

The Impact of UiTM Raub Campus upon Local Economy: A Study on Students' Expenditure

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Abstract: UiTM Raub Campus started operating since 29 November 2015. This newly open Pahang branch campus can accommodate around 3000 students. Looking at the huge number of students, this study aims to examine the impact of UiTM Raub Campus students' expenditure toward the local economy. Through a questionnaire survey, a total of 240 responses were collected in May, 2018. The results showed that the expenses incurred by the students have contributed positively to local economy.

Keywords: Impact, Local Economy, Students' Expenditure, UiTM Raub Campus

1.0 Introduction

University student's expenditure has been identified as one major part of the overall consumer spending in Malaysia (Sorooshian & Seng Teck, 2014). Local community expenditures on college students may be important because a good number of residential colleges are regularly seen as major players in the local economy through the present employment and spending, as well as potential catalysts for the rural economic development. Universities and colleges produce educated people that are more likely to earn higher wages and live longer. Yet the impact of universities and colleges on local communities is broader than these impacts alone (Ambargis, McComb, and Robbins, 2011). An institution of higher education impacts its local community in many ways.

Universiti Teknologi Mara (UiTM) Cawangan Pahang Kampus Raub is a campus located in the Mukim of Gali in the district of Raub, Pahang, Malaysia. It was established by UiTM's top management to provide more learning opportunities especially to Bumiputeras. The campus was built by the Private Financial Initiative (PFI) by the concessionaire of Utusan Intelek Sdn. Bhd. The campus area is 80 acres and the area used for development is 30.5 acres. The campus was built on November 1, 2012. The campus was officially launched by YAB Dato' Seri Mohd Najib Tun Abdul Razak, the sixth Prime Minister of Malaysia on May 04, 2013. After 2 years and half the construction, the campus was successfully completed on October 31, 2015. The campus has been fully handed over to UiTM Pahang Branch on 13 November 2015. With such acceptance, the Raub campus has commenced operations on November 29, 2015.

There are 3 faculties at UiTM Raub, namely, Faculty of Computer and Mathematical Sciences, Faculty of Administrative Science and Policy Studies and Faculty of Management and Business. In 2018, there are about 3000 students here. Through the increase in students in Raub, they have contributed to the local economy. The contribution not only involves professional bumiputera human capital but is also expected to act as a local economic catalyst in which UiTM state campuses are created. Recognizing the importance and contribution of the UiTM state campus as a local economic catalyst, an economic impact study has been conducted in Raub, Pahang.

Studies on the economic impact of Higher Education Institutions (IPTs) such as UiTM have been documented in many Western countries such as studies by Tori, Steele and Steele (2006), assessing economic impact Valdosta State University, Silva and Santos (2004) at the University of Algarve, Austrian and Sadowski (2002) for Cleveland State University and Chan (2000) for Simon Fraser University. However, a major impact of an institution is not always as well-known or understood. Realizing the importance and contribution of the UiTM state campus as a local economic catalyst, hence, an economic impact study was conducted to assess the impact of the economy in the local area as a result of the existence of UiTM Cawangan Pahang Kampus Raub.

According to Nurhayati Abdul Rahman, Fairus Muhamad Darus, Ahmad Zia Ul-Saufi Mohamad Japeri, Melinda @ Siti Asmah Yunos and Roziah Mohd Noor (2008), the economic impacts can be measured based on university, staff, student and visitor spending local area using the input-output method. However, this paper intends to examine only the direct impact of students spending on the local economy. Therefore, the objectives of the study include; to identify the students' source of income and to examine the students' monthly expenses while studying in UiTM Kampus Raub.

2.0 Methodology

This study intends to examine the impact of students spending on the local economy as a result of the existence of UiTM Cawangan Pahang Kampus Raub, Pahang. The number of UiTM Kampus Raub students who are active until December 2018 is around 3000 people. Of the total, 192 samples were selected to determine the economic impact of university students spending on the local economy. The analysis of this study is descriptively studying backgrounds such as gender, semester of study, program, and place of origin when studying at UiTM Kampus Raub. In addition, the pattern student spending is also being investigated.

3.0 Results and Discussions

3.1 Background of the Respondents

Table 3.1 shows the background of the respondents. Of the 192 respondents involved in this study, 40.6 % were male and 59.4 % were female students. The majority of them are part two students (31.3%), followed by part four students (26.6%), part three students (18.8%), part five (13.5%) and part one (9.9%). All of them are students in Diploma studies. In terms of the student's origin, the majority of them originated from East Coast States such as Pahang, Terengganu and Kelantan (52.1%), followed by Klang Valley, i.e., Selangor and Kuala Lumpur (37%), Western States such as Melaka, Negeri Sembilan and Johor (9.4%) and lastly the Northern States, i.e., Perak and Penang (1.6 %).

Table 3.1: Background of Respondents

Variables	Frequencies	Percentage
Gender		
Male	78	40.6
Female	114	59.4
Part (Semester)		
1	19	9.9
2	60	31.3
3	36	18.8
4	51	26.6
5	26	13.5
Origin		
Pahang, Terengganu and Kelantan	100	52.1
Selangor and Kuala Lumpur	71	37.0
Perak and Penang	3	1.6
Melaka, Negeri Sembilan and Johor	18	9.4

3.2 Students' Source of Income

Table 3.2 depicts the students' source of income. The findings of the study found that the students' main source of income is through their parents financing (127 students), followed by PTPTN (111 students), self-financing such as part time job (33 students), sponsorship and other sources (11 students).

Table 3.2: Students' Source of Income

Variables	Frequencies
Parents	127
PTPTN	111
Self Financing	33
Sponsorship	11
Others sources	11

3.3 The students' monthly expenses while studying in UiTM Kampus Raub

Table 3.3 illustrates the students' monthly expenses in Raub. The majority of them spending their money for food and drink (RM =221.41) followed by clothing and footwear (RM = 41.51), prepaid/postpaid mobile phone (M = 39.17), learning needs such as printing, copying services, stationeries (RM = 27.61) and groceries (M=25.88). According to Sorooshian and Seng Teck (2014), Students spend most of their extra money on food, and a large portion goes to cell phone service, and clothing. Nationally, students spend a lot on clothes and shoes. In terms of phone, most of the students spent more for their gadgets. This is due to the high price of gadgets available in Malaysia as well. They are technology savvy as they use laptop, PDA and other technologies for studies related or for everyday tasks. Student spending behavior can be improved if they plan their expenses ahead. They have to think to save to buy needs item rather than spend on wants item.

Table 3.3: Students' Monthly Expenses

Variables	N	Ringgit Malaysia (RM)
Food and drink	192	221.41
Clothing and footwear	153	41.51
Prepaid/postpaid mobile phone	181	39.17
Learning needs, printing, copying services, stationeries and others	192	27.61
Groceries	159	25.88
Transportation (petrol, public transport, car maintenance)	172	24.69
Health and dentistry	123	19.53
Services (hair styling, beauty, cleaning and others)	142	19.17
Internet services	140	18.61
Media (magazines, newspaper, novel, comics and others)	114	6.75

4.0 Conclusion

The contributions made by higher education institutions to society are diverse. The presence of students has been generated economic growth to traders and residents of the Raub area. Besides that, the students also actually bring parents, brothers, sisters and relatives to the local area. Hence, they can also contribute to the economic growth of Raub. Other significant findings show that, on average, students spent RM 421.75 per month. Since UiTM Raub's students has 3000 students, hence their total monthly expenditure is about RM 1.265 million per month or RM 11.385 million for 9 months.

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