

# [Relationship between the personal factors and budget success among the profession...](https://assignbuster.com/relationship-between-the-personal-factors-and-budget-success-among-the-professionals-in-metro-manil/)

DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 3 ABSTRACT Budget success of an individual consists of savings and following the planned budget. The study focuses on determining the personal factors which affect budget success, specifically the relationship between demographic and spending profile with budget success. The study further identified the different effective spending and saving practices that enable an individual to manage his finances effectively. The researchers hypothesize that there is no significant relationship between the personal factors and budget success. In gathering the data, the researchers used a checklist questionnaire and elicited feedback from 200 professional respondents of varying background, selected using purposive sampling method. Correlation analysis method revealed that there is a significant relationship between the income level and budget success. Keywords: Budget success, personal factors, demographic profile, spending and saving practices \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 4 Budgeting plays an essential part in an individual’s day to day living, thus it influences people’s pattern of lifestyle including their spending and saving habits. As finance students, the researchers came up with this study about budgeting which is necessary in attaining effective saving and spending practices. Most people find that they can save regularly by having a well planned budget that helps create money for savings. By setting spending goals, people look for ways, on how to achieve budget success. Many people believe it is only the capability of an individual to spend and save that determines his budgeting success. This paper attempts to answer the following questions: Main Problem: 1. What are the factors contributing to the participants’ budget success? Sub- Problems: a. What is the demographic and spending profile of the respondents? b. What is the level of budget success in Savings c. Relationship between Personal Factors and Budget Success. The objective of the study is to determine which demographic factors and spending practices contribute to budget success. This study hypothesize that there is no significant relationship between the demographic and spending practices and budget success. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 5 Commonly used demographics include race, age, income, disabilities, mobility (in terms of travel time to work or number of vehicles available), educational attainment, home ownership, employment status, and even location. Demographics are frequently used in economic and marketing research. On the other hand, spending practices show the manner how individuals buy goods and services in the satisfaction of their needs and wants (Business dictionary) thus spending associates with saving, how you spend shows how you save. With proper budgeting, individuals attain budget success. According to an article which appeared in ‘ God, Money And Me,’ budget success is defined as spending within the limit of the planned budget or having the discipline to live by the plan that you set in your budget, resisting the urge to spend money that you haven’t planned for, and being faithful to save, give and invest in the areas where you have strategically planned to do so. In short, budget success depends on the savings and by following the planned budget. According to Average Joe, (Feb. 22, 2012) in Budget tips and money management, “ Taxes are part of the things that lessen the income of employed, which make them tighten their belt more to meet the needed obligations and to save up for future use. " Once you take control of your financial future, you’ll reap the benefits of sound money practices. While saving up, one must reach budget success. The researchers concluded that budget success is associated with spending, saving practices and an individual’s profile. Roos (2012) stated that many of America’s millionaires bring in modest salaries and live in blue-collar neighborhoods. The trick is that they manage their money wisely and live well below their means. When faced with the " spend or save" conundrum, they almost always find way to save. There are factors in preparing a budget which are specifically the income, proper costs or expenses DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 6 allocation, balancing the income and expenses and the excesses goes to savings, and to reach certain financial goals/savings (Balle, 2009) According to Clay (2008), when income is not enough for everyday expenses, budgeting can only assist you in a fixed way, if your income is inadequate to fulfill your everyday demands you should consider seriously raising your income and you should bind to your limit. Johan, (2004) answered a question on what is the relationship between consumption, income and saving that income. Consumption and savings are closely connected. In addition, an economic study has also shown that income is the principal determinant of consumption and saving. It also expressed the comparison of rich people from poor, where rich people save more than the poor. The poor are unable to save instead as long as they can borrow they will for their wealth. It really appears that consumption, income and savings are interrelated. Dorothy S. Brady of the US Bureau of labor statistics studied family savings and have produced convincing evidence that current savings are correlated with a change in income. Brady and Friedman (2004), tried to look for explanations of variability in terms of the income of the individual family, its size, occupational group, race and national origin, region and size of community. Differences in consumption practice at given income levels at different dates is likewise been treated as due to changes in consumer attitudes and preferences. Furthermore their aim was to show that variations in the pattern of consumption and savings among groups of families at given income levels may be explained to a significant degree by differences between level and distribution of income. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 7 Accordingly, savings related to the absolute income or the proportional income positions are higher when the average size of the family is smaller. Kuznet and Friedman (2004) examined the income-savings ratios to income levels, implying that variability in those ratios is due to variability in income level. Our study examines the budget success attainable for every income level. It does not really matter how much income is received. It is the person’s ability to stick to his planned budget that is more important. The demographic factors (profession, age, gender, status, highest educational attainment, and monthly income) and spending profile may be related to budget success of an individual and determine his standard of living. In this study, the researchers attempted to identify the demographic and spending/saving manner or practices used commonly in relation with the budgeting success of the professionals. Moreover, this paper serves as a source of information to those individuals that are looking for the specific factors that contribute to budget success that would assist them in amending those factors. Also, the result of the study will not only serve as a reference for the researchers but also to the professionals in learning those specific personal factors which affect budget success. In addition, the results of this study are beneficial also to the households who will be made aware of their spending, saving, borrowing activities. Lastly, the results of this study can be used by students and future researchers as reference material. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 8 Method Research Design The study is about the personal factors affecting budget success of different professionals. The researchers employed descriptive-correlation research method, and the type of data collection used is a quantitative. The sampling design was NonProbability sampling particularly Quota sampling where the researchers are after a specific number of respondents. Participants The participants were all Filipino professionals. Since the sampling method used was purposive sampling, the higher the number of respondents the higher the possibility of understanding the study and attaining the effectiveness of the study and good results. The selected participants are mostly preferred to be available at the time the survey was conducted. Table 1-8 presents the demographic data of the research. Table 9 presents the facilities or tools used in spending and saving. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 9 Table1. Demographic on different Professions Response item Frequency Percentage Architect 1% 2 Accountant 8% 16 Doctor 2% 3 Engineer 11% 21 Law Enforcer 13% 25 Lawyer 2% 4 Office worker 30% 59 Professor/Teacher 10% 20 Others 25% 50 Total 200 100% Table1. Among the 200 respondents, majority are office workers, the table shows that almost one-third of the participants are office workers with 59 out of 200 respondents. This implies that most of the respondents prefers to work in offices. And also, the table shows that one-eighth of the participants are under the other professionals and the following other professionals consist of chefs, nurses, seafarers, seaman, pharmacist, musicians, nutritionist and others. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 10 Table2. Demographic of the Ages of the Professionals Response item Frequency Percentage year below 24 14% 28 24-28 years old 21% 41 29-33 years old 16% 32 34-38 years old 7% 14 39-43 years old 8% 16 44 years and above 35% 69 Total 200 100% Table 2shows that majority of the respondents fall within the 44 years old and above age range. Coming for second is the 24 — 28 age group then 29 — 33 and 24 and below age range. The smallest groups consist of those belonging to 34 — 38 years old. Majority of the respondents, lies under 44 years and above which implies that most professionals are much experienced. Table3 Demographic of the Gender of the Professionals Response item Frequency Percentage Female 51% 102 Male 49% 98 Total 200 100% Table 3 presentsthe demographic profile of the respondents based on gender. This means that the number of females is just a little greater than that of the males and implies that there are more female respondents than males. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 11 Table4. Demographic of the Status of the Professionals Response item Frequency Percentage Single 42% 83 Married 59% 117 Total 200 100% Table4 shows thedemographic of the status of the professionals. More than half of the respondents (117 or 59%) are married while a little over 40% are single. Table5. Demographic of the Educational Attainment of the Professionals Response item College graduate level Masteral level Doctoral level Total Frequency Percentage 155 35 10 200 78% 18% 5% 100% Table5 shows the demographic profile of the respondents based on their educational attainment. As shown in the table, most of the respondents are college graduates (78%), a small percentage took Masteral studies and only five percent(5%) reached the doctoral level. This implies that most of the respondents did not proceed to higher level and just focused on their work. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 12 Table6. Demographic of the Type of employment of the Professionals Response item Government/Public Private Total Frequency Percentage 84 116 200 42% 58% 100% Table 6presents the demographic of the type of employment of the professionals. Among 200 respondents, more than half of the respondents (116 or 58%) are employed in private companies while a little over 40% are employed in a government owned company. This implies that the professional respondents prefer to work in private rather in government. Table7. Demographic of the Length of Service of the Professionals Response item Frequency Percentage below 5 years 43% 86 5-9 years 13% 26 10-14 years 13% 25 15-19 years 8% 15 20 years and above 24% 48 Total 200 100% Table 7 presents the demographic profile of the respondents based on their length of service. As shown in the table, almost half (43%) have a length of service not more than 5 years. This means that most of the respondents are young professionals. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 13 Table8. Demographic of the Monthly Income of the professionals Response item Frequency Percentage below Php15, 000 22% 44 Php15, 000 - 30, 000 38% 75 Php31, 000 - 45, 000 17% 34 Php46, 000 - 60, 000 9% 17 Php61, 000 - 75, 000 6% 12 Php76, 000 - 90, 000 2% 4 more than Php90, 000 7% 14 Total 200 100% Table 8. Shows the monthly income of the professionals. Most of the professionals only earned P15, 000. 00 to P30, 000. 00 (38%). 22% earned below P15, 000. 00; 17% earned P31, 000. 00 to P45, 000. 00; 9% earned P46, 000. 00 to P60, 000. 00; 6% earned P61, 000. 00 to P75, 000. 00; 7% earned more than P90, 000. 00 and lastly 2% only earned P76, 000. 00 to P90, 000. 00. This means that the bulk of the respondents of this research fall within the low salary level. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 14 Table9. Means of Payment in (A) Spending: (A1) Paying bills using (A2) Paying purchases using and (B) Saving: Response Item A. Spending A1. Pay bills using: a. Cash b. Non-Cash Total A2. Pay purchases using: a. Cash b. Non-Cash Total B. Saving Savings account using automatic deposit Piggy bank Availing Insurances & Other Plans Others: Total Frequency Percentage 231 45 276 215 65 280 159 22 55 22 258 84% 16% 100% 77% 23% 100% 62% 9% 21% 9% 100% Table 9 shows the facilities or tools used in (A) Spending: (A1) Paying bills using, (A2) Paying purchases using and (B) Saving. The respondents checked more than once therefore they can check either of the choices which resulted in a total of 200. In paying bills, cash payments are through auto-debit, over the counter, through agency, etc., while non-cash includes credit card. In (A1), most of the respondents pay their bills using cash and for their purchases they pay , over the counter, ATM and other payments which constitutes cash. Their non-cash payments are made through credit card. In (A2) most of the respondents pay their purchases using cash. As regards savings, majority of them save through savings account using automatic deposit. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 15 Instruments A survey questionnaire was prepared for the investigation. The questionnaire has three parts consisting of the demographic profile, spending and saving profile and some pertinent questions determining the respondents’ budget success. Upon consultation with the group’s adviser, the questionnaires were validated, before they were ready for distribution. Afterwards, the researchers gone to different random places and distributed the questionnaires, then retrieval of questionnaires followed, and tallying the answers by making a frequency table and interpretation of data. For the purpose of this study, the demographic, spending and saving profile and the budget success shall be independent and dependent variables respectively. (Please see Appendix F) Procedure The researchers utilized purposive sampling to determine the respondents of the study. In this technique, the researcher picked the respondents who are readily available at the time of the study. Furthermore, in purposeful sampling, researchers meet the respondents by accident. Moreover, researcher makes use of the knowledge of the population and of the topic interest to select representatives as a sample group for the research. The frequency, mean, descriptive coefficient correlation were the statistical treatment used to analyze the data. The results were tabulated using a Microsoft Excel. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 16 Results Table1 Correlation Coefficient among Professionals of some factors to Budget Success Variables 1. 1. Salary Paid 1. 2. Consumption of Income before the next payday 1. 3 Frequency of planning the budget 1. 4. Period the budget usually cover Correlation -0. 129810529 0. 269491112 -0. 156787928 0. 069072422 Interpretation Weak Negative Relationship Moderate positive relationship Negative weak relationship Weak negative relationship Table1 shows the relationship of budget success to salary paid, consumption of income before the next payday, frequency of planning the budget and the period budget usually cover. The findings reveal that there is a moderate positive relationship of budget success to the consumption of income before the next payday. On the other hand, budget success has a lesser negative relationship to the period the budget usually cover. This indicates that the budget of the respondents were just enough to cover all spending which means that most of the respondents were able to follow their budget and limit their spending within their budget. The results further connote that most of the respondents partly achieve budget success based on its stated definition. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 17 Table1. 1 Frequency of Salary Paid Response item Frequency Weekly 13 Monthly 136 Others 51 Total 200 Percentage 7% 68% 26% 100% Table 1. 1 shows that most professionals are paid monthly Table 1. 2 Frequency of Consumption of Income before the next Payday Response item Frequency Yes 57 No 143 Total 200 Percentage 29% 72% 100% Table1. 2 shows that most (72%) of the professional respondents do not consume all of their income before their next payday. This signifies that most of them have excess money allocated to savings. The coefficient correlation in Table1 shows a moderate positive linear relationship between the two variables proves this observation. Table1. 3 Frequency of Planning the budget with an average mean Planning your budget Response item Always Sometimes Seldom Never Total (L)Legend 4 3 2 1 (F)Frequency FxL Percentage 57% 113 452 38% 76 228 5% 10 20 1% 1 1 100% 200 701 Average Mean 3. 505 Table 1. 3 shows that most of the professionals plan their budget always. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 18 Table1. 4 Frequency of period of budget usually covers Response item Frequency Week/s 111 Month/s 84 Others 5 Total 200 Percentage 56% 42% 3% 100% Table 1. 4 shows that majority of the professional respondents make or prepare budget for a week. Table2 Pattern of the Limits in Budgeting and Spending Variables A. My budget for the period exceeds my spending B. My spending exceeds my budget for the period C. My budget is just enough to cover all of my spending Total Professionals 45 62 93 200 Percentage Quantitative Quantitative Mean Interpretation 23% 1. 533333333 Sometimes 31% 47% 1. 725806452 Sometimes 1. 430107527 Always 100% Legend: 1-Always 2-Sometimes Table2 shows that most of the professional respondents have a budget that is sometimes just enough to cover all of the expenses. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 19 Table3 Level of Budget Success of the Professional Response item Frequency 0-4% 25 5-10% 113 11-15% 38 Others 24 Total 200 Percentage 13% 57% 19% 12% 100% Table3 shows that most of the professional respondents save for about five to ten percent of their income. Therefore, most of the respondents achieved budget success. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 20 Table 4 Spending and saving practices adhered to: Practices 1. Making all payments immediate. 2. Determining first the needs and wants 3. Putting aside at least 2% of your annual income to cover unexpected expenses. 4. Minimize debit card use/ decrease dependency on debt, use cash instead. 5. Reviewing the budget list regularly. 6. Updating the budget list regularly. 7. Setting up your regular bills to pay by either autodraft or online automatic payment which will help you reduce the amount of work you do each month to pay your bills. 8. Keeping Records of all the list of payables (Record keeping in spreadsheet or paper). 9. Sticking to a list when shopping and/or marketing 10. Sticking to a budget when shopping and/or marketing 11. Sticking to both budget and list when shopping and/or marketing 12. Using an envelope method like old times in allocating your planned budget General Mean Quantitative Mean 2. 695 2. 655 2. 4 Quantitative Interpretation Always Always Sometimes 2. 485 Sometimes 2. 3 Sometimes 2. 225 Sometimes 1. 975 Sometimes 2. 155 Sometimes 2. 045 Sometimes 2. 235 Sometimes 2. 055 Sometimes 1. 59 Sometimes 2. 235 Sometimes Indicators: 3- Always 2-Sometimes 1- Never Table 4 shows that majority of the professionals always make their payments immediate and also determine first their needs and wants. Moreover, all the other practices are described as ‘ sometimes practiced’. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 21 Table 5 Correlation Coefficient among Professionals Demographic Profile and Spending practices to Budget Success (Savings Spending Practices) Success Factors Correlation Interpretation of Relationship Demographic Factors Profession Age Gender Status Highest Educational Attainment Employment Length of Service Monthly income Spending Factors Making all payments immediate. Determining first the needs and wants Putting aside at least 2% of your annual income to cover unexpected expenses. Minimize debit card use/ decrease dependency on debt, use cash instead. Reviewing the budget list regularly. Updating the budget list regularly. Setting up your regular bills to pay by either auto-draft or online automatic payment which will help you reduce the amount of work you do each month to pay your bills. Keeping Records of all the list of payables (Record keeping in spreadsheet or paper). Sticking to a list when shopping and/or Marketing. Sticking to a budget when shopping and/or Marketing. Sticking to both budget and list when shopping and/or marketing. Using an envelope method like old times in allocating your planned budget. -0. 145958288 0. 035664299 0. 049064556 -0. 056743588 0. 078802368 0. 152591343 -0. 056210479 0. 261691899 -0. 088670361 -0. 148189828 -0. 18048479 -0. 107740077 -0. 075732014 -0. 043892642 -0. 003873068 weak negative weak positive weak positive weak negative weak positive weak positive weak negative moderate positive weak negative weak negative weak negative weak negative weak negative weak negative weak negative -0. 028245786 -0. 026361508 -0. 074655007 0. 0114132 0. 103416257 weak negative weak negative weak negative weak positive weak positive DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 22 Table 5 shows that Monthly income has the highest weak positive relationship with budget success and the least positive is the Age. Moreover, using an envelope method has the highest weak positive linear relationship with the budget success savings DISCUSSION The objective of this research is to identify which demographic factors and spending practices contribute to budget success, thus it is necessary to determine not only the respondents’ level of budget success in terms of savings but also the respondent’s demographic and spending profile. The study revealed that certain demographic factors and spending practices which have a positive relationship with budget success: age, gender, and highest educational attainment, and employment, sticking to both budget and list, using the old envelope method. The criteria for having a significant relationship between the two variables ought to have a coefficient correlation value of . 5 to 1, and the mentioned factors show a weak positive relationship or shaky linear correlation, which implies that those factors have no significant relationship with budget success. On the other hand, among the demographic factors that are mentioned, only monthly income has a moderate positive relationship but, since monthly income did not reach the criteria of a strong positive relationship, it is also included in the demographic factors with no significant relationship towards attaining budget success. So far, there seems to be no studies that link factors like age, gender, educational attainment and type of employment with budget success. But the results seem to contradict those of the findings of the present study. Regarding spending practices which registered a weak positive relationship with budget success, Mclintosh (2008), sticking to both budget and list affect budget success DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 23 because based on the result in Table 6 the practice of sticking to both budget and list is weak but it has a positive linear relationship with budget success. The study revealed that majority of the professionals achieved a high level of savings and make payments immediately. Mclintosh(2009), a journalist, says that individuals, who struggle with self-control in financial matters, might implement automated bank transactions such as direct deposit or automated payments. Direct deposit prevents the individual from encashing a paycheck and withholding money needed for budget expenses. Automated payments deduct cash directly from the bank. The individual lacks the opportunity to skip payments. Using automated transactions has a limited effect on sustainability. The individual puts ownership of the budget concern in the hands of the bank rather than himself. Over time, he may resent the automated transactions and cancel them. As shown in table 9 under Participants’ information, most of the respondents use cash in paying bills and consumptions but still they achieved budget success. Results of the present study, again, are contrary to the results of the previous investigation by Mclintosh. Base on the result presented table1 on frequency of income level of the respondents, majority (38%) have an income of Php15, 000 — 30, 000 which is classified under Class D (see Appendix D) and only two percent (2%) receive Php70, 000-90, 000 thousand which is classified under the middle upper class. Thus, Table 4 shows that out of 200 respondents 113 save their income for the range of 10-15%. According to Yochim (2007), in order to achieve partly budget success an individual should save at least ten percent (10%) of his income. In order to attain budget success, one must know when to DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 24 spend and when to save. Thrift, as Benjamin Franklin understood it, is a virtue. Thrift when practiced correctly is the best way to gain wealth and reach budget success. Stanley and Danko(2004), those who put away at least 10% of their salary are those who are in best position to achieve budget success. On the other hand, according to Keynes (2006), an economist, excessive saving is a serious problem. Money saved in a savings account is monitored. The flow of the funds is not circulating. It will give the professional a good handle of it. Money on account is accumulating on its own. Saving is good, you have excess money for future use and investment but saving more than you need is unhealthy not just for the economy but also for one’s lifestyle. So, saving for at least 10% of income is just enough to attain budget success. Majority of the respondents of the study save within that range. Johan, (2004) states that, income is the principal determinant of consumption and saving and also spells the difference between the rich and the poor were rich people save more than the poor. This statement does not support the findings of the present investigation which is that income has no significant relationship with budget success in terms of savings The study of Adams and Miley (2007), lead support to results of the research indicates that commitment towards the budget, accountability, automated transactions used contribute to budget success. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 25 Conclusion Based on results the researchers have arrived at some conclusions. First, it appears that there is no significant relationship between budget successes namely: the personal factors, profession, age, status, gender, highest educational attainment, employment, length of service, monthly income and the spending practices. These factors do not hinder an individual’s attainment of budget success. The null hypothesis is therefore accepted. Achieving budget success of an individual does not depend on his income level. Second, the most common spending and saving practices that the professionals adhere to are making all payments immediate and determining first the needs and wants. Lastly, the study revealed that majority of the professionals achieved a satisfactory level of savings and they make payments immediately. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 26 Recommendation The researchers came up with recommendations based on the aforementioned conclusion. Individuals should not be focusing more on the personal factors (such as?) that are mentioned in the study because they have no impact on budget success, thus they should concentrate more on their budgeting capability, tracking their daily expenses and or sticking to their budget and list. Financial success depends how the individuals manage their cash. Each individual should learn how to discipline himself when it comes in handling money. A more thorough research is necessary to add some improvements and updates about budgeting success, better to use more comprehensive questionnaire which consist of a complete demographic profile and a number of spending or saving practices that will completely measure the demographic, spending and saving profile and the budget success. DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 27 References Thesis or Dissertation Arias, Myrna D., (October 1990). The Academic performance of students in public University and the Income Level of their Familes: A study. Thesis Master of Arts in teaching, Central Colleges to the Philippines. 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Retrieved from http://www. ehow. com/list\_7472114\_factors-budgeting-success-cansustained. html#ixzz26ThnsMv4 Michelle Miley. What Factors Contribute to BudgetingSuccess. Retrieved from http://www. ehow. com/list\_7410226\_factors-contribute-budgeting-success\_. html DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 29 APPENDICES DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 30 APPENDIX D Survey Questionnaire Far Eastern University Institute of Arts Business and Finance Manila, Philippines Letter to Respondents Dear Sir/Madame: Greetings: We, the members of group 4, Section FM09406, will be conducting Research entitled “ Personal Factors affecting Budget Success", as a course requirement for Finance Research 2. In line with this we would like to request your participation in answering survey forms that will be used for research purpose only. We assure that all information gathered will be kept in full confidentiality and only the researchers will have access to whatever information you disclose. Attached herewith are our survey forms to be answered. Thank you and we are hoping for your favorable response regarding the matter. Sincerely, Group 4, Section FM09406 Members: Aure, Khristel C. DueÃ±as, Stephanie Ann Marie L. Feliciano, John Carlo DR. Molano, Johanna O. Pangcoga, Aripah L. Wang, WhengHao Noted by: Prof. Shirley C. Rinoza Research Adviser DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 31 DIRECTION: a check (ï��) Answer the following questions correspondingly and also appropriately by drawing I. RESPONDENT’S PERSONAL INFORMATION: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_ Architect \_\_\_Engineer \_\_\_Accountant \_\_\_Law Enforcer \_\_\_Doctor \_\_\_Lawyer Specify\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_year below 24 \_\_\_ 24-28 years old \_\_\_ 29-33 years old \_\_\_ Female \_\_\_ Single \_\_\_Office worker \_\_\_Professor/Teacher \_\_\_Other: Pls. Name (Optional): Profession: Age: \_\_\_ 34-38 years old \_\_\_ 39-43 years old \_\_\_ 44 years old and above \_\_\_ Male \_\_\_ Married \_\_\_ College Graduate Level \_\_\_ Masteral level \_\_\_ Doctoral level Gender: Status: Highest Educational Attainment: Employment: \_\_\_Government/Public \_\_\_Private \_\_\_ 15-19 years \_\_\_ 20 years and above \_\_\_Php61, 000-75, 000 \_\_\_ Php76, 000-90, 000 \_\_\_more than Php90, 000 Length of Service: \_\_\_ below 5 years \_\_\_ 5-9 years \_\_\_ 10-14 years Monthly Income: \_\_\_below Php15, 000 \_\_\_Php15, 000-30, 000 \_\_\_ Php31, 000-45, 000 \_\_\_ Php46, 000-60, 000 II. SPENDING/SAVING PROFILE A. Facilities/Tools used in: A. 1. SPENDING A. 1. a. I pay my bills using: \_\_\_Cash \_\_\_Non-Cash A. 1. b. I pay my purchases using: \_\_\_Cash \_\_\_Non-cash A. 2. SAVING A. 2. a. I save through: \_\_\_ Savings account using automatic deposit \_\_\_Piggy bank \_\_\_ Availing Insurance & other Plans \_\_\_others: Pls. specify\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 32 III. Spending Practices adhered to: Always Sometimes Never 1. Making all payments immediate. 2. Determining first the needs and wants 3. Putting aside at least 2% of your annual income to cover unexpected expenses. 4. Minimize debit card use/ decrease dependency on debt, use cash instead. 5. Reviewing the budget list regularly. 6. Updating the budget list regularly. 7. Setting up your regular bills to pay by either auto-draft or online automatic payment which will help you reduce the amount of work you do each month to pay your bills. 8. Keeping Records of all the list of payables (Record keeping in spreadsheet or paper). 9. Sticking to a list when shopping and/or marketing 10. Sticking to a budget when shopping and/or marketing 11. Sticking to both budget and list when shopping and/or marketing 12. Using an envelope method like old times in allocating your planned budget DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 33 IV, QUESTIONS: Direction: Answer the following questions by drawing a check (ï��) in the lines provided. 1.) Salary paid every: \_\_\_ Weekly \_\_\_Monthly \_\_\_ Others: Pls. specify: \_\_\_\_\_\_\_\_\_\_\_\_ 2.) Do you consume all your income before you next payday? \_\_\_ Yes \_\_\_ No 5.) Which statement mostly applies to you most of the time. (Please check only one) Always \_\_\_A. My budget for the period exceeds my spending \_\_\_B. My spending exceeds my budget for the period \_\_\_C. My budget is just enough to cover all of my spending Sometimes 3.) Do you plan your budget? \_\_\_ Always \_\_\_Seldom \_\_\_Sometimes \_\_\_\_ Never 4.) For what period does your budget usually cover? \_\_\_Week/s (For how many weeks? Figure/s) \_\_\_ \_\_\_Month/s (For how many months? Figure/s) \_\_\_ \_\_\_Others: Pls. specify: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 6.) Estimate of how much of your salary is saved \_\_\_0-4% \_\_\_ 5-10% \_\_\_ 11-15% \_\_\_ Others: Pls. Specify: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Page 34 Appendix F Conceptual Paradigm Independent Variable Dependent Variable 1. Personal Factors a. Demographic Profile a. 1. Profession a. 2. Age a. 3. Gender a. 4. Status a. 5. Highest Educational Attainment a. 6. Employment a. 7. Length of Service a. 8. Monthly Level Income 2. Spending Practices 3. Other Factors a. Salary paid b. Period budget covers c. Consumption of salary before the next payday d. Planning the budget Budget Success Of the Professionals a. Savings b. Limit spending to the budget DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA APPENDIX E CURRICULUM VITAE AURE, KHRISTEL C. 5 GREEN Leaves Street, Gloria 2 Subdivision, TandangSora, Quezon City Contact No.: (0915) — 601 — 6922 khristelaure@yahoo. com EDUCATIONAL BACKGROUND: 2009 — Present Tertiary Education Far Eastern University Sampaloc, Manila Bachelor of Science in Business Administration Major in Financial Management Tertiary Education La Consolacion College Manila Mendiola, Manila Bachelor of Science in Int. Culinary Arts Secondary Education Ste. Anne de Beaupre School Bahay Toro, Quezon City Secondary Education Maria Montessori School of Quezon City Visayas Avenue, Quezon City 1999 — 2004 City Visayas Avenue, Quezon City Primary Education Maria Montessori School of Quezon 2008 — 2009 2006 — 2008 2004 — 2006 [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA MEMBERSHIP AFFILIATIONS: Organization of Junior Finance Executives Youth For Christ —FEU -Member -Institute Head SEMINARS/ACTIVITIES ATTENDED: ï‚· ï‚· ï‚· ï‚· ï‚· ï‚· ï‚· ï‚· Savings: A Powerful Tool Towards Success January 5, 2012 — Far Eastern University, Manila Passed Test of English International Communication (TOEIC) April 2011 — Far Eastern University, Manila Financial Quest: The BangkoSentralngPilipinas Tour February 22, 2011 — BangkoSentralngPilipinas General Assembly (Organization for Junior Finance Executives) November 8, 2011 — Far Eastern University, Manila Run for Ilog Pasig November 11, 2011 — Roxas Boulevard Investment and Insurance Seminar November 29, 2011 — Far Eastern University, Manila General Assembly (Organization for Junior Finance Executives) August 19, 2010 — Far Eastern University, Manila Run for Ilog Pasig November 10, 2010 APTITUDE/SKILLS: ï‚· ï‚· ï‚· ï‚· ï‚· Responsible Self-Motivated Knowledgeable in Microsoft Office and Internet Browsing Online Research Time Management Skills CHARACTER REFERENCES: Available upon request [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA DUEÃ‘ AS, STEPHANIE ANN MARIE L. 1806 Dr. Vasquez St. corner Nakpil Malate, Manila Landline No.: 525-0249 Mobile No.: 09064702033 Email address: sduenas16@yahoo. com/sduenas18@hotmail. com SKILLS SUMMARY - Positive attitude - Computer Literacy - Communications Skills - Team player - An individual with passion for learning and drive for success EDUCATION Bachelor of Science in Business Administration Major in Financial Management 2009-Present FAR EASTERN UNIVERSITY N. Reyes, Morayta, Manila Secondary 2005-2009, Graduate LIDE Learning Center Incorporated LIDE staff Housing Isabel, Leyte ACHIEVEMENTS/AWARDS - - - 2010 — passed in TOEIC exam 2009 — Loyalty Award LIDE Learning Center Incorporated 2006 — Bronze medal, 3rd Best in Math LIDE Learning Center Incorporated [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA SEMINARS ï‚· 29 November 2011 — Insurance and Investment Seminar “ Taking Chances to Meet Desired Financial Goals", held at the University Conference Center, Far Eastern University, Manila 26 July 2011 — 27th General Assembly “ Achieving One’s True Wealth", held at the Far Eastern University Auditorium Administration Building 22 February — Financial Quest BSP BangkongSentralngPilipinas, Mabini Malate Manila Tour, held at the ï‚· ï‚· ï‚· 17 February 2011 — Philippine Stock Exchange Tour, held at the Philippine Stock Exchange Centre, Ortigas, Pasig City 18 January 2011— Career ambition: Make it a Mission “ Move through motivation, manage through Finance ", held in Far Eastern Auditorium, Manila November 2010 — “ Cash Management", held in the Far Eastern Mini Auditorium, Manila 10 August 2010 - 26th General Assembly “ Boundless Innovation Towards Corporate Competitiveness" , held in Far Eastern Mini Auditorium, Manila 28 July 2010- “ Feed Your Mind" held in Far Eastern IN Multi-Purpose Hall, IN Building ï‚· ï‚· ï‚· ï‚· MEMBERSHIP OR ASSOCIATION - 2009- Present — Member, Organization of Junior Finance Executives REFERENCES To be given upon request. [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA JOHN CARLO DR. FELICIANO 209Macopa st. VioletaVill. Sta. Cruz, Guiguinto, Bulacan Contact #: (0906) — 360 — 5984 e-MAIL address: otsootso\_2004@yahoo. com OBJECTIVES: To pursue a career in-line with my management utilizing skills especially in finance. EDUCATIONAL BACKGROUND: 2009 — Present Tertiary Education Far Eastern University Sampaloc, Manila Bachelor of Science in Business Administration Major in Financial Management Secondary Education Holy Spirit Academy of Malolos Sta. IsabelMalolosBulacan Primary Education Holy Spirit Academy of Malolos Sta. IsabelMalolosBulacan 2004 — 2008 1999 — 2004 MEMBERSHIP AFFILIATIONS: Organization of Junior Finance Executives SEMINARS/ACTIVITIES ATTENDED: ï‚· ï‚· ï‚· ï‚· ï‚· Passed Test of English International Communication (TOEIC) April 2010 — Far Eastern University, Manila General Assembly (Organization for Junior Finance Executives) August 19, 2010 — Far Eastern University, Manila Financial Quest: The BangkoSentralngPilipinas Tour February 22, 2011 — BangkoSentralngPilipinas TatakTamaraw: Freshmen /orientation 2011 June 28, 2011 — Far Eastern University, Manila -Member [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA ï‚· ï‚· ï‚· ï‚· ï‚· ï‚· Absolute Stock Trading Seminar September 6, 2011 — Far Eastern University, Manila General Assembly (Organization for Junior Finance Executives) November 8, 2011 — Far Eastern University, Manila Run for Ilog Pasig November 11, 2011 — Roxas Boulevard SAP Orientation Seminar November 23, 2011 — Far Eastern University, Manila Investment and Insurance Seminar November 29, 2011 — Far Eastern University, Manila Savings: A Powerful Tool Towards Success January 5, 2012 — Far Eastern University, Manila APTITUDE/SKILLS: ï‚· ï‚· ï‚· ï‚· ï‚· Responsible Self-Motivated Has Initiative to do tasks Knowledgeable in Microsoft Office and Internet Browsing Time Management Skills CHARACTER REFERENCES: Available upon request [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA MOLANO, JOHANNA FLORENCE O. 626 B Nueve de Pebrero St., Mandaluyong City Landline No.: 534-10-86 Mobile No.: 09272337019 Email address: jana\_dmolano09@yahoo. com. ph SKILLS SUMMARY - Positive attitude - Computer Literacy - Communications Skills - An individual with passion for learning and drive for success EDUCATION Bachelor of Science in Business Administration Major in Financial Management 2009-Present FAR EASTERN UNIVERSITY N. Reyes, Morayta, Manila Secondary 2005-2009, Graduate Saint Anthony Abbot Academy Poblacion, Villasis, Pangasinan Primary 1999-2005, Graduate San Felipe Neri Parochial School Boni Ave., Mandaluyong City SEMINARS ï‚· 22 February2011— Financial Quest BSP BangkongSentralngPilipinas, Mabini Malate Manila. Tour, held at the ï‚· 2 February 2012- 1st Total Quality Management Seminar, with the theme “ Living in a Culture of Quality and Continuous Improvement", held at LAP Hall Law Bldg. of Far Eastern University, Manila. [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA ï‚· ï‚· 23 August 2012- “ Amazing Card Benefit. " Held at Mini Auditorium of Far Eastern University, Manila. 7 September 2012- 28th OJFINEX General Assembly with the theme, “ One at 28: Strengthening Ties to Finance Change. " Held at main auditorium of Far Eastern University, Manila. MEMBERSHIP OR ASSOCIATION - 2009- Present — Member, Organization of Junior Finance Executives REFERENCES To be given upon request. [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA ARIPAH L. PANGCOGA 207-C Manrique St. Sampaloc, Manila Mobile No.: 09058270118/09072416968 Email Address: aripahpangcoga@ymail. com Objective To obtain a position as an intern in the field of finances that would best fit my qualifications and develop further my talent and skills for continuous career improvement. Skills -Computer Literacy -Communications Skills -Team player -An individual with passion for learning and drive for success -Positive attitude EDUCATIONAL BACKGROUND Bachelor of Science in Business Administration major in Financial Management Far Eastern University N. Reyes, Morayta, Manila June 2009 to Present Bachelor of Science in Statistics Mindanao State University Marawi City June 2007 to March 2008 Seminars Attended: Amazing Card Benefit Seminar August 23, 2012 Mini Auditorium, Far Eastern University-Manila Insurance and Investment Seminar “ Taking Chances to Meet Desired Financial Goals" November 29, 2011 University Conference Center, Far Eastern University, Manila Financial Quest BSP Tour BangkoSentralngPilipinas February 22, 2011 Mabini Malate, Manila PSE Tour 2011 February 17, 2011 [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Philippine Stock Exchange Centre, Ortigas, Pasig City Membership of Organization 2009- Present — Member, Organization of Junior Finance Executives REFERENCES To be given upon request. [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Wang, Wenhao Pasay City, Philippines Contact #: (0915) — 502 — 3654 OBJECTIVES: Pursue a job that fits my financial managing skills. EDUCATIONAL BACKGROUND: 2009 — Present Tertiary Education Far Eastern University Sampaloc, Manila Bachelor of Science in Business Administration Major in Financial Management Secondary Education SHANXIXUTELIZHIYEZHONG China Primary Education WENSHUISANZHONH China 2004 — 2008 1999 — 2004 MEMBERSHIP AFFILIATIONS: Organization of Junior Finance Executives SEMINARS/ACTIVITIES ATTENDED: ï‚· General Assembly (Organization for Junior Finance Executives) August 19, 2010 — Far Eastern University, Manila ï‚· ï‚· General Assembly (Organization for Junior Finance Executives) November 8, 2011 — Far Eastern University, Manila Savings: A Powerful Tool Towards Success January 5, 2012 — Far Eastern University, Manila -Member [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA APTITUDE/SKILLS: ï‚· ï‚· ï‚· ï‚· Self-Motivated Has Initiative to do tasks Knowledgeable in Microsoft Office and Internet Browsing Time Management Skills CHARACTER REFERENCES: Available upon request [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Appendix G The criteria for the analysis and interpretation in the determination of the degree of the relationship between the budget success and demographic and some factors were as follows: no linear relationship = perfect positive linear relationship = perfect negative linear relationship = weak positive linear relationship = weak negative linear relationship = moderate positive linear relationship = moderate negative linear relationship = strong positive linear relationship = strong negative linear relationship For the purpose of this study, the income level, Level of Savings. And Budget Success were interpreted as follows: Level of Savings Range 0-4% 5-10% 11-15% 16% and above Income Level More than Php90, 000 Php76, 000-90, 000 Php61, 000-75, 000 Php46, 000-60, 000 Php31, 000-45, 000 Php15, 000-30, 000 class F Below Php15, 000 Equivalent Fair Savings Satisfactory Savings Very Satisfactory Savings Outstanding Savings Classification class A class B class C class D class E class G [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA Appendix H The Correlation Coefficient: Definition Bruce Ratner, Ph. D. The correlation coefficient, denoted by r, is a measure of the strength of the straight-line or linear relationship between two variables. The correlation coefficient takes on values ranging between +1 and -1. The following points are the accepted guidelines for interpreting the correlation coefficient: 1. 0 indicates no linear relationship. 2. +1 indicates a perfect positive linear relationship: as one variable increases in its values, the other variable also increases in its values via an exact linear rule. 3. -1 indicates a perfect negative linear relationship: as one variable increases in its values, the other variable decreases in its values via an exact linear rule. 4. Values between 0 and 0. 3 (0 and -0. 3) indicate a weak positive (negative) linear relationship via a shaky linear rule. 5. Values between 0. 3 and 0. 7 (0. 3 and -0. 7) indicate a moderate positive (negative) linear relationship via a fuzzy-firm linear rule. 6. Values between 0. 7 and 1. 0 (-0. 7 and -1. 0) indicate a strong positive (negative) linear relationship via a firm linear rule. 7. The value of r squared is typically taken as “ the percent of variation in one variable explained by the other variable, " or “ the percent of variation shared between the two variables. " 8. Linearity Assumption. The correlation coefficient requires that the underlying relationship between the two variables under consideration is linear. If the relationship is known to be linear, or the observed pattern between the two variables appears to be linear, then the correlation coefficient provides a reliable measure of the strength of the linear relationship. If the relationship is known to be nonlinear, or the observed pattern appears to be nonlinear, then the correlation coefficient is not useful, or at least questionable. The calculation of the correlation coefficient for two variables, say X and Y, is simple to understand. Let zX and zY be the standardized versions of X and Y, respectively. That is, zX and zY are both re-expressed to have means equal to zero, and standard deviations (std) equal to one. The re-expressions used to obtain the standardized scores are in equations (3. 1) and (3. 2): zXi = [Xi - mean(X)]/std(X) zYi = [Yi - mean(Y)]/std(Y) (3. 1) (3. 2) The correlation coefficient is defined as the mean product of the paired standardized scores (zXi, zYi) as expressed in equation (3. 3). rX, Y = sum of [zXi \* zYi]/(n-1), where n is the sample size (3. 3) [Type text] DETERMINING THE RELATIONSHIP BETWEEN PERSONAL FACTORS AND BUDGET SUCCESS AMONG PROFESSIONALS IN METRO, MANILA For a simple illustration of the calculation, consider the sample of five observations in Table 1. Columns zX and zY contain the standardized scores of X and Y, respectively. The last column is the product of the paired standardized scores. The sum of these scores is 1. 83. The mean of these scores (using the adjusted divisor n-1, not n) is 0. 46. Thus, rX, Y = 0. 46. ( Related Article: When Data Are Not Straight )