BEYOND CATEGORIZATION: SOCIAL DIMENSIONS OF MENTAL ACCOUNTING AMONG ACCOUNTING STUDENTS IN A DEVELOPING REGION

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Abstract:
Purpose – This study examines how accounting students construct and apply mental accounting in managing personal finances within a socio-cultural context in Gorontalo.
Methods – A qualitative approach was employed using open-ended questionnaires administered to 26 accounting students from four universities. The data were analyzed using Braun and Clarke's thematic analysis.
Findings – The results show that students organize their finances into four main categories: education, daily needs, social obligations, and savings or investment. A distinct "social account" emerged, reflecting the influence of family responsibilities and collectivist values on financial decision-making. Despite limited income, students demonstrated adaptive financial strategies through structured allocation and future-oriented planning. The findings also indicate that gender and academic background influence financial management patterns.
Research implications – The findings suggest that financial literacy programs should incorporate socio-cultural dimensions to better address students' financial realities in developing regions.
Originality – This study extends mental accounting theory by demonstrating that financial decision-making is shaped not only by cognitive processes but also by social and cultural contexts.

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INTRODUCTION

In Indonesia, rising educational costs, regional economic disparities, and increasing living expenses have intensified financial pressures on university students. Government policies such as the Uang Kuliah Tunggal (UKT) system aim to improve access to higher education, yet many students in developing regions continue to face financial constraints due to limited household income and unequal economic

opportunities. In addition, students are often expected to balance academic responsibilities with family and community obligations. These conditions make financial decision-making a critical aspect of student life and provide an important context for understanding how financial resources are managed and prioritized.

Against this backdrop, students may organize their limited financial resources into distinct "mental accounts" based on priority and purpose. Many students subconsciously divide their limited income into several informal "mental accounts," such as education funds, savings, or boarding-related expenses, each governed by its own sense of priority, purpose, and emotional boundary.

Mental accounting, as introduced by Thaler (1999), refers to the cognitive process through which individuals categorize financial resources into separate mental accounts that influence spending and saving decisions. This concept has been further developed through the behavioral life-cycle framework, which emphasizes how individuals allocate resources across short-term and long-term priorities (Shefrin and Thaler, 1988; Heath and Soll, 1996).

In a similar cultural lens, Amaliah (2025) demonstrated how mental accounting operates within the Sasi community in Maluku, where financial reasoning is shaped by collective traditions and local wisdom. Her findings reveal that financial decisions are not isolated cognitive acts but socially constructed practices that integrate shared norms and communal values. This reinforces the view that mental accounting, particularly in developing regions, cannot be detached from the cultural and moral environment in which it takes place. However, such findings remain limited in explaining how cultural values structurally shape the dimensions of mental accounting among students.

Despite the growing body of literature, existing studies predominantly conceptualize mental accounting as a categorization mechanism, with limited attention to how temporal orientation and financial goals interact within real-life contexts. Prior research on students has largely focused on expenditure patterns or quantitative measurements, without exploring the underlying reasoning behind financial decisions (Eldista et al., 2020; Firmansyah and Astarani, 2025; Hastuti and Ashari, 2024). Moreover, studies in developing regions rarely consider the role of cultural obligations and social expectations in shaping financial behavior. This indicates a critical gap in understanding mental accounting as a socially embedded and context-dependent process.

Recent studies have further demonstrated that students' financial behavior is influenced not only by mental accounting practices but also by financial literacy, family financial socialization, and self-control. Financial literacy has been shown to improve saving behavior among young adults, while parental socialization plays an important role in shaping financial capability and long-term financial well-being (Alda et al., 2023; Wulandari, et al, 2025). Furthermore, studies on Generation Z indicate that financial decision-making is increasingly shaped by digital financial tools, social influence, and financial technology adoption (Murugiah et al., 2023; Huang et al., 2024). Despite these developments, limited attention has been given to how students simultaneously integrate social obligations, future goals, and expenditure categorization within their mental accounting practices.

While classical mental accounting theory emphasizes individual cognitive categorization, recent studies increasingly argue that financial decision-making is socially and culturally constructed, particularly in collectivist societies. However, previous research remains divided regarding the extent to which cultural obligations and social expectations shape mental accounting practices among students in developing regions. Some studies emphasize rational budgeting behavior, whereas others highlight the dominance of social pressure and familial responsibility in financial allocation. This unresolved debate indicates the need for a more contextual and qualitative understanding of mental accounting practices.

Unlike many previous studies that primarily examine mental accounting from an individual cognitive perspective, the present study is situated within the socio-cultural context of Gorontalo, where strong family obligations and communal values remain influential in everyday economic life. In this setting, financial decisions are frequently negotiated between personal priorities and collective expectations. Consequently, the emotional boundaries of mental accounts are shaped not only by individual preferences but also by culturally embedded responsibilities toward parents and extended family members.

Building upon this background, this study aims to explore how accounting students construct and apply mental accounting across three key dimensions: categorization, temporal orientation, and financial purpose. It further examines how contextual factors such as gender and income shape these practices within a socio-cultural setting. Using a qualitative approach with thematic analysis, this study seeks to provide a deeper understanding of how students organize, prioritize, and justify their financial decisions. This study complements, rather than duplicates, the previous quantitative study by Ismail et al. (2026). While the earlier research statistically examined the relationships among personality, power prestige, qana'ah, mental accounting, and consumptive behavior using PLS-SEM, the present study adopts a qualitative thematic approach to explore how accounting students construct mental accounting practices within their socio-cultural context. Accordingly, both studies differ in research objectives, analytical approaches, and theoretical contributions (Ismail et al., 2026).

This study contributes in three ways. First, it extends mental accounting theory by incorporating socio-cultural dimensions, particularly through the emergence of a "social account" that reflects collective financial obligations. Second, it provides empirical evidence from a developing region, highlighting how individuals construct adaptive financial strategies under resource constraints. Third, it offers a qualitative perspective that uncovers the underlying mechanisms of financial decision-making often overlooked in quantitative research. On a practical level, the insights derived from this study may serve as a foundation for universities to develop more relevant financial literacy programs, design targeted student financial assistance schemes, and strengthen awareness of rational and adaptive money management among youth in transitional societies.

Unlike previous studies that mainly examine mental accounting as an expenditure categorization mechanism, this study conceptualizes mental accounting as an interaction among categorization, temporal orientation, and financial purpose. Categorization determines how limited resources are separated according to priority,

temporal orientation determines when those resources are intended to be used, and financial purpose explains why particular allocations are maintained. These dimensions therefore operate simultaneously rather than independently in shaping the boundaries of students' mental accounts. In conditions of financial scarcity, this interaction may produce what this study terms compensatory categorization, whereby students establish stricter expenditure boundaries to preserve essential needs, social obligations, and future-oriented goals despite limited resources.

This study focuses on accounting students in Gorontalo, and the findings should be interpreted within this specific context. The remainder of the paper is structured into literature review, methodology, results and discussion, and conclusion.

THEORETICAL REVIEW

Mental Accounting Theory

Mental accounting explains how individuals cognitively organize financial resources into separate categories that influence spending and saving decisions (Thaler, 1999). Rather than treating money as fully interchangeable, individuals assign different meanings and usage boundaries to specific funds, shaping priorities in allocation, consumption, and saving behavior (Heath and Soll, 1996).

Although mental accounting theory was originally developed within an individual decision-making framework, the boundaries that separate mental accounts may also be shaped by social expectations. In collectivist societies, financial resources are often allocated not only according to personal preferences but also according to obligations toward family, relatives, and community networks. Consequently, the mental boundaries proposed by Thaler may reflect socially constructed priorities rather than purely individual cognitive evaluations. This perspective provides a useful foundation for understanding the emergence of socially oriented financial categories among students in developing regions.

The behavioral life-cycle framework further explains how individuals allocate income across current consumption, future needs, and accumulated wealth, each associated with distinct behavioral tendencies (Shefrin, H. M., and Thaler, 1988). This perspective is particularly relevant for students who must balance short-term consumption with long-term financial goals under resource constraints.

Mental Accounting in Student Financial Behavior

Building on this theoretical foundation, recent studies have reinforced the importance of mental accounting in shaping the financial behavior of students and Generation Z. Research over the past five years has reinforced the importance of mental accounting in the financial behavior of students and Generation Z. Firmansyah *et al*, (2025) found that Generation Z students categorize expenditures into needs and self-rewards, with behavioral differences depending on the source of funds; money from parents or scholarships tends to be spent more consumptively, whereas income from employment is allocated more cautiously. Similar findings were confirmed by a quantitative study at the National University of Baliwag, which showed that students with stronger mental accounting practices had more controlled expenditures compared to those with weaker practices, although variations existed across majors (Torres et al., 2024). Rifani et al., (2024) also reported that mental accounting and self-control play a significant role in regulating students' daily spending. Furthermore,

Hastuti and Ashari, (2024) found that accounting students living in boarding houses applied mental accounting to manage routine expenses but had not yet systematically integrated long-term financial planning.

Beyond student contexts, mental accounting has been examined in broader socio-economic settings, including MSMEs and culturally embedded communities. These studies show that financial categorization often reflects adaptive strategies in response to uncertainty and social expectations (Puspita and Wardani, 2022; Uli Nuha et al., 2024). This suggests that mental accounting is not merely an individual cognitive process but is also shaped by cultural values and collective experiences.

Although the literature demonstrates the relevance of mental accounting among students, most studies still emphasize the dimension of categorization, while the dimensions of time and purpose remain underexplored, particularly in developing regions such as Gorontalo. For instance, the study by Firmansyah *et al*, (2025) only discussed differences in funding sources without linking how long-term goals or social obligations influence the structure of mental accounts.

Socio-Cultural Dimensions of Mental Accounting

Research on family financial socialization in Asia has shown that parents, familial norms, and cultural experiences play significant roles in shaping the financial attitudes and practices of young people (Loke, 2022; Pak *et al*., 2024; Abdul Ghafoor *et al*., 2024; Murugiah *et al*., 2023), in line with theoretical perspectives on mental accounting that emphasize social context as a formative factor of mental accounts (Antonides, 2017). Therefore, a qualitative study in Gorontalo should highlight the dimensions of time and purpose within an ethno-economic framework. Furthermore, studies in developing regions rarely examine how cultural obligations and social expectations shape the structure of mental accounts. This indicates a gap in understanding mental accounting as a multidimensional and context-dependent process.

Evidence from various cultural settings further indicates that mental accounting is influenced by social norms and collective values. In collectivist societies, financial decisions are often shaped by family expectations and communal responsibilities, leading individuals to allocate resources for social, educational, and religious purposes (Antonides, 2017; Loke, 2022; Murugiah *et al*., 2023).

These findings suggest mental accounting is not a universal, one size fits all mechanism but a culturally adaptive process. People often interpret financial control through moral and social values rather than purely economic logic. In developing regions like Indonesia, financial behavior frequently reflects socio economic resilience: local wisdom and shared responsibility effectively define the boundaries of each "mental account." The present study builds on this view by situating mental accounting among accounting students in Gorontalo, where familial and cultural factors remain central to money management choices.

Previous qualitative studies suggest that individuals often integrate multiple dimensions of financial decision-making, including time and purpose, particularly under conditions of limited resources. A qualitative approach is therefore appropriate for capturing the underlying reasoning behind such behavior, as it allows for in-depth exploration of participants' perspectives (Creswell, 2007). In this context, thematic

analysis enables the identification of patterns related to cultural influences, economic constraints, and gender differences in financial decision-making.

Research Gap and Research Question

Based on this gap, the present study focuses on exploring the three dimensions of mental accounting categorization, time, and purpose in the financial management of accounting students in Gorontalo, and how their relationships are shaped by contextual factors such as gender and income level. In addition, the use of qualitative instruments such as essay-based questionnaires remains relatively rare, despite their strong potential to uncover the dynamics of financial behavior that are often overlooked in quantitative surveys.

RQ: How do categorization, temporal orientation, and financial purpose interact in the mental accounting practices of accounting students in Gorontalo, and how are these interactions shaped by gender and income as contextual factors?

Based on the reviewed literature, this study conceptualizes mental accounting as a multidimensional process involving categorization, temporal orientation, and financial purpose. These dimensions provide the analytical lens for interpreting students' financial experiences within the socio-cultural context of Gorontalo.

RESEARCH METHODS

This study adopts a qualitative approach with thematic analysis to explore the mental accounting practices of accounting students in Gorontalo. This approach is appropriate for understanding the subjective meanings and social contexts that shape financial behavior (Braun *et al*., 2006). The focus on the three dimensions of mental accounting; categorization, time, and purpose, requires a flexible method to capture the complexity of informants' narratives (Creswell, 2007).

The participants consisted of 26 accounting students from four universities in Gorontalo (IAIN Sultan Amai, Universitas Negeri Gorontalo, Universitas Muhammadiyah, and Universitas Ichsan). The selection was conducted using purposive sampling based on the following criteria included active undergraduate students in accounting programs, having managed personal finances independently for at least one year, willing to voluntarily provide information.

Purposive sampling is commonly employed in qualitative research to select key informants who can provide in-depth data (Suri, 2011; Etikan, 2016). Most participants received their monthly allowance from their parents to cover daily expenses, while a smaller number had part-time jobs as an additional source of income.

The sample size of twenty-six participants was considered adequate because qualitative inquiry emphasizes information richness rather than numerical representation. Data collection was concluded when additional responses no longer generated substantially new codes or themes, indicating thematic saturation (Fusch and Ness, 2015).

Table 1. Research Dimensions and Indicators

Dimension	Indicators Explored
Categorization	Education, social needs, daily necessities, savings
Time Orientation	Monthly planning, long-term planning
Financial Purpose	Investment, family support, future goals

Source: Developed by the authors based on Thaler (1999), Shefrin and Thaler (1988), and the reviewed literature.

The open-ended questionnaire was developed based on these dimensions to explore how students categorize, prioritize, and allocate financial resources in daily life.

Data were collected through open-ended essay questionnaires containing questions related to money management habits, including spending priorities ("If you had IDR 10 million, what five needs would you prioritize?"), monthly savings allocation, and long-term financial goals (e.g., investment, pilgrimage).

The data collection was carried out both online via Google Forms and offline between June and August 2024. Each participant was given 30–45 minutes to complete the questionnaire. Open-ended essay questionnaires are effective in eliciting emic perspectives in qualitative research (Alhojailan and Ibrahim, 2012).

To encourage detailed responses, participants received written instructions emphasizing the importance of providing explanations rather than short answers. The questionnaire consisted of open-ended questions that required participants to describe financial priorities, spending considerations, and future financial goals. Participants were also informed that there were no correct or incorrect answers, allowing them to freely express their experiences and reasoning. Responses considered unclear or overly brief were reviewed and clarified where possible before the analysis stage.

Although follow-up interviews or focus group discussions were not conducted, several procedures were implemented to enhance the richness of the qualitative data. The open-ended questionnaire was intentionally designed to encourage detailed narratives rather than brief responses, allowing participants to describe the reasoning underlying their financial decisions. Furthermore, responses were reviewed iteratively during the familiarization stage, and only information that provided sufficient contextual meaning was retained for coding and theme development. Data collection was concluded when the responses no longer generated substantially new themes, indicating thematic saturation rather than statistical representativeness.

Data analysis followed the six phases of thematic analysis (Braun *et al*., 2006) including familiarization with the data (repeatedly reading all responses), generating initial codes with identifying keywords (e.g., "tuition fee," "helping parents"), searching for themes like grouping codes into broader themes (e.g., "education," "social"), reviewing themes to ensuring consistency between themes and the raw data, defining and naming themes to developing written descriptions for each theme, and producing the report to presenting the findings with illustrative quotations.

Table 2. Coding Process

Initial Codes	Categories	Themes
Tuition fee	Education	Education Account
Helping parents	Social	Social Account
Saving for Hajj	Savings	Future Orientation
Daily meals	Daily Needs	Consumption Account

Source: Primary data, 2024

The credibility of the findings was ensured through data triangulation by comparing responses across participants and examining consistency among emerging themes (Firmansyah *et al*, 2025; Fusch and Ness, 2015; Norman K. Denzin, 2018).

Prior to data collection, participants were provided with an explanation of the research objectives, potential benefits, risks, and assurances of confidentiality. Voluntary consent was obtained both online and offline. The identities of the informants were anonymized in the report (Denzin, 2018).

RESULTS AND DISCUSSION

The thematic analysis reveals several key patterns in how accounting students organize and manage their financial resources. These patterns reflect the presence of mental accounting practices structured around expenditure categorization, financial priorities, and underlying psychological factors.

The findings indicate that students categorize their financial resources into four main groups: education, daily necessities, social account, and savings or investment, as presented in Table 3. Education emerges as the primary category, reflecting the importance of academic-related expenses such as tuition fees and learning tools.

Table 3. Main Themes Emerging from Thematic Analysis

Main Theme	Sub-theme	Illustrative Meaning Unit
Education	Tuition, books	"Education remains my first priority..."
Daily Needs	Food, transport	"Daily needs come first..."
Social Account	Parents, family	"I prioritize helping my parents..."
Savings/ Investment	Hajj, investment	"I save for my future..."

Source: Primary data, 2024

One informant explained, "Education remains my first priority because it determines my future opportunities and career prospects" (Informant 4). Another informant noted, "Even when my allowance is limited, I always reserve funds for tuition-related expenses before considering other needs" (Informant 11).

Table 4. Demographic Profile

Variable	Category	Number of Informants
Gender	Female	18
	Male	8
Monthly Income (Allowance)	< IDR 500,000	22
	IDR 500,000–1,000,000	4

Source: Primary data, 2024

The demographic profile shows that eighteen of the twenty-six participants were female, while eight were male. Twenty-two participants reported a monthly allowance below IDR 500,000, while four reported an allowance between IDR 500,000

and IDR 1,000,000. Most participants relied primarily on parental allowances to cover their daily expenses, while a smaller number had part-time employment as an additional source of income.

The presence of a distinct social category highlights the role of familial and community obligations in shaping financial decisions. For instance, one informant stated, "*I would prioritize giving money to my parents before spending on personal needs*" (Informant 7), indicating that financial allocation is not solely based on individual preferences but also influenced by social responsibilities. This finding reflects the existence of a "social account," which extends the concept of mental accounting beyond purely individual decision-making.

Differences in expenditure patterns also reflect variations in financial priorities. Students in the education category tend to allocate funds toward tuition fees and learning tools, while those in the daily necessities category focus on short-term consumption such as food and transportation. One participant explained, "*If I had extra money, I would use it for daily needs first because they are urgent*" (Informant 12), showing a short-term orientation driven by immediate needs. In contrast, students in the savings and investment category demonstrate a stronger long-term orientation. As one informant noted, "*I prefer to save for hajj and future investment rather than spending it immediately*" (Informant 15). This suggests that mental accounting is closely related to temporal orientation and goal-setting behavior.

These patterns can be further explained through the theory of mental accounting, which argues that individuals organize financial resources into separate cognitive categories that influence their decision-making (Thaler, 1999). Rather than treating money as fungible, students assign specific meanings and priorities to different financial resources. This behavior also aligns with the behavioral life-cycle perspective, where individuals balance present consumption with future-oriented goals under resource constraints (Shefrin and Thaler, 1988).

As shown in Table 4, income level further explains variations in financial behavior. Students with lower monthly income (below IDR 500,000) tend to prioritize basic needs, while those with relatively higher income demonstrate more flexibility in allocating funds for savings and investment. This pattern reflects adaptive financial strategies, where individuals adjust their financial decisions based on available resources. Such behavior is consistent with the concept of bounded rationality, in which decision-making is shaped by limitations in resources and contextual conditions.

These findings should also be interpreted within the socio-economic realities of Gorontalo. Most informant depended primarily on parental allowances and had limited access to alternative income sources. Under such circumstances, financial prioritization becomes a necessity rather than a preference. The need to balance educational expenses, daily living costs, and family obligations helps explain the emergence of relatively structured mental accounting practices despite limited financial resources.

An important finding of this study is the emergence of what may be termed compensatory categorization. Contrary to assumptions commonly found in Western mental accounting literature, where financial scarcity is often associated with shorter planning horizons and reactive spending behavior, students in this study responded

to limited resources by establishing stricter expenditure boundaries. Financial constraints did not weaken planning behavior; instead, they encouraged more disciplined allocation practices to balance educational needs, family obligations, and future goals simultaneously.

This adaptive categorization appears particularly relevant among accounting students because their academic training familiarizes them with budgeting principles, financial recording, and expenditure classification. Rather than merely responding emotionally to financial scarcity, participants demonstrated an ability to organize limited resources systematically. Within the collectivist culture of Gorontalo, such financial discipline is further reinforced by social expectations to contribute to family welfare while maintaining educational commitments. Consequently, compensatory categorization reflects the interaction between professional knowledge and culturally embedded financial responsibility.

Gender differences also emerge in financial planning behavior. Female students tend to demonstrate more detailed and structured financial allocation, while male students show simpler and more immediate spending patterns. This finding is consistent with previous studies suggesting that gender influences financial attitudes and decision-making processes, particularly in budgeting and financial planning.

Nevertheless, these observations should be interpreted cautiously because female participants substantially outnumbered male participants in the present study. Consequently, the identified gender differences should be understood as indicative patterns rather than definitive conclusions, and future studies with more balanced participant compositions are needed to verify these findings.

In addition, academic background plays an important role in shaping financial behavior. Students who have taken courses in financial management and accounting demonstrate greater awareness of financial planning and record-keeping. This indicates that formal education contributes to the development of more structured financial decision-making processes.

Psychological factors further influence mental accounting practices. Some students perceive money as a symbol of success, which affects their spending behavior, while others demonstrate strong self-control by prioritizing savings for future needs. This suggests that mental accounting is not purely rational but also influenced by emotional and psychological considerations.

From a broader perspective, these findings indicate that mental accounting among accounting students is not solely driven by economic reasoning but is deeply embedded in socio-cultural contexts. The emergence of a social account highlights the importance of family obligations and collective values in shaping financial decisions, particularly in a collectivist society.

From a theoretical perspective, this study extends the concept of mental accounting by demonstrating that financial behavior is influenced not only by categorization but also by the interaction between time orientation, financial goals, and cultural values. From a practical perspective, these findings suggest that financial literacy programs should incorporate socio-cultural aspects to better reflect the realities faced by students in developing regions.

These results also resonate with the notion of bounded rationality (Herbert A. Simon, 1984), where decision making occurs under limits of information, time, and

cognitive capacity. Despite these constraints, students in this study maintained systematic allocation habits that reflect adaptive problem solving rather than randomness. Their use of distinct accounts shows not only financial awareness but also an emotional discipline learned within family and community contexts.

Comparable patterns appear in other Southeast Asian settings, where mental accounting functions as a coping or survival mechanism in uncertain economic environments (Loke, 2022). In Gorontalo's collectivist culture, the emergent "social account" performs double duty: a practical safety net and a moral expression of solidarity. Framed this way, mental accounting moves beyond a purely cognitive model to become a socially responsive form of financial reasoning.

This result aligns with the concept of mental accounting proposed by Richard H. Thaler, (1999), namely the tendency of individuals to separate financial resources into distinct mental accounts that influence consumption and saving behavior. The findings are also consistent with the theoretical review by Antonides, (2017) in Mental Accounting and Economic Behaviour, which emphasizes that categorization and temporal aspects are integral components of the structure of mental accounts. This pattern is further reinforced by quantitative studies on Generation Z students in Asia, such as Mental Accounting Practices and Spending Behavior of Collegiate Students at National University Baliwag by Torres et al., (2024), which found that mental accounting practices correlate with expenditure control.

Education emerged as the most frequently identified expenditure priority among participants. As reflected in the thematic analysis, students prioritized education-related expenses, followed by daily necessities, social obligations, and savings or investment.

These findings are consistent with those of Rifani et al., (2024), who revealed that mental accounting and self-control help students manage their daily expenditures more systematically. Similarly, Candrakusuma and Dewinda, (2024) found that Generation Z students in Indonesia apply varied mental account groupings to meet daily needs while simultaneously preparing for long-term savings. In addition, Rismarina and Maulana, (2024) emphasized that financial literacy and psychological factors strengthen the relationship between lifestyle, mental accounting, and personal financial management, particularly among low-income groups. Comparable results were reported by Hidayati et al., (2025), who discovered that young people are aware of the importance of saving and building emergency funds, yet their consistency is often disrupted by unstable income and consumptive spending patterns, especially under uncertain economic conditions.

As observed in this study, students allocate their money into separate accounts for consumption and saving, although in relatively small amounts. The demographic profile presented in Table 4 shows that most participants belonged to the lower-income group, with a monthly allowance below IDR 500,000. Furthermore, Alda et al., (2023) demonstrated that financial literacy, parental socialization, and self-control have a positive and significant effect on students' saving behavior, reinforcing the argument that environmental support and internal factors are crucial foundations for the successful implementation of mental accounting among young populations.

In addition, psychological factors were also found to play an important role in students' mental accounting practices. Some students viewed money as a status

symbol, while others emphasized self-control and financial planning. This phenomenon supports the argument that mental accounting is not purely rational but is also influenced by emotional aspects and social perceptions. For instance, Fonseca et al, (2012) demonstrated that there is a gender gap in financial literacy that is not only related to knowledge but also to women's involvement in household decision-making and control over daily expenditures. Cross-country studies have further highlighted this gender gap in financial literacy, with women tending to be more cautious in financial planning and expense tracking (OECD, 2013). These findings are reinforced by recent studies showing that gender differences in financial literacy are closely tied to cultural and social norms, whereby women are often more systematic in managing budgeting compared to men (Lusardi and Mitchell, 2023).

This study also revealed the influence of academic background on mental accounting practices. Students enrolled in finance-related majors, including accounting, tended to demonstrate more systematic financial planning patterns. This finding is consistent with the study by Huang et al., (2024), which reported that students from finance-related fields have higher financial literacy scores compared to non-finance students, although the effect on financial habits remains limited. In addition, Adnan et al., (2023) found that students majoring in accounting or business possess stronger digital financial literacy, which supports more structured personal financial management.

Overall, this study provides a theoretical contribution by strengthening the understanding of how mental accounting practices are applied in the context of students in developing regions such as Gorontalo. From a practical perspective, the findings offer implications for educational institutions to enhance financial literacy curricula and for policymakers to design financial education programs tailored to the needs of young generations.

The findings of this study not only address the gap in qualitative research on mental accounting practices among students in developing regions but also provide important practical implications. The early introduction of financial management principles within academic settings needs to be strengthened to encourage students to develop habits of planning and controlling expenditures. Educational institutions can design financial literacy programs specifically aimed at enhancing students' financial management skills, including modules and workshops that emphasize the application of mental accounting in line with the local context. In addition, the development of simple financial applications by institutions or local developers could support students in recording, allocating, and monitoring daily expenditures; previous studies have shown that the use of financial applications is positively associated with saving behavior (Clarence and Pertiwi, 2023). Looking ahead, longitudinal and experimental studies based on financial applications are needed to track the development of students' mental accounting patterns over time, to compare accounting and non-accounting students in Eastern Indonesia, and to test the effectiveness of mental accounting–based applications in enhancing financial literacy.

This study has several limitations that should be considered when interpreting the results. The predominance of female informants may have influenced the findings related to financial planning patterns; therefore, a more balanced gender representation would help strengthen the robustness of future comparisons. In

addition, this study did not account for other factors such as family size or place of origin (urban versus rural), which may also play a role in shaping mental accounting patterns. From a methodological perspective, the use of essay-based questionnaires limited the researcher's ability to capture non-verbal expressions that could reveal deeper conflicts or dynamics in the financial decision-making process.

Despite the limitations noted, the findings of this study still provide valuable insights into how accounting students in Gorontalo manage their personal finances through mental accounting practices. Thematic coding analysis of the data revealed that students have developed relatively structured mental accounting systems despite limited income. Their spending patterns reflect priorities in education, social responsibilities, and, in some cases, investment awareness. These findings highlight the importance of a holistic approach to financial education for students. Income and gender emerged as key contextual factors, while academic background reinforced saving awareness. A contextualized approach to financial education is therefore needed to address local needs.

CONCLUSION

This study found that accounting students in Gorontalo apply mental accounting through the categorization of financial resources into education, daily needs, social obligations, and savings or investment. The findings also reveal the emergence of a distinct "social account," reflecting the influence of family responsibilities and collectivist values on financial decision-making. In addition, students demonstrated adaptive financial strategies under resource constraints through what this study terms compensatory categorization, namely the tendency to establish stricter expenditure boundaries despite limited income.

From a practical perspective, the findings suggest that financial literacy programs should incorporate socio-cultural dimensions that reflect students' everyday realities. Universities could incorporate the concept of the "social account" into financial literacy programs by helping students distinguish between essential personal expenditures and financial obligations toward parents and family members. Student assistance schemes could also consider the financial burden associated with supporting family members, particularly for students with limited income.

This study has several limitations, particularly regarding the predominance of female informants and its geographical scope being limited to the Gorontalo region. The use of essay-based questionnaires also did not allow the researcher to capture non-verbal dynamics that could have enriched the analysis. Nevertheless, these limitations open opportunities for further studies, such as cross-cultural comparative research in Eastern Indonesia, intervention experiments based on hybrid accounts, or the integration of qualitative and quantitative approaches within mixed-method designs.

Suggestions for future research include deepen this exploration by employing longitudinal designs to observe how mental accounting practices evolve as students enter professional and family life. Comparative studies across Indonesian regions or between countries with similar collectivist traditions could also reveal variations in the emergence and persistence of the "social account." Integrating behavioral experiments or mixed-method approaches may provide stronger evidence of how financial cognition interacts with moral and cultural obligations. These directions

would not only reinforce the theoretical foundation of culturally embedded mental accounting but also strengthen the policy relevance of financial literacy education in developing contexts. Future studies may also examine how mental accounting practices operate within digital financial ecosystems, including e-wallet applications, mobile banking platforms, and online student communities. Such research may reveal how digital technologies influence the management of financial categories, social obligations, and saving behavior among younger generations.

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