

INFLATION AND THE ECONOMIC BEHAVIOR OF THE COLLEGE STUDENTS

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Abstract: *Lately the inflation rate has been rising steadily, influencing the social-cultural and the economic life of the college students. They are vulnerable when considered from a point of view based on savings and money management.*

Key words: *student, inflation, costs, saving, money management*

INTRODUCTION

Inflation represents an equilibrium situation that arises in the economic medium of a country, represented by the price increase paired with the simultaneous decrease of buying power of the national currency [2,3].

Who thought that students would no longer be able to socialize as they did all the time before the pandemic, that they would no longer be able to carry out our daily activities normally. Who knew about Zoom or Google Meet? [12].

In Romania, and worldwide to be fair, the inflation rate has been rising steadily in the last year, due to the pandemic, politic instability and various military conflicts whit all their implications. Among the most affected by this phenomenon are the students, them beingmost vulnerable when it comes to money management and savings [4,9].

For the vast majority of the students, the school year meant a financial effort on their part to meet the living costs as one, including rent, utilities and food costs and also tuition. As one might expect, attending to university courses in real life are way more costly than on-line courses [5,7].

Most of these cost associated with university life are supported by the students parents and tutors. It is estimated that only one third of students work part time jobs that can pay enough to cover the above mentioned costs. Social scholarships and merit scholarships represent another source of income for students, but more often than not, these are not enough to cover all the costs for basic needs, not to mention the personal needs of a young person [8,11].

Both students and parents are being forced to make sacrifices in order for the firsts to be able to continue their academic careers and adapt to the current living and economic realities [10]. The purpose of this study is to compare the challenges of student life before and after the Covid 19 pandemic.

MATERIALS AND METHODS

The purpose of this study is to highlight how student life was affected by inflation fluctuations in the post-pandemic period. The data used were taken from a questionnaire distributed via email addresses, on which it was made our own interpretations. The students selected to respond to this questionnaire was from each year (first to fourth) from the Faculty of Management and Rural Tourism, University of Life Sciences "King Mihai I" from Timisoara.

RESEARCH RESULTS

The inflation rate has considerably influenced the living costs of the students.

Banks come into play with various solutions such as loans designed to ease the burden of costs associated with student life. It is worth noting that local authorities are pioneering national programs aimed at students [6,13].

Mostly popular in western states, the student loans are meant to ease the financial burden associated with living costs and tuition [14].

Questionnaire

1. Are you staying in student dormitories, renting or living with your parents?

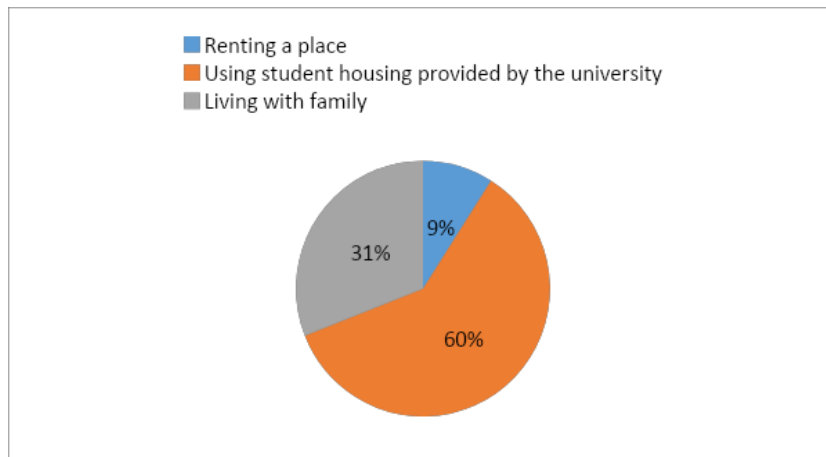


Figure 1. Where are living the students

As we can see, 60% of the surveyed students have opted for college dorms as housing options, due to the fact that rent is lower in college dorms. 31% of them live with family and only 9% rent a place on their own.

2. Rising levels of inflations are translated in rising costs of rent. Do you manage to cover your rent and monthly utilities?

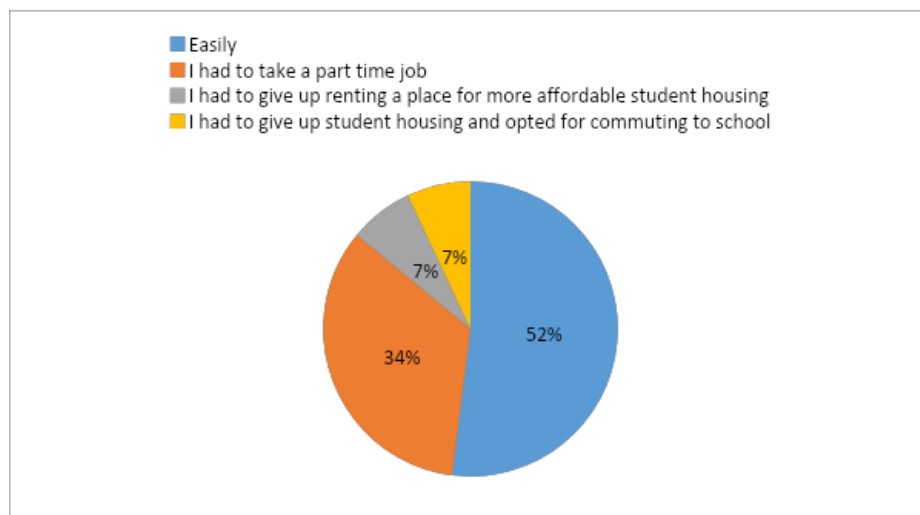


Figure 2. Rising levels of inflations translated into rising costs of rent

After surveying it seems that a big proportion of students manage to cover their living costs.

3. Do your parents help you with daily expenses?

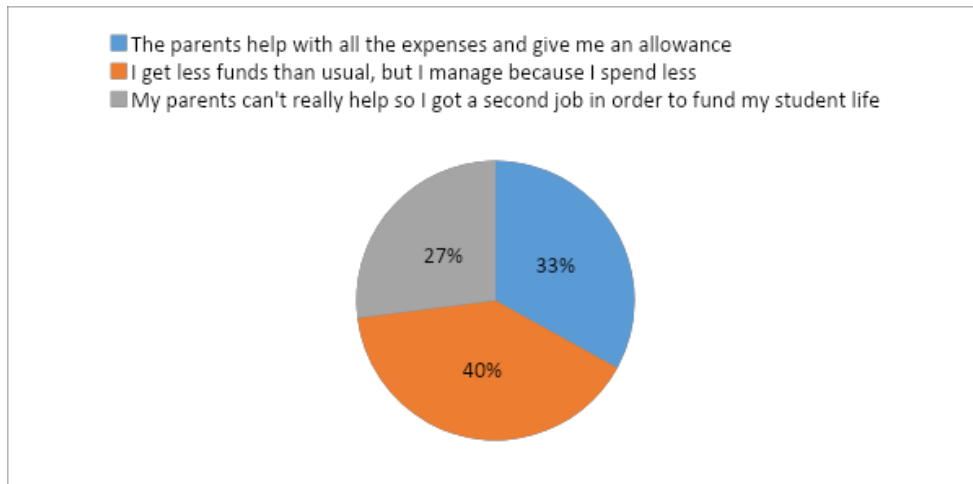


Figure 3. Your parents help you with daily expenses?

More than 50% of surveyed students are backed financially by parents with the remainder of 40% opting for part time jobs.

4. The cost of living for students has been steadily rising lately. Should authorities take any measures?



Figure 4. Should authorities take any measures?

Most of the students feel like the authorities should take action regarding the scholarships by increasing them.

5. Where your daily activities impacted by the rising level of inflation?

Daily activities were impacted in the most part by the inflation rate.

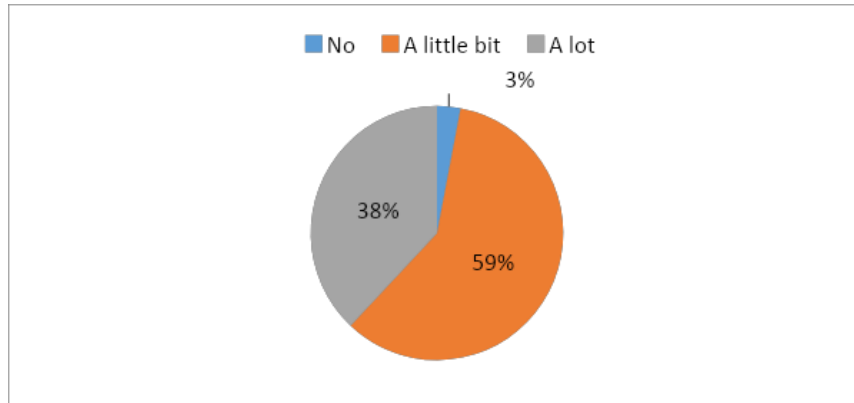


Figure 5. Daily activities impacted by the rising level of inflation?

6. Did you notice a price increase in daily food articles?

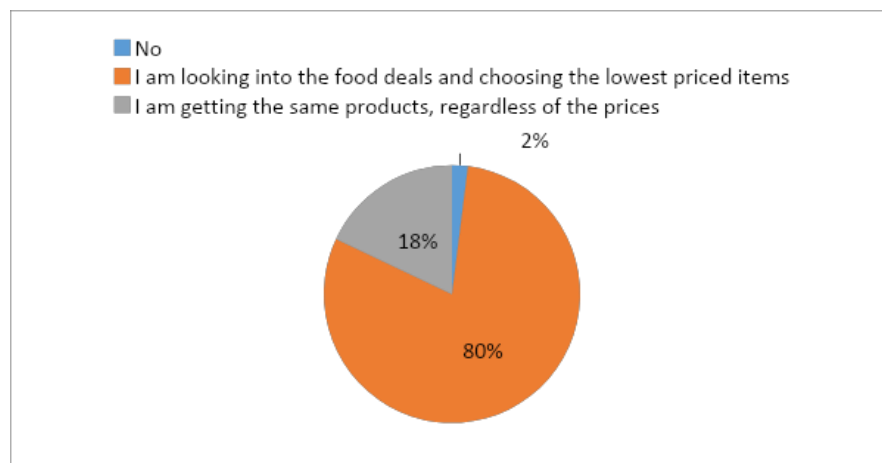


Figure 6. Price increase in daily food articles

A price increase was observed in food items by the majority of the surveyed students, 80% of them opting for lower priced items whilst 18% choosing the same items despite de price increase.

7. Prices have been also rising in the university canteen due to the inflation levels. How do you cope with this?

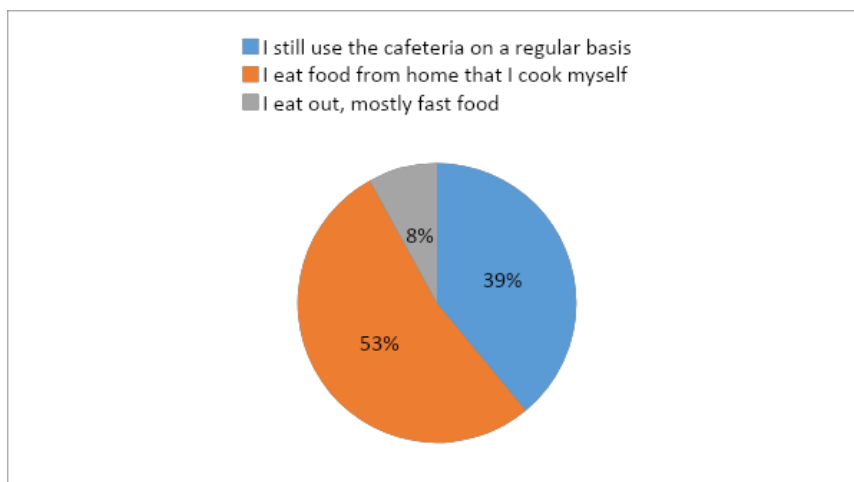


Figure 7. Prices have been also rising in the university canteen due to the inflation levels

53% of students rely on food brought from home considering the price rise in the university canteen while only 8% eat at restaurants and fast-foods.

8. Did you make any sacrifices to continue your studies?

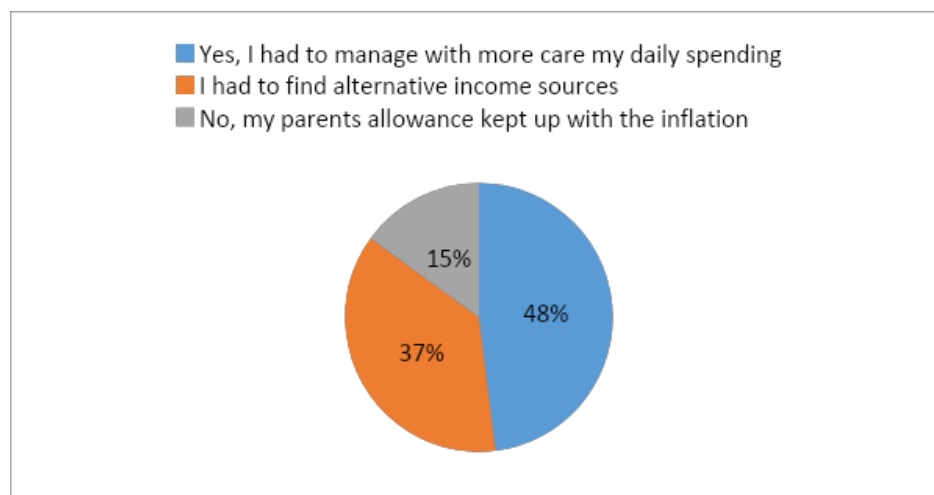


Figure 8. Sacrifices to continue studies

Financial and behavioural sacrifices are made to keep up with the inflation rate.

CONCLUSIONS

After analysis the following conclusions can be drawn: 90% of the surveyed students are impacted in some way by the inflation rate, 48% of which are managing their personal funds more carefully in order to cope with day to day life and unexpected expenses.

Even though the rising prices of housing and food at the college dorms and school cafeteria, 60% live in such communal spaces and 39% rely on the cafeteria, despite the inflation.

Mainly, parents are the backers of this behaviour followed by banks or state funded grants. Most of the students feel like that this is not enough and local authorities should be doing more to alleviate this burden [1,15].

This study has revealed that the inflation rate has been registered as a big impact in the economic, cultural and social life of the regular student.

Students, like other social categories, were hit by the changes brought by the Covid 19 pandemic crisis and the war in the neighborhood, which were the basis of the galloping increase in inflation.

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