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A Study on Personal Budgeting & Spending Habits of College Students in Navi Mumbai

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Abstract: *This study explores the personal budgeting and spending habits of college students in Navi Mumbai. It examines how students manage their finances, the sources of their income, and the categories in which they most frequently spend. Using a structured questionnaire, data was collected from undergraduate and postgraduate students across various institutions. The findings reveal that while many students receive fixed allowances, few actively plan or track their spending. Most lack awareness of financial planning tools and concepts, leading to impulsive spending and financial stress. The study highlights the need for improved financial literacy through college-led workshops and encourages the use of digital budgeting apps. It concludes that better money management can significantly enhance students' financial independence and overall well-being.*

Keywords: Financial Literacy, Personal Budgeting, Youth Financial Behavior, Spending Habits, Savings

I. INTRODUCTION

In today's fast-paced and consumer-driven society, financial literacy has become an essential life skill, especially for young adults. College students, in particular, often face unique financial challenges as they begin to manage their own expenses, sometimes for the first time in their lives. This transitional phase is marked by increased financial responsibility, limited income, and the pressure to balance academics, social life, and basic living costs.

In the context of Navi Mumbai—a rapidly growing urban hub with a significant student population—the study of personal budgeting and spending habits becomes especially relevant. With its diverse mix of students from different socio-economic backgrounds, Navi Mumbai offers a rich environment to understand how college students manage their finances, make spending decisions, and adopt budgeting practices.

This research aims to explore the personal budgeting behaviors and spending habits of college students in Navi Mumbai. It seeks to identify common patterns, financial priorities, challenges faced in managing money, and the level of awareness regarding financial planning. By analyzing these aspects, the study will provide insights into students' financial discipline and offer recommendations to enhance their financial well-being.

Understanding these behaviors is crucial not only for the students themselves but also for educators, policymakers, and financial institutions looking to promote financial literacy and support responsible money management among youth. Through this research, we hope to contribute to a broader understanding of student financial behavior and encourage the development of practical financial education strategies tailored to college students in urban India.

II. THE OBJECTIVES OF RESEARCH

1. To identify the major areas of monthly expenditure among students.
2. To examine the level of financial awareness and literacy among students.
3. To explore the challenges students face in managing their finances effectively.

III. LITERATURE REVIEW

1. Author: Divyanshu Wankhede (2025)

The study "Impact of Financial Literacy on Spending and Saving Behavior Among College Students" shows that financial literacy helps students handle money better. It reduces careless spending, increases saving, and improves budgeting. Students who understand finance avoid high debts and plan for the future more wisely. On the other hand, students without this knowledge often face money problems. Thus, financial education is very important for building good money habits and a secure future.

2. Author: Susanto, Farahdita & Alimbudiono, Ria Sandra (2018)
The study "Budgeting Application for Personal Financial Planning Among Students Majoring in Accounting" found that budgeting education helps students develop good financial habits. Students with strong budgeting skills were able to make budgets and keep track of their expenses, while those with weaker skills were less involved and benefited less. The study shows the importance of giving better budgeting training and conducting more research in this area.

3. Author: Kanting Thobejane & Fatoki Olawale (2025)
The study "Budgeting and Spending Habits of University Students in South Africa" looked at how students manage their money through budgeting and spending. It also examined whether male and female students show any major differences in their financial habits. The findings give useful insights into how students plan and use their money..

4. Author: Garcia-Santillan, Zamora-Lobato, Teresa & Arturo (2023)
The study "Budget Plan to Manage Income and Expenses in College Students" was conducted on 60 university students in Xalapa, Mexico, using CONDUSEF's financial knowledge test. The findings showed that while more than half of the students had emergency savings, they mostly used them for short-term needs. Very few students had life insurance, and many considered car insurance unnecessary. This shows that long-term financial planning among students is limited, pointing to the need for better financial education and more research in this area.

IV. HYPOTHESIS

1. (H0) There is no significant difference in student spending across various expenses categories.
(H1) College student spends significantly on food, travel &entertainment expenses compared to other categories.
2. (H0) Financial literacy level has no impact on financial challenges faced by students. (H1) Students with low financial literacy face more challenges in managing their personal finances.

V. RESEARCH METHDOLOGY

5.1 RESEARCH PROBLEM

Despite having regular allowances or part-time income, many college students in Navi Mumbai struggle to manage their personal finances effectively. Most do not follow a structured budget, rarely track their expenses, and have limited awareness of financial planning tools or concepts. This often leads to impulsive spending, lack of savings, and financial stress.

There is a noticeable absence of formal financial education in most college curricula, and students frequently rely on peers, family, or social media for financial guidance. While some students are aware of basic financial terms, few apply this knowledge in practical ways. The lack of financial literacy among students raises concerns about their ability to make informed financial decisions during and after their college years.

This study aims to identify the key challenges students face in budgeting and spending, assess the level of financial literacy among them, and propose measures to improve financial awareness and habits. Addressing this problem is essential for building a financially responsible generation and equipping students with tools for long-term financial well-being.

5.2 DATA COLLECTION:

Data collection is the process to gather information about the relevant topic of research, which is being done by researcher. Data collection is a term used to describe a process of preparing and collecting data. The following method of data collection can be used while doing research.

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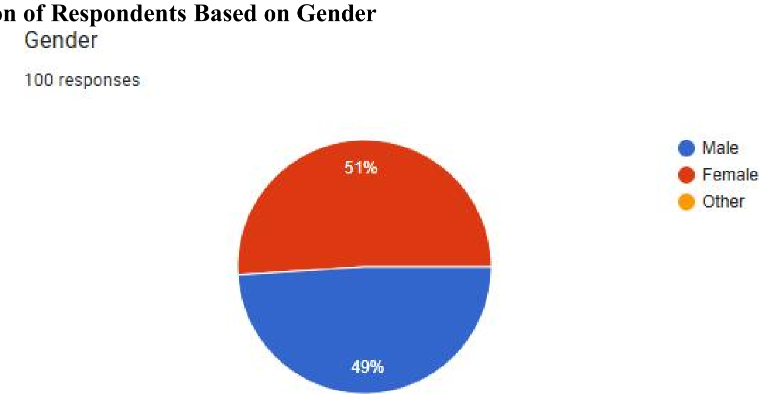
5.2.(1) COLLECTION OF PRIMARY DATA:

In today's world correct information is the key to success. Primary data is collected by the researcher, to collect the required primary data; the following techniques of data collection were used by Questionnaires.

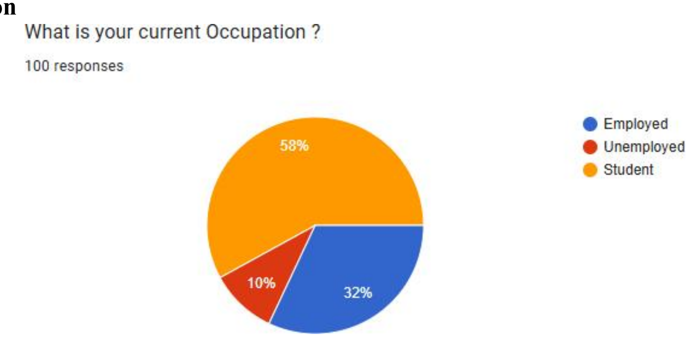
VI. FINDING AND DATA ANALYSIS

6.1 The Classification of Respondents Based on Gender



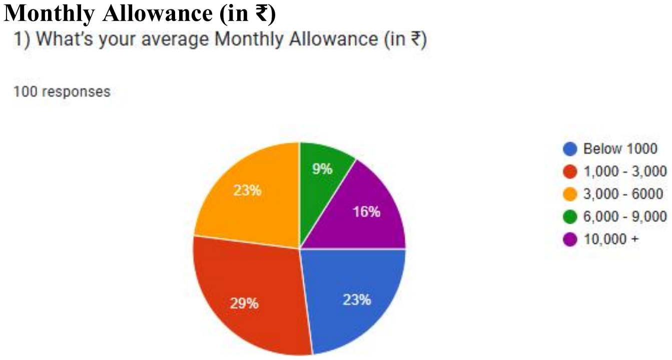
Interpretation: Out of 100 students who took part in the survey, 49% were male and 51% were female. This shows that the number of male and female respondents is almost equal, with females being slightly higher. No student selected the "Other" category. The responses give a balanced view from both male and female students.

6.2 Profile of Occupation



Interpretation: Among the 100 respondents, 58% are students, 32% are employed, and 10% are unemployed. This shows that the majority of participants are students, followed by a smaller share of working individuals and a few unemployed respondents.

6.3 What's your average Monthly Allowance (in ₹)



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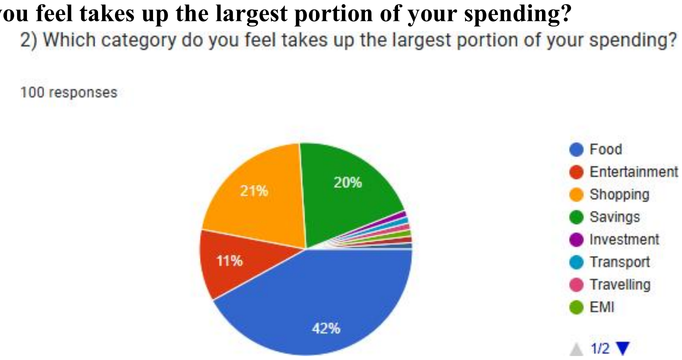
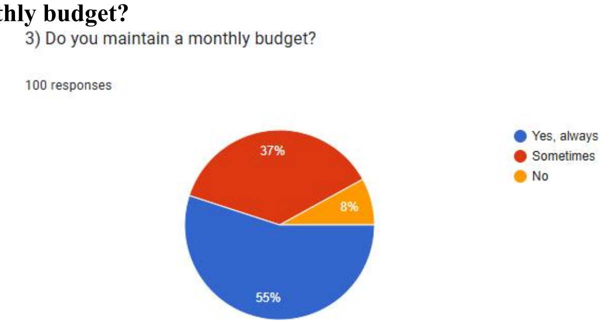
Interpretation: Out of 100 respondents, 29% receive ₹1,000–3,000 as their monthly allowance. Another 23% get below ₹1,000, and 23% receive between ₹3,000–6,000. Around 16% have an allowance above ₹10,000, while 9% get between ₹6,000–9,000. This shows that most students manage within a lower to mid-range allowance, with only a few receiving higher amounts.

6.4 Which category do you feel takes up the largest portion of your spending?



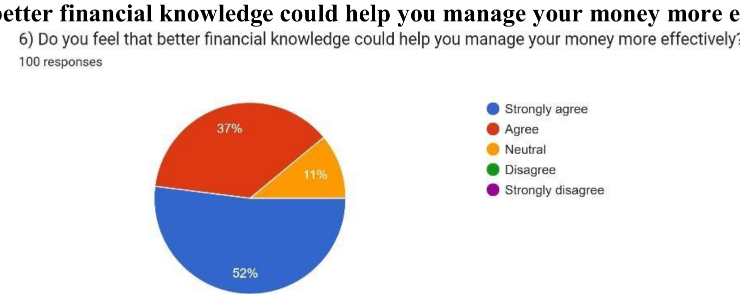
Interpretation: From the survey, the largest share of spending is on Food (42%), followed by Shopping (21%) and Savings (20%). Around 11% spend mainly on Entertainment, while very few respondents reported spending the most on transport, travelling, investment, or EMI. This shows that essential needs like food and shopping take up most of the students' expenses.

6.5 Do you maintain a monthly budget?



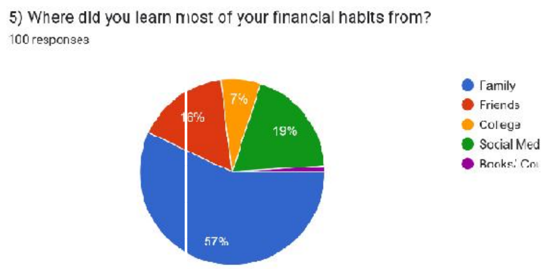
Interpretation: The survey on maintaining a monthly budget gathered 100 responses. The results show that a majority of respondents, 55%, always maintain a budget. A significant portion, 37%, reported that they maintain a budget sometimes. Only a small percentage, 8%, indicated that they maintain no monthly budget at all.

6.6 Do you feel that better financial knowledge could help you manage your money more effectively?



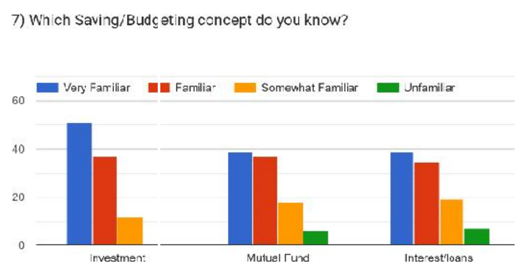
Interpretation: The responses shows that better financial knowledge could help people manage money. Most people agreed, with 89% saying it would help either strongly or somewhat. Only 11% were unsure, and no one disagreed. This shows that almost nine out of ten believe learning about finance is important for managing their money well.

6.7 Where did you learn most of your financial habits from?



Interpretation: Based on the 100 responses in this survey, the primary source for learning financial habits is Family, cited by the majority at 57%. The second most common source is Social Media/YouTube, accounting for 19% of responses. Friends follow as a source, responsible for 16% of learning. Finally, College contributed 7% of financial habits, and Books/Courses accounted for a minimal 1%.

6.8 Which Saving/Budgeting concept do you know?

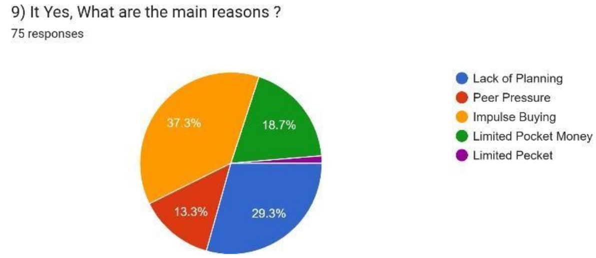


Interpretation: These responses shows how familiar people are with different saving and budgeting concepts. Most participants are very familiar with Saving (Bank) and Investment, as these have the highest number of responses in the "Very Familiar" category. Mutual Funds and Interest/Loans also have a good number of responses marked as "Familiar" and "Somewhat Familiar." Only a small portion of participants selected "Unfamiliar" for any of the options. This suggests that most respondents have a good understanding of basic financial concepts.

6.9 Do you face difficulties in managing your expenses ?

Interpretation: The chart shows that many people find it hard to manage their expenses. Out of 100 responses, 40% said they do face difficulties, 36% said they do not, and 24% were not sure. This means that while some people are able to manage their spending well, a large number either struggle or are unsure about their financial control. This shows the importance of learning better money management skills.

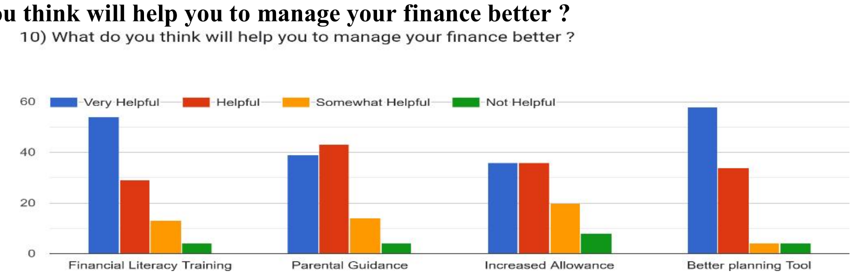
6.10 If Yes, What are the main reasons?



Interpretation: The chart shows the main reasons why people have trouble managing their expenses. Out of 75 responses, the biggest reason is Impulse Buying (37.3%), meaning people often spend money without thinking. The next common reason is Lack of Planning (29.3%), which means not organizing their budget well. Other reasons include Limited Pocket Money (18.7%) and Peer

Pressure (13.3%). A very small number said it's because of Limited Pocket. This shows that many people struggle with controlling sudden or unplanned spending and need better budgeting habits.

6.11 What do you think will help you to manage your finance better ?



Interpretation: According to responses most people think a better planning tool is the best way to improve their finances, with the highest votes for "very helpful." Learning about money through financial literacy training is also very important and came in a close second. Parental guidance is seen as helpful but not as important as tools or training. Getting an increased allowance is considered the least helpful because people feel that having more money isn't the answer; managing money well is what really matters.

VII. HYPOTHESIS TESTING

1. To identify the major areas of monthly expenditure among students.

Count of Gender	Gender		
2) Which category do you feel takes up the largest portion of your spending?	Female	Male	Grand Total
Education and conveyance		1	1
EMI		1	1
Entertainment	4	7	11
Food	25	17	42
Investment		1	1
Savings	8	12	20
Shopping	11	10	21
Transport	1		1
Traveling	1		1
Travelling	1		1
Grand Total	51	49	100

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Anova: Single Factor						
SUMMARY						
Groups	*Count*	*Sum*	*Average*	*Variance*		
Female	8	102	12.75	304.2143		
Male	8	98	12.25	255.0714		
ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	1	1	1	0.003576	0.95316	4.60011
Within Groups	3915	14	279.64286			
Total	3916	15				

Null Hypothesis (H0) There is no significant difference in student spending across various expenses categories.
Alternative Hypothesis (H1) College student spends significantly on food, travel & entertainment expenses compared to other categories.

2. To examine the level of financial awareness and literacy among students

Count of Gender	Gender		
1) What is your average Monthly Allowance (in ?)	Female	Male	Grand Total
1,000 - 3,000	16	13	29
10,000 +	11	5	16
3,000 - 6000	9	14	23
6,000 - 9,000	4	5	9
Below 1000	11	12	23
Grand Total	51	49	100

T-Test: Paired Two Sample for Means

	Female	Male
Mean	10.2	9.8
Variance	18.7	19.7
Observations	5	5
Pearson Correlation	0.53664	
Hypothesized Mean Difference	1	
df	4	
t Stat	- 0.317999	
P(T<=t) one-tail	0.383198	
t Critical one-tail	2.131847	
P(T<=t) two-tail	0.766395	
t Critical two-tail	2.776445	

Null Hypothesis (H0) Financial literacy level has no impact on financial challenges faced by students.
Alternative Hypothesis (H1) Students with low financial literacy face more challenges in managing their personal finances.

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VIII. CONCLUSION

The study reveals that although most college students in Navi Mumbai receive a fixed allowance or earn through part-time work, many find it challenging to manage their finances effectively due to insufficient financial planning and budgeting practices. The analysis indicates that food, shopping, and entertainment constitute the largest portions of their expenses, reflecting a preference for short-term enjoyment over long-term financial goals. While a majority of students acknowledge the importance of maintaining a budget, only a small proportion consistently adhere to a structured financial plan.

It was further observed that the level of financial literacy has a significant impact on students' spending and saving behaviors. Those with higher financial awareness tend to manage their money more efficiently, whereas students with limited knowledge often encounter issues such as impulsive spending and inadequate savings. The research also found that most students acquire their financial habits from family members and social media rather than formal education, underscoring the importance of integrating financial literacy programs into college curricula.

In conclusion, enhancing financial education through targeted workshops, digital budgeting applications, and awareness initiatives can empower students to cultivate responsible spending patterns, increase savings, and attain financial independence. Developing sound financial discipline during early adulthood can help reduce financial stress and foster long-term economic security and overall well-being.

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