The financing of university education in Kenya has been through the university loan scheme. However, due to rising enrolments and budgetary constraints, the loan was restructured. As a result, the university undergraduate students are no longer assured of receiving the full loan.

The objectives of the study were: to determine the public university undergraduate students' financial status; to identify the food consumption patterns of public university students; to determine the relationship between student finances and their food consumption patterns; to investigate the coping mechanisms employed by the students in meeting their food needs by gender; to assess variations in food consumption patterns of students before and after the introduction of Pay-As-You-Eat (PAYE); and to assess students' opinions about their food consumption patterns. The study sought to test the null hypothesis that there is no relationship between students' finances and their food consumption patterns.

Three public universities in Kenya were covered namely Kenyatta University, Egerton University and University of Nairobi. The target population was undergraduate students who received the HELB Loan during the 1999/2000 academic year. Descriptive survey research design was employed. Multi stage sampling was used to get a total sample size of 288 respondents made up of 147 male and 141 female respondents. Data was collected by use of self-administered questionnaires, and document analysis.

Quantitative data was analyzed using the Statistical Package for Social Sciences (SPSS) Version 9.0. Frequencies and percentages were used to describe the data collected. The Pearson Product-Moment Correlation was used to test the study hypothesis. A contact summary sheet was used to summarize qualitative data.

The study revealed that majority of the respondents (41.9%) received the loan only, 16.2% received both the loan and the bursary, 35.5% received finances from both the loan and other sources whereas only 6.4% received finances from all three sources, namely the loan, bursary and other sources. While more males than females ate three meals per day, most respondents eating three meals per day had finances from both the loan and other sources. While more males than females ate three meals a day, most respondents eating three meals per day had finances from both the loan and other sources. The most common coping mechanism employed by majority of the respondents was cooking their own meals. Other coping mechanisms identified were skipping meals, buying cheap food, and using money wisely.

Before the introduction of the PAYE system, student menus were centrally prepared. From 1992-1995, students were allowed approximately Kshs. 35.00 per day for food. With the PAYE system, students are given the money, and they have a choice of where, when and what to eat. More females than males were satisfied with their eating habits. Assistance needed by the respondents in order to improve their eating habits were identified as financial, nutritional awareness, proper time tabling and availability of cheaper foods in university eating outlets. Pearson Product-Moment Correlation, which was used to test the hypothesis revealed a statistically significant relationship (2-tailed) between student finances and food consumption. Therefore, the study hypothesis was accepted.

Recommendations that have been put forward are that; university students develop the discipline of budgeting, and adhering to their budgets; HELB and government should consider reviewing the amount of loan component allotted to food keeping in mind the rising costs of food; female students need to be sensitized on the importance of eating regularly, and university administrators construct proper cooking areas with safe cooking facilities for use by the students.