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RESEARCH ARTICLE

SPEND ANALYSIS AND BUDGET STABILITY OF EMPLOYED SOLO PARENTS IN SAN PABLO CITY, LAGUNA

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ARTICLE DETAILS

ABSTRACT

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In the Philippines, one of pressing concerns of the government is providing sustainable programs for Filipino families especially those poor families. To raise a family alone is very hard financially, emotionally and psychologically. As the head of the household, it is up to you to make sure that your entire family's needs are being met. In order to do that, you need to be extremely diligent when it comes to money management basics. Extending your budget out into the future also allows you to forecast how much money you will be able to save for important things like your vacation, a new vehicle, your first home or home renovations, an emergency savings account or your retirement. This paper aimed to study the significant relationship of spend analysis tool (visibility, analysis and process) and budget stability in terms of needs and wants of employed Solo Parents in San Pablo City. By means of purposive sampling technique out of 100 questionnaires distributed, only 65 were retrieved. Pearson -r was used to test the relationship of the profile of the respondents and spend analysis to the budget stability of the Solo Parents. Findings revealed that there is a significant relationship between their monthly income and spend analysis to their budget stability with p-value of .035 and .012 respectively.

KEYWORDS

Employed Solo Parents, Spend Analysis, Budget Stability, Filipino families, Head of the Family.

1. INTRODUCTION

As everyone knows, human beings have needs and wants. The needs are technically the things that humans must have in order to survive such as food, water, shelter, and clothes. Moreover, wants are associated to the unnecessary things that humans can live without like gadgets, car, jewelries and stuffs. In like manner, needs and wants are unfortunately not free, therefore the capability to supply the essentials and non-essentials sufficiently, rely upon the earnings of the individual. However, the income of every individual varies in source as well as in amount. In general, an entity or an individual practically generate income through salary or wages; form of payment from an employer to an employee. In which the range or in other words the extent of how much one receives still vary based upon the job position, job performance, tenure of employment and significantly the employer and its terms.

An analysis on spending is the process of collecting, classifying and analyzing expenditures in aiming to decrease costs, improving monetary management. There are three core areas of spend analysis - visibility, analysis and process [1]. By leveraging all three, companies or individuals can generate answers to the crucial questions affecting their spending, including: What am I really spending? With whom am I spending it? Am I getting what's been promised for that spend? Business and large corporations perform spend analysis for several reasons. The core business driver for most organizations is profitability. One's awareness on spending their money with separation of needs from wants is very crucial on budgeting their income. When the basic needs are fulfilled, the thirst of spending on the things that are wanted but can live without increases in which most people mistakenly categorize need as a want, in example to this is that food is basically necessary but dining out in a fancy restaurant is not a need anymore, it is a want [2]. Likewise, the shelter or the place

you live in is similarly necessary but residing in a luxurious condominium or lavish mansion is neither a need, but a want. In addition, gadgets and any other form of entertainment stuffs are mere wants and was never a need. In a addition to improving compliance and reducing cycle times, performing detailed spend analysis helps businesses find new areas of savings that previously went untouched, and hold on to previous areas funds that they have already exchanged [3]. Spend analysis is not just vital for large organizations and businesses but also on individuals whether they are working, have a small business.

In the Philippines, one of the pressing concerns of the government is providing sustainable programs for the Filipino families especially those poor families. Hence, raising a poor family with the help of husbands and wives will at least make hard things a bit lighter for them, A family that consist of parents (Mother and Father) and Children. But being a Solo Parent is another story to tell, it can never be taken for granted, some of them lost their husbands or wives while raising a young family, however some gave births out of wedlock and worst are rape victims who chose to still carry and deliver their child. According to Manila Bulletin, 14 million of singled or solo parents in the country who single - handedly raised their children [4]. To raise a family alone is very hard financially, emotionally and psychologically. They will come a time Solo Parents tend to spend all their earnings in raising their child and no time for self-relaxation or care [5]. Budgeting is vital but it is a challenge for every individual mostly for Solo Parents.

A solo parent is defined in Republic Act 8972 as follows: "Solo parent" - any individual who falls under any of the following categories: (1) A

woman who gives birth as a result of rape and other crimes against chastity even without a final conviction of the offender: Provided, that the mother keeps and raises the child; (2) Parent left solo or alone with the responsibility of parenthood due to death of spouse; (3) Parent left solo or alone with the responsibility of parenthood while the spouse is detained or is serving sentence for a criminal conviction for at least one (1) year; (4) Parent left solo or alone with the responsibility of parenthood due to physical and/or mental of spouse as certified by a public medical practitioner; (5) Parent left solo or alone with the responsibility of parenthood due to legal separation or de facto separation from spouse for at least one (1) year; as long as he/she is entrusted with the custody of the children; (6) Parent left solo or alone with the responsibility of parenthood due to declaration of nullity or annulment of marriage as decreed by a court or by a church as long as he/she is entrusted with the custody of the children; (7) Parent left solo or alone with the responsibility of parenthood due to abandonment of spouse for at least one (1) year; (8) Unmarried mother/father who has preferred to keep and rear her/his child/children instead of having others care for them or give them up to a welfare institution; (9) Any other person who solely provides parental care and support to a child or children; (10) Any family member who assumes the responsibility of head of family as a result of the death, abandonment, disappearance or prolonged absence of the parents or solo parent [6].

As the head of the household, it's up to *you* to make sure that your entire family's needs are being met. In order to do that, you need to be extremely diligent when it comes to money management basics. This is not something that will happen by accident. Instead, you must plan for it and work toward it. Based from Credit Counseling Services, Budgeting is the process of creating a plan to spend your money. This spending plan is called a budget. Creating this spending plan allows you to determine in advance whether you will have enough money to do the things you need to do or would like to do [7]. Once you create your first budget, begin to use it and get a good feel for how it can keep your finances on track, you may want to map out your spending plan or budget for 6 months to a year down the road. By doing this you can easily forecast which months your finances may be tight and which ones you'll have extra money. You can then look for ways to even out the highs and lows in your finances so that things can be more manageable and pleasant. Budgeting and spending are very much important in every family, without proper knowledge about it, there will always be less in raising your child/ren. Necessities might take for granted if people spend too much on the unimportant things around them. Instead of providing a happy and established family even raising them alone, Solo Parents will not have a happy life.

2. LITERATURE REVIEW

Several notable studies revealed that Budgeting or managing finances correctly is the leading problem of many individuals. Financial issues like developing a savings plan, paying off debt and balancing a check book have a major impact on one's ability to raise a family exclusively and make smart decisions about spending properly. Unfortunately, many people were never taught about basic budgeting [8]. Spending is one of the activities that people have made into a daily routine. To spend means to use the money that will be used for one's necessities, leisure and miscellaneous activities. In the income-expenditure model of John Maynard Keynes, he explained fluctuations in production of goods and services and spending. The model basically states that we produce as many goods as will sell on the market and fluctuations in production and expenditure are tied to keep an economy stable. The theory makes a couple of assumptions that aren't always true: wages, prices and interest rates are fixed, and output is determined by demand.

On the 2013 study of Kaitlin Karlson, the researcher looked at the financial behavior of college students and recent alumni as it relates to economic theory and the life-cycle hypothesis. College students are money-spending machine in addition to the tens of thousands of dollars students and their families spend on tuition; the campus students also spend money on alcohol, clothing, food, and other activities [9]. These consumption habits may seem harmless, but when combined with limited income, accumulating credit card debt, and large student loans, the deficit

spending becomes detrimental to future financial well-being. The researcher's aspects of spending on college tuition include financial aid, decisions regarding selecting college majors and future careers, and navigating student loans. In the study, the results showed that participants overestimated future salaries, making it difficult for them to smooth current consumption based on future earning as predicted by the life-cycle model. It also showed the preference of using cash rather than debit and credit.

According to another study on spending and saving habits of college students, it has been undertaken to analyses the spending and saving habit of college students especially in Newman college Thodupuzha. The main reason behind the study is the youth spend more than their income and saving habit is declining. This study shows the various spending and saving avenues for youth and how they maintain their financial requirements with limited income and high expenses [10]. They emphasized that spending and saving habit of college students is a relevant topic in this current scenario because the income of students is very low and expenses are very high. Thus, it is important to study on how they will manage their expenses with their limited income. This study is anchored with The **Life-Cycle Hypothesis (LCH)** an economic theory that pertains to the spending and saving habits of people over the course of a lifetime. The concept was developed by Franco Modigliani and his student Richard Brumberg.

The Life Cycle Hypothesis replaced an earlier hypothesis developed by economist John Maynard Keynes. He believed that savings were just another good and that the percentage that individuals allocated to savings would grow as their incomes rose. LCH presumes that individuals plan their spending over their lifetimes, taking into account their future income. Accordingly, they take on debt when they are young, assuming future income will enable them to pay the debt off [11]. They then save during middle age in order to maintain their level of consumption when they retire. Keynes also considered consumer spending to be the most important determinant of short-term demand in an economy. Pillai et al. stated that attitude of young adults toward spending plays a vital role in sustainability perspectives of their finance and is a significant variable in financial prudence.

Besides, adults with high financial literacy enable them to decreases their chances of bankruptcy, receiving government assistance and making poor consumer decision also in a **Theory of Personal Budgeting** paper analyses the link between budgeting and self-control problems in consumption-saving decisions [12]. It shows that the use of good-specific budgets depends on the combination of a demand for commitment and the demand for flexibility resulting from uncertainty about intra-temporal trade-offs between goods. It explains the subtle mechanism which renders budgets useful commitments, their interaction with minimum-savings rules (another widely- studied commitment technique), and how budgeting depends on the intensity of self-control problems.

3. CONCEPTUAL FRAMEWORK

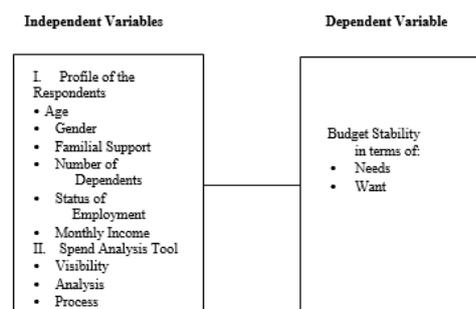


Figure 1: Research Paradigm

Figure shows the relationship between the profile of the respondents and Spend Analysis tool to the Budget Stability of Employed Solo Parents in San Pablo City.

4. STATEMENT OF THE PROBLEM

1. Profile of the Respondents

- Age
- Gender
- Familial Support
- Number of Dependents
- Status of Employment
- Monthly Income

2. Spend Analysis Tool

- Visibility
- Analysis
- Process

3. Budget Stability in terms of:

- Needs
- Wants

4. is there a significant relationship between the profile of the respondents and their budget stability?

5. is there a significant relationship between their spending activities and budget stability?

5. HYPOTHESES

There is no significant relationship between the profile of the respondents and the budget stability of Employed Solo Parents and their budget stability.

There is no significant relationship between the spend analysis and their budget stability of Employed Solo Parents.

6. RESEARCH METHODOLOGY

This paper is a descriptive research and used purposive sampling techniques and is limited to Employed Solo Parents living in San Pablo City. Researcher went to DSWD (Department of Social Welfare and Development) and DILG (Department of Interior and Local Government) to get information about Solo Parents in San Pablo City. Due to Data Privacy Act of 2012 only the complete number of registered Solo Parents was given to the researcher which is 841 as of 2018. So she decided distributing 100 questionnaires in selected individuals that she knows that are solo parents and to barangay officials to help her out completing the data gathering. Self-made survey questionnaires were made and given to evaluate their spending behavior and budget stability [13]. Frequency count was used to determine the profile of the respondents also put them into label accordingly to test the relationship. Mean was used to analyze their spending and budget stability. Pearson-r was used to identify the significant relationship between profile of the respondents, spending analysis tools and budget stability. For part II and III of the survey questionnaires, point likert scale 4-Always, 3 - Often, 2 - Sometimes and 1 - Never was used to analyze their spending analysis tools and their budget stability.

7. DISCUSSION

7.1 Part I: Profile of the Respondents

Most of the respondents or 28 out of 65 ages from 29 to 39 years old, 19 were ages between 40 to 50 years old. Respondents in ages 18 to 28 and above 51 years old got, 15 and 3 respectively. 63 respondents have 1 to 2 dependent/s and remaining 2 have 3 to 4. Female dominated the Employed Solo Parents with 62 out 65. 45 from them have their families supporting them especially in financial matters [14]. However, not all of them have regular jobs that has a frequency of only 29, some of them were contractual and probationary with a frequency of 25 and 11 respectively. For their monthly income, 23 of them earns 15,001 to 21, 000 followed by 9,001 to 15,000, frequency of 21. Hence, the remaining frequencies of 7, 6, 5 and 3 of the respondents earns 21,001 to 27, 000, 3,000 to 9,000, 33, 000 and above and 27,001 to 33,000 respectively.

7.2 Part 2. Spend Analysis

Table 1: Visibility (What am I really spending?)

Indicators	Mean	Verbal Interpretation
I pay all the bills and expenses first after each salary.	3.57	Always
I buy inexpensive yet healthy food for my family.	3.03	Often
I eat in restaurants and fast food chain with my family.	2.17	Sometimes
I immediately take actions to fix necessary things in the house that needs repair.	3.75	Always
I purchase clothes most of the time, if it is needed at work.	2.80	Often
Overall Mean	3.06	Often

Table depicts the means as to the visibility of spend analysis tool of the respondents. With a mean of 3.75, most of the respondents immediately take actions to fix necessary things in the house that needs repair. A shelter is one from the three basic needs of every individual and family. A shelter can protect you from warm and cold weather, other insects or animals and even from bad people. It can give you a feeling of well-being and maintain your will to survive [15]. However, lowest mean of 2.17 with verbal interpretation of sometimes, respondents eat in restaurants and fast food chain with their families. Even though, food is the primary necessity of survival of the families and individuals, solo parents chose to prioritize to buy healthier food, purchase clothes for their work needs and pay their utility bills.

Table 2: Analysis (To whom and why I'm spending it?)

Indicators	Mean	Verbal Interpretation
I prioritize the needs of my family.	3.58	Always
I make sure to send my children to schools with good standing even if it is quite expensive.	2.62	Often
I see to it that all the basic needs of my family were bought first before mine.	3.42	Always
I go out with my friends for lunch and dinner occasionally.	2.08	Sometimes
I do shop if I have extra money.	2.22	Sometimes
Overall Mean	2.78	Often

Table above shows with a mean of 3.58, most of the respondents really knew that most of their spending were allotted to the needs of the family. Quora.com said, family should always come first because your connection with them is permanent and profound. Indeed, the respondents believed, their family is everything although raising their children alone is a big challenge, they chose to send them to schools with good standing regardless if it is quite expensive with 2.62 mean. Family will always be the priority, that's why most of the respondents cannot always buy for themselves or eat lunch or dinner with friends all the time with means 2.22 and 2.08 respectively.

Table 3: Process (Am I getting what's been promised for that spend?)

Indicators	Mean	Verbal Interpretation
I spend on goods or items regardless of the price because of its quality.	2.63	Often
I avail of quality service even if sometimes its costly.	2.38	Sometimes
I make sure to buy many items that I need if it's on sale.	2.62	Often
I make sure I will get satisfied to every money I will spend.	2.86	Often
I carefully read labels or nutrition fact before I buy.	2.38	Sometimes
Overall Mean	2.58	Often

In this table you can see the carefulness of solo parents in buying goods and services. They are often concern of the quality and durability of the products they are availing. 2.86, the highest mean with verbal interpretation of often, respondents made sure that upon buying the products, they will get satisfied. In this country today, where taxes and inflations were too high, it is very important for the customers to be satisfied. Money is important, it is one of the means to survive this life and quality is needed to make you spend worth it. That's why the second highest mean is 2.63, oftentimes, solo parents purchase goods with a

quality regardless of the price of it. Buying items solo parents need on sale helps them in saving money because Dorisbell and, 2017 in one article, said when you buy something on sale, your certainly pay less than the usual price. For solo parents, paying less or having more than you pay is very important.

7.3 Part 3. Budget Stability

Table 4: Needs

Indicators	Mean	Verbal Interpretation
I buy goods and services that are required.	3.63	Always
I see to it that the goods and service I purchase are all in my priority lists.	3.51	Always
I list all the things I need before I buy goods.	3.48	Always
I prefer buying goods in Public Market rather than Supermarkets.	2.35	Sometimes
I consider improving my financial situation so what I buy, are the necessities of my family.	3.58	Always
Overall Mean	3.31	Always

The obligations of Solo Parents cannot be questioned, be it financial, emotional and social aspect. Raising a family by oneself allocation of resources and income. Most of the time, the income of a solo parent would not suffice in covering up for all the expenses of the family. As the table represents with 3.31 overall mean, solo parents always seek what is important and what is needed by the family. Stable budgeting is hard to achieve even individuals who have proper knowledge sometimes fails also in managing their money. How much more of those solo parents who do not get familial support and have a low income? It is definitely a day-to-day challenge for them to budget their means to supplement the needs of the family.

Table 5: Wants

Indicators	Mean	Verbal Interpretation
Sometimes, I allot budget for what I want even if it's not necessary.	2.49	Often
Even if sometimes, I buy things that are not priority, I feel happy and satisfied.	2.37	Often
I make sure I will have my time to at least travel with my family once in a while.	2.43	Often
When I can afford things that is really nice, I buy it when I have extra.	2.40	Often
I don't sacrifice needs over wants.	2.95	Often
Overall Mean	2.53	Often

In working solo parents, relaxations to pamper themselves can never be disregarded. They will feel their tiredness in doing their jobs while raising a child/ren alone. Results revealed as presented on the table above that, most of the respondents do not forget to think and buy for themselves once in a while. Hence, they are still aware of their priority which is the needs of the family over wants with a highest mean of 2.95. So, prepared from time to time travels or out of town of they have extra money to at least unwind and bond with their children, with a mean of 2,40 and verbal interpretation as often. According to Forbes 2016, a decent salary and appropriate responsibilities aren't necessary enough to make a job worth pursuing. Travel benefits working solo parents by boosting their morale, relieve stress and feel the acceptance towards other people.

7.4 Part 4. Significant Relationship

Table 6: Profile of the Respondents as to Budget Stability

Profile	r-value	p-value	Interpretation
Gender	.087	.491	Not Significant
Familial Support	.015	.904	Not Significant
Monthly Income	.262	.035	Significant
Number of Dependents	(.098)	.440	Not Significant
Age	(.110)	.382	Not Significant
Status of Employment	.015	.903	Not Significant

Table shows the significant relationship of the profile of the respondents and budget stability of Solo Parents in San Pablo City; only monthly income

has a significant relationship with p-value of .35. Economics always reiterating the importance of money in consuming goods and services and when you have more money you tend to spend more. Here we can realize the importance of budgeting and limiting your resources in spending. The budget set is a list of all the possible combinations of goods and services that are affordable, given both income and the prices of all goods and services. It is defined by: total spending ≤ disposable income [15].

Table 7: Spend Analysis and Budget Stability

	r-value	p-value	Interpretation
Spend Analysis vs Budget Stability	.311	.012	Significant

Spend analysis and budget stability has a significant relationship with p-value of .012. A budget is a plan that helps you prioritize your spending. According Caldwell, 2019 budgeting is one of the biggest keys to managing your money. Many people are often turned off by the simple term budget. Tools in spend analysis such as visibility, analysis and process play a vital role for an individual especially solo parent. Most of the time people work for 48 to 60 hours per week to earn more of what they are receiving monthly. Many workers in the Philippines 24.2 billion or two thirds of the population to be exact, according to www.businessinquirer.net, 2018. Spending and budgeting are not just an individual issue but an economic problem too. Government is a factor also; do they implement proper minimum wage or is the inflation rate too high? Whether you consume less if the prices of goods and services are too high, proper spending and budgeting is impossible to achieve.

8. SALIENT FINDINGS

Monthly Income under the profile of the respondents was the only significantly related to the budget stability with r-value of .262 and p -value of .035. The rest such as number of dependents, familial support, status of employment and age of the respondents do not have significant relationship. Whereas, in spend analysis tools such as visibility or knowing what they are really spending, analysis or to whom and why are they spending and process or getting what has been promised for that spend, and budget stability in terms of their needs and wants, findings show it was also significantly related with r-value of .311 and p-value of .012. Caldwell said, most people who do not have a budget end up overspending each month. Solo parents raise their family alone and their spending power decreased by being one and make it more limited without proper budgeting. If you lack money or budget spending more of their capabilities may results in debts. Even though they are working, solo parents have also difficulty in spending wisely and stabilizing their budget.

9. CONCLUSIONS

Based on the findings of the study, the proponent concluded the following:

1. There is a positive correlation between the monthly income and the budget stability of Employed Solo Parents in San Pablo City.
2. There is a positive correlation between the spend analysis tool such as visibility, analysis and process and the Employed Solo Parents' budget stability. A plan of spending is a budgeting plan where you can.

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