

Management of Funds by Parents and Students at their Under and Post Graduate Studies and Maximization of Savings of the Hostelite Students in Pune, Maharashtra, India

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Abstract:

Many college going students as seen today are on edge of financial crises with the shortfall of money either from their parents or their own earning. Despite of them, doing job they are left with very small portion of amount from, the pocket money that is received. This study deals with the various factors as to the income of the parents, amount that is received and saving that is undertaken by these students. The Student's Savings Accounts (SSAs) which can be taken as an initiative by the private or public sector banks may help the students to inculcate the habit of savings at an early age.

The income of the parents, their asset value, and cost of holding money and the amount or percentage of savings plays a vital role in finding out the level of education. Many factors are directly related to the education of a student. The college completion rate is directly to many factors as is studied in this current research paper.

This Current study deals with the "Management of Funds by Parents and Students at their under and Post Graduate Studies and Maximization of Savings of the Hostelite Students in Pune, Maharashtra, India"

Keywords:

Wealth Creation, Maximization of Savings, Hostel, Students, Policy, Student's Savings Accounts, Under and Post Graduate Studies, Maximization of Savings.

Parental Income:

Education, today plays a important role in inter-generational transmission of the socioeconomic standing (Blau & Duncan, 1967). Although the education can increase opportunity, how much of education one

attains depends strongly on the socioeconomic standing. In other words, education both it reduces and then reproduces inequality, transmitting advantage from one generation to the next generation.

Both early and the recent era of research (Hout, 1988; Belman & Heywood, 1991; Torche, 2011) suggests that an college degree can often reduce the importance of one's social background and increase the intergenerational equality. Yet even if we manage to enroll in college, many students often fail to complete this credential. According to research of National Center for Education Statistics (2013), only 59% of who entered a four-year degree course in 2005 completed their degree within the period of six years. Graduation rates at these two-year colleges were even lower. Among those who began for an associate's degree or certificate in 2008, only 31% of above completed it within one and a half times of the normal time that is expected or required.

Based on data, among those with parental income more than 100-150% above the poverty level when they began with their college in 2003-2004, 55.7% completed a degree or certificate by the year 2009. This compares to the 46.5% for students 150% - 200% above the poverty level, 42% among those 100% - 150% above the poverty level, and only 36.7% among those at or below poverty. Beyond its access, therefore, the gaps in likelihood of college completion as observed once enrolled further reproduce the inequality.

Kalleberg (2011) in his research here highlights the increasing existence of polarization of "good" (secure, well-paying) jobs and "bad" jobs, which often offer little security, less paid -wages, and no benefits. If the number of good jobs that are available to those without the college education continues to decline (Carnevale et al., 2011), or rising of the skill demands continue to boost for the college wage premium (Autor, 2014), the college completion rate will become even more and more important for economic security in the future. Despite the known fact that a college degree earned may sometime even reduce the importance of the parental class and the income for life chances (Torche, 2011; Hout, 1984, 1988), parental resources they remain strongly related to the college completion (Bowen, Chingos, & McPherson, 2009). Thus, as seen is similar to the early findings of Blau and Duncan (1967)

In the sections below we would review about the evidence of relationship between the resources and college completion turnout ratio. Here in the first section, we would outline some of good and classic explanations for intergenerational and transmission of the college completion. With this background to study, the second section would review evidence of an alternative mode of the intergenerational transmission: assets. Specifically, we would focus and through an overview of our research on effects of the Student's savings accounts (SSAs) suggests they can increase the equality of college completion, in part by reducing our over-reliance on the student debt financing. We would than discuss on how assets would became so important for the college completion in contemporary to society and how asset building policies could help level the students.

Frequency of Degree Completion:

This section looks for explanations for the unequal college access and its completion, including income, their parental education, cultural and inter-social capital, family size and its structure, health, and meritocratic level, such as ability or its intelligence.

Controlling for other factors at large, such as family assets or their liabilities, research suggests that - family income is significantly and directly related to college completion (Kim & Sherraden, 2011; Nam & Huang, 2009). It is found that if the parents of an perusing college graduate earn at or at below the poverty level, he/she will have difficulty in financing one year of their college. The money for even of their basic necessities of food and stay is difficult to obtain for growing up, low-income students may be particularly averse to student loans, further constraining educational choices. This difference could encourage low-income class students to opt for a comparative less expensive institution with fewer supports facility and lower graduation completion rates (e.g., Carnevale & Strohl, 2010; Cunningham & Santiago, 2008) or to balance a heavy workload while enrolled in college (Walpole, 2003).

Employment while in school can help finance college students themselves but in many cases detracts them from both academic and their social engagement, making students even more likely to be and get drop out and less likely to establish for the useful social connections with the faculty or the students (Hamilton, 2013). Complicating these all challenges, the low income families are found more susceptible to financial shocks, including that of - job loss, health related emergencies, or medical bills (Acs, Loprest, & Nichols, 2009; McKernan, Ratcliffe, & Vinopal, 2009; Pew Charitable Trusts, 2013), which could even drive a student out of the college and into the workplace to help support her family (e.g., Elliott, 2013a).

In contrast, students from the higher-income families enjoy a better advantages as compared to their other lower-income counterparts. High income (Parents) earning students may take for granted about the uninterrupted support throughout their entire college careers. Less seem to likely to have to work to pay for their college fees or expenses or support their family, higher-income students therefore enjoy more time for their study and respective extracurricular involvement, thereby strengthening ties with the schools and peers and ultimately reducing their chances of the dropping out (Walpole, 2003). Institutional differences as seen, though often unappreciated, also play an important role as well.

Higher-income earning families tend to ensure that their children have access to well-funded secondary schools, which regularly provide the higher quality teachers and also more rigorous preparation for their college (Condron & Roscigno, 2003; Card & Kreuger, 1996; Johnson, 2006). Because the high schools (or tracks within school) often provide the stronger academic preparation for the college, students from parent earned - higher-income backgrounds seem to enjoy more options regarding about where to attend and be a more selective, in better quality school with its higher retention rates (Carnevale & Strohl, 2010; Davies & Guppy, 1997).

Parent's Education:

Once a student has taken admission and gained access, evidence suggests that the role of parental education plays a role in completing college (Bowen et al., 2009). For example, even after the adjusting for differences in their high school grade point average, SAT or ACT scores, the state residency status, race or ethnicity, gender, family income, university a student had attended, Bowen et al. (2009) finds out that children of the parents with at least bachelor's degree were as still 6% more likely to complete their degree within the period of six years than that of children of parents with no any college education. Other evidences also suggests that about nearly 90% of the first generation students often fail to graduate within the period of six years (Greenwald, 2012). Although as seen that first generation college students, whose parents have no or less college education, represents a level of stark contrast, the findings highlights about the importance of the unequal college graduation rates for low inter-generational that has created the mobility in the country. (Ermisch et al., 2012).

The association between the parental education and their Student's college completion suggests that parents/guardians may help their children to navigate the complex process of completing their college degree. For example, An educated parent may help their children i.e. student to choose a major that fits into both their career goals and his ability. Parents with a basic or good college education may also provide to their children with various interpersonal communication skills necessary for their success in college life. Stephens, Fryberg, Markus, Johnson, & Covarrubias (2012) find that the first generation students tend to value their interdependence, which contradicts with the academic norm of independence at the colleges.

The evidence above hence suggests that parental education may even promote college and its success through interpersonal skills of them and of students, making it difficult to uncover with the quantitative methods. Therefore possibly as a result of it, how parental education matters, there is a conflicting evidence regarding the, whether it has an causal impact on college completion rates or whether various other factors (Such as their parental income, occupational status or standing, or academic preparation) account for their relationship.

Although they often do not investigate the student's college completion, recent research which is ever seen as exploiting in natural experiments has found that the parental education does increases their own and their Student's educational achievement. (Attewell & Lavin, 2007; Oreopoulos, Page, & Stevens 2006). Therefore it seems likely that the effects of the parental education seemed to be continuing throughout their college life and even then beyond, compounding through across the generations.

Social Engagements:

Distinct from the cultural capital, research conducted or undertaken on the relationship between the social capital and the college completion emphasizes on the social engagement explanations for the student retention. Extracurricular activities in general , for example, can improve the individual's attachment to an college and increase the chances of being graduating or even then continuing on to earn them a graduate

degree (Tinto, 1987; Walpole, 2003). Even though, not surprisingly, various extracurricular participation of students rates vary by social class (Walpole, 2003); students who must do work are less able to participate in different social activities. Research has also suggested that upper-class family income students themselves feel more strongly, that they (upper-class family income) belong at an institution than that of a lower-class students (Ostrove & Long, 2007).

Family Size and Structure

Although many research that is already done on family size rarely investigates about the size its effects on the college completion, it does clearly find that having more number of or children or siblings reduces an individual educational and social attainment (Steelman, Powell, Werum, & Carter, 2002). Beyond the family size, research has also found that the sibling density (the age spacing between siblings) is directly related to their educational achievement and attainment (Powell & Steelman, 1990; Conley, 2001; Steelman et al., 2002). The total number and the spacing of siblings, impacts the percentage of share of parental resources (including their time and money) available throughout his/her childhood. At their college level, Steelman et al. (2002) finds that more number of siblings dilute their parental financial and economic contributions to college costs, which at the end reduces educational attainment and college completion. Beyond the number of siblings, other aspects of the family structure have several implications for the college persistence. For example, children with the younger fathers are even less likely to complete their high school and, even if they enter college, are found less likely to persist there as well (Mare & Tzeng, 1989). Family size and its structure therefore provides for another mechanism for its intergenerational transmission of the inequality.

Meritocratic Explanations

As per research of Sewell and Shah (1977), for example, intelligence is quite more important than its socioeconomic status for the college graduation because of the class sorting has already taken place and has occurred by the time students enroll in the class. The classic and functionalist perspective (Davis & Moore, 1945) has rightly suggested schools, including that of colleges, sort the individuals into position in society, in general as most appropriate for their ability (e.g., Sorokin, 1959). In this scenario, students may even fail because they do not try and practice hard enough or cannot do or complete the work on time. In short, these explanations suggest that the individuals fail to complete their college because they are seemed to be unable to meet the college's academic standards.

When they are used to account for their unequal college completion and graduating rates, however, there are several limitations to the ability arguments as well. We know, for example, that the degree of their intergenerational transmission of educational and its attainment varies across country to country. (Branigan, McCallum, & Freese, 2013) and counts only account for about 2% of the total variation in their educational attainment (Rietveld et al., 2013). Hereditary transmission of various core traits or their ability, however, could not be seen or expected to vary according to the national boundaries (Hertz et al., 2007). Furthermore,

as seen even if genes matter of their parents for educational attainment, the gene-environment interaction experiment effects suggest that, effects of specific genes directly depends on the social environment (Shanahan, Vaisey, Erickson, & Smolen, 2008). Thus, even as seen genes matter for the college completion, their effects may even be moderated by their different social background.

As suggested and seen by the research above, the classic and traditional explanations for unequal college completion and access account for the substantial variation in the completion by different socioeconomic standings. The role of assets, which an individual want to attain however here as seen, remains under-appreciated.

Assets are even more critically important to the factor of inequality (Oliver & Shapiro, 1995; Conley, 1999), given their value and relationship to power and their different multi-generational distinct implications. Studied since Conley (1999, 2001), the contribution and participation of assets to the educational inequality have even become greater apparent and warrants for further attention. The conclusion of our discussion here focuses on this comparatively and new explanation for the differences in Student's educational attainment and college completion rate.

Student's Savings Accounts (SSAs) - Medium for Certain Income Students

Student's Savings Accounts (SSAs) are a initiative that is undertaken by the banks which can be either a private bank or public i.e. government owned bank in which they can take an initiative into opening and bank account for the students who are studying either at the college or colleges.

The students who stay away from their parents either on an hostel or as a Paying guest or in a flat on sharing basis, frequently receive certain sum of money from their parents. This money or specifically pocket money is either received by way of cash or by way of account transfer. If the different banks come forward and provide facility for opening and special type of account called as Student's Savings Accounts (SSAs) at a very larger scale than it would surely help these students studying at college to save their money and get their education completed in time and the college completion rate which is seen to be declining can also be managed and reduced due to a handful money available with them. This may add as an income to themselves and their parents too. Thus ultimately resulting in timely college completion rate and good inculcating of banking habits among these students who are either taking graduate or post graduate education at university.

Conclusion :

As above we have here discussed on multiple explanations for the unequal access to and completion of the college degree with a specific and particular focus on assets. With a less common study and explanation for the educational inequality, assets and income play a central role in its likelihood of entering and completing college at the graduate or post graduate level. The legacy of unequal and frequent access to college degrees are separate issues, but—partly by its structure and design of those with economic and the political power—

represent the two sides of the same coin. Good income and asset beget the educational advantage and then educational advantage begets the assets, reproducing the inequality across the generations.

Rising number of inequality and tuition costs, as seen create an urgent need for changes in system of paying the fees for college. Student's Savings Accounts (SSAs) offer a potential and distinct strategy to increase assets and self-savings among the children from the disadvantaged backgrounds. As evidence has shown, savings here can not only increase the college access and increase the completion rates, but also can encourage the college bound identity, academic preparation for one's college, and greater financial support and health in later life. The parents and students along with government must shift away from the debt-based system of paying for their college or risk sentencing the graduates to a life their student loan payments. Student's savings accounts definitely offer a policy change which can begin to a new era in income and savings made by the student.

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