



Budgeting Challenges & Financial Habits Of CA Students Undergoing CA Articleship In Mumbai.

Mr. Mehdi Ali Lakhani¹, Dr. Reshma Jaisinghani²

¹M.com Student, Jai Hind College, ²Vice Principal – Commerce Jai Hind College

Abstract

The study explores the budgeting challenges and financial habits of CA Article students in Mumbai, a city known for its high cost of living. It is important to understand the budgeting habits of students undergoing CA practical training in Mumbai and face financial challenges. CA Articleship is a very vital part of any CA Student's journey and hence it is important to focus on the problems students face in this period. The purpose of the study is to examine the income, expenses & saving pattern of students and to identify challenges and strategies used for financial management. A structured questionnaire was used to collect primary data and interviewed a few students as well after which inferences have been drawn. Data from surveys and interviews reveal that while stipends are a primary income source, they are often insufficient to cover essential expenses like rent and transportation. The findings highlight the need for better financial planning tools and institutional support to alleviate these challenges, ultimately contributing to improved financial well-being among CA students.

Keywords: Budgeting, CA Articleship, Cost of Living, Financial Management.

Introduction

Mumbai—a city that never sleeps, a symbol of dreams, hustle, and relentless ambition. For thousands of young Chartered Accountancy (CA) students, it is also the city where they begin one of the most demanding chapters of their lives: the Articleship. This two-to-three-year mandatory training period is not only the foundation of their professional journey but also a crash course in real-world financial survival. While CA Articleship is known for shaping the technical and practical skills of future accountants, what often goes unnoticed is the daily financial balancing act these students perform. With modest stipends and mounting expenses—ranging from rent and travel to coaching fees and exam costs—CA students in Mumbai face a unique challenge: learning to live on a tight budget while studying financial management in theory. The irony is striking. Even as they master accounting principles and audit techniques, many struggle to apply those very concepts to their personal lives.

This phase is more than just professional training—it's a test of resilience, decision-making, and self-discipline. The juggling act between saving for exams and paying for daily essentials becomes a lived reality for most. Despite the critical importance of budgeting during this period, there is little research exploring the financial habits, challenges, and coping strategies of CA article students. This study aims to fill that gap by examining the real-world financial experiences of CA students undergoing Articleship in Mumbai. By analysing their income patterns, spending behaviours, and saving practices, this paper seeks to uncover the budgeting struggles they face and the strategies they adopt. The findings hope to contribute not only to academic literature but also to the development of practical support systems and financial literacy initiatives tailored to this often-overlooked group.

Objectives

1. To analyse the income sources, expense patterns & saving habits of CA articles in Mumbai
2. To identify key budgeting challenges faced by these students.
3. To understand the financial pressure and trade-offs student face in managing their limited resources.

Hypothesis

H0 - There is no significant relationship between the monthly stipend of CA article students and their ability to maintain a personal budget.

H1 - There is a significant relationship between the monthly stipend of CA article students and their ability to maintain a personal budget.

H0 - CA students undergoing Articleship do not face significant budgeting challenges in Mumbai.

H1 - CA students undergoing Articleship face significant budgeting challenges high living costs in Mumbai.

Literature Review

Existing literature on financial literacy and budgeting highlights a growing concern regarding students' ability to manage personal finances effectively—particularly in high-cost urban environments like Mumbai. Multiple studies have explored the general spending behaviours and financial attitudes of students and youth, but few focus specifically on the unique situation of CA article students who undergo practical training while studying.

Research by Nishtha Pareek (2016) and S.C. Das (2016) emphasize that while theoretical financial knowledge exists among students, the practical application is often limited. This gap is critical for CA students who are expected to apply financial principles in both personal and professional settings. Roy (2016) and Vedika Kedia (2018) further stress that financial literacy in India is inadequate, especially among young adults, with many lacking confidences in handling savings, credit, and investments.

Kannan Kamalanathan (2015) and Kanika Chawla (2021) have examined youth spending patterns in metropolitan cities, showing a strong influence of peer culture and lifestyle on financial decisions. These studies reveal that even financially literate individuals may fail to budget effectively due to behavioural and environmental factors.

Moreover, Rawal (2024) and Dr. Divya Ghai (2020) have directly examined budgeting awareness and financial literacy in urban Indian contexts, noting that structured education and early intervention significantly improve money management.

Despite covering varied demographics and regions, most studies converge on a common point: there is a noticeable disconnect between financial literacy and actual financial behaviour. This is especially relevant for CA article students who, while academically exposed to financial frameworks, often struggle with real-world budgeting due to low stipends and high living expenses.

The literature review underlines the need for targeted research focusing specifically on CA students in Mumbai—a group that navigates a hybrid model of work and education. By addressing this gap, the present study seeks to analyse how these students manage personal finances, the challenges they face, and how their financial habits evolve during the demanding Articleship period.

Research Methodology

A quantitative approach was used to conduct this study. A survey questionnaire was developed to collect data from the CA Articles in Mumbai. The questionnaire was administered to a sample of 100+ CA students from in Mumbai. This sample size is chosen to ensure a reasonable representation of students across various firms.

Data Analysis & Interpretation.

1. Monthly Stipend of CA Articles in Mumbai

What is the monthly stipend you get	Distribution of Students	Count of Students
Below 5000	2.97%	3
5001 - 10000	47.52%	48
10001 - 15000	27.72%	28
Above 15000	21.78%	22

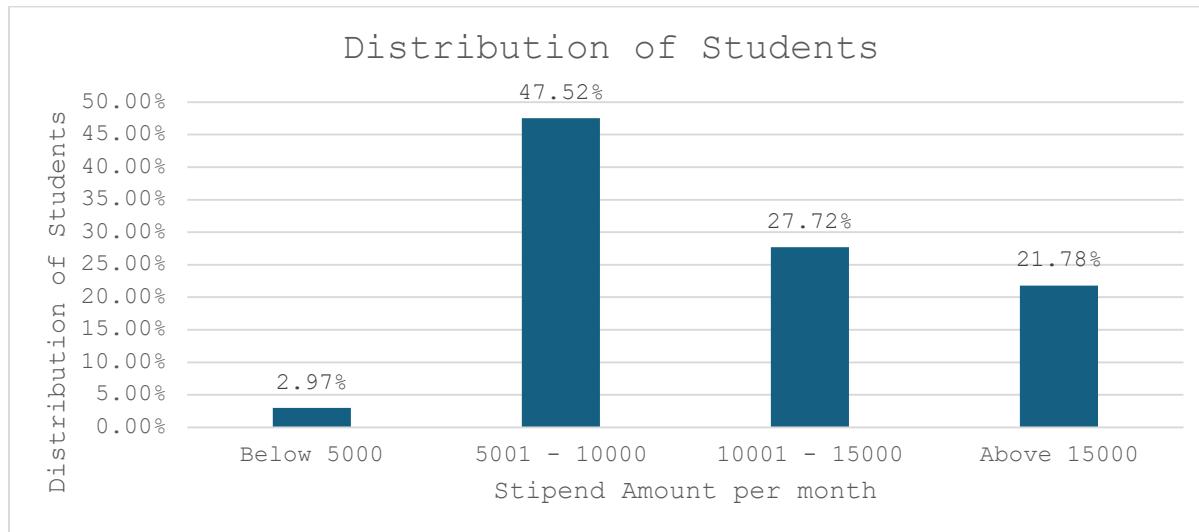


Figure 1

Interpretation - The majority of students (47%) earn a stipend between ₹5001 - ₹10000 per month, followed by 28% earning between ₹10001 - ₹15000. About 22% receive more than ₹15000, while a small group (3%) earns below ₹5000. This data highlights that the stipend structure varies widely among students, with many having to manage their expenses on a limited income.

2. Is the Stipend sufficient to cover the monthly expenses.

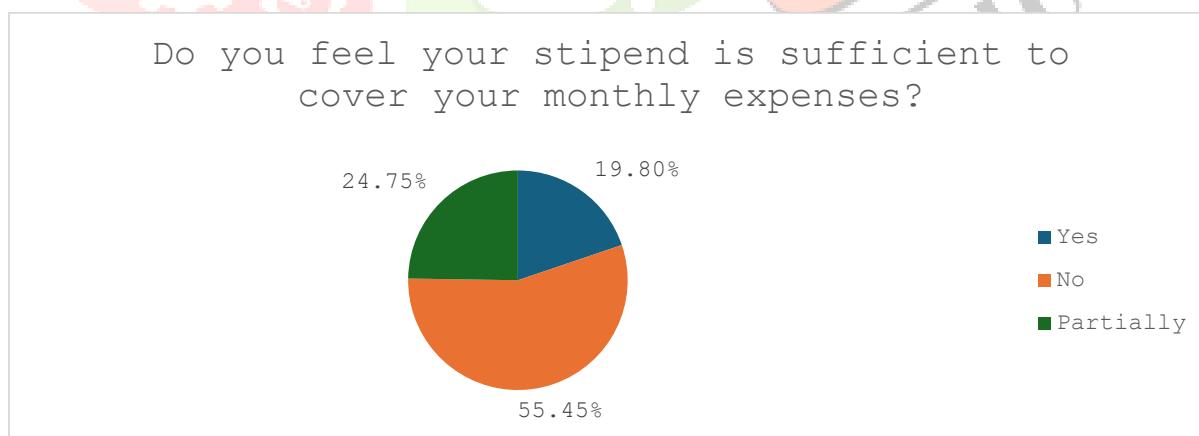


Figure 2

Interpretation - When asked if their stipend is sufficient, 55.45% of respondents said "No," indicating that they struggle to cover monthly expenses. Another 24.75% stated that their stipend is "Partially" sufficient, meaning they have to make adjustments or find additional sources of income. Only 19.80% feel their stipend is enough to meet their financial needs.

3. Most challenging & common expense category for the students.

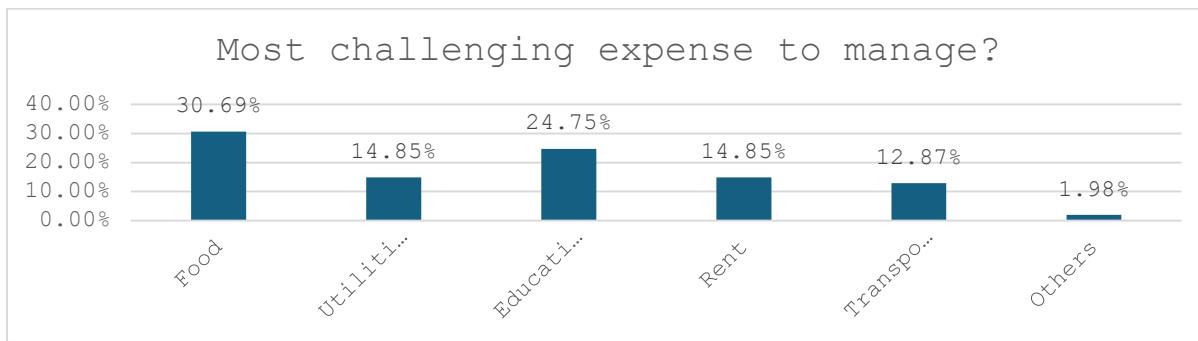


Figure 3

Interpretation - 30.69% of the students feel that **food** expense is one of the most challenging expenses in a city like Mumbai. Education being the second highest with 24.75% and Rent, Utilities and transportation being 14.85%, 14.85% & 12.87% respectively. This data shows that every CA student faces challenges for expenses to live in a city like Mumbai.

4. Do the CA Students prepare a Monthly Budget & have they ever exceeded their budget??

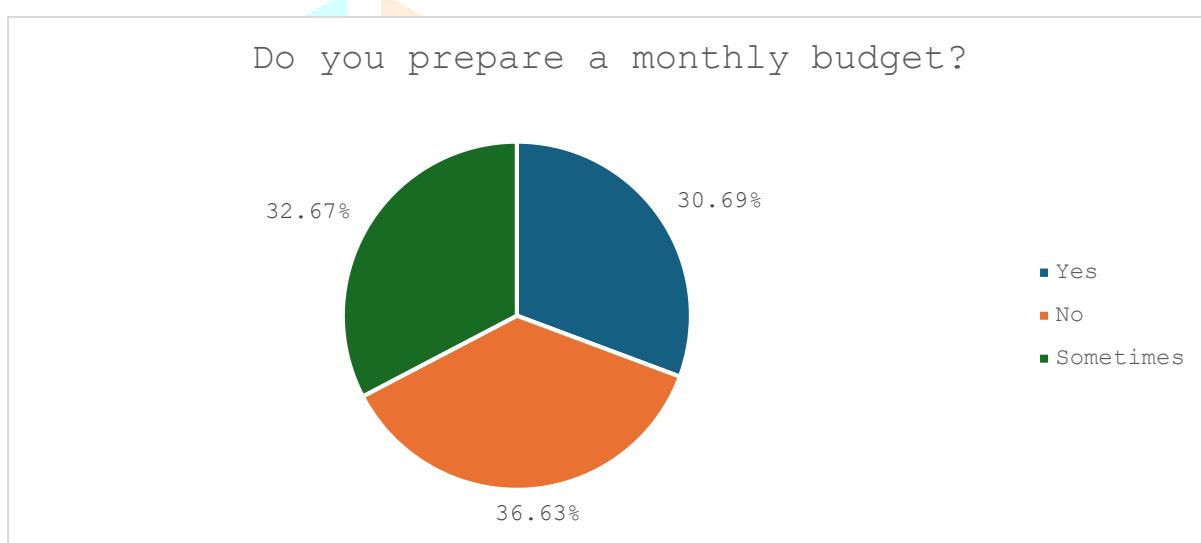


Figure 4

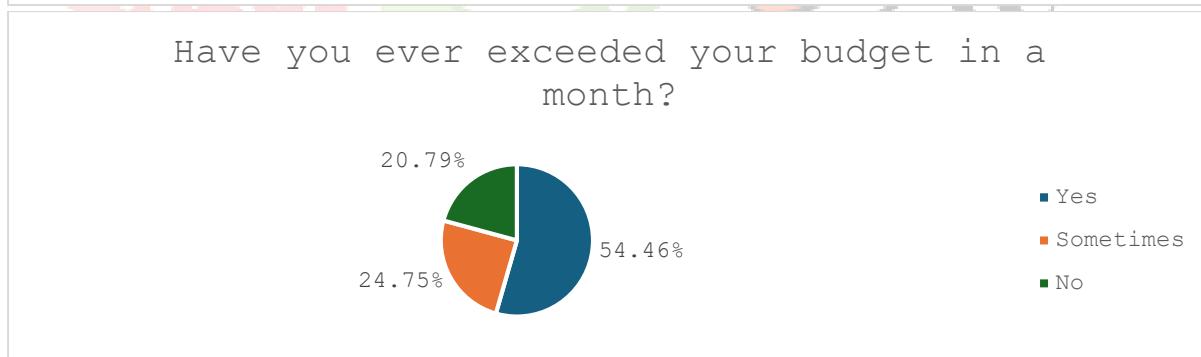


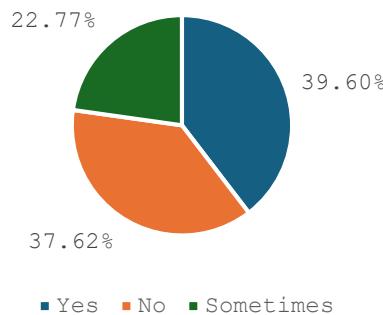
Figure 5

Interpretation - Approximately 63% of students prepare a budget, while 37% do not. This suggests that while the majority recognize the importance of budgeting, a significant proportion still do not track their expenses systematically. More than half (54%) of students admitted to exceeding their budget, while 25% sometimes go over their planned expenses. Only 21% manage to stay within their budget consistently. This indicates that despite budgeting efforts, students face unexpected expenses or struggle with financial discipline.

Lack of budget preparation could be a contributing factor to financial stress and difficulties in managing stipends effectively.

5. The students were asked if they were able to save any of their income (stipend) as safe investments.

Are you able to save any portion of your stipend? (Saving includes safe investments)



Interpretation - When asked if they can save any portion of their stipend, 39.40% of respondents said "Yes," while 37.62% said "No." An additional 22.77% reported saving "Sometimes." These responses show that savings habits are inconsistent, and many students find it difficult to set aside money due to high expenses and limited stipends. The varying responses suggest that financial management skills and personal spending habits play a crucial role in determining whether students can save.

6. How stressful it is to manage their expenses during CA Articleship.

On a scale of 1 to 5, how stressful do you find managing your finances during Articleship?

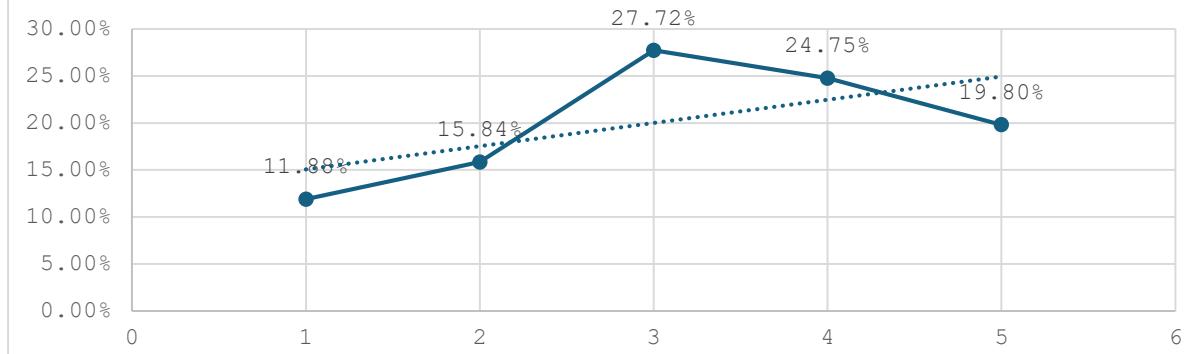


Figure 6

Interpretation - The graph illustrates the financial stress levels experienced by CA students during their Articleship. The x-axis represents stress levels on a scale of 1 to 5, while the y-axis shows the percentage of respondents at each level.

The trend line suggests an upward trajectory in financial stress, indicating that a majority of students find managing finances to be moderately to highly stressful.

About 11.88% of students rated their stress level as 1, and 15.84% rated it as 2. This suggests that only around 27.72% of students experience minimal financial stress, possibly due to higher stipends.

The highest percentage of students (27.72%) rated their stress level as 3, indicating that financial management is a concern but not overwhelming for them.

A significant proportion—24.75% rated stress at 4, and 19.80% at 5—suggesting that nearly 45% of respondents face severe financial stress.

The dotted trend line suggests that financial stress tends to increase rather than decrease, reinforcing that financial challenges are a major concern for CA students.

7. Based on the survey results, students identified key areas that could help them manage their finances more effectively during Articleship:

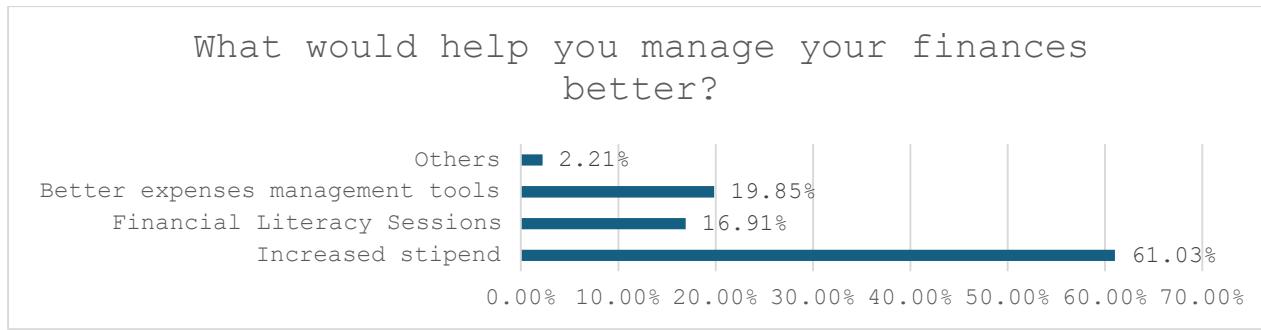


Fig 5. 1

- A. **Increased Stipend (61.03%)**: The majority of respondents believe that a higher stipend would significantly ease their financial struggles. Given that a large portion of students find their stipend insufficient, an increase in compensation could help them cover essential expenses such as rent, transport, and food without excessive reliance on family support or loans.
- B. **Better Expense Management Tools (19.85%)**: Nearly one-fifth of students feel that having access to better financial management tools—such as budgeting apps, expense trackers, or automated savings programs—would help them allocate their stipends more efficiently and avoid financial stress.
- C. **Financial Literacy Sessions (16.91%)**: A notable percentage of students see value in financial literacy training. Such sessions could educate them on budgeting, saving, and investment strategies, equipping them with skills to manage their limited stipends effectively.
- D. **Others (2.21%)**: A small portion of students suggested alternative solutions, which might include better employer policies, flexible work arrangements, or scholarships for CA students undergoing Articleship.

Limitations

- i. The study may be limited to a specific number of CA students in Mumbai, which may not accurately represent the financial habits of all CA students across India.
- ii. CA students receive different stipends depending on whether they work at Big 4 firms, mid-sized firms, or smaller firms. Similarly, some students may stay in hostels, rented apartments, or with families, affecting expenses.
- iii. Inflation, rising rents, transportation costs, and economic fluctuations could impact budgeting challenges differently over time.
- iv. Some students earn additional income through tutoring, freelancing, or side businesses, which may not be accounted for in the study.

Suggestions

CA students can **navigate financial challenges more effectively**, reduce stress, and focus on their professional growth without financial burdens weighing them down by Prioritizing financial literacy, creating a strict budget & minimize unnecessary expenses as far as possible. Adopt a long-term financial Mindset by managing money efficiently during Articleship as it will lay foundation for stronger financial habits post qualification

Conclusion

The study highlights a clear reality—CA students in Mumbai struggle with financial stability due to **low stipends, high living costs, and a lack of financial literacy**. Most students find it difficult to manage daily expenses, often exceeding their budgets and relying on family support to make ends meet. With over **36% unable to save at all** and **58% lacking an emergency fund**, financial stress is a common burden. While some students attempt to cut costs or seek additional income, the majority are left with no choice but to stretch their limited stipends. The absence of structured financial education further worsens the situation, making it harder for students to develop sound financial habits.

However, the challenges faced by CA students are not just personal but **systemic**. An increase in **stipend**, **practical financial literacy training**, and access to **better budgeting tools** could significantly improve financial well-being. Ultimately, this research underlines an urgent need for both **individual financial discipline and institutional reforms** to ensure CA students can focus on their careers without being weighed down by financial stress. By bridging the gap between income and expenses, we can create a **more financially resilient** generation of future Chartered Accountants.

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