

# Money woes at university

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**L**AST month, a *Berita Harian* report revealed that some Universiti Malaysia (UM) students are always cash-strapped to the point that they have resorted to eating one meal a day and fasting regularly to survive.

This scenario is not unique to UM but is also prevalent in universities around the country where it is common practice among many students, who have problems with cash flow and money management, to adopt an extremely frugal lifestyle.

This has caused alarm in many quarters as having proper meals is important for students to support their learning activities. Not getting enough nutrition is one of the problems they face due to money constraints.

However, not having enough funds is not a new issue among students at higher education institutions. The problem has persisted through the years. The question is why is this happening? Are the factors that contribute to the problem the same as yesterday's or could the problem be the result of new factors? Either way, how best should it be solved?

Universiti Kebangsaan Malaysia (UKM) deputy vice-chancellor (student affairs and alumni) Associate Professor Dr Roslee Rajikan said that similar to previous years, students' inability to manage cash flow generally stems from their inexperience in handling money on their own as opposed to the time when their finances were mainly monitored by their parents, and hence they face difficulties in managing expenditure.

But socioeconomic status and demographic factors may also play a role.

Based on data gathered, Roslee said in UKM, 60 per cent of students come from B40 backgrounds with inadequate funds to pay for their studies. However, in some cases, students from the M40 bracket are also in the same boat.

The problem relates to multiple factors. Our tuition fees for local undergraduates are among the lowest in the country. Students pay fees as low as RM800 per semester and accommodation costs RM500 per semester. However, students need to pay for food and other personal expenses. The rise in cost of living and the prices of books, and the need to buy laptops may affect their ability to sustain cash flow," he said.

"Some students use part of their education loans to support their families," he added.

"In addition, many students were found to spend a significant amount of money on unnecessary expensive items such as high-end hand-phones in order to be on par with their peers."

Universiti Teknologi Mara (UiTM) Faculty of Accountancy Associate Professor Dr Tuan Zainun Tuan Mat said rising cost of living plus higher educational expenses have a direct effect on the expenditure of students especially those on campuses located in big cities. A large portion of the expenditure is spent on food, accommodation



Roslee Rajikan

**The spending behaviour of millennials is drastically different from that of previous generations. They often end up spending on things they don't need as they want to keep up with brands.**

**TUAN ZAINUN TUAN MAT**  
UiTM Faculty of Accountancy  
Associate Professor



While at higher education institutions, students have to be more independent especially when managing finances.

and transport which are generally more expensive in urban areas compared to smaller towns or suburban areas.

Students must prioritise their expenditure and practise a modest lifestyle to ensure they do not spend unnecessarily and sacrifice having proper meals, said Tuan Zainun.

"Having proper meals is important to support daily learning activities. Otherwise, it may affect the quality of learning. This issue should become a focus of university management so that it will not continue to persist. One way to do this is to create awareness among students on the importance of efficient cash management and instilling the habit of setting priorities in spending.

"What is most important here is to make sure they balance their needs and wants. The spending behaviour of millennials is drastically different from that of previous generations. They often end up spending on things they don't need as they want to keep up with brands. Their failure to distinguish between needs and wants contributes to poor budgeting skills. In college, aspirations are high but the money available is limited. Students must learn to prioritise."

## REASONS WHY STUDENTS FACE MONEY PROBLEMS

A significant percentage of students come from B40 backgrounds with limited financial resources

High cost of living

Study loans do not fully cover living expenses

High transportation costs

Smartphones and computers considered a necessity

## MANAGING RESOURCES

Study loans from the National Higher Education Fund Corporation are one of the key sources of funding for higher education. While the corporation does not have any quota or fixed allocation for loans annually, on average it requires RM3 billion to RM3.5 billion yearly for some 170,000 new borrowers and more than 400,000 existing borrowers.

Deputy chief executive (policy and operations) Mastura Mohd Khalid said the loan covers tuition fees and living costs at public higher education institutions. The government already subsidises 90 per cent of tuition fees.

But for private higher education institutions, parents usually need to top-up for fees and allocate pocket money to their children.

"Student loans are disbursed by semester, upon completion of loan documents submission (for new loans) or upon confirmation of student status from the higher education institution (existing borrowers)," she added.

The loan is disbursed directly to the student's bank account and not to the educational institution. The institution, however, can make arrangements with the respective bank for the student's payment of tuition and fees.

She advised students to be wise in managing finances and practise prudent spending. "Be disciplined and follow a monthly financial plan. Avoid spending on wasteful and luxury items. Priority must be made for books and learning materials. Remember that the goal at university is to graduate with flying colours, so be focused and fully utilise the student loan to achieve that aim."

## SETTING PRIORITIES

On average, students who take up loans from the National Higher Education Fund Corporation generally end up with a minimum of RM200 to spend per month per semester, which comprises some five months. Many find this barely cover expenses, if not at all.



Mastura Mohd Khalid

While Universiti Putra Malaysia (UPM) third-year Bachelor of Science in Human Development student Chow Heng Yee, 23, who has a student loan, plans and tracks her expenses from the beginning of the semester with a Money Manager app, she still finds herself falling short of money.

By staying in university accommodation, Chow saves on rental and utilities. Her monthly expenditure includes RM300 on meals, RM50 on petrol for her motorcycle and Grab or bus rides if she needs to travel out of campus, RM60 on phone and Internet bills, and RM100 for participating in events on campus and student-related functions.

"My parents give me a monthly allowance but when I do not have enough money to tide me over while waiting for it, I use the Meal Plan card from UPM Holdings that allows me to buy food from certain cafeterias on campus through a debit mechanism. I prioritise food and get a budget meal whenever possible," she said.

Varsity mate Iliia Natasya Ramli, 22, a third-year Bachelor of Science (Food Studies) student, has a similar monthly expenditure as Chow. The National Higher Education Fund Corporation loan recipient, who stays in university accommodation, joins college activities to enable her to continue staying on campus as it is much cheaper to do so.

While keeping a tight reign on her spending, Iliia Natasya does go out once in a while to de-stress, spending RM50 each time. "Sometimes my parents give me pocket money when I return home during semester breaks. I always set a limit on my daily spending and try not to spend a lot when I'm out with friends," she said.

Other than meals, telecommunications and transportation, International Islamic University Malaysia medical student Muhammad Ikmal Hakim Hamdan, 24, who stays in a hostel on the Kuantan campus, spends about RM200 per semester on textbooks and resources as well as medical equipment.

"Besides a student loan, my parents allo-



Students queuing for free meals at the Act of Kindness programme in UMT.

cate RM1,000 per semester for me but I still need to top that up by tutoring and teaching at a tuition centre. I make sure this does not compromise my studies.

"Sometimes I eat instant noodles but only towards the end of a semester. With my earnings, I can buy bus tickets to my hometown and save for emergencies," he said, adding that he spends on sports if he has extra funds.

Anissa Nursabrina Jaapar, 24, who is pursuing a Master of Science in Marine Biology course at Universiti Malaysia Terengganu (UMT), does part-time jobs such as cleaning houses and providing runner services apart from getting ad-hoc allowances from her parents to supplement her student loan.

"I only started receiving loan disbursements in my third semester. I am renting off-campus so I spend RM300 a month on rental, utilities and other basic needs. I pay RM150 for groceries as I cook my own meals. I share the cost of petrol for my motorcycle with my roommate. For Internet connection, I depend solely on the WiFi connection on campus so I save on a telecommunications data plan," she said.

As for smart phones and notebook computers, Anissa Nursabrina added that these are necessities for students as social media is the main communication channel with lecturers.

"But we can make do with basic models of devices as long as they do the job."

Siti Nurkhairunnisa Mohammad Shariff, 21, a Bachelor's Degree in Biology student at UMT, tries hard to make do with her student loan by spending only on necessities such as food, phone and Internet top-up plans, car rental or Grab to get to the nearest town for groceries and bus tickets to and from her hometown.

"I try to make my funds last but towards the end of the semester after paying for books and other expenditure, I resort to fasting sometimes. Fortunately there is food aid on campus. My parents can only give me money when I really need it," she said.

At Politeknik Mersing, business studies diploma student Muhammad Zuhilmi Muhammad Zahri, electrical engineering diploma student Affiq Hazimee Abd Jalal and digital technology diploma student Abdul Muhaimin Adam Lee — all 20-year-olds — take on odd-jobs related to their respective courses to supplement student loans.

"We try our best to stretch the funds but we are especially challenged to have adequate money for meals," said Abdul Muhaimin.

For Universiti Malaysia Sabah Bachelor of Science (Aquaculture) (Honours) first-year student Nurul Izzah Najamudin, 21, transportation is given top priority other than food, house rental and telecommunications.

"Our class at a fish culture site is far away from other programmes. I ride Grab to get there because the bus service does not start early enough for me to make it to class on time," she said.

Nurul Izzah does not have a student loan and tries not to burden her parents with requests for additional allowance by earning money as a dropship agent for an online business.

"I borrow money from my best friends if it is crucial."

## SOLUTIONS

Although universities and higher education institutions in general have various avenues for students to seek financial aid and get free food if eligible, it is important for the management to understand students' financial difficulties.

"Other than initiatives taken by the university, I recommend lecturers to also play a role, as we are the next closest person to them in college. In addition to financial aid, proper cash management is important. Lecturers should talk to students about their responsibility for spending because managing expenses in secondary school is different from managing living cost in college," said Tuan Zainun.

"First ask students what they know about money management, encourage them to manage their funds and help them practise financial responsibility. Students should make their own budget. They should understand wants versus needs and money in versus money out. By practising this, they will be more in control of their budget," she added.

Politeknik Mersing director Hassan Siraj said students should look to optimise facilities and opportunities on campus that can help them with their finances.

"For example, students should take full advantage of the free WiFi throughout the campus, particularly in the library to help reduce expenditure on Internet connection.

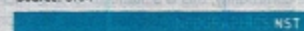
"Also at Politeknik Mersing, there are programmes such as the fertigation project, bee farming and mushroom project that they can be involved in to get business opportunities and side income," he added.

UPM Alumni Association secretary-general Ghazali Selamat said students need to learn to be more resilient and responsible, and be proactive in handling

## STEPS TO MANAGING FINANCES

- 1. Start budgeting and planning incomes and expenses before receiving loans/money**  
Count all possible expenses and know your spending limits
- 2. Prioritise expenses**  
Control spending habits. Spend wisely based on needs, not desire or wants
- 3. Be accountable and responsible**  
Pay expenses and fees first so that they won't burden you later or provide a false impression that you still have lots of money to spend
- 4. Save your money whenever possible**  
Put aside money for emergencies
- 5. Avoid dubious activities**  
Do not invest in easy money schemes with high returns especially when they require you to put money upfront
- 6. Get help/counselling**  
If unsure about financial management, get help from counsellors at university student affairs departments as well as financial assistance if you are genuinely in need

Source: UKM



their financial difficulties.

"We provide lunch for hard-core poor students on campus. But because their class shifted to another area, some of them decided to forgo it because it is too expensive to ride Grab to get lunch. I believe it is a mere 10-minute walk and that should not be an issue to get lunch rather than go hungry."

Ghazali added that students can get part-time jobs at the association or on campus rather than wait for aid.

"We are in discussions with the management to allow part-time jobs on campus to be included as part of the extracurricular requirements for students. We are also in discussions to set up a restaurant with a third party on campus to provide affordable meals for all students and there will be an opportunity for them to work there part-time."



A Politeknik Mersing student earning extra income doing electrical wiring, a skill related to his field of study.