

Explaining the Daily Allowances of High School Students as Affected By the Increase of Oil Prices

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Abstract: Price increases indicate inflation, which can be seen as the eroding of power over time. The average cost increase of chosen goods and services across a number of periods can show the rate at which purchasing control declines. Consequently, students are experiencing how inflation affects their daily lives, from rising educational expenditures to rising product prices. Apart from that, various objects also experience various rates of expansion. Therefore, research on how this issue affected students' daily allowances, as well as their perspectives and coping mechanisms, is necessary. This study aimed to investigate how the sudden change in gas prices had affected the budgeting of allowance, as well as the coping mechanisms of high school students. Results revealed a statistically significant difference between students' budgets for food, transportation, school projects, communication, and outlays before and after the increase in the price of oil. As a result, their daily allowances and budgeting were greatly affected by the rise in oil costs. In order to cope with this, the majority of the students needed to save money in order to alter their budgeting in light of price increases and just purchase their necessities. From the results, this study suggests that saving money during a price increase is important, as well as learning how to manage finances wisely. As students are greatly affected by ongoing price increases, budgeting wisely is an essential practice in order to achieve financial stability. Lastly, the study suggests that oil price increases can have multifaceted effects on students' allowances, ranging from direct economic implications to psychological and behavioral responses. Understanding these dynamics is crucial for policymakers and educational institutions in developing effective strategies to support students during periods of economic volatility.

Keywords: Oil Prices, Daily Allowances, Inflation, Increase Of Prices, Social Science

INTRODUCTION

Price increases indicate inflation, which may be seen as the eroding of power over time. The rate at which buying control erodes may be shown by the average cost growth of the selected products and services across a variety of periods. Due to the growth in costs, which is typically stated as a rate, a unit of money today successfully buys less than it did in earlier periods. Moreover, swelling, which can be distinguished from flattening, occurs when expenses drop and control is gained in incremental steps (Fernando, 2023). Today, students have seen how inflation influences their day-to-day lives, from the fetching of educational costs to the expanding costs of goods. Diverse things are, too, encountering distinctive expansion rates. Between rising educational cost expenses, more prominent

individual costs, and instruction advances, understudies are especially helpless. Within the final few months, the tall swelling rate proceeded, putting more weight on students' budgets, from basic costs like foodstuff, lease, and transportation to educational costs (He, 2022). Since August 2022, the swelling rate has dropped 8.3%. However, there is still despair over the national economy.

Further, analysts said that there's no question that inflation will influence the lives of numerous, particularly college understudies. To cool down the showcase, they encouraged the choice to fix financial approaches by raising interest rates. These approaches can intensely influence the work showcase, which is, as of now, thoroughly competitive, hence raising stress among college understudies (Ngo, 2022). On the other hand, Petroleum, sometimes referred to as crude oil, is a liquid that

exists naturally under the earth's surface and may be used as fuel. Petroleum is a fossil fuel that is used to power vehicles, heaters, and machines and is created throughout time as organic matter decomposes. It may also be used to make plastic. Since the vast majority of the world depends on it for a variety of goods and services, the petroleum industry has a considerable effect on international politics and the global economy. (Chen, 2022). As reported by the World Economic Outlook, the continual rise of petroleum gas prices has various effects on the world economy. The significance of impact contrast varies from situation to situation, like in the case of climate change and environmental damage.

In light of the preceding, the economies of industrialized and developing nations are impacted by rising gas costs. When the conflict between Russia and Ukraine began, the Philippines raised its gas rates. A little more than 85% of the entire crude blend (30,200 MB) came from Saudi Arabia, the UAE, Kuwait, and Russia. Vladimir Putin, the president of Russia, announced a "special military operation" on February 24th in the morning with the intention of "demilitarizing" and "denazifying" Ukraine. This is when the battle truly began. Commerce and Industry Secretary Ramon Lopez predicted that the escalating tension between Russia and Ukraine would likely have little effect on Philippine trade before Russia announced its invasion of Ukraine. Still, he made sure to underline that it would affect oil pricing and supplies globally. Brent crude oil prices surpassed \$100 per barrel for the first time in more than seven years on February 24, following the receipt of Putin's order to invade (Baclig, 2022).

The importance of this study is it provides students with the information needed for efficient financial management. The capacity to assess how external factors, such as changes in oil prices, will affect one daily budget is a crucial component of financial management. Students can get a deeper knowledge of the value of financial decision-making by looking at how rising oil prices affect their allowance. Other than that, this study provides information on the financial coping mechanisms of students to deal with such issues.

REVIEW OF RELATED LITERATURE

Oil and Gas Prices Rising

Oil is a critical input for many industries. As a result, oil prices have an impact on almost every sector of the economy. When it comes to a nation's economic development, oil is a key factor, for it has become the determinant of a country's economic health and lifeline. It is one of today's most crucial strategic resources and a key factor in the growth of modern economies (Jihong et al., 2019). With that, students

have also altered some of their travel habits in response to fluctuating gas prices.

Globally, the price of oil is one of the most significant external variables affecting the dollar-to-ruble ratio. That is because oil production accounts for the majority of Russia's economy, and it is one of the world's leading producers of "black gold," even the smallest (Mikhaylov, 2019).

Cause of Inflation

The structural traits of developing economies are primarily responsible for the inflationary effects of inflation in oil prices. Oil price fluctuations may have a variety of effects on the economy based on a nation's oil production structure, economic activity distribution by sector, whether the oil is produced locally or imported, and petroleum taxation policy. Therefore, it is crucial to comprehend the connection between changes in oil rates of inflation and pricing (Bari & Adali, 2020).

Due to inflation, as well as the effects of Russia's invasion of Ukraine, gas prices have soared at the pump. According to AAA, gas in the US now costs an average of more than \$4 per gallon, up from less than \$3 a year ago. Meanwhile, some Californian regions have average gas costs of about \$6 per gallon. (Dani, 2022).

Budgeting

Budgeting is the technique of estimating how much money you'll need to make or save over a specific amount of time (Veldkamp, 2018). Everyone should develop good budgeting habits. This is especially true and challenging for students since students become in charge of their finances by the time they reach university (Myanmar, 2020). If students do not practice budgeting habits, they may eventually face financial difficulties, such as the inability to repay loans and poor financial management in the future (Myanmar, 2020). In research about the impact of rising oil prices on students, the goal of budgeting is to examine spending modifications made by college students as a result of variations in petrol prices (Myanmar, 2020).

Student Allowance Budgeting

Budgeting is essential for every student. By the time students reach university, they become in charge of their finances. How well they manage their budget may predict how well they will manage their company's budget on the job. One of the most predictable predictors of successful personal and economic development is having a good budgeting habit. If a person does not have good budgeting habits, they will not have

extra money and will be unable to save (Myanmar, 2020). Additionally, university student life is an excellent time to develop and practice sound financial habits for the future (Dani, 2020).

METHODOLOGY

This study used a descriptive-quantitative research approach. An intentional collection of data is the goal of a descriptive study strategy in order to characterize a phenomenon, circumstance, or population. Instead of focusing on the why of the research topic, it assists in resolving the what,

when, where, and how concerns. It also seeks to characterize or record a group's traits, mannerisms, attitudes, opinions, or perceptions. The researchers randomly selected respondents from Visayas State Integrated High School. The sample was computed using Slovin's formula with a 5 percent margin error. This study used a simple random sampling technique. The instrument used by the researchers in this study was a survey questionnaire. A pilot test and the validity and reliability test using Cronbach alpha were further conducted. Data were analyzed using descriptive analysis and non-parametric tests through SPSS.

Findings and Discussions

Table 1. Socio-demographic Profile of Students

Socio-demographics	Number	Percent
Female	124	53.40%
Gender		
Male	108	46.60%
Grade 7	61	26.30%
Grade 8	28	12.10%
Grade 9	37	15.90%
Grade Level		
Grade 10	28	12.10%
Grade 11	29	12.50%
Grade 12	49	21.10%
Baybay City	219	94.40%
Hilongos	4	1.70%
Albuera	3	1.30%
Merida	2	0.90%
Location		
Hindang	1	0.40%
Ormoc City	1	0.40%
Inopacan	1	0.40%
Burauen	1	0.40%

The sociodemographic profile of students is shown in the table above. Out of 232 respondents, 53.40% were female, while 46.60% were male. Further, most of the respondents come from

Grade 7 students, with a percentage of 26.30%. Meanwhile, Grades 8, 10, and 11 had the lowest number of respondents. The majority of the participants were located in Baybay City, Leyte.

Table 2. Household Size of Students

	Mean	Maximum	Minimum
Household Size	5	12	1

The household size of the students is depicted in Table 2 above, and the sizes range from 1 to 12. On average,

participants had a household size of five (5). Meanwhile, the majority had a household size of twelve (12).

Table 3. Weekly Allowance of Students

Weekly Allowance	Number	Percent(%)
Php 100-500	153	65.90
Php 501-1,000	43	18.50
Php 1,001-1,500	28	12.10
Php 1,501-2,000	6	2.60
Php 2,001-2,500	1	0.40
Php 2,501 and above	1	0.40

As shown in Table 3 above shows that the majority of the participants, which are students, received a weekly allowance

between PHP100 and PHP500, with a percentage of 65.90%, and an allowance of PHP2,000 to PHP2,500 (0.40%), as the least response.

Table 4. Student Allowance per Grade Level

Level	Php 100-500		Php 501-1000		Php 1001-1500		Php 1,501-2000		Php 2,001-2500		Php 2501 & Above	
	f	%	f	%	f	%	f	%	f	%	f	%
Grade 7	42	68.90	11	18.00	4	6.60	3	4.90	0	0.00	1	1.60
Grade 8	13	46.40	11	39.30	3	10.70	1	3.60	0	0.00	0	0.00
Grade 9	25	67.60	4	10.80	6	16.20	1	2.70	1	2.70	0	0.00
Grade 10	21	75.00	5	17.90	2	7.10	0	0.00	0	0.00	0	0.00
Grade 11	20	69.00	4	13.80	4	13.80	1	3.40	0	0.00	0	0.00
Grade 12	47	65.30	8	16.30	9	18.40	0	0.00	0	0.00	0	0.00
Total	153	65.90	43	18.50	28	12.10	6	2.60	1	0.40	1	0.40

Table 4 shows data gathered regarding the allowance of the students per grade level. The results show that among Grade 7 students, most are receiving a Php of 100-500.00 weekly, similar to other grade levels. The highest allowance that most Grade 7 students receive was more than Php 2,501.00 weekly,

higher than any grade level among the respondents. As seen in the table, it is the Grade 10 students mostly received an allowance ranging from Php 100-500.00 weekly, while Grade 8 students also received the least of the said weekly allowance range.

Table 5. Allowance Expenditures Component

Where do you spend mostly?	Number	Percent
Food	211	91.70%
Transportation	58	25.20%

School Project	38	16.50%
Communication	13	5.70%
Others	13	0.40%

The results show in Table 5 that most of the students spent their allowances on Food, which yielded 91.70%. Meanwhile, the

students, at the least, spent their allowance on garnering (5.70%).

Table 6. Students' Allowance Before and After Oil Price Hike

Budget Component	Before			After		
	Mean	Max	Min	Mean	Max	Min
Food Budget	144	2,000	0	181	1,500	0
Transportation Budget	50	1,000	0	66	850	0
School Project Budget	112	2,000	0	176	3,000	0
Communication Budget	56	1,200	0	72	1,500	0

In terms of the impact of the oil price increase on the students' allowances, an increase in budget across all components was observed, as shown in Table 6. The highest budget was allocated to food, followed by school projects, communication,

and transportation. However, in terms of percentage change, the school project budget showed the highest increase at 57%, followed by transportation (57%), communication (29%), and food budget (26%).

Table 7. Students' Spending Before and After Oil Price Hike

Spending Component	Before			After		
	Mean	Max	Min	Mean	Max	Min
Food Spending	141	2000	0	149	850	0
Transportation Spending	46	500	0	65	700	0
School Project Spending	113	2000	0	162	3000	0
Communication Spending	56	1200	0	72	1500	0

With regard to the students' spending before and after the oil price hike, an increase in spending in all spending components was also observed, as shown in Table 7. The highest spending was on school projects, followed by food, communication, and transportation spending. However, in terms of percentage change, the highest increase in spending was observed on school projects (43%), followed by transportation (41%),

communication (29%), and food spending (6%). Moreover, differences in student budgets and spending before and after the oil price hike were tested for significance. A test for normality was conducted to decide on the appropriate test, a parametric or non-parametric test. The Wilcoxon Signed Rank test for non-parametric analysis was applied since variables are not normally distributed. The level of significance was set at 5%.

Table 8. Wilcoxon Signed Rank Test for Non-parametric Analysis on Students' Budget

	Food Budget (After) - Food Budget (Before)
Z	-5.205b
Asymp. Sig. (2-tailed)	.000
	Transportation Budget (After) - Transportation Budget (Before)
Z	-5.445b
Asymp. Sig. (2-tailed)	.000
	School Project Budget (After) - School Project Budget (Before)
Z	-6.953b
Asymp. Sig. (2-tailed)	.000
	Communication Budget (After) - Communication Budget (Before)
Z	-2.913b
Asymp. Sig. (2-tailed)	.004

- a. Wilcoxon Signed Ranks Test
- b. Based on negative ranks.

As shown in Table 8, the P-value is less than 0.05. Hence, the test rejects the null hypothesis. This shows that there is a statistically significant difference in the students' budgets before and after the oil price hike. Research has shown that a rise in oil prices might result in elevated inflation rates, which can impact the buying ability of people, particularly students who get allowances (Mork, 1989). With the increasing expenses of transportation and commodities, students may face

financial difficulties. Studies suggest that increasing oil prices might have an indirect impact on the costs associated with schooling. For example, elevated transportation expenses might result in higher charges for school buses or university shuttle services (Robinson & Brown, 2007). Consequently, this might have an effect on students' financial resources and their capacity to purchase instructional resources.

Table 9. Wilcoxon Signed Rank Test for Non-parametric Analysis on Students' Spending

	Food Spending (After) - Food Spending (Before)
Z	-3.477b
Asymp. Sig. (2-tailed)	.001
	Transportation Spending (After) - Transportation Spending (Before)
Z	-5.429b
Asymp. Sig. (2-tailed)	.000
	School Project Spending (After) - School Project Spending (Before)
Z	-6.524b
Asymp. Sig. (2-tailed)	.000

	Communication Spending (After) - Communication Spending (Before)
Z	-2.651b
Asymp. Sig. (2-tailed)	.008
a. Wilcoxon Signed Ranks Test	
b. Based on negative ranks.	

As shown in Table 9, the P-value is less than 0.05. Hence, the test rejects the null hypothesis. This shows that there is a statistically significant difference in students' spending activities before and after the oil price hike. Studies indicate that students have the potential to modify their expenditure patterns

as a result of fluctuations in oil prices. For instance, individuals may reduce their non-essential spending, such as entertainment or eating out, in order to offset the increased costs of transportation (Goolsbee & Syverson, 2005).

Table 10. Students' Coping Mechanisms

		Number	Percent
1. How do you adjust your budgeting when it comes to price hikes?	Save money	124	53.70%
	Budget your money	74	32.00%
	Buy what is essential	70	30.30%
2. What are your recommendations/suggestions to other students regarding the price hike?	Save money	134	58.00%
	Budget your money	84	36.40%
	Buy what is essential.	59	25.50%

With regard to the students' coping mechanism, data revealed that 124 respondents saved their money to adjust their budgeting because of price hikes, with a percentage of 53.70%. Meanwhile, 70 respondents (30.30%) would rather buy what is essential. Furthermore, 134 respondents (58.00%) recommended saving their money, while 59 respondents (25.50%) recommended buying what is essential. Table 10 below shows students' coping mechanisms and their recommendations regarding budgeting during price hikes.

SUMMARY

This study was carried out to ascertain how rising oil costs might affect students' daily allowances. More specifically, it aimed to ascertain how the unexpected shift in gas prices affected the students in terms of budgeting and identify their coping mechanisms with regard to those above. This study employed a survey questionnaire to randomly select students and analyzed the data collected using the SPSS tool. Results

revealed that the majority of the students were female (53.40%), while 46.60% were male, with Grade 7 as the year level having the highest percentage of respondents. Further, most of the students receive a weekly allowance between PHP100 and PHP500, with household sizes ranging from 1 to 12. It was also found that most of them spend their allowances on food. Evidently, the results revealed that the increase in oil prices significantly affected their daily allowances and budgeting. Elevated oil costs may compel educational institutions to reevaluate their long-term sustainability strategies. Universities should investigate alternate energy sources or adopt cost-saving strategies to reduce the effect of increasing energy costs on students' allowances (Bartik, 1991). The worldwide ramifications of rising oil prices on students' allowances are not confined to certain nations, but rather have a widespread reach. International students, however, may have further difficulties, such as variations in currency exchange rates and fluctuations

in the cost of living, which might impact the worth of their allowances (Altbach & Knight, 2007).

CONCLUSION

Based on the results, it was found that there is a statistically significant difference in terms of students' budget for food, transportation, school projects, communication, and expenditures of students before and after the oil price hike. Hence, the increase in oil prices significantly affected their daily allowances and budgeting. As to their coping mechanism, it was discovered there is a need to save money to adjust the students' budgeting when it comes to price hike averaging, and it recommended buying only essential goods. Also, the results of the study indicate that the students believed that saving money during a price increase is important, as is learning how to manage your money and just purchasing necessities. In general, saving money and budgeting wisely are essential practices for achieving financial stability. Lastly, the study suggests that oil price increases can have multifaceted effects on students' allowances, ranging from direct economic

implications to psychological and behavioral responses. Understanding these dynamics is crucial for policymakers and educational institutions in developing effective strategies to support students during periods of economic volatility.

RECOMMENDATION

From the results, this study suggests that saving money during a price increase is important, as well as learning how to manage finances wisely. As students are greatly affected by ongoing price increases, budgeting wisely is an essential practice in order to achieve financial stability. The researchers would also recommend to future researchers who would like to conduct a study related to this to have a bigger population size in order to gather more information for the study. In that way, more suggestions on better ways to budget the student's allowance during a price hike will be drawn. The school should investigate alternate energy sources or adopt cost-saving strategies to reduce the effect of increasing energy costs on students' allowances.

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