# Analysis of Expenditure Behavior among Students of Rajshahi College in Bangladesh

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## Abstract

Students' expenditure behavior reflects their financial management, socio-economic status, and lifestyle in higher education. Despite rising educational costs, limited research exists in Bangladesh. This study aimed to identify key expenditure areas, assess financial dependence, and evaluate students' financial management skills. Using a descriptive, quantitative design with a cross-sectional survey, 349 students from Rajshahi College were selected through stratified random sampling. Data were collected via a structured questionnaire, validated by experts, and analyzed with descriptive statistics in SPSS. Results showed most students came from lower to middle-income families, depended on parents, and had minimal personal income. Major expenses included tuition, stationery, food, and accommodation, with little spending on intoxicants. Students exhibited moderate financial management but tended toward unplanned spending. The study recommends integrating financial literacy education, encouraging part-time income, and enhancing institutional support. Findings are relevant to policymakers, educators, and parents, though limited by self-reported data and a single-institution scope.

*Keywords*: Student expenditure, Spending behavior; Financial management, Student lifestyle, Monthly Expense.

## Introduction

Expenditure behavior among students is a vital area of study for understanding their socio-economic conditions, lifestyle choices, and financial management practices. University students in developing countries often struggle financially due to dependence on families, limited earning opportunities, and increasing educational costs (Rahman & Parvin, 2019). In Bangladesh, the expansion of higher education has intensified demands for tuition, accommodation, food, and recreation, making it essential to examine how students allocate scarce resources.

Global studies show that young people generally lack financial literacy and often engage in impulsive spending (Lusardi & Mitchell, 2014; Atkinson & Messy, 2012). In South Asia, family support dominates student financing, with cultural expectations and peer influence shaping expenditure decisions (Khan & Anwar, 2020). For Bangladeshi students, reliance on parents is particularly strong, while part-time job opportunities remain limited compared to Western countries (Haque, 2020). This dependency affects not only current academic experiences but also future financial independence.

Rajshahi College, a historic institution serving students from diverse socio-economic

backgrounds, offers a unique setting to explore these issues. By analyzing academic, personal, and lifestyle-related spending patterns, this study contributes to discussions on financial literacy, youth consumption behavior, and higher education policy (OECD, 2020; UNESCO, 2022). This study examines the expenditure behavior of Rajshahi College students, focusing on academic, personal, and lifestyle spending to reveal their socio-economic conditions, financial dependence, and management practices.

### Objective

- To identify the major categories of expenditure among students of Rajshahi College, including education, living, food, personal, and recreational costs.
- To assess students' financial dependence and evaluate their financial management practices in relation to income sources and spending behavior.

## Literature Review

**Demographic Profile:** Demographic factors such as age, gender, and residence show mixed influences on student spending. While Kamis et al. (2021) reported no significant demographic effect in Malaysia, Rabbani (2023) found gender and urban–rural differences in Bangladesh: urban and male students were more likely to earn, whereas females and rural students relied heavily on families. However, limited evidence exists in Bangladeshi college contexts, leaving scope for further analysis.

**Source of Income:** Globally, student income stems from parents, scholarships, part-time jobs, or savings (Daud et al., 2018; Jalil et al., 2020). In Bangladesh, the absence of formal loan schemes fosters dependence on family and informal borrowing (Rabbani, 2023). Yet, the link between income source and expenditure remains understudied.

**Educational Expenditure:** Education is often seen as a compulsory cost (Karaca et al., 2018). Ada and Bilgili (2008) reported relatively low levels of educational spending, whereas Rabbani (2023) found nearly one-fifth of borrowed funds in Bangladesh directed to education. Still, many studies overlook education-specific costs.

**Living and Food Costs:** Accommodation can consume up to 30% of student budgets, as seen in Turkey (Ada & Bilgili, 2008), though little is known about Bangladeshi patterns. Food typically dominates student spending, accounting for 30–35% of expenses (Amoako et al., 2017). Evidence on Bangladesh-specific food and personal needs is scarce.

**Digital and Recreational Spending:** Growing internet access has raised digital and leisure costs. Ada and Bilgili (2008) estimated 4% of budgets for recreation, while Rabbani (2023) noted rising digital expenses during COVID-19. Empirical data from developing countries remain limited.

**Financial Behaviour and Attitudes:** Financial literacy strongly shapes budgeting, saving, and borrowing (Ali et al., 2019). Poor discipline has been noted globally (Norvilitis et al., 2006; Rabbani, 2023). Attitudes, including power-prestige and money anxiety, also influence habits (Kamis et al., 2021), aligning with Ajzen's (1991) Theory of Planned Behavior. In Bangladesh, such links remain largely unexplored, underscoring the need for this study.

# Methodology

**Research Design and Methods:** This study employed a quantitative research design (Creswell & Creswell, 2018) using a descriptive survey approach (Kerlinger & Lee, 2000) to investigate spending behavior among Rajshahi College students. The focus was to identify patterns, preferences, and factors influencing expenditure on education, food, transport, personal care, and entertainment (Kothari, 2004).

**Target Population:** The target population comprised approximately 20,000 undergraduate and postgraduate students of Rajshahi College across Arts, Science, and Business Studies. These students represent a transitional stage of financial independence and decision-making.

**Sampling Procedure and Sample Size:** Stratified random sampling was used to ensure fair representation of disciplines and gender. Based on Yamane's (1967) formula at a 95% confidence level and 5% margin of error, the sample size was determined to be 349 students, making the findings statistically reliable and generalizable.

**Data Collection Instruments and Procedures:** A structured questionnaire was used, divided into three sections: demographic information, financial management behaviors (e.g., saving, budgeting), and expenditure patterns (e.g., food, OTT, transport). Most items employed a five-point Likert scale (1 = Strongly disagree to 5 = Strongly agree) to facilitate analysis.

**Pilot Study, Validity, and Reliability:** A pilot test with 10% of the sample ensured reliability and clarity of the instrument, with expert input used for refinement. Validity was ensured through expert review.

**Data Analysis:** Data were analyzed using SPSS-20, applying descriptive statistics such as frequency, percentage, mean, and standard deviation.

# Results

**As Demographic Information, t**he study surveyed 349 students, with a female majority (60.5%) and most respondents unmarried (88.3%). Humanities students formed the largest share (59.9%), and off-campus living (46.4%) was most common. Most students came from lower to middle-income households, with 36.1% reporting family income between 10,000–20,000 BDT. Financial dependence was evident, as 80.2% had no personal income and 74.8% relied mainly on parents for support.

**Educational expenditure** showed that 35% of students spent 200–400 BDT on academic items, while a significant 40.4% paid over 2000 BDT for coaching, highlighting the rising costs of supplementary education. Most (79.7%) reported no lab-related costs, reflecting limited practical expenses.

**Living and accommodation costs** varied 34.4% spent 1000–2000 BDT on housing, though nearly 29% incurred none. Food expenses were relatively low, with 47.6% spending under 2000 BDT monthly. Transportation costs centered between 100–1500 BDT, while nearly half reported no other expenses.

**Personal needs** were modest, with 38.7% spending under 500 BDT on outside food and 27.8% allocating 200–500 BDT for clothing. Cosmetics and personal care costs were generally minimal. Social and festival spending clustered between 500–1000 BDT. Intoxicant use was rare (6.3%), with most users spending under 2000 BDT monthly.

**Digital and recreational spending** revealed high engagement with entertainment platforms. While mobile costs were modest (39.3% under 100 BDT), 89.4% spent 500 BDT or more on OTT subscriptions. Other recreation (cinema, fairs, trips) remained low, with 70.8% spending under 500 BDT. Online gaming was uncommon (90.5% no spending).

Financial management scores averaged 3.57, while spending attitudes averaged 3.11, indicating moderate financial discipline and awareness. Overall, results highlight strong parental dependence, modest but diverse expenditure patterns, and rising digital entertainment costs among students.

## Discussion

The findings reveal that Rajshahi College students remain highly dependent on parental support, with 80.2% reporting no personal income. This aligns with Rabbani (2023), who highlighted limited opportunities for student self-financing in Bangladesh compared to Western contexts. Expenditure patterns indicate modest spending on essentials such as food, accommodation, and clothing, consistent with Amoako et al. (2017), who found food to be a dominant but controlled expense among students.

Notably, a large share of students (40.4%) spent over 2000 BDT on coaching, suggesting the increasing importance of supplementary education in Bangladesh, echoing trends noted by Haque (2020). Digital and recreational expenses, particularly OTT subscriptions, emerged as significant, with nearly 90% of students engaging in such spending. This reflects global shifts in youth consumption driven by digital connectivity (OECD, 2020; Rabbani, 2023).

Low engagement in intoxicant use (6.3%) contrasts with studies from other contexts where such spending is more prevalent (Norvilitis et al., 2006), suggesting cultural or social constraints in Bangladesh. Financial management scores indicated only moderate discipline, similar to findings by Ali et al. (2019) that linked poor financial literacy with weak budgeting and saving practices.

Overall, the results highlight the need for structured financial literacy programs (Atkinson & Messy, 2012; OECD, 2020) and income-generating opportunities to reduce dependence and encourage sustainable financial behavior among Bangladeshi students.

## Conclusion

The study finds that Bangladeshi students are highly dependent on family support with limited self-income, balancing academic and personal spending but showing low financial literacy, which hampers sustainable decision-making. To address this, universities should introduce financial literacy programs, promote part-time work and entrepreneurship, raise awareness on recreational spending, and ensure targeted financial aid for disadvantaged students. The findings can guide policymakers in shaping financial literacy policies, universities in integrating financial management into life-skill courses, and parents in encouraging responsible spending habits. However, the study is region-specific, relies on self-reported data, and its cross-sectional design limits causal interpretation. Future research may compare public and private universities, track changes in financial attitudes over time, examine the role of digital financial tools, and conduct cross-country comparisons within South Asia.

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