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AN EMPIRICAL STUDY TO ANALYSE THE EXPENDITURE PATTERNS OF STUDENTS PURSUING HIGHER EDUCATION IN PASIGHAT, ARUNACHAL PRADESH

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ABSTRACT

The cost of education is rising, so the management of expenditures incurred by students in various institutions is crucial for both students and family members to ensure efficient financial management. This study focuses on students pursuing higher education in Pasighat, Arunachal Pradesh and includes students enrolled in Jawaharlal Nehru College, Arunachal Pradesh University, Daying Ering B.Ed. College and Apex Professional University. Primary data were collected from 120 students using structured questionnaires and stratified and simple random sampling techniques. The findings show that students are primarily dependent on their families to finance their education, while students' budgeting and expenditure-tracking practices remain irregular. Indirect educational expenses, such as accommodation costs, study materials, food expenditure, and transportation, constitute the major components of educational expenditure. The study also found that financial problems frequently affect students' academic performance. This study highlights the need for improved financial literacy, budgeting awareness, and institutional support mechanisms to promote effective expenditure management among students.

KEYWORDS: Expenditure Patterns, Higher Education Students, Personal Finance Management, Budgeting Behaviour, Pasighat, Arunachal Pradesh.

1. INTRODUCTION

Higher education plays a vital role in developing human capital and aids in developing the country through employment generation. The expenditure incurred on education is increasing significantly, imposing financial pressure on students, their parents, and families. Personal financial management is crucial for making informed financial decisions to achieve financial stability which involves budgeting, controlling expenses, and savings [4]. The patterns of student expenditure have become an important area of academic research because they show how students manage and allocate their



financial resources to meet direct and indirect educational expenditures. Understanding the spending behaviour of students is important because they have limited financial resources; therefore, effective management of expenditure is essential for ensuring academic continuity and maintaining financial stability. Studies have also shown that students financial well-being and their ability to manage educational expenditures are significantly influenced by budgeting practices, expenditure tracking, and proper financial planning [7]. The rising cost of education has resulted in increased student dependency on family support, scholarships, and some even adopt part-time jobs to manage educational expenses. Some studies have also found that students' academic performance, concentration, and overall well-being are negatively affected by the financial stress arising from educational expenses [5]. In Arunachal Pradesh, particularly in Pasighat, a developing education hub, students pursuing higher education have to deal with many different challenges due to geographical constraints, varying socio-economic backgrounds, and limited employment opportunities which is a key cause of financial constraints. Institutions such as Jawaharlal Nehru College, Arunachal Pradesh University, Daying Ering B.Ed. College and Apex Professional University attract students from different districts, many of whom incur substantial expenses related to accommodation, transportation, food, and academic requirements.

Therefore, this study analyzes the expenditure patterns of students pursuing higher education in Pasighat, Arunachal Pradesh. Understanding students' spending behaviour is crucial for identifying financial challenges and developing effective strategies to improve financial management practices. The findings of this study are expected to provide useful insights for educational institutions, policymakers, and students in developing effective financial management strategies.

2. BACKGROUND OF THE STUDY

The study was conducted in Pasighat as it has emerged as an important centre for education in Arunachal Pradesh, with both government and private institutions such as Jawaharlal Nehru College, Arunachal Pradesh University, Daying Ering B.Ed. College and Apex Professional University. Students studying in these institutions incur various educational and living expenses. Several students belong to rural and tribal backgrounds, where household income is limited, making educational expenditure management challenging. With the continuously increasing cost of education and living expenses, students are forced to rely on their family, scholarships, personal budgeting practices, and some engage in part-time work to manage their educational expenditures. However, limited awareness of financial planning and expenditure management may affect students' ability to efficiently utilise available resources. Therefore, studying expenditure patterns among students is necessary to understand their financial behaviour and challenges.



3. SIGNIFICANCE OF THE STUDY

This study provides empirical evidence regarding the expenditure patterns of higher education students in Pasighat. The findings will help educational institutions understand students' financial needs and design appropriate support mechanisms. Policymakers can utilise these results to strengthen scholarship schemes and financial assistance programmes. This study also contributes to the existing literature on student financial behaviour and promotes awareness of effective expenditure management among students.

4. REVIEW OF LITERATURE

Many studies have been conducted on students' expenditure patterns, financial literacy, and other financial behaviours. Some of the most relevant studies on the present study are reviewed below.

Chen and Volpe (1998) examined the level of financial literacy among college students and found that many students lacked adequate knowledge of personal finance concepts, such as savings, credit management, insurance, and investment decisions. The study revealed that poor financial literacy often leads to weak financial decision-making and ineffective expenditure management [1].

Joo et al. (2003) studied the financial attitudes and spending behaviour of college students and found that many students lacked proper financial discipline and frequently depended on credit facilities without adequate planning. Weak budgeting habits and impulsive spending increase financial stress and debt-related problems [2].

Shim et al. (2009) developed a framework explaining financial well-being among young adults and found that parental guidance, financial knowledge, and positive financial behaviour significantly influenced students' financial stability. Students who regularly practiced budgeting, saving, and planned expenditures demonstrated greater financial confidence and lower levels of financial stress [7].

Lusardi and Mitchell (2014) examined the role of financial literacy in economic decision-making and financial well-being. The study found that individuals with higher financial literacy are more likely to engage in effective financial planning, budgeting, saving, and wealth accumulation. The authors emphasised that financial knowledge is essential for making informed financial decisions and achieving a long-term financial security [3].

Thobejane and Fatoki (2017) examined budgeting and spending habits among university students in South Africa and found that most students did not maintain a written budget, indicating poor financial planning. The study showed that a significant portion of student expenditure was directed towards



food and daily living expenses [8].

Sabri and MacDonald (2010) examined financial behaviour and financial problems among university students and found that poor money management practices were associated with higher levels of financial stress. Students with better budgeting and saving habits demonstrate greater financial well-being and lower financial difficulties [6].

Moore et al. (2021) investigated the impact of financial stress on college students and found that financial difficulties negatively affect students' mental well-being, concentration, academic engagement, and overall performance. The study revealed that financial insecurity creates anxiety and stress, which can adversely influence educational outcomes of students [5].

5. RESEARCH GAP

Existing studies have examined student financial behaviour and expenditure management, but very limited research has been conducted in Arunachal Pradesh, particularly in Pasighat. Existing studies have mainly focused on educational access, financing, and policy issues at broader levels. There is a lack of empirical evidence regarding the expenditure patterns, budgeting behaviour, and financial management practices of students pursuing higher education in Pasighat, India. Therefore, this study attempts to fill this gap by providing localised evidence from selected higher educational institutions in Pasighat.

6. OBJECTIVE OF THE STUDY

The main objective of this study is to examine and analyse the expenditure patterns of students pursuing higher education in Pasighat, Arunachal Pradesh. It seeks to study the allocation of financial resources towards education and students' day-to-day living expenses and understand their financial management practices, such as savings and budgeting. This study also aimed to assess the financial challenges faced by students and their impact on academic life.

7. RESEARCH METHODOLOGY

This study adopts a descriptive and analytical research design to analyse the expenditure patterns of students pursuing higher education in Pasighat, Arunachal Pradesh. The study was conducted in Pasighat, an emerging educational centre in Arunachal Pradesh. The selected institutions for the study include both government and private institutions, such as Jawaharlal Nehru College, Daying Ering B.Ed. College, Arunachal Pradesh University, and the Apex Professional University. The study was conducted from 2025 to 2026, during which primary data were collected, analysed, and interpreted.

The target population of this study was undergraduate and postgraduate students enrolled in selected



institutions. A total of 120 students (30 from each institution) were selected as respondents based on feasibility and time availability of the students. This study adopted a combination of stratified sampling and simple random sampling techniques to ensure a properly balanced representation of respondents and help minimise sampling bias. Primary data were collected through structured questionnaires and interviews, while secondary data were obtained from journals, government reports, institutional records, and previous studies.

The collected data were analysed using MS Excel with the help of statistical tools such as frequency, percentage, and average. These techniques enabled the systematic analysis and interpretation of students' expenditure patterns, budgeting behaviour, and financial management practices. These tools helped in presenting the findings in a systematic manner and facilitated meaningful conclusions regarding the expenditure patterns of higher education students in Pasighat

8. LIMITATIONS OF THE STUDY

The present study has certain limitations, such as geographical, sample size, and time constraints. The study is confined to Pasighat, Arunachal Pradesh, and covers only selected higher educational institutions and currently enrolled students. Therefore, the findings may not fully represent the expenditure patterns of students in other districts and states. The research was conducted over a limited period, which restricted the selection of a large number of institutions and respondents. A sample of 120 students was used for data collection. The research also primarily depended on the primary data provided by the students through questionnaires; therefore, the accuracy of the findings depends on the honesty of the respondents. This research study is only confined to the expenditure patterns of higher education students and does not cover other aspects of student behaviour.

9. ETHICAL CONSIDERATIONS

The study ensured informed consent from all participants, and their participation was entirely voluntary. The confidentiality of the respondents was strictly maintained. The data collected were used only for academic purposes and were stored securely. The research was conducted honestly, avoiding any bias or misrepresentation. Necessary permissions were obtained from the selected institutions before data collection.

10. DATA ANALYSIS AND INTERPRETATION

This section presents the analysis and interpretation of the overall data collected from students pursuing higher education institutions in Pasighat.

10.1 Preparation of Monthly or Semester Budget

Budget preparation is a fundamental component of personal financial management that involves the systematic planning and allocation of available financial resources across various expenses. For

students, preparing a monthly or semester budget helps organise educational and living costs, such as tuition fees, accommodation, food, and transportation, in a structured manner.

Figure 1 shows that the largest proportion of students (43%) sometimes prepare a monthly or semester budget for their educational expenses. A smaller group (34%) consistently prepares a budget, while 23% do not engage in budgeting at all. This indicates that, although most students are aware of budgeting practices, regular and disciplined budget preparation is not common.

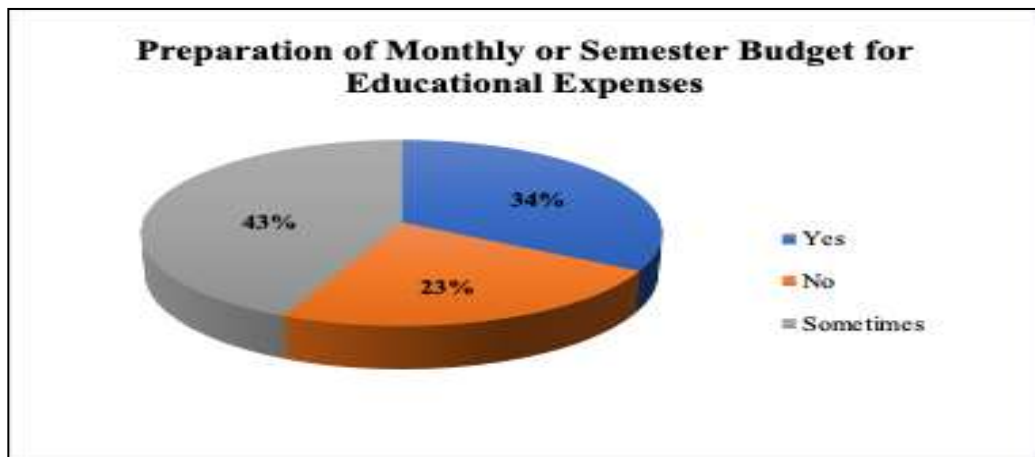


Figure 1: *Monthly or Semester Budgeting for Managing Educational Expenses*
Source: Field Study Data, 2026

Field Observation: Field observations indicated that budgeting for educational expenses is not consistently practiced by most students in Pasighat. Although many students are aware of the importance of budgeting, a large proportion prepare budgets only occasionally, while some do not prepare any budget at all, reflecting limited financial discipline and planning behaviour. This irregular approach to budgeting affects their ability to manage educational and daily living expenses effectively, often leading to financial stress and difficulties in controlling their expenditure. In contrast, students who regularly prepare budgets seem to manage their finances more organised and balanced.

Therefore, there is a need to promote financial literacy and encourage regular budgeting habits among students to improve expenditure management, reduce financial difficulties, and support better financial decision-making.

10.2 Primary Source of Financing Education

The source of financial support plays a crucial role in shaping students' financial stability, independence, and overall educational experiences. In many cases, students rely heavily on family

income, particularly in regions where household support is the primary means of financing their education. However, alternative sources, such as scholarships, educational loans, and part-time employment, also contribute significantly to meeting expenses.

Figure 2 reveals that a vast majority of students (85%) depend on parents or family as their primary source of finance for education. Scholarships account for a smaller portion (11%), while part-time jobs contribute only 3% of students' financial support. Education loans and other sources made up a minimal share, with only 1% each. This indicates a heavy reliance on family support, with limited diversification in financial sources among students.

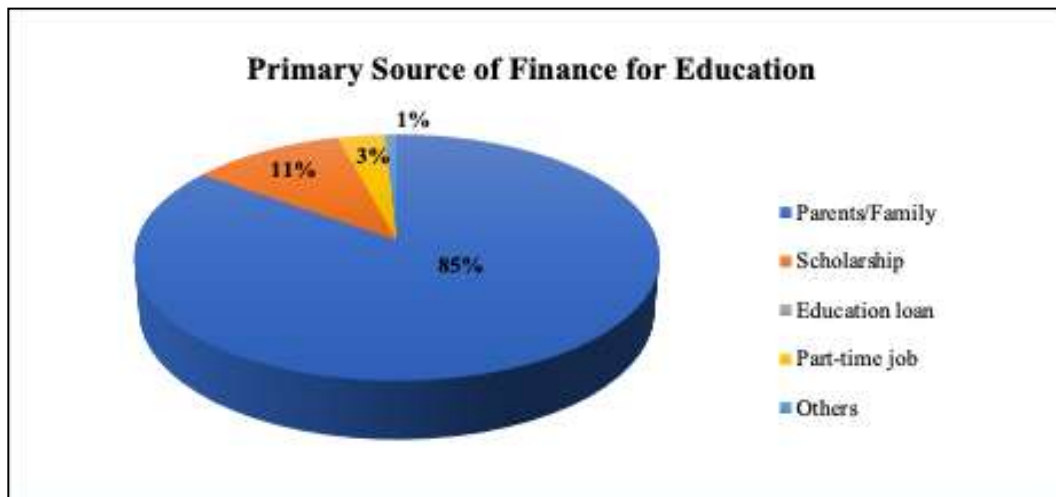


Figure 2: Primary Source of Finance for Education
Source: Field Study Data, 2026

Field Observation: The field observations indicate that most students in Pasighat depend primarily on their parents or family members as the main source of financing their education, reflecting a high level of dependence on household income for meeting educational and living expenses. Only a limited number of students receive financial support through scholarships, while very few rely on educational loans, part-time employment, or other alternative financial sources.

This suggests that students have limited financial independence and that the burden of higher education largely falls on families, particularly those with economic constraints. The findings also indicate limited awareness of or accessibility to alternative financial support mechanisms.

10.3 Frequency in Tracking Monthly Expenditure

Tracking monthly expenses is an important financial practice that enables individuals to monitor and

control their spending behaviours. For students, maintaining a record of expenditures helps identify spending patterns, distinguish between necessary and unnecessary expenses, and ensure the efficient use of limited financial resources.

Figure 3 indicates that the majority of students (56%) sometimes track their monthly expenditures. Moreover (21%) of students consistently tracked their expenses, while (19%) do so rarely. Only a very small percentage (4%) of students never tracked their spending. This suggests that, although most students are somewhat engaged in monitoring their expenses, regular and systematic tracking is not a common practice.



Figure 3: *Frequency in Tracking Monthly Expenditures by Students*
Source: *Field Study Data, 2026*

Field Observation: The field observations indicated that expense tracking among students in Pasighat is generally irregular and not consistently practised as part of their financial management routine. Most students monitor their expenses only occasionally, reflecting limited financial discipline and a lack of systematic expenditure management. Consequently, many students may find it difficult to control their spending, identify unnecessary expenses, and manage their financial resources effectively, which can increase financial stress and uncertainty. In contrast, students who regularly track their expenses appear to have better financial awareness and control over their spending patterns.

These findings highlight the importance of promoting financial literacy and encouraging students to adopt regular expense-tracking habits to improve their personal financial management and decision-making abilities.

10.4 Adoption of Cost Saving Practices

In situations of financial constraints, students often adopt various cost-saving strategies to manage their expenses more effectively. These practices may include purchasing second-hand books, sharing study materials, reducing non-essential spending, and utilising affordable alternatives. Such behaviours reflect practical financial decision-making, adaptability, and resourcefulness in managing limited funds.

Figure 4 shows that 46% of students adopt cost-saving practices, indicating that nearly half of the respondents actively manage their expenses efficiently. Meanwhile, 32% of students do not follow any cost-saving measures, and 22% adopt such practices occasionally. This reflects a mixed approach among students, with moderate awareness and implementation of cost-saving strategies.

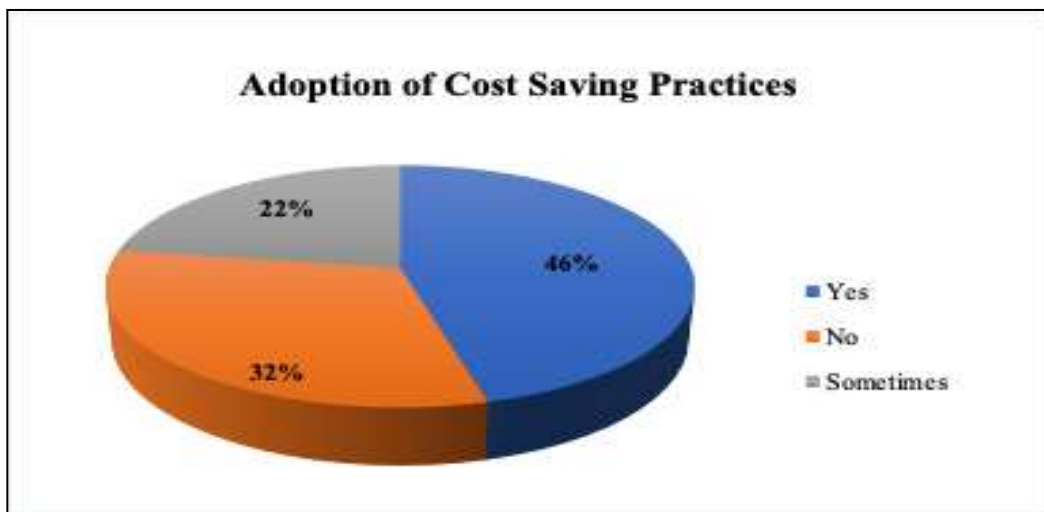


Figure 4: Adoption of Cost Saving Practices by Students
Source: Field Study Data, 2026

Field Observation: The field observations indicate that many students in Pasighat are aware of the importance of saving money and adopting cost-saving practices to manage their educational and daily expenses. While a significant number of students try to reduce unnecessary expenditure through careful spending, many follow such practices only occasionally, reflecting inconsistencies in financial discipline and saving behaviour.

The observations also revealed differences in financial awareness and management practices among students, with some actively controlling expenses through budgeting and planned spending, while others did not regularly adopt cost-saving measures due to limited financial awareness or irregular financial planning habits. Students who consistently practice saving and cost management seem to manage their finances more effectively and experience lower financial stress.

10.5 Saving or Investment for Future Educational Expenses

Saving is a key element of financial planning that ensures preparedness for future financial requirements and for unforeseen circumstances. Among students, saving behaviour indicates financial foresight, discipline, and a sense of responsibility towards managing upcoming educational expenses, such as tuition fees, books, and emergencies.

Figure 5 shows that the majority of students (70%) do not engage in saving or investing for future educational expenses, while only 30% of students actively save or invest. This indicates that long-term financial planning is not a common practice among most students, with a significant gap between those who plan and those who do not.

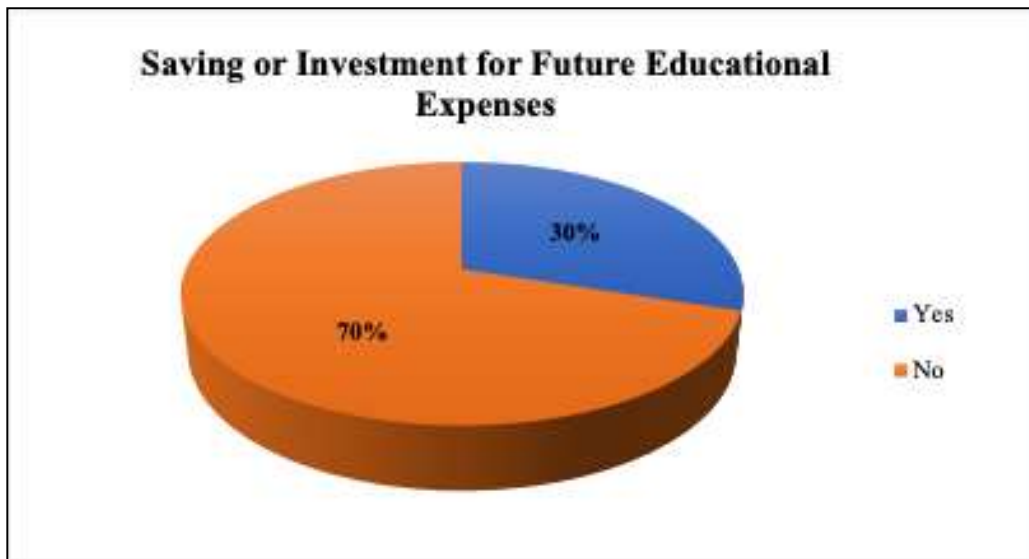


Figure 5: *Saving or Investment for Future Educational Expenses*
Source: *Field Study Data, 2026*

Field Observation: Field observations indicated that most students in Pasigbat are not adequately prepared for future educational expenses, as many do not regularly practice saving or investment habits. This reflects limited long-term financial planning and may be linked to low personal income, dependence on family support, and insufficient financial knowledge. Only a small proportion of students actively save or invest for future educational needs, demonstrating comparatively better financial management.

Students who lack saving and investment practices may face greater financial difficulties when unexpected educational expenses arise, increasing their financial stress and uncertainty. In contrast, those who maintain regular saving habits appear better prepared for future financial requirements.

10.6 Financing Education Through Education Loans

Educational loans serve as an important financial mechanism that allows students to pursue higher education despite financial constraints. While loans provide immediate financial relief, they also impose long-term repayment responsibilities, which may influence students' future financial decisions and their career planning.

Figure 6 reveals that the majority of students (94%) have not taken educational loans, while only 6% of students rely on loans to support their education. This indicates that educational loans are not a commonly used source of finance among the respondents, with most students depending on other forms of financial support instead.



Figure 6: Use of Education Loans to Finance Education
Source: Field Study Data, 2026

Field Observation: The field observations indicate that most students in Pasighat do not prefer educational loans as a source of financing their education and instead depend mainly on family income and personal support to meet their educational expenses. This reflects a cautious attitude towards borrowing, which may be due to concerns about repayment obligations, future financial responsibilities, or limited awareness of available loan facilities. Only a small proportion of students utilise educational loans, indicating low dependence on institutional credit support for higher education.

The findings also suggest that limited awareness and accessibility of student loan schemes may discourage students from considering loans as viable financial options. Consequently, students from economically weaker backgrounds may face difficulties in meeting educational expenses due to a lack

of additional financial support.

10.7 Part-Time Work to Manage Expenses

Engaging in part-time work is a common strategy adopted by students to supplement their income and manage educational expenses. It not only provides financial support but also promotes independence and practical experience in managing finances. However, balancing part-time work with academic commitments can be challenging and may affect students' academic performance if not managed effectively.

Figure 7 indicates that a large majority of students (85%) do not engage in part-time work to manage their educational expenses, while only 15% of students participate in part-time employment. This shows that part-time work is not a common method of financial support for most students in the study area.

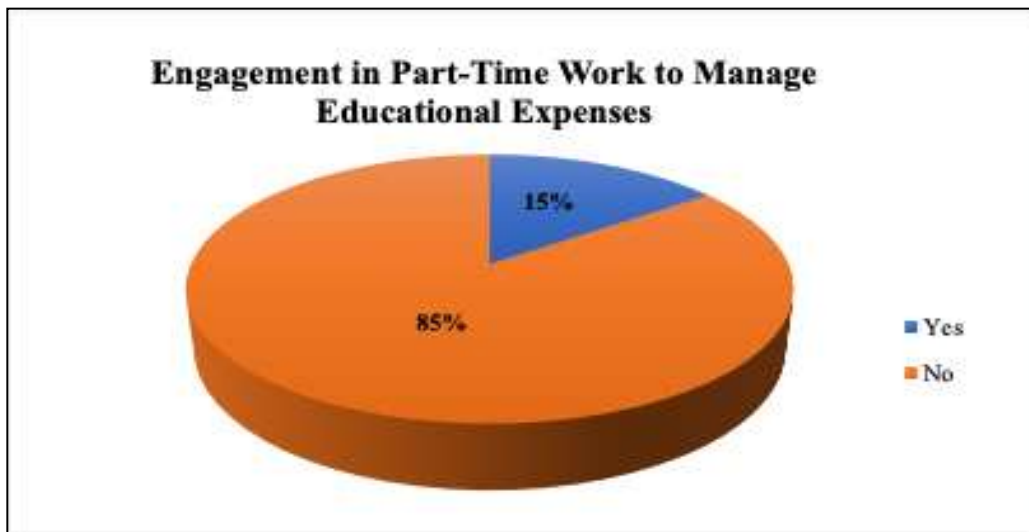


Figure 7: *Engagement in Part-Time Work to Manage Educational Expenses*
Source: *Field Study Data, 2026*

Field Observation: The field observations indicated that most students in Pasighat do not engage in part-time employment and continue to depend primarily on family support and other financial sources to meet their educational expenses. The low participation in part-time work may be due to limited employment opportunities, academic workload, lack of flexible work options, and other socio-economic factors that discourage students from working while studying.

As a result, many students remain financially dependent on their families throughout their higher

education. Only a small proportion of students engage in part-time employment, and these students appear to demonstrate greater financial independence and responsibility while gaining practical work experiences.

10.8 Priority in Spending Pattern of Students

Spending priorities are an important aspect of personal financial management among students, as they must allocate limited financial resources across various essential and non-essential expenses. In higher education, students typically prioritise costs such as tuition fees, accommodation, food, transportation, and study materials, as these are directly related to their academic needs and daily lives.

Figure 8 shows that nearly half of the students (48%) prioritised education-related expenses in their spending patterns. Personal expenses account for 27% of students' spending priorities, and 25% prioritise living expenses. This indicates that educational needs remain the primary focus of expenditure among the majority of students, although a considerable share of spending is also directed toward personal and daily living requirements.

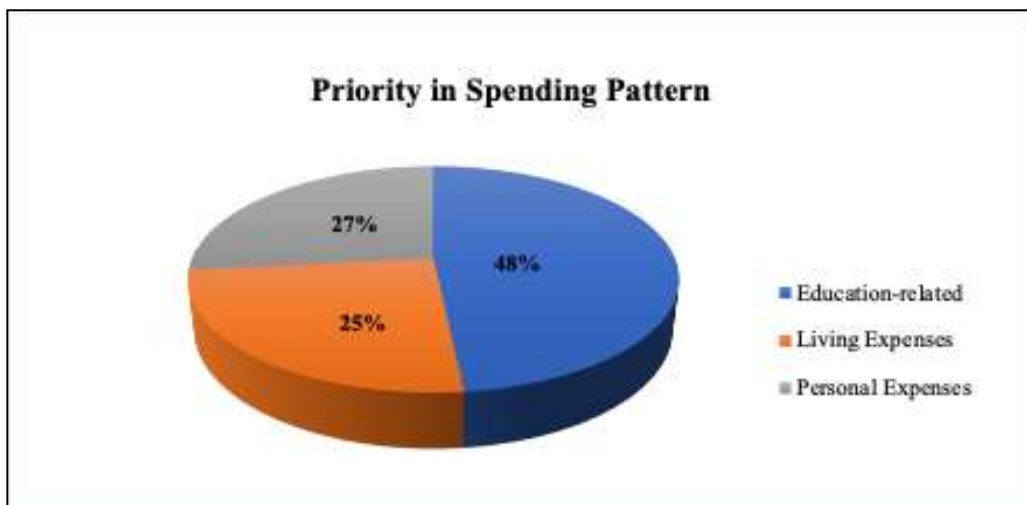


Figure 8: *Priority in Spending Patterns of Students*
Source: *Field Study Data, 2026*

Field Observation: The field observations indicate that students in Pasighat give higher priority to education-related expenses such as tuition fees, study materials, and other academic requirements, reflecting their strong commitment to achieving educational goals. Simultaneously, students are required to meet various living and personal expenses, which constitute a significant part of their overall expenditure.

The findings show that students continuously balance academic and non-academic financial responsibilities, with educational expenses remaining their primary concern.

10.9 Impact of Financial Problems on Academic Performance

Financial problems can significantly impact students' academic performance by creating stress, anxiety, and uncertainty regarding the continuation of their education. Students facing financial difficulties may struggle to meet essential expenses, such as tuition fees, accommodation, and study materials, which can directly affect their ability to focus on academics.

It is evident from Figure 9 that 45% of students reported that financial problems *sometimes* affect their academic performance. Additionally, 13% stated that financial issues *often* impact their studies, while 16% rarely experience such effects. In contrast, 26% of students reported that financial problems *never* affected their academic performance. This indicates that financial difficulties influence the academic lives of a significant proportion of students to varying degrees.

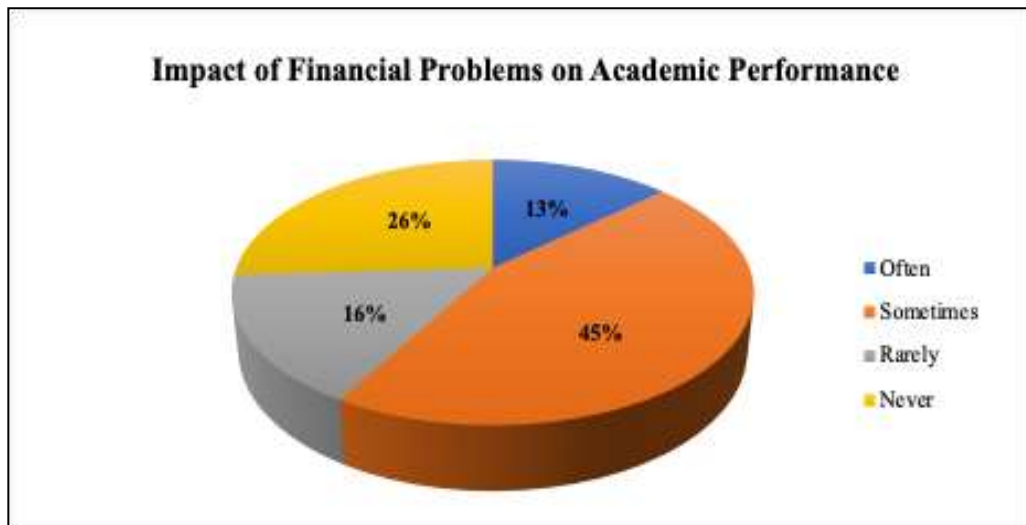


Figure 9: Impact of Financial Problems on Academic Performance of Students
Source: Field Study Data, 2026

Field Observation: Field observations indicated that financial problems significantly affected the academic performance of many students in Pasighat. A considerable number of students experience academic difficulties due to financial stress, which negatively impacts their concentration, attendance, learning efficiency, and overall academic engagement. While some students are less affected because of stronger family support, better financial conditions, or effective financial management practices, financial insecurity remains a major challenge for a large section of the student population.



11. FINDINGS

The study's findings reveal that higher education students in Pasighat face considerable financial challenges in managing their educational and living expenses. Most students depend heavily on family support as their primary source of finance, while the use of scholarships, educational loans, and part-time employment is limited. Although many students are aware of budgeting, expense tracking, and cost-saving practices, these financial management behaviours are not consistently implemented.

The study further shows that long-term financial planning through saving and investment is relatively weak among students, which increases their vulnerability to unexpected educational expenses. The low utilisation of educational loans and part-time employment also reflects limited financial independence and restricted access to alternative funding sources. Moreover, financial difficulties affect the academic performance of many students, indicating that financial stress remains an important barrier to educational success.

Overall, the findings highlight the importance of strengthening financial literacy, improving access to financial support mechanisms, and encouraging responsible financial management practices among students.

12. CONCLUSION

The study concludes that the expenditure patterns of higher education students in Pasighat are largely influenced by educational expenses, family income, and individual financial management practices. Students primarily prioritise education-related expenditures while balancing various living and personal expenses. However, irregular budgeting, limited expense tracking, low saving behaviour, and heavy dependence on family support indicate gaps in effective financial planning for these students. The findings also revealed that financial problems continue to affect the academic performance of many students. Therefore, improving financial literacy, promoting budgeting and saving habits, expanding scholarship support, and creating student-friendly financial assistance opportunities are essential for enhancing students' financial stability, reducing financial stress, and supporting academic success.

The study suggests that educational institutions should promote financial literacy among students through awareness programmes on budgeting, saving, and expenditure management. Students should be encouraged to maintain regular budgets and track their expenses to improve their financial discipline. Scholarship and financial assistance schemes should be strengthened and made more accessible to reduce students' financial stress. Awareness of educational loans and other financial support mechanisms should also be improved. Furthermore, institutions should facilitate student-friendly part-time employment opportunities and financial counselling services to enhance financial



independence and management skills. Efforts should also be made to reduce indirect educational expenses, such as accommodation, transportation, and study materials, to make higher education more affordable for students.

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