

Monthly Scholarship: A study to analyze the spending and saving pattern of Graduates in Saudi Arabia

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Abstract: *Graduating students are given stipend generously in Saudi Arabia. This research was conducted as it is observed that most of college students received a monthly stipend but had no money in their bank accounts. Most of the students in the Eastern Province don't pay heavy tuition fees, semester fees, examinations fees, for hostel accommodation etc., for completing their Degree. They spend more than what they have received from college and had no idea about savings. Why students both male and female tend to over spend was a pertinent question. It was decided to identify the root cause and problems in handling stipend money by Business administration (Management) students. The reason for choosing Business Administration students was they have many finance courses yet they don't have thrift. The study was conducted to find out what they do with their money and why this financial struggle. A questionnaire was circulated to collect data and information from Management students who are doing Management Information System/ Informatics Systems and Business Administration in Saudi Arabia.*

Key words: *Graduate Spending Pattern, Savings*

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I. Introduction

Graduates these days think more about status and compare themselves with their classmates. Some students do part time jobs to fulfil their requirements all over the world. Why it is not happening in Saudi Arabia with more number of students. There is huge job market for Saudis, as they are preferred when compared with other expatriates. The recent policies, stock market, economy are all favourable for the students. Graduates still are not focusing on saving their stipends and starting their own small businesses, or help themselves for Master Degree or go on a holiday for other countries. The study aims at identifying the spending pattern of the management graduates and more specifically how they spend their stipend. It is more like incentive as the students are being supported by their parents. In the eyes of some college's student, the stipend is just a money they can spend it according to their needs, not something that they can save for their future. Those type of students need to know that, this stipend is a support fund given to them use it wisely and save for their future needs. Most student finds it difficult to spend money prudently.

The graduates in eastern province are the primary respondents. A survey was conducted to figure out how many students have no money even when they are getting scholarships and find it hard to save, and how many are actually saving. Many students were having some goal so they are saving for it. In this research, the objective is to find out what students do with their money?

II. Literature review

As college students, the Budget for them can be hard, especially when they have to take into account expenses if he or she responsible for that, like gas, electricity, and weekly food shopping. Always students face the big problem of trying to know whether their reward will cover the cost of their rent and how much they will have left over to spend on leisure activities, such as heading to the cinema or having a great dinner.

According to Butler (2017) says that rent is the biggest proportion of a college student's outgoings. After that the food and socializing the next largest proportion. Likely one of the most surprising result was the amount of money that is now spent on mobile phones in comparison to books and stationary for the college. In other word, there good reason for this; many students are taking to the ever-expanding Internet for research and making good use out of improved University libraries.

There is a gap here between what students are given as reward from the college and what is being spent they cannot balance or deal with this problem, but most students have extra sources of income such as parental support.

There something that college student face it with their credit card was out of control. Students sometimes or frequently buy things with a credit card without knowing whether they will have the money to pay it off. This become one reason of why they cannot manage or spend their money (Mulhere,2016).

III. Methodology:

The participant of our research are from various colleges' Business Administration Department students both female and male. The data collected were from 30 members both male and female. The questionnaire was framed in a simple way with yes or no answers. And the result can usually be quickly and easily found. It is easy to translate it into software package using the excel program. The analysis was more scientifically and objectively. After collecting the survey from the students, it was entered using statistical technique through the excel and start analyzing it into tables and charts.

IV. Analysis:

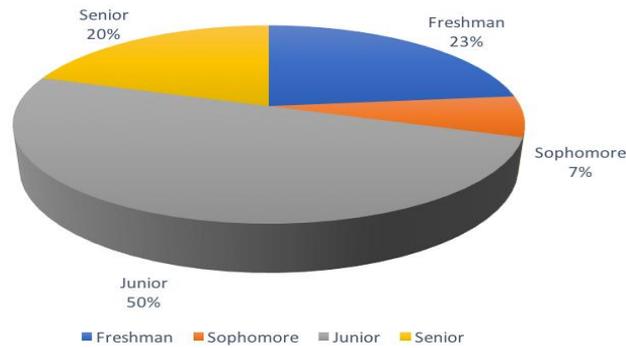
Table.1

1-Yes,/2-No

Gender@	Major	Level	How Students Spend Their Reward										
			A1	A2	A3	A4	A5	A6	A7	A8	A9	A10	A11
Female	MIS	2	2	2	1	1	1	1	1	1	1	1	1
Female	BUS	4	1	1	1	1	2	2	1	1	2	1	2
Female	BUS	3	1	2	1	1	2	1	1	1	1	1	1
Male	MIS	1	1	1	2	1	1	1	1	1	1	2	2
Male	MIS	1	1	1	1	2	2	1	2	1	2	1	1
Male	BUS	3	1	2	2	2	2	2	2	1	1	1	1
Male	MIS	2	1	1	1	1	2	2	2	2	2	2	2
Male	BUS	1	2	2	2	2	1	1	1	1	2	1	2
Male	MIS	3	1	2	1	2	1	1	1	1	1	2	2
Male	BUS	4	2	2	2	2	1	1	1	1	1	1	2
Female	BUS	3	1	1	2	1	2	1	1	2	1	2	1
Female	BUS	4	1	1	1	1	1	1	2	2	1	1	1
Female	BUS	3	1	1	1	1	2	1	2	2	1	2	2
Female	BUS	3	1	1	2	1	2	1	1	1	1	2	2
male	BUS	3	2	2	1	2	1	1	2	2	1	1	2
male	MIS	4	1	2	2	2	1	1	2	1	1	2	2
male	MIS	3	2	2	2	2	1	2	1	1	2	1	1
male	BUS	3	2	2	2	2	2	1	1	1	1	2	1
male	BUS	1	2	2	1	2	1	1	2	1	1	2	1
male	BUS	1	1	1	1	2	1	1	2	2	1	2	2
male	MIS	4	1	1	2	1	1	2	2	1	1	2	2
Female	MIS	1	1	1		1	1	1	1	2	1	2	2
Female	BUS	4	2	1	1	2	2	1	1	2	1	2	2
Female	BUS	3	1	1	2	1	1	2	1		1	2	2
Female	MIS	1	2	2	1	2	2	1	1	1	1	2	1
Female	BUS	3	1	1	2	1	1	1	2	1	1	2	1
Female	BUS	3	1	1	1	1	1	1	2	1	1	2	1
Female	BUS	3	1	2	1	1	2	1	1	1	2	1	2
Female	BUS	3	2	2	1	2	2	1	1	2	1	2	1
Female	MIS	3	1	1	1	1	2	2	1	1	2	1	2

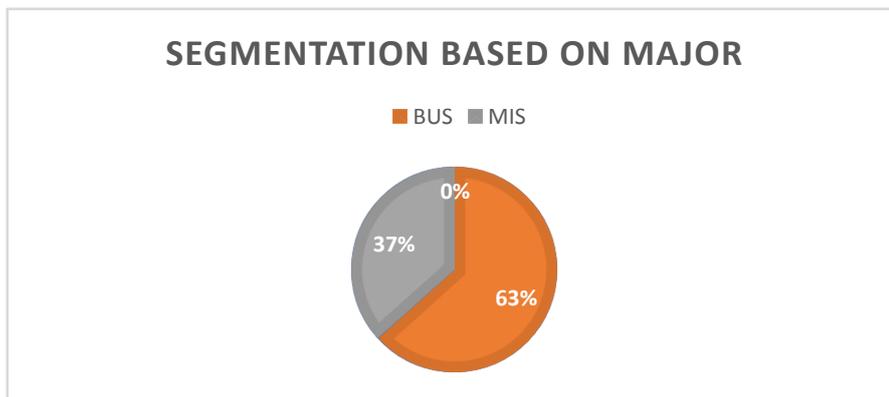
This schedule contains all survey data from all respondents,that includes the gender both male and female students, majors which are either BUS or MIS students, and different student's level such as 1 mean freshmen, 2 mean sophomores, 3 mean juniors, and finally 4 mean seniors. And W1-W11 represent the questions which answered by the students, 1 mean if they agree (Yes) and 2 if they don't agree (No).

Chart.1
Segmentation of respondents based on level



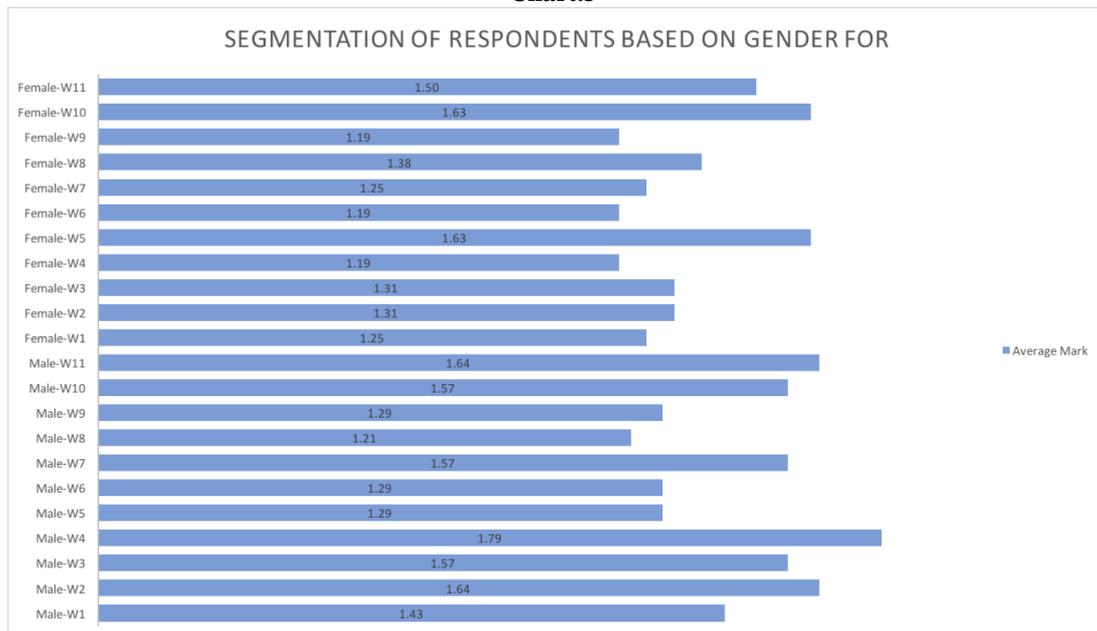
This chart represents and analyze the respondent based on level. Most of the respondent were junior which represent 50% of them, 22% of them are freshmen, only 7% of them are sophomore, and the rest which is 20% are senior students.

Chart.2



This chart analyzes the respondent based on their major. This is about MIS/ISand BUS majors which show that 63% of them are from BUS's department, and only 37% of them are from the MIS's and IS's students.

Chart.3



This analysis is based on the respondent's gender, and the average mark which relate to the questions they had answered. As shown 1.50 is the average mark for females who answered W11, 1.63 for those who answered W10, 1.19 for W9, 1.38 for W8, 1.25 for W7, 1.19 for W6, 1.63 for W5, 1.19 for W4, 1.31 for W3, 1.31 for W2, and finally 1.25 for females who answered W1.

This analysis also included male's average mark. As shown 1.64 is the average mark for males who answered W11, 1.57 for those who answered W10, 1.29 for W9, 1.21 for W8, 1.57 for W7, 1.29 for W6, 1.29 for W5, 1.79 for W4, 1.57 for W3, 1.64 for W2, and finally 1.43 is the average mark for males who answered W1.

V. Result/Finding

Table.2

Factors	Average Mark- Male	Average Mark- Female	Variance- Male	Variance- Female
W1	1.43	1.25	0.036383	0.028312
W2	1.64	1.31		
W3	1.57	1.31		
W4	1.79	1.19		
W5	1.29	1.63		
W6	1.29	1.19		
W7	1.57	1.25		
W8	1.21	1.38		
W9	1.29	1.19		
W10	1.57	1.63		
W11	1.64	1.50		

z-Test: Two Sample for Means			
	Average Mark-Male		Average Mark-Female
Mean	1.480909		1.348181818
Known Vari	0.036383		0.028312
Observation	11		11
Hypothesis	0		
z	1.730697		
P(Z<=z) one	0.041753		
z Critical one	1.644854		
P(Z<=z) two	0.083506		
z Critical two	1.959964		

This is about the final hypothesis regarding to the survey result.

Hypothesis:

Null Hypothesis H0: There is no difference in the factors influencing impulsive buying among the male and female.

Alternative Hypothesis H1: There is difference in the factors influencing impulsive buying among the male and female.

Because z stat 1.730697 < z Critical values 1.959964 Null hypothesis is accepted.

VI. Conclusion

This research clearly shows that Students who enter college to earn a 4-year degree in the area of BUS and MIS/IS has no saving intentions and clearly spends money without reasons that are not related to completing the Degree. More respondents are female BUS's student, unlike the male BUS's student. And less number of respondent from MIS/IS female students than MIS/IS male students. There is a difference among the Business Female and Male students even in participating in the research.

Also, as showed in Table.2 the average male students and female who answered the questions with either Yes or No.

The outcome of the research shows that most of the students are spending their monthly reward into personal things, and didn't see the need to save money. And that was because the same people answered as "no" for the fourth question which says: "Do you have specific goals that make you save your money?" or some of them find it difficult to save. They are spending aimlessly and do not regret for not saving the money. The idea of saving the stipend was not even prevailing among the students. This study has brought some awareness among the students that there is a need for savings.

There is no significant relationship between Gender and impulsive buying nature of the students. Whether Male or female they spend without thinking twice and no thought of savings.

VII. Recommendation

First and foremost recommendation for the graduates is to make a plan. Here are the steps that graduating students both male and female should follow to create their personal spending plan:

1. **Time frame**
The financial aid, is most of the income per student per semester. Hence, based on that time the bills can be paid monthly. Deciding on a time frame will make it easier for the students to calculate funds and track expenses accordingly, whether per semester or per month.
2. **Total income**
It is important to understand where the money will be coming from, so reviewing all the sources of income will give the students a better understanding of their inflow which will enable them to make a budget.
3. **Budgeted expenses**
The money will be spent on Buying books, Food stuffs, paying for drivers, phone bills and printing. From the survey above, shopping seems to be taking most of the inflow. By listing the most important expenses, the students will have better control on their spending.
4. **Unplanned expenses**
To make sure that current spending is aligned with their spending plan, it is important to track their spending plan over the course of the specified time frame. This will reduce the impulsive buying habit among both male and female graduating students.
5. **Action plan**
Subtract the total expenses from the total income to determine whether it will be necessary for the student to find additional sources of income to cover any leftover expenses. Instead of asking money the graduates can plan to work as part time in the college as administrative assistants or teach remedial classes.

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