

**BUDGETING BEHAVIOR OF HOUSEHOLDS IN SELECTED
BARANGAYS OF ALFONSO, CAVITE**

THESIS

FAITH DYAN C. PEL

**College of Economics, Management
and Development Studies
CAVITE STATE UNIVERSITY
Indang, Cavite**

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OF ALFONSO, CAVITE**

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ABSTRACT

PEL, FAITH DYAN C. Budgeting Behavior of Households in Selected Barangays of Alfonso, Cavite. Undergraduate Thesis. Bachelor of Science in Business Management major in Financial Management. Cavite State University, Indang, Cavite. October 2014. Adviser: Prof. Estrellita D. Corpuz.

The study was conducted to describe the budgeting behavior of households in selected barangays of Alfonso, Cavite. Specifically, it aims to: describe the socio-demographic profile of the participants; describe the socio-economic profile of the participants; describe the budgeting behaviors on household expenditures of the participants; determine the relationship between the socio-demographic profile and budgeting behavior of household expenditures of the participants; and determine the relationship between the socio-economic profile and budgeting behavior of household expenditures of the participants.

The study was conducted among single and married parents in selected barangays of Alfonso, Cavite namely: Amuyong, Bilog, Buck Estate, Esperanza Ibaba, Esperanza Ilaya, Kaysuyo, Kaytitinga 1, Luksuhin, Mangas II, Marahan I, Marahan II, Matagbak I, Matagbak II, Pajo, Poblacion II, Poblacion III, Poblacion IV, Sinaliw Malaki, Sulsugin, Taywanak Ibaba and Taywanak Ilaya. The study was conducted from December 2013 to February 2014. Eight participants from each of the stated barangays, specifically four single parents and four married parents, served as participants of the study. Data were gathered through personal interviews with the family member who takes charge of the budget of each household with the aid of prepared interview questionnaires.

Results of the study revealed that majority of the respondents were middle-aged and female. Most of the participants belonged to single or composite family and were small-sized. Majority of the participants are employed and belonged to the families with two employed family members.

Most of the participants receive P24,000 and below monthly income from employment and earn P10,000 and below monthly income from other sources. Most of the participants have P1401 and above monthly household savings.

The participants allot primarily for education which means that it is the most important expenditure with the highest percentage of their monthly income. The participants also showed excellent behavior on their spending habits. The result also showed that appliances and furniture is the least important expenditure and was allotted with the smallest percentage of monthly income.

Furthermore, the results showed that only household size, number of family members employed and monthly household income from employment had significant relationship with the budgeting behavior of the participants.

TABLE OF CONTENTS

	Page
BIOGRAPHICAL DATA.....	iii
ACKNOWLEDGMENT.....	iv
ABSTRACT.....	vi
LIST OF TABLES.....	viii
LIST OF APPENDIX TABLES.....	ix
LIST OF APPENDICES.....	x
INTRODUCTION.....	1
Statement of the Problem.....	2
Objectives of the Study.....	2
Conceptual Framework.....	3
Significance of the Study.....	6
Scope and Limitations of the Study.....	6
Definition of Terms.....	7
REVIEW OF RELATED LITERATURE.....	8
METHODOLOGY.....	11
Research Design.....	11
Sources of Data.....	11
Data Gathering Procedure.....	12
Research Instrument.....	13
Data Analysis.....	14
Statistical Treatment of Data.....	14
RESULTS AND DISCUSSION.....	16

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	35
Summary.....	35
Conclusion.....	36
Recommendations.....	37
REFERENCES.....	39
APPENDICES.....	40

LIST OF TABLES

Table		Page
1	Socio-demographic profiles of parents in selected barangays of Alfonso, Cavite, 2013.....	17
2	Socio-economic profiles of parents in selected barangays of Alfonso, Cavite, 2013.....	19
3	Budgeting behavior on household expenditures in terms of budget allocation and prioritization of parents in selected barangays of Alfonso, Cavite, 2013.....	22
4	Budgeting behavior on household expenditures in terms of spending habits of parents in selected barangays of Alfonso, Cavite, 2013.....	26
5	Relationship between the household size of parents and budgeting behavior in terms of spending habits.....	31
6	Relationship between the number of family members employed of parents and budgeting behavior in terms of budget allocation and spending habits.....	33
7	Relationship between the monthly household income from employment of parents and budgeting behavior in terms of spending habits.....	34

LIST OF APPENDIX TABLES

Appendix Table		Page
1	Relationship between the socio-demographic profile of parents and their budgeting behavior on household expenditures.....	41
2	Relationship between the socio-economic profile of parents and their budgeting behavior on household expenditures.....	42

LIST OF APPENDICES

Appendix		Page
1	Letter for participants.....	46
2	Questionnaire.....	48
3	Certification from the Statistician.....	53
4	Request for Oral Review.....	55
5	Routing Slip.....	57

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Faith Dyan C. Pel

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INTRODUCTION

A family budget is a financial plan that allocates personal income toward expenses, savings, and debt repayment. Past spending and personal debt are considered when creating a personal budget. Most of the people, especially the head of families asks what amount they should devote to various categories such as housing, food, transportation, utilities, and so on (Marquez, 2010).

According to Norvilitis, et al. (2006) as cited by Stollak, et al. (2011), no matter what the state of the economy is, budgeting is a skill that is vital to successful money management. Once you have a family, it is not only important to ensure that your incoming cash flow meets the basic needs of your family, but it is also helpful to teach your children wise money management that help set them up for success. Additionally, Norvilitis, et. al (2006) emphasized that the manner in which individuals manage their money is based on several factors such as age, personality traits, and knowledge.

This paper's interest focused on investigating the behavior of household heads on household consumption expenditure in the Philippines, particularly in selected barangays