

# Smart Budgeting: How Students Manage Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) Funds Amid Rising Living Costs

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## Introduction

Managing money has become a challenge for students with a rising in the cost of living. PTPTN is an important financial assistance plan for many Malaysian students in Diploma programmes, but the funding is usually insufficient to cover living expenses. One study of the influence of cost of living on students reported that money matters are discernible as a main factor which influences students' well-being, whereby B40 group is badly affected by financial insufficiency (Shamsuddin et al., 2024). The objective of this paper is to highlight the financial challenges among students and how to overcome the challenges. Among the challenges are:

1. **Rising Tuition and Accommodation Costs:** University fees and rent consume a large portion of PTPTN funds, leaving many students struggling to afford decent living arrangements (Malek et al., 2024).
2. **Increased Cost of Food and Transportation:** The price of daily essentials continues to rise, forcing students to allocate more money to basic needs (Fahmi et al., 2024).
3. **Limited Financial Literacy:** Many students lack proper budgeting skills, leading to unplanned spending and financial stress (Husin, 2021).
4. **Unforeseen Expenses:** Emergency medical costs or laptop repairs can disrupt a student's budget, making financial stability harder to maintain (Fahmi et al., 2024).

Financial constraints often push students from lower-income backgrounds to take out additional loans or use overdrafts to cover daily expenses (Kemhadjian et al., 2023). These challenges highlight the importance of smart budgeting and disciplined spending habits for PTPTN recipients.

## Effective Budgeting Strategies for PTPTN Recipients

Students must adopt effective budgeting techniques to manage their PTPTN funds wisely. Below are some practical strategies:

1. **Creating a Monthly Budget:** Students should allocate their funds into different categories, prioritizing essentials such as tuition fees, rent, food, and transportation (Malek et al., 2024).
2. **The 50/30/20 Budgeting Rule:**
  - i. **50% for Needs:** Tuition, accommodation, food, and transportation.
  - ii. **30% for Wants:** Entertainment, dining out, shopping.
  - iii. **20% for Savings & Emergency Fund:** This helps students prepare for unexpected expenses.
3. **Using Budgeting Apps:** Digital tools like Mint, GoodBudget, and Wallet can help students track expenses and avoid overspending (Husin, 2021).
4. **Cutting Unnecessary Expenses:** Students can save by cooking at home instead of dining out and using public transportation or carpooling (Fahmi et al., 2024).
5. **Taking Advantage of Student Discounts:** Many stores, transport services, and entertainment venues offer student discounts, which can help reduce costs (Malek et al., 2024).
6. **Tracking Subscription Services:** Regularly reviewing and cancelling unneeded subscriptions (such as streaming services, apps, and gym memberships) can save students money each month (Fahmi et al., 2024).
7. **Utilizing Free Campus Resources:** Students can use free on-campus resources, such as libraries, printing services, and access to wellness programs, to minimize personal expenses (Husin, 2021).
8. **Mindful Spending:** Students should assess their purchases carefully by differentiating between wants and needs. This self-awareness can curb impulse buying and unnecessary spending (Shamsuddin et al., 2024).
9. **Meal Planning:** To save on food costs, students can plan their meals for the week, buy in bulk, and prepare meals at home instead of ordering take-out (Fahmi et al., 2024).

## Finding Additional Sources of Income

While PTPTN funding helps cover essential expenses, some students seek alternative income sources to improve their financial situation. Research indicates that financial constraints often push students to look for part-time jobs, engage in freelance work, or apply for scholarships (Malek et al., 2024). Common ways to earn extra income include:

1. **Part-Time Jobs:** Working in retail, food service, or on-campus jobs can provide additional income (Husin, 2021).
2. **Freelancing & Online Work:** Students skilled in writing, graphic design, or tutoring can take on freelance gigs through platforms like Fiverr, Upwork, or Freelancer (Fahmi et al., 2024).

3. **Selling Unused Items:** Selling old textbooks, clothing, or electronic gadgets can provide quick cash (Malek et al., 2024).
4. **Applying for Scholarships and Grants:** Many students explore scholarships, financial aid, and government grants to reduce their reliance on loans (Fahmi et al., 2024).
5. **Online Selling & E-Commerce:** Students can explore selling handmade items, second-hand products, or offering services online through platforms like Shopee or Lazada (Husin, 2021).
6. **Tutoring & Coaching:** Leveraging academic skills by tutoring fellow students or offering coaching in subjects like English, mathematics, or science can be a lucrative source of income (Fahmi et al., 2024).
7. **Investing in Low-Cost Ventures:** Students can engage in small-scale investments like buying and reselling popular items or creating handmade crafts, which can be marketed through social media (Husin, 2021).
8. **Affiliate Marketing:** Students with an interest in blogging or social media can earn by promoting products and services through affiliate marketing programs, earning commissions on sales generated through their platforms (Malek et al., 2024).

## Conclusion

Smart financial management is key especially for students who depend on PTPTN funding and with the current high cost of living. By understanding their financial challenges, adopting practical budgeting techniques and exploring additional income sources, students can ensure financial stability throughout their academic journey. A study on student well-being found that those with better financial literacy are more likely to manage their expenses efficiently and avoid financial stress (Shamsuddin et al., 2024). Universities should play a role in financial literacy education, equipping students with budgeting skills and responsible spending habits (Malek et al., 2024). With proper financial planning, students can not only survive on PTPTN funding but also develop long-term money management skills that will benefit them beyond their university years.

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