



## **CHANGING PERSPECTIVE OF POVERTY LINE INCOME ON EDUCATION AND BANKING BEHAVIOR OF THE STUDENTS - A CASE STUDY OF GFGC, KAVOOR**

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### **Abstract:**

*Poverty is a problem for education. Good education needs timely financial support. Generally parent income is the backbone for one's study. Government colleges give education at concessional fees. When family income is very poor, student has to earn to learn. This learning gives him a lesson for his life. In education, one gets theoretical knowledge at his study but bringing in to practice takes time. If one suffers from poverty, banking behavior can be cultivated and developed at his younger age with his own earnings. Such a changing perspective one can see among the students of Government colleges. A field survey was made in Government First Grade College, Kavoor in this respect.*

**Index Terms:** Paternal Income, Financial Dependency, Thrift Savings, Savings Behavior & Banking Habits

### **Introduction:**

The poverty line in India is income based. The poverty line was originally fixed in terms of income/food requirements in 1978. Poverty has conventionally been estimated with reference to a poverty line – The line of cut-off between poor and non-poor. The poor standard of living and lack of basic services is aggravated by the limited access to financial services. As per the poverty estimates for the year 2009-10 released by Planning Commission, an estimated 355 million people are below the poverty line, of which 278.2 million are in the rural areas and 76.4 million are in urban areas. Students' family income is also falls either under APL or BPL category. There are several scholarships to those students who belong to BPL category. To educate the students, low income groups family have to send their children to government institutions for their education. Family income is a key factor determining educational attainment. Saving is an important variable for every country to be studied for the economic growth and development of any country. In a country like India, the income standard is almost uncertain and leads to more consumption rather than saving which has now been a central problem. People in rural and other low-income communities can save when they are guided and encouraged by the Government and financial institutions. Human wants get transformed as the society grows and in turn cause substantial changes in the outlook of the people towards saving.

**Need and Scope of Study:** Poverty is a burning issue in Education. Generally, students depend on parents' income for their education. Education helps them for future growth. Students should develop their banking and savings behavior during their education. In this point of view, at an initial stage, study is made in our college only. A study is made on the theme by doing a sample survey in the college by taking the opinion of 50 students.

**Objectives of the Study:** Main aim is to know the background of the students in their family income and its impact on their education, banking and savings behavior. However there are certain specific objectives. They are,

- ✓ To identify the students of BPL category.
- ✓ To study their sources of income for their education.
- ✓ To examine the banking behavior of the students.

**Methodology:** The study was made by face to face interaction. Primary data was collected through interview method with the use of questionnaire. Data was collected at random sample of 50 students of our college. These 50 students are taken randomly from B Com, BBM and BA.

**Analysis and Interpretation:** There are three courses in Govt. First Grade College, Kavour. B.Com , BBM students study Banking as one of their paper but BA students does not have this. During Investigation there were 175 students. Among them, 50 students were taken at random for study.

Course	Male	Female	Total
B Com	10	15	25
BBM	10	5	15
BA	-	10	10
Total	20	30	50

Table 1: Course and Gender classification of study

Source: Field Survey

Table 1 show the course and gender classification. Based on the strength of each courses 25 students have chosen from B Com, 15 from BBM and 10 from BA. In a study there were 20 males and 30 females. With this sample, study was done.

Monthly Income (in Rs.)	No. of parents	%
Below 5000	25	50
5000 – 10000	18	36
10000 - 20000	6	12
20000 and above	1	2
Total	50	100

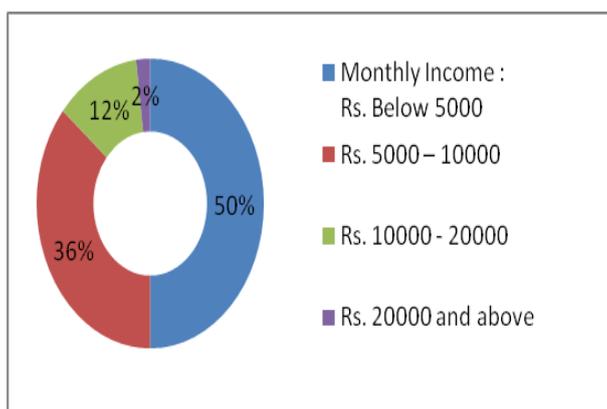


Table 2 and Chart: Parents Income details

Source: Field Survey

Table – 2 and its chart high lights the paternal income of the students. 50% of the students' family monthly income was less than Rs. 5000. 36% of the students' family monthly income was in between 5000 to 10000. It shows that majority of students' family income were below poverty. Definitely, students need financial support for their further education. Since these students have come to the Govt. College, with minimum fees and at concession fee, these students could do their education in B Com, BBM or BA

of their choice. But professional courses like basics of computer, tally etc. cannot be possible with this income. They may need external financial support.

Situation	No. of Students	%
Only Scholarships	24	48
Only Part-time Job	6	12
Both Scholarships & Part-time Job	12	24
No Scholarships & Part-time Job	8	16

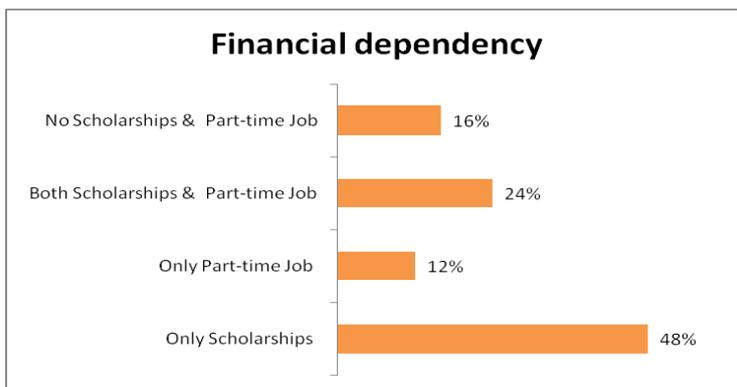


Table 3 and Chart: Financial support through scholarship and part time job

Source: Field Survey

As per table - 3 and its chart, 36 (48% + 24%) respondents got the financial assistance in the form of scholarships through the College. Among them 12 (24%) students did part-time job also. It shows that how much financial burden might be there for such students. Definitely The College played a major role on providing them the financial assistance through scholarships for their education. Hardly 16% might feel better with the available family income. Otherwise, they too could have gone for part time job. It is appreciable to say that 6 (12%) students were doing only part time job for their education.

Table 4: Introducer to open Bank accounts

Introducers	Self	Institution	Parents	Total
Students who have Part-time Job	12	4	02	18
Doesn't have Part-time Job	8	20	04	32
Total	20	24	06	50

Source: Field Survey

Some of respondents were earning while learning. Among them, many were doing part- time job during holidays. A few had been daily in their part-time work. Many students got money from family also. Such receiving are kept at their bank account.

Some opened their bank account by self desire. Some were inspired by the institution. Few parents advised their children to have bank account. In a survey, 18 respondents had part-time job and 32 respondents did not have part-time job while learning. Table - 4 explains that among earners while learning, majority respondents opened their bank account by self desire. It shows that they have own interest in banking activities. Among non- earners while learning, majority respondents opened bank account due to the institution. Institution made both theoretical and practical awareness of bank accounts to many students. Study shows there are self awareness and institutional awareness in respect of banking habits among the respondents.

Source of income of the respondents were lump sum, pocket money or scholarship and or part-time earnings. Table - 5 depicts the frequency of deposits.

Every respondent deposited their source of income in bank. Majority of respondents deposited their money in less than five times. It shows that students had the habit of cultivating banker and customer relationship in deposits. Those respondents who got scholarship know practical knowledge in depositing cheque into bank in addition to cash deposit.

Source for deposits	Frequency of deposits in a year	No of Students
Scholarship or Lump sum money or Pocket money or Part time earnings	Below5	28
	5-10	12
	10-15	8
	15 and above	02
Total		50

Table 5: Source & Deposits

Source: Field Survey

Type of Bank Account	Number of students
S.B. Account holders	50
R.D. Account holder	01
F.D. Account holders	02

Table 6: Types of bank accounts among respondents

Source: Field Survey

Table- 6 shows that all respondents knew about S.B. accounting transaction. A few knew even about F.D. account and one respondent knew R.D. account too. Being members of poor family, if students know about S.B. account is enough. Still they are to be guided to save their money even in R.D. and F.D. also in their thrift savings.

Type of Banks	Number of students
Nationalised bank	47
Private bank	03
Total	50

Table 7: Type of banks

Source: Field Survey

It shows that students were interested to keep their money more safely. So they prefer nationalized bank. They have chosen variety of nationalised banks. A few opted for private banks. It shows that students have a contact not only with bank at kavoor, but also at their location.

	No of students
Single bank A/c	45
Two bank A/c s	05
Total	50

Table 8: Number of bank accounts

Source: Field Survey

It is really surprising to say that among 50 respondents, 05 respondents had two bank accounts. Such student respondents enjoy more advantage of banking transactions which varies from one bank to another. It is easy to transfer fund from one account to other account at free of cost.

Under course wise, BA students used more withdrawal slip than ATM. But B.Com and B.BM students used more ATM than withdrawal slip. It shows that Commerce and

Management students get knowledge of ATM facility theoretically at college and practically at ATM centre. In a survey, 18 respondents used only ATM, 12 used only withdrawal slip & 20 used both. Majority of respondents knew both traditional as well as modern withdrawing.

Course	ATM only	Withdrawal slip only	Both ATM and Withdrawal slip	No. of student
B.A	02	08	-	10
B.BM	04	01	10	15
B.COM	12	03	10	25
Total	18	12	20	50

Table 9: Type of withdrawals

Yearly withdrawal	Less than 5 times	6-10	11-15	16 - 20	20 & above	Total
Number of students	08	16	05	06	03	38
ATM						12
Total						50

Table 10: ATM use

Source: Field Survey

Table- 10 exhibits the ATM use. 38 respondents used ATM for withdrawal. Among them 16 respondents used ATM nearly 10 times in a year. Table shows that students were increasingly used the modern technology of drawing money and its operation. They get instant balance and withdrawal details immediately.

	APL	BPL	Total	%
Saving	20	26	46	92
No Saving	2	2	4	8
Total	22	28	50	100

Table 11: Savings behavior of students based on APL/BPL category

Table 11 shows the fact that 92% of students saved out of their income. Only 8% did not have savings. It shows that majority of students might be getting pocket money from their family in addition to external source of income. Students may be saving their money since they are getting banking knowledge theoretically in their education. They might have saved their money in bank or post office or in other avenues. College makes compulsory to have bank accounts, which might have motivated them in saving. Of course, parents support must have been there.

**Findings:**

- ✓ Majority of students were poor in support from their family income.
- ✓ They found other sources of income in their student lively hood. 24% students were earning while learning, 72% had the support from the institution in the form of scholarships also.
- ✓ Banking habits were developed in the form of practical accounting operations through use of ATM too in addition to the traditional methods.
- ✓ Habit of thrift savings have observed among 92% of students.
- ✓ Institution as well as self desire played major role in cultivating banking and saving behavior.

**Suggestions:**

- ✓ Earning while learning must be restricted to holidays, which comes after exams

- ✓ Habit of thrift savings is to be encouraged.
- ✓ Students should find avenues of other investments, which they get it in studies.
- ✓ Part- time earnings gives them knowledge about life learning.
- ✓ Cultivated Banking habits mitigate the poverty problem of their family to some extent.

**Conclusion:**

Family income definitely affects the education of a student. Majority of students' family background is very weak. Students come to Government College due to low fee structure and some amount of quality of the institution. Students opted part time job in addition to scholarships given through the institution. Students also motivated towards savings by the Institution as well as by their parents. So the students know habit of thrift saving. In future, they may become a good contributor to the financial services. If college gives them certain technical courses, then financially poor students too definitely shine globally.

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