The findings clearly indicate that while part-time employment offers students a sense of financial independence and responsibility, it does not necessarily translate into effective financial management practices.

A significant observation is that students tend to prioritize immediate consumption over long-term financial planning. The majority of their income is spent on discretionary items such as food, entertainment, and online purchases, reflecting a lifestyle-oriented spending pattern. This behaviour is further intensified by peer influence, urban consumption culture,

and the widespread use of digital payment systems, which reduce the psychological barrier to spending and encourage impulsive buying habits.

Although students demonstrate basic financial awareness, particularly regarding saving and budgeting concepts, there exists a clear gap between knowledge and implementation. Many students fail to consistently apply financial planning techniques such as budgeting, systematic saving, or investment. This indicates that financial literacy among students remains largely theoretical and lacks practical application in day-to-day financial decisions.

The study also establishes a direct relationship between income and expenditure, where an increase in earnings often leads to a proportional rise in spending rather than savings. This trend highlights the absence of disciplined financial behaviour and reinforces the need for developing responsible money management habits at an early stage.

Overall, the research emphasizes that financial behaviour, spending patterns, and financial literacy are closely interconnected. Without proper guidance and awareness, increased earning opportunities alone are insufficient to ensure financial stability. Therefore, there is a strong need for structured financial education, practical training, and awareness initiatives within educational institutions to equip students with essential financial skills. In conclusion, fostering responsible financial behaviour among part-time working students is crucial not only for their personal financial well-being but also for building a financially aware and disciplined future generation.

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