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INFLUENCE OF FINANCIAL LITERACY ON STUDENT'S BUDGETING BEHAVIOR IN HIGHER LEARNNG INSTITUTIONS IN TANZANIA: A CASE OF SELECTED HIGHER LEARNING INSTITUTIONS IN NYAMAGANA MWANZA CITY

By

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Abstract

Purpose of the Study: *This study investigates the influence of financial literacy on students' budgeting behavior in higher learning institutions in Nyamagana District, Mwanza, Tanzania. Specifically, it examines how financial habits adopted from parents, peer influence, and sources of income shape students' budgeting practices.*

Methodology: *The study employed a pragmatic research philosophy using a mixed-methods approach. A cross-sectional descriptive design was applied, combining quantitative data from structured questionnaires administered to 375 students from St. Augustine University of Tanzania (SAUT) and the Institute of Financial Management (IFM), and qualitative insights from key informant interviews with selected students, the Dean of Students, and loan officers. Quantitative data were analyzed using correlation and regression techniques.*

Findings from the Study: *Results indicate that financial habits adopted from parents ($B = 0.212$, $p = 0.003$), peer influence ($B = 0.213$, $p = 0.009$), and students' sources of income ($B = 0.109$, $p = 0.030$) significantly influence budgeting behavior. Positive financial habits foster disciplined money management, peer interactions reinforce both positive and negative financial behaviors, and stable income sources enhance students' ability to plan and allocate funds effectively. Social Learning Theory provides a useful framework for understanding these dynamics.*

Originality: *The study contributes to the limited literature on financial literacy and student budgeting behavior in the Tanzanian context, offering empirical evidence on the combined effect of parental habits, peer influence, and income on budgeting practices.*

Practical Implications: *Findings highlight the importance of financial literacy education, parental engagement, and structured peer support programs in promoting responsible financial management among students. Institutions may design workshops, mentorship programs, and policies to strengthen budgeting skills.*

Social Implications: *Enhancing students' financial literacy and budgeting behavior contributes to long-term financial responsibility, reduces dependency on external support, and fosters economic empowerment for young adults, with broader implications for household financial stability in the community.*

Keywords: *Financial literacy, Budgeting behavior, Parental influence, Peer influence, Students, Income, Tanzania*

1.0 Introduction

Financial literacy has increasingly gained global attention as a crucial life skill, particularly among youth and students in higher education. It encompasses the knowledge and skills individuals require to make informed and effective financial decisions. According to Lusardi (2014), financial literacy influences the ability to plan, budget, save, and avoid unnecessary debt. As the financial environment becomes more complex, students are expected to navigate academic expenses, living costs, and personal consumption decisions, making financial competence more essential than ever. In Sub-Saharan Africa, however, access to formal financial education remains limited. Many young people lack adequate budgeting and money management skills despite efforts to promote financial inclusion (World Bank, 2021). Students often face financial challenges that stem not only from low financial literacy but also from broader social and economic influences such as peer pressure, family financial norms, and unstable economic conditions (Bongomin et al., 2016). In Tanzania, financial literacy is becoming especially important among students in higher learning institutions. Most rely on government-issued allowances ("boom") intended to fund both academic and personal needs (HESLB, 2022). Research shows that many students misuse these funds due to limited budgeting skills and the desire to meet peer or social media-driven lifestyle expectations (Nyamongo & Muturi, 2019). Poor budgeting behaviors have been linked to financial distress during the semester, which subsequently affects academic performance and psychological well-being (Macha & Kessy, 2020). Mwanza City, one of Tanzania's major academic hubs, reflects these challenges. Students in Nyamagana District frequently experience financial strain related to tuition, accommodation, and daily expenses. The shift toward a digital and cashless economy further requires that young people possess updated financial knowledge and skills (Bank of Tanzania, 2022). Yet, many students do not have the necessary financial competencies, leaving them vulnerable to poor decision-making (Mitchell, 2019).

Several factors influence students' financial behaviors. Parental financial habits significantly shape early financial attitudes, as young adults tend to model the budgeting and saving practices observed at home (Shim, 2019). Peer influence is also a major determinant of student spending, where campus social circles promote consumption patterns that may lead to impulsive expenditure (Shim et al., 2019). Income sources further differentiate financial discipline: students who engage in part-time work often manage money more carefully compared to those relying solely on allowances (Xiao et al., 2020). Despite the growing awareness of financial literacy issues, limited empirical research in Tanzania and particularly in Nyamagana District has explored how financial literacy interacts with parental behavior, peer influences, and income sources to shape budgeting behavior among university students. Understanding these dynamics is essential for designing effective interventions to promote responsible money management. Poor financial literacy is closely associated with weak budgeting skills, impulsive spending, and inadequate financial planning. Students with low financial literacy often fail to prioritize essential expenditures such as food, transportation, and learning materials. This frequently leads to early depletion of funds, forcing students into borrowing or other risky financial behaviors. Research also indicates that low financial literacy is linked to poor loan management and vulnerability to predatory or informal lending systems (Chen, 2019; Lusardi & Tufano, 2015). Moreover, poor financial management among students increases stress, anxiety, and academic challenges. Financial instability can reduce concentration, force students to seek part-time work, or contribute to dropout risks (Xiao et al., 2019). These consequences highlight the need for integrated financial education at higher learning institutions to equip students with the tools required for effective budgeting and long-term financial stability.

Students in higher education institutions face increasing financial responsibilities, including tuition fees, rent, food, transportation, and personal expenses. In Nyamagana District, many students continue to struggle with financial management, often exhausting funds before the end of the semester or resorting to risky borrowing from informal lenders (Lusardi, 2019). While financial inclusion has improved nationally from 65% in 2017 to 76% in 2023 young people still experience challenges related to financial literacy, budgeting, and debt management (FinScope, 2023). Existing studies have shown that low financial literacy contributes to impulsive spending, poor budgeting, high debt accumulation, and susceptibility to predatory lending practices (Shim et al., 2010; Lusardi & Tufano, 2015). Research conducted in Tanzania reveals that many students lack essential financial management skills and rely heavily on limited or uncertain income sources (Lwiza & Nwankwo, 2020; Msabila & Kilasi, 2021). Additionally, behavioral and social factors such as parental financial habits and peer influence significantly shape students' budgeting behavior (Nkundabanyanga et al., 2018; Xiao, Tang & Shim, 2018).

However, there remains limited localized empirical evidence especially within Nyamagana District on how financial literacy interacts with parental habits, peer pressure, and income sources to influence budgeting behavior among university students. This knowledge gap hinders efforts to design appropriate financial education programs and policies targeted at the unique realities of Tanzanian students. Poor financial management does not only affect students financially but also emotionally and academically. Financial stress has been associated with anxiety, depression, reduced academic performance, and impaired well-being (Xiao, 2019). Despite growing national efforts toward financial inclusion, the lack of research on how financial literacy and social influences collectively affect students' budgeting behavior presents a challenge in designing impactful interventions. Addressing this gap is therefore essential to support the financial stability and academic success of students in higher learning institutions. The general objective of this study was to examine the effects of financial literacy on students' budgeting behaviors. Specifically, the study seeks to identify how financial habits adopted from parents shape students' budgeting behavior, analyze the influence of peer pressure on their financial decision-making, and determine how different sources of income affect the budgeting practices of students.

2.1 Theoretical Review

2.1.1Key Concepts of Social Learning Theory (SLT)

Social Learning Theory (SLT), developed by Albert Bandura in 1977, explains how individuals acquire new behaviors through observation and imitation of others within their social environment. Unlike classical behaviorist perspectives, which emphasize learning through direct reinforcement or punishment, SLT proposes that people can learn simply by watching the actions and outcomes experienced by role models. Key components of SLT include observational learning (modeling), reinforcement, cognitive processes such as attention and memory, reciprocal determinism, and self-

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efficacy—an individual's belief in their ability to successfully perform observed behaviors.

2.1.2 Assumptions of the Theory

SLT assumes that learning occurs through the observation of others rather than direct experience alone. Individuals notice the behaviors of role models, assess the outcomes of those behaviors, and imitate actions they believe will lead to positive results. Cognitive factors such as attention, memory, and motivation are essential to this learning process. Additionally, the theory assumes that personal, behavioral, and environmental factors interact reciprocally to shape learning and behavior.

2.1.3 Strengths of the Theory

One major strength of SLT is its integration of both social and cognitive factors in explaining behavior acquisition. It demonstrates how learning can occur without direct experience and is widely applicable in real-world settings, including families, classrooms, and media environments. SLT is particularly relevant to youth and students, who often adopt behaviors displayed by those around them. For example, a student may observe a peer being praised for saving money and be motivated to imitate that behavior, a process supported by the cognitive and social mechanisms described by Bandura. Research supports this application, showing that students' financial habits often reflect those modeled in their social environments.

2.1.4 Weaknesses of the Theory

Despite its usefulness, SLT faces several criticisms. Some scholars argue that it places excessive emphasis on environmental influences while underestimating biological or individual differences. Cognitive processes such as motivation and attention, although central to the theory, are difficult to measure empirically. Additionally, SLT does not fully explain why individuals exposed to the same role models may adopt different behaviors, revealing limitations in its predictive ability.

2.1.5 Applicability of the Theory to This Study

The applicability of SLT to financial behavior is particularly strong. Students often internalize financial practices observed from parents, whether responsible budgeting, saving, or poor money management. Bandura (1986) highlights family modeling as foundational to behavioral development, while studies such as Shim et al. (2019) confirm that parental influence significantly shapes financial socialization. Peer influence also plays a major role, especially during young adulthood, where social norms and group behaviors guide spending and budgeting decisions. As Lusardi, Mitchell, and Curto (2019) explain, social norms transmitted through peers strongly affect financial behaviors. Personal financial experiences further reinforce behaviors, as positive outcomes from budgeting encourage repetition, consistent with findings by Xiao et al. (2019).

2.2 Empirical literature review

2.2.1 Concept of Financial Literacy and Students' Budgeting Behavior

Financial literacy plays a critical role in shaping students' budgeting behavior, which includes planning, spending, saving, tracking expenses, and making informed financial decisions (Shim et al., 2019; Xiao et al., 2019). Several empirical studies across Africa and other regions highlight a consistent link between financial literacy and responsible budgeting practices among students. In Tanzania, Kimario (2020) found that although undergraduate students understood basic budgeting concepts, financial challenges such as poverty, high living costs, and social pressure limited their ability to apply this knowledge effectively. Similarly, Manzi (2020) and Epaphra (2022) reported low financial literacy levels among Tanzanian populations, influencing investment decisions and financial market participation, further reinforcing the need for financial education programs. In Uganda, Alex et al. (2025) established that students with higher financial literacy demonstrated better budgeting and spending habits, recommending the integration of financial education into university curricula. Studies from other countries show comparable trends. For instance, Lantara et al. (2015) found moderate literacy levels among Indonesian students, with higher knowledge among males, business majors, and those with work experience. Prempeh et al. (2024) and Batizani & Quetishat (2022) reported that although some students actively sought financial information, many lacked the skills to translate this into effective budgeting, leading to debt and poor money management. Overall, empirical evidence strongly indicates that students with higher financial literacy are better equipped to manage their finances responsibly. Improved financial knowledge supports prudent budgeting, enhances savings behavior, reduces risky spending, and prepares students for long-term financial independence.

2.2.2 Students Habits Adopted from Parents that Shape Budget Behavior

Empirical evidence consistently shows that parental influence plays a central role in shaping students' financial literacy, budgeting behavior, and overall financial decision-making. Studies by Shim et al. (2019) and Jorgensen & Savla (2010) demonstrate that parental financial socialization through modeling, communication, and shared financial practices strongly predicts students' saving and budgeting habits, often more effectively than formal financial education. This is especially relevant in contexts like Tanzania and East Africa, where structured financial education programs are limited and family financial traditions guide students' financial behavior when they begin handling money independently. Research in various countries further supports these findings. Chawla et al. (2023) showed that parents' financial activities significantly influence young adults' financial literacy and investment decisions. In South Africa, Ndou and Ngwenya (2022) found that parental financial teaching and discussion positively affected financial behavior, though excessive parental monitoring was counterproductive. Similarly, Chowa and Despard (2013) in Ghana established that youths' perceptions of parental financial socialization strongly predict their financial behaviors, emphasizing the importance of parental guidance and discussion. Additional studies highlight how parental influence interacts with financial literacy. Mpaata et al. (2021) found that financial literacy mediates the relationship between social influence and saving behavior, demonstrating that parental influence is most effective when combined with financial knowledge. Research from the United States (Midwestern University, 2022) revealed that parental financial teaching improves financial behavior directly and indirectly through self-esteem, while Kaur and Manjit (2024) emphasized that parental communication and modeling strengthen financial self-efficacy, leading to responsible financial actions. Systematic reviews and regional studies (Shandy & Sahid, 2023; Bagus, 2023; Kassim et al., 2020) also show that family financial literacy enhances students' saving behavior, entrepreneurial tendencies, and general economic conduct. Sabri (2020) further confirmed that early family discussions about money significantly improve college students' financial literacy.

2.2.3 Peer Influence on Students' Budget Behavior

Empirical studies consistently demonstrate that peer influence plays a significant role in shaping students' budgeting, saving, and spending behaviors, although its magnitude varies across contexts. Adela (2020), in a study at the University of Dodoma, found that although students possessed basic financial knowledge, environmental pressures especially social pressure negatively affected saving behavior, illustrating how peers can indirectly undermine budgeting discipline. Similarly, a study at Bindura University in Zimbabwe reported that peer groups had a weak but positive relationship with saving behavior; however, financial literacy had a stronger effect, suggesting that while peer influence exists, financial knowledge is a more dominant predictor of responsible financial practices.

Several studies highlight the powerful role of peer conformity in driving consumption patterns. Murniati et al. (2020) showed that peer conformity explained 23.5% of students' consumptive behavior, making it a major determinant relative to financial literacy. Likewise, Tubastuvi (2023) and Novitasari (2023) found that peer conformity significantly influences spending patterns, indicating that students often adjust their consumption to fit group expectations. Evidence from Malaysia (2022) and studies on Gen Z coffee shop visitors (Nadia, 2023) further reinforce that peer dynamics strongly shape financial habits, especially where social image and lifestyle trends are prominent. At the same time, not all studies converge. Angela (2022) reported that peer pressure did not significantly influence saving behavior, with self-control and parental socialization emerging as stronger predictors. However, broader studies, including Shim et al. (2019) and Jamaluddin (2021), consistently show that peer pressure, parental influence, and financial literacy jointly affect students' financial decisions. East African findings, including Mpaata et al. (2021), suggest that students surrounded by financially responsible peers tend to adopt disciplined budgeting habits, particularly in contexts like Tanzania where formal financial education is limited.

2.2.4 Sources of Income Motivating Students' Budget Behavior

mpirical studies show that students' income sources significantly shape their budgeting behavior, financial discipline, and overall financial well-being. Research by Bupe (2021) demonstrated that students with personal income such as part-time jobs or small businesses tend to exhibit stronger budgeting practices, financial autonomy, and academic stability. In contrast, students relying solely on irregular or intermittent funds often struggle with financial strain and inconsistent budgeting. This aligns with findings from Mwangi and Kihiu (2019), who observed that self-employed students in Sub-Saharan Africa show superior financial planning skills, while Tanzanian students relying on loans, such as those from HESLB, adopt strict budgeting techniques due to limited funds. Similarly, Kimario (2022) found that students depending entirely on family support displayed lower financial discipline compared to those with independent income sources. Broader economic and household-level studies further support the link between income stability and budgeting behavior. Sesebo et al. (2024) found that households with diversified income streams manage their expenditures more effectively, reflecting better planning and financial resilience. Related research from Indonesia by Junita (2024) also showed that parental income, campus environment, and lifestyle collectively shape students' financial management behavior, whereas Winarna (2021) emphasized the role of financial socialization in strengthening financial literacy and responsible financial behavior.

The COVID-19 pandemic further exposed the importance of income security. Evidence from Bangladesh (2023) indicated that students increasingly relied on family support and borrowing during financial hardship, leading to changes in budgeting behavior and greater vulnerability among low-income students. Studies from Mwanza by Mbwambo et al. (2023) also highlighted the influence of financial knowledge and attitudes in shaping financial decisions, suggesting that financial literacy strengthens the impact of income sources on budgeting outcomes.

3.0 Research methodology

3.1 Research Philosophy

This study adopted a pragmatic research philosophy to examine the effects of financial literacy on students' budgeting behavior, allowing the integration of both subjective experiences and objective financial patterns. Pragmatism was selected because it emphasizes practical outcomes and flexible methodological choices suited to real-world problems (Creswell & Creswell, 2018; Morgan, 2014). This philosophy accommodates both observable financial behaviors and the contextual influences of parental habits, peers, and income sources. The approach aligns with the study's goal of producing findings relevant for improving students' budgeting practices in higher learning institutions, making it an appropriate philosophical foundation.

3.2 Research Approach

Although guided by pragmatism, the study primarily employed a quantitative research approach to measure relationships between financial literacy, social influences,

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income sources, and budgeting behavior. Quantitative approaches are useful for studies aiming to identify trends and statistically test relationships among variables in a structured manner (Saunders, Lewis, & Thornhill, 2019). By collecting numerical data that can be analyzed objectively, this approach enhanced the reliability and generalizability of the findings. It enabled the study to capture measurable aspects of budgeting, including planning, spending, and saving patterns among students in Nyamagana District.

3.3 Research Design

A cross-sectional descriptive research design was used to gather data from students at one point in time, providing a snapshot of their budgeting habits and influencing factors. Cross-sectional designs are suitable for assessing the current state of a phenomenon without manipulating variables (Kumar, 2019). The design enabled the researcher to describe how parental habits, peer pressure, and income sources relate to students' budgeting behavior. Its descriptive nature allowed for the identification of existing patterns and associations within the student population, consistent with recommendations by Bryman (2016) for social science studies exploring behavioral outcomes.

3.4 Target Population

The target population comprised students enrolled in higher learning institutions in Nyamagana District, Mwanza. Students were selected because they face unique financial management challenges, including irregular income, high expenditure needs, and varying levels of financial literacy. According to Sekaran and Bougie (2019), defining a specific population enhances the relevance and accuracy of research findings. The diversity in students' financial backgrounds ranging from family support to personal income-generating activities made this group appropriate for investigating how different income sources and social influences shape budgeting behavior.

3.4 Sample Size and Sampling Techniques

The sample size was determined using established sampling formulae for social science research to ensure adequate representation of the student population. Stratified sampling was used to categorize students by institution and year of study, ensuring proportionate representation across groups. Within each stratum, simple random sampling was applied, consistent with best practices for minimizing bias and enhancing representativeness (Kothari, 2004). This combination of sampling techniques ensured that the selected respondents reflected the broader student population and allowed generalization of the findings to higher learning students in Nyamagana.

3.6 Data Collection Methods

Data were collected using structured questionnaires consisting primarily of closed-ended questions to facilitate quantification and statistical analysis. Structured questionnaires are recommended for studies involving large samples because they ensure consistency and efficiency in data collection (Creswell & Creswell, 2018). The instrument included Likert-scale, multiple-choice, and categorical items designed to measure financial literacy, budgeting behavior, parental habits, peer influence, and income sources. This method allowed the researcher to gather reliable data within a short period and in a format suitable for quantitative analysis.

3.7 Data Analysis

Data were analyzed using descriptive and inferential statistical techniques to assess patterns and test relationships among the variables. Descriptive statistics including frequencies, percentages, means, and standard deviations were used to summarize respondents' characteristics and budgeting behaviors. Inferential statistics, particularly correlation and regression analysis, were used to determine the influence of parental habits, peer pressure, and income sources on budgeting behavior, consistent with analytic procedures recommended by Field (2018). These techniques ensured that conclusions were grounded in empirical evidence and supported by statistically significant results. Data analysis was done with the help of SPSS version 26.

4.0 FINDINGS AND DISCUSSION

4.1 Correlation analysis results

		HABIT	PEER	INCOME	BUDBEH
HABIT	Pearson Correlation	1	.254**	.346	.146**
	Sig. (2 tailed)		.006	.017	.009
	N	320	320	320	320
PEER	Pearson Correlation	.254**	1	.058	.127*
	Sig. (2 tailed)	.006		.015	.023
	N	320	320	320	320
INCOME	Pearson Correlation	.346	.058	1	.135*
	Sig. (2 tailed)	.017	.015		.015
	N	320	320	320	320
BUDBEH	Pearson Correlation	.146**	.127*	.135*	1
	Sig. (2 tailed)	.009	.023	.015	
	N	320	320	320	320

**. Correlation is significant at the 0.01 level (2 tailed).

*. Correlation is significant at the 0.05 level (2 tailed).

The study findings reveal that students' budgeting behavior is significantly shaped by parental financial habits, peer influence, and their sources of income. First, the correlation analysis indicates a positive and significant association between students' habits adopted from parents and their budgeting behavior ($r = 0.146$, $p = 0.009$). This implies that students who internalize financial practices modeled by parents such as budgeting, saving, and managing allowances tend to develop stronger budgeting discipline. Although moderate, the relationship underscores the role of parents as primary agents of financial socialization, consistent with Social Learning Theory, which asserts that financial behaviors are transmitted through observation and modeling (Gudmunson & Danes, 2011). Secondly, peer pressure also shows a positive and significant influence on budgeting behavior (r = 0.127, p = 0.023). While the relationship is relatively weak, it suggests that peers shape students' financial habits through shared spending norms, social comparisons, and group-based consumption. Peer interactions can either reinforce responsible budgeting or contribute to overspending, supporting Bandura's (1977) view that individuals learn behaviors by observing and imitating those around them. Lastly, students' sources of income exhibit a positive and statistically significant relationship with budgeting behavior (r = 0.135, p = 0.015). Students with stable or self-generated income such as part-time work, side businesses, or diversified income streams display better budgeting practices, likely because they value earned money and thus manage it more carefully. This aligns with findings from Webley and Nyhus (2006) and Xiao et al. (2011), which show that financial experience enhances budgeting skills, financial responsibility, and self-discipline. Overall, the results demonstrate that financial socialization, peer environments, and income stability collectively and significantly shape students' budgeting behavior.

4.2 Regression analysis results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.874	.436		8.886	.000
	HABIT	.212	.072	.163	2.942	.003
	PEER	.213	.081	.145	2.619	.009
	INCOME	.109	.050	.120	2.184	.030

a. Dependent Variable: BUDBEH

The regression constant (B = 3.874, p = 0.000) is significant, meaning that even when income, habit, and peer influence are not considered, students still exhibit a baseline level of budget behavior. Among the predictors, habit (B = 0.212, p = 0.003) has a positive and statistically significant effect. This imply that for every one unit change in Student behavior showing, budgeting behavior will change by 0.212. This shows that students who develop better money management habits are more likely to demonstrate improved budgeting behavior. Similarly, peer influence (B = 0.213, p = 0.009) is positively significant, implying that for every one unit change in student's peer pressure, budgeting behavior will change by 0.213. This indicate that interactions and pressure from peers play a role in shaping how students manage and allocate their financial resources. Source of income also has a positive contribution to budget behavior (B = 0.109, β = 0.120, p = 0.030), implying that for every one change in sources of income, then budgeting behavior will change by 0.109. This suggests that students with higher or more stable income tend to budget more effectively, but the effect is modest.

4.3 Discussion of findings

4.3.1 Influence of financial habits on students' budget behavior

The regression findings show that financial habits have a positive and significant effect on students' budgeting behavior (B = 0.212, p = 0.003). This means students who consistently practice behaviors such as tracking expenses, saving regularly, and limiting unnecessary spending are more likely to demonstrate effective budgeting. These results support Lusardi and Mitchell (2014), who argue that strong financial habits improve financial decision-making and long-term stability. Empirical studies also confirm this influence. Robb and Sharpe (2009) found that students with budgeting and saving routines were less likely to face debt problems, while Sabri and Falahati (2012) showed that students with structured financial routines displayed better spending control. Together, these studies highlight the importance of daily financial discipline in shaping responsible budgeting behavior. The findings also align with Social Learning Theory (Bandura, 1977), which states that habits are learned through observing and imitating others, especially parents and peers. When students witness positive financial behaviors and experience the benefits of good habits such as reduced financial stress these behaviors are reinforced. Overall, the study emphasizes that financial habits, both learned and practiced, play a key role in promoting strong budgeting behavior among higher learning students.

4.3.2 Effect of Peer Influence on Students' Budget Behavior

Peer influence has a positive and statistically significant effect on students' budgeting behavior (B = 0.213, p = 0.009), suggesting that students are likely to adopt financial habits modeled by peers who practice saving, careful spending, and money management. Conversely, being surrounded by peers with poor financial habits may encourage overspending and impulsive behavior. This finding aligns with Shim et al. (2010), who reported that peer networks strongly shape young adults' financial attitudes and behaviors, influencing both spending and saving decisions. In the Sub-Saharan African context, communal and peer networks play a vital role in sharing financial knowledge and modeling behavior (Abubakar, 2015). Social Learning Theory (Bandura, 1977) explains that students observe and imitate the financial behaviors of peers they perceive as successful or disciplined, and positive reinforcement from adopting these behaviors such as social approval or avoiding debt encourages repetition. Overall, the results indicate that students' budgeting practices are socially constructed, with peer groups serving as significant influencers of financial behavior.

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4.3.3 Effect of Students' Income on Budget Behavior

The regression results indicate that income significantly affects students' budgeting behavior (B = 0.109, p = 0.030), though its impact is weaker compared to habits and peer influence. Students with higher or more stable income sources are better able to plan, allocate, and control their financial resources, while limited income may constrain effective budgeting due to scarcity. These findings align with Nyamute and Maina (2010), who reported that university students in Kenya with allowances or part-time earnings demonstrated stronger budgeting practices. In Tanzania, students often rely on parental support, government loans, or part-time work, which directly affects their capacity to manage finances. Social Learning Theory (Bandura, 1977) helps explain this relationship: budgeting limited income effectively provides positive reinforcement, such as reduced financial stress or meeting essential needs, encouraging repetition of good practices. Additionally, observing peers or role models managing larger incomes responsibly serves as motivation for students to emulate similar financial behaviors. Thus, income not only provides the resources for budgeting but also interacts with social and observational learning to shape students' financial habits.

5.0 Conclusion

The study concludes that students' budgeting behavior in higher learning institutions is influenced by a combination of financial habits, peer interactions, and income levels. Positive financial habits help students manage their resources effectively, while peers play a key role in shaping attitudes and reinforcing behaviors related to budgeting. Income provides the necessary means to plan and allocate funds, although it alone does not guarantee responsible financial management. Overall, effective budgeting among students is shaped by both individual practices and the social environment, highlighting the importance of fostering good financial habits, encouraging positive peer influence, and supporting students with adequate financial resources.

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