Record-Keeping as a Factor Related to Meeting the Personal Financial Ratios Guideline

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Abstract

An effective way through which the families can measure the progress of their financial situation is using personal financial analysis. The aim of this study is to determine that household record-keeping of the personal expenditures and incomes is positively significant in achieving the recommended level of liquidity ratio, saving ratio and capital accumulation ratio. This study was conducted in the region of Gjirokastra, South Albania and this paper presents the partial results of this study. The analysis of personal financial ratios applied for Albania is still a "fragile seedling". As a result, researchers, policy-makers and groups of interest should pay more attention to it. Up to the present day, there is no recommended level for financial ratios of personal financial reviews discussed in any academic projects especially for Albania. In order to perform the analysis of the ratios we have been referring to the foreign researches and their guide levels, from which were selected the guide levels that we shall refer to during the study. Based on the analysis of data related to this study, as well as on the results of Chi-Square Test, it resulted that the managers of household who keep notes on the personal expenditures and incomes are more probable to become closer to the recommended levels of financial ratios. The lack of alternative data led us to questionnaires in order to collect information. After the data was collected and refined, the programs Microsoft Office Excel and Spss Ibm Statistics were used for their elaboration. Chi – square test was used for testing.

Keywords: Record - Keeping, Personal Financial Ratios, Guideline

Introduction

The financial progress of a family is related to personal financial ratios and the achievement of their recommended level.

Researchers as: Griffith, 1985; Prather, 1990; Lytton, Garman, & Porter, 1991; DeVaney, 1993 & 1994; Grenninger, Hampton, Kitt, & Achacoso, 1996; Moon, Yuh, & Hanna, 2002; Baek & DeVaney, 2004; Park & DeVaney, 2007; **Yao** 2009; Bieker 2011; Garrett et al, 2013; etc. have suggested or used analysis of financial ratios and their guideline levels.

"Just as stock ratios are primarily based on a company's earnings, the personal financial ratios are based on an individual's income. The objective of the ratios is to help individuals move from a situation of having high debt and low savings at the beginning of their working careers, to one where they have high savings and no debt at the end of their working careers" (Charles & Farrell, 2006, p. 1).

Indeed, the application of financial ratios supports several basic skills such as keeping records, thinking analytically, and setting goals. As families begin to understand that meeting one or more of the ratio guidelines could help in avoiding insolvency or the propensity for insolvency, the use of financial ratios and guidelines should be reinforced (DeVaney, 1994, p. 21).

This paper presents the partial results of a wider study related with personal financial ratios, meeting recommended levels of these ratios from households and factors that affect the achievement of the recommended levels. This study was conducted in the region of Gjirokastra, South Albania.

The main objective of this study is to evidence that managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of: liquidity ratio, savings ratio and capital accumulation ratio.

The research tests are as it follows:

Test 1: Managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of liquidity ratio.

Test 2: Managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of capital accumulation ratio.

Test 3: Managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of savings ratio.

Literature review

Liquidity ratio

The basic liquidity ratio further clarifies personal financial status by revealing the number of months the household could continue to meet its expenses after a total loss of income resulting from illness, disability, or unemployment. It is calculated by dividing total liquid assets by the household's net monthly living expenses, (Lytton et al. 1991, p. 11). Though some financial assets are not in liquid form, they could be converted to spendable form with little or no loss in value, provided enough time is allowed for the conversion (Prather 1990, p. 55).

Liquidity ratio = liquid assets /net consumption expenditures (monthly), (Lytton et al. 1991, p. 12).

Families who are contemplating the purchase of a home, vehicle or major furnishings may want to evaluate the level of debt which they are able to manage relative to income. Other families may be concerned with having a reserve of cash or cash equivalents for emergencies and want to know what amount is recommended; understanding the liquidity ratio and guideline may help them make decisions about the allocation of assets (De Vaney 1994, p. 24).

Griffith (1985), has recommended a minimum value of this report at least 2-3. Greninger et al, 1996, p. 67 have suggested that the liquidity ratio to be at least 2. 5.

Savings ratio

Savings ratio = annual total savings / annual disposable income

“The savings ratio provides an indicator of progress in achieving financial goals by measuring the percentage of disposable income that is being saved annually. The savings ratio compares all cash inflows over a specific time period, generally one year, to disposable income. If the individual or family does not save any money during the year, the savings ratio will be zero. Moreover, the savings ratio is a measure of the percentage of disposable income allocated for future, not present, goal attainment” according to Lytton, Garman, Porter (1991, p. 18-19). Greninger et al, 1996 has recommended that the ratio should be at least equal to or greater than 10%.

Capital accumulation ratio

Capital accumulation ratio = investment assets / net worth. The capital accumulation ratio reveals how well an individual or family is advancing toward financial goals for capital accumulation. It compares the value of investment assets with net worth (Moon, et al. 2002, p. 501).

In fact, “In the formation stage of the financial life cycle, people often have very little money left over after living expenses to use for investment purposes. If money is available, most young people soon use it as a down payment for a home. The

investment assets-to-net worth ratio should increase as the family advances through the life cycle" (Lytton et al. 1991, p. 21).

Some experts recommend that at least 25 % of a household's assets should be monetary, with that percentage expected to increase as the individual and/or family nears retirement (Carman and Forgue, 1991 cited at Lytton et al. 1991, p. 21)

Under spending has a positive effect on meeting the guideline, which is expected, as saving can contribute to accumulation of investment assets (Yao, Hanna, Montalto, 2002, p. 168).

The fact that net worth increased with decreases in household income is an important consideration in working with beginning and expanding families. This indicates that net worth can increase even though income does not increase as well. Young families, faced with increasing expenses of a growing family, need this type of information (Fitzsimmons & Leach, 1994, p. 15).

Vaughn, 1976 has concluded that increasing income is not the only way to increase net worth. The most likely possibility is reduction of expenses via change in quantity, quality, and variety of goods and services purchased (cited at Fitzsimmons & Leach, 1994, p. 15).

In 2015 Xarba, Peta, Bejko recommended technical assistance for the citizens to use not only the earnings with high efficiency but also to manage better their personal expenses.

Husniyah & Fazilah (2011) have noted that "financially stable urban families were those doing budgeting whereas financially stable rural families were those who frequently involved in cash-flow activities specifically doing record-keeping. Record-keeping practice predicted the families to be more financially stable as compared to budgeting" (p. 10).

In an economy such as one started in 2007, homeowners that do not meet the solvency ratio would be more likely to be exposed to the serious financial problem of being unable to keep up with their mortgage payments if they experience an income loss **(Yao, R.** 2009. p. 141).

According to Yao, Hanna and Montalto (2002) "Having a capital accumulation ratio guideline is helpful because it helps households to be more aware of their financial healthiness and encourages households to invest for their goals. However, the capital accumulation ratio should be used together with other ratios in terms of assessing households' financial health" (p. 169).

Methodology of the study

Questionnaires

As it is mentioned previously in our country (Xarba et al. 2015) it is the first time that it is performed an analysis of the financial ratios of households. This lack of official data on households in Albania, from which we could take data to calculate the personal financial ratios, directed us towards questionnaires that were given to complement to the managers of the households. The distribution of questionnaires was conducted into households of Gjirokastra District in its rural and urban areas, households selection was casual. Data was collected specifically for the purpose of calculating and analyzing financial ratios. While much of the response effect cannot be corrected at the data processing stage of a study, to minimize that portion of response error due to lack of information, the analysis in this study was limited (Prather 1990 p. 59) to a subset of the original sample where the informant was either the head of the household or the spouse of the head of household. This eliminated cases where the informant was the child, parent, grandparent, sibling, or roommate of the head of the family. Thus the original sample of 523 was restricted to 302 cases. Questionnaires were distributed and completed during 2013. Households that had no employees or self-employed persons to provide safe monthly income were excluded from this study. Gjirokastra district consists of the three towns: Gjirokastra, Permet, Tepelenë (Office of Tourism, Gjirokastra) with an area of 2883. 98 km2 and lies in the south of Albania, bordering with Korca, Berat, Fier and Vlora. According to the Population and Housing Census 2011 in the district of Gjirokastra are 20, 991 residences inhabited by persons with ordinary residence (Census of Population and Housing Census 2011, INSTAT). This sample represents a 95% confidence level with an error ± 5%. A copy of the questionnaire by which are generated data for tabulation of results is attached in appendixes.

Creating and computing new variables

In order to calculate the capital accumulation ratio was necessary to create and compute variables: investments assets and net worth.

Net worth is the amount remaining after subtracting total liabilities from total assets. It is what a household would be worth on paper if all assets (monetary, tangible, and investment) were sold at the current market value to repay all debts (Lytton et al. 1991, p. 20)

Creating variable "Net worth":

A significant indicator necessary for the calculation of financial ratios is net worth. Based on existing theory and using the data collected from the questionnaire was calculated:

Net worth = Total assets - Total liabilities

Creating variable "Investment assets":

For purposes of this study in this group were included all assets that can generate income, the calculation of "investment assets" was performed as follows: "Investment assets" = "The amount in checking account" + "The amount invested in different types of savings accounts" + "The amount invested in stocks" + "The amount invested in Treasury Bonds" + "The amount invested in other financial investments" + "The value of rented land" + "The value of rented warehouses" +

"The value of rented stores" + "The value of other properties leased" + "Other investment assets"

Creating variable "Total of other personal assets"

For purposes of this study in this group were included: Residence, Vehicle, Furniture, Appliances, Assets for personal use. The calculation of this variable was performed as follows:

Total of other personal assets are: Residence + Vehicle + Furniture + Appliances + Assets for personal use.

To calculate the variable "total assets" was gathered all the amount of personal assets that owns households at the moment of completing the questionnaire.

Total assets = Investment assets + Total of other personal assets + C*ash*

Creating the variable "Total liabilities":

For purposes of this study in this group were included all loans and unpaid liabilities which are shown in the questionnaire (for further more information see the appendix). These are measured by the creation of new variable "total liabilities" which is calculated as follows:

Total liabilities = "The amount of mortgage" + "The amount of the car loan" + "The amount of student loan" + "The amount of other loans and liabilities" + "Credit card debts. "

According to methodology used at (using data from questionnaire) Xarba, Peta & Ruspi 2015 were calculated the liquidity ratio and were created the necessary variables for the calculation of this ratio.

To calculate the savings ratio and create the necessary variables for the calculation of this ratio we were referred to the methodology used at (using data from questionnaire) Xarba, Peta, Bejko 2015.

Results of the research

The managers of the household in the sample were divided into 63. 2% males, 24. 2% females and 12. 6% were both males and females.

Table 1 indicates the distributions of the main financial variables which are components of personal financial ratios.

The mean value of total assets were 7175552. 58 and the median 5890000. 00. In the table you can find all respective values of the mean and median for the main components of personal financial ratios and their distributions.

Regarding to the distribution of investment assets, annual savings, total liabilities and annual debt payment we can conclude that they were more deviated. Deviation was more evident to total liabilities and annual debt payments presented with a median value of 0.

Table 2 shows the distribution of three household financial ratios are discussed and used in this study. The mean of liquidity ratio was 10. 8, however median was 2. 52. It indicates that many households have unnecessary high value of liquidity ratio, while more than half fail to reach even the minimum of recommended level.

It is worth emphasizing that the mean value of savings ratio is 0. 09. It indicates that the level of savings is nearly in the recommended levels. On the other hand, the 5th percentile value was –0. 35 and 25th percentile value was –0. 03, and nearly a third of households have had negative savings ratios. Negative savings are the result of higher expenditure than income.

Savings ratio must have a level greater or equal to 0. 1 (Greninger et. al. 1996), according to Xarba, Peta & Bejko (2015) for this sample only 43% of the households included in the study, meet the guideline.

According to Xarba, Peta & Ruspi (2015) for this sample only 47. 4% of the households included in the study, meet the guideline for the liquidity ratio (liquidity ratio greater than 3).

Part of the problem with the Capital Accumulation Ratio guideline is that net worth is in the denominator, because some households have zero or negative values of net worth. However, when the analyses are performed excluding households with zero or negative net worth, there are few changes in the patterns reported. (Yao et al. 2002, p. 170).

In our study only 1 of champions who had investment assets with a value greater than 0 had a negative net worth.

Researchers have given their recommendations about the guide level of capital accumulation ratio:

Yao 2009, Moon et al. (2002), De Vaney, Greninger et al. (1996), Lytton et al. 1991.

Considering the literature studied (calculations for this ratio were performed in Excel) the capital accumulation ratio was calculated for the sample studies where the households were classified into household that reached level guide and ones that did not reach. This classification was performed starting from the guide of this ratio suggested by researches greater or equal to 0. 5. Only 20. 5% of the households including in the study, meet guide level of savings ratio. For detailed information see Table 3.

In the specific section of the questionnaire was measured with Likert scale of 1 to 5 the variable "How often do you record the notes of your household incomes and expenses?" where the respective ratings were: 1 = Never, 2 = Any time, 3 = Sometimes, 4 = Often, 5 = Always.

In order to measure the impact of record keeping on spending and personal income in achieving the recommended level of personal financial ratios was used Chi square test. The research tests are as it follow:

Test 1: Managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of liquidity ratio.

Test 2: Managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of capital accumulation ratio.

Test 3: Managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of savings ratio.

To perform the above tests was used this variable "How often do you record the notes of your household incomes and expenses?" which is measured with 5- point version: never, any time, sometimes, often, always, compared with the variables "Households classified by meeting the recommended level of liquidity ratio", "Households classified by meeting the recommended level of savings ratio", "Households classified by meeting the recommended level of capital accumulation ratio", variables that were classified into 2 categories: "Households that do not meet the recommended level" and

"Households that meet the recommended level".

Test 1: Managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of liquidity ratio.

From the results of Chi-Square Tests for "How often do you record the notes of your household incomes and expenses?" and "Households classified by meeting the recommended level of liquidity ratio", was concluded that there is significant association between record-keeping on personal spending and personal incomes and meeting the recommended level of liquidity ratio ($\chi^2 = 126.395$, $df=4$, $p < 0.05$, when Sig < alpha, there is a relationship between variables, Table 4).

For concrete research ($V = 0.647$, df = 4) it was concluded that effect size is very high. According to the result that expresses the relationship between two variables ($V = 0.647$, Table 5) was concluded that: regularly record-keeping on personal spending and personal incomes has a significant impact in meeting the recommended level of liquidity ratio.

Based on these results it was concluded that managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of liquidity ratio.

Test 2: Managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of capital accumulation ratio.

From the results of Chi-Square Tests for "How often do you record the notes of your household incomes and expenses?" and "Households classified by meeting the recommended level of capital accumulation ratio", was concluded that there is a significant association between record-keeping on personal spending and personal incomes and meeting the recommended level of capital accumulation ratio ($\chi^2 = 24.322$, $df=4$, $p < 0.05$), (when Sig < alpha, there is a relationship between variables, Table 6).

For concrete research ($V = 0.284$, df = 4) was concluded that effect size is very high. According to the result that expresses the relationship between two variables ($V = 0.284$), Table 7, it was concluded that regularly record-keeping on personal spending and personal incomes have a significant impact in meeting the recommended level of capital accumulation ratio.

Based on these results it was concluded that managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of capital accumulation ratio.

Test 3: Managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of savings ratio.

From the results of Chi-Square Tests for "How often do you record the notes of your household incomes and expenses?" and "Households classified by meeting the recommended level of savings ratio", was concluded that there is significant association between record-keeping on personal spending and personal incomes and meeting the recommended level of savings ratio ($\chi^2 = 96.053$, $df=4$, $p < 0.05$, when Sig < alpha, there is a relationship between variables, Table 8).

For concrete research ($V = 0.564$, df = 4) it was concluded that effect size is very high. According to the result that expresses the relationship between two variables ($V = 0.564$), Table 9, it was concluded that regularly record-keeping on personal spending and personal incomes has a significant impact in meeting the recommended level of savings ratio.

Based on these results it was concluded that managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of savings ratio.

Conclusions

From the 302 households involved in the calculation of the capital accumulation ratio only 20.5% meet the guideline. This indicates that a very small amount of net worth was held in liquid and investment assets. In a considerable percentage of the households in this study, the largest weight of assets is occupied by other personal assets (as we know net worth is calculated as the difference: what I own (asset) - what I owe (liabilities) = what belongs to me (net assets), while for the effect of this study (Total assets = investment assets + other personal assets + cash). A statement that indicates indirectly that income from interests and rents will be very low for a considerable percentage of the studied households.

Xarba, Peta & Ruspi (2015) results indicate that 47. 4% of households that were surveyed have met the recommended level for liquidity ratio (p. 55).

According to Xarba, Bejko, Peta (2015) the analysis of the savings ratio results that 57% of households that were surveyed did not meet the recommended level for this ratio. They recommended that government, through its policies, should stimulate savings in our country".

The findings indicate that there is a statistically significant association between record-keeping on personal spending and personal incomes and meeting the recommended level of liquidity ratio, capital accumulation ratio and savings ratio, thus managers of households which practice record keeping on personal spending and personal incomes are more likely to achieve the recommended level of these ratios.

Only 24. 5% (Table 10) households managers have always keep notes. This shows that one of the main factors that has affected in the low numbers of households that have met the recommended level of liquidity ratio, capital accumulation ratio and savings ratio has been because of the negligence of households in record keeping.

An *investment assets-to-net worth ratio* reveals how well an individual or family is advancing toward financial goals other than home ownership as it compares the value of actual investment assets accumulated to net worth (Lytton et al. 1991, p. 20).

No financial ratio created in the United States has been tested empirically of its efficiency of financial status for Albanian households. Thus according to Xarba et. al 2015 it was recommended considering the fact that for our country there is no recommended levels for savings ratio, it is of interest to be studied and determined the optimal level of this ratio for our country.

As families gain understanding of the use of financial ratios, they will want to make comparisons of ratio values using information from past records and to set goals for the future (DeVaney, 1994, p. 21).

According to Xarba, Peta, Ruspi, (2015) researches into households budgets in the Albanian economy in the view of using financial ratios during the transition period has been minimal. Empirical researches in this area have been quite rare in our country. Lack of knowledge on household finances and their management make quite important to attract the attention towards personal finance and personal finance ratios. This emergency is indicated even by world experience of recent years which connects the start of the global financial crisis with household finances and their mismanagement.

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Tables

Table 1: Distribution of variables, components of personal financial ratios

	Mean	*Median*	*Percentile 05*	*Percentile 25*
Disposable annual income	1130706. 54	959500. 00	335200. 00	614000. 00
Monthly disposable income	94225. 57	79958. 50	27933. 00	51167. 00
Monthly Household Consumption Expenditure	76740. 41	68950. 00	24200. 00	50833. 00
annual savings	209821. 95	54750. 00	-222000. 00	-32000. 00
Annualy debt payments	50976. 16	. 00	. 00	. 00
Liquid assets	823382. 05	180000. 00	5000. 00	15000. 00
Investment assets	2372491. 32	700000. 00	. 00	. 00
Total assets	7175552. 58	5890000. 00	565000. 00	3625000. 00
Total liabilities	295895. 70	. 00	. 00	. 00
Net worth	6879656. 89	5695000. 00	335000. 00	3260000. 00
	Percentile 25	*Percentile 75*	*Percentile 95*	*Percentile 99*
Disposable annual income	614000. 00	1380000. 00	2390000. 00	3900000. 00
Monthly disposable income	51167. 00	115000. 00	199167. 00	325000. 00
Monthly Household Consumption Expenditure	50833. 00	97292. 00	152083. 00	215334. 00
annual savings	-32000. 00	279750. 00	1080400. 00	1900000. 00
Annual debt payments	. 00	. 00	276000. 00	619200. 00
Liquid assets	15000. 00	900000. 00	4100000. 00	8005000. 00
Investment assets	. 00	3500000. 00	10100000. 00	16500000. 00
Total assets	3625000. 00	9605000. 00	18550000. 00	23450000. 00

Total liabilities	. 00	. 00	2000000. 00	4000000. 00
Net worth	3260000. 00	9360000. 00	18050000. 00	23450000. 00

Table 21: Distribution of Financial Ratios

	Mean	*Median*	*Percentile 05*	*Percentile 25*
Liquidity ratio	10. 80	2. 52	. 07	. 29
Capital Accumulation Ratio	. 21	. 13	. 00	. 00
Savings ratio	. 09	. 07	-. 35	-. 03
	Percentile 75	*Percentile 95*	*Percentile 99*	*Standard Deviation*
Liquidity ratio	11. 92	43. 28	90. 24	20. 74
Capital Accumulation Ratio	. 44	. 84	. 92	. 68
Savings ratio	. 23	. 55	. 66	. 30

Table 3: Households classified by meeting the recommended level of savings ratio *The gender of household manager Crosstabulation*

			The gender of household manager			
			Male	Female	Both	Total
Households classified by meeting the recommended level of capital accumulation ratio	Households that do not meet the recommended level	Number	146	65	29	240
		% within total	48. 3%	21. 5%	9. 6%	79. 5%
	Households that meet the recommended level	Number	45	8	9	62
		% within total	14. 9%	2. 6%	3. 0%	20. 5%
Total		Number	Number	73	38	302
		% within total	% within total	24. 2%	12. 6%	100. 0%

Tabela 4: *Chi-Square Tests* (Impact of record-keeping & liquidity ratio)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	126. 395[a]	4	. 000
Likelihood Ratio	140. 950	4	. 000
Linear-by-Linear Association	115. 461	1	. 000
N of Valid Cases	302		

a. 0 cells (0. 0%) have expected count less than 5. The minimum expected count is 22. 25.

Table 5: *Symmetric Measures* (Impact of record-keeping & liquidity ratio)

		Value	Approx. Sig.
Nominal by Nominal	Phi	. 647	. 000
	Cramer's V	. 647	. 000
N of Valid Cases		302	

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.

Table 6: *Chi-Square Tests* ((Impact of record-keeping & capital accumulation ratio)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24. 322[a]	4	. 000
Likelihood Ratio	28. 444	4	. 000

Linear-by-Linear Association	23. 321	1	. 000
N of Valid Cases	302		

a. *0 cells (0. 0%) have expected count less than 5. The minimum expected count is 9. 65.*

Table 7 : *Symmetric Measures* (Impact of record-keeping & capital accumulation ratio)

		Value	Approx. Sig.
Nominal by Nominal	Phi	. 284	. 000
	Cramer's V	. 284	. 000
N of Valid Cases		302	

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.

Table 8: *Chi-Square Tests* (Impact of record-keeping & savings ratio)

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	96. 053[a]	4	. 000
Likelihood Ratio	114. 466	4	. 000
Linear-by-Linear Association	93. 562	1	. 000
N of Valid Cases	302		

a. 0 cells (0. 0%) have expected count less than 5. The minimum expected count is 20. 23.

Table 9: *Symmetric Measures* (Impact of record-keeping & savings ratio)

		Value	Approx. Sig.
Nominal by Nominal	Phi	. 564	. 000
	Cramer's V	. 564	. 000
N of Valid Cases		302	

a. Not assuming the null hypothesis.
b. Using the asymptotic standard error assuming the null hypothesis.

Table 10: Record keeping on personal spending and personal incomes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	65	21. 5	21. 5	21. 5
	Any time	62	20. 5	20. 5	42. 1
	Sometimes	54	17. 9	17. 9	59. 9
	Often	47	15. 6	15. 6	75. 5
	Always	74	24. 5	24. 5	100. 0
	Total	302	100. 0	100. 0	

Appendixes

Questionnaire

Please circle the alternative approximates more you and your household. Complete the required information.

1. The gender of the person who actually manages the money in the family is:

1. Male
2. Female
3. Both

2. Personal expenditures:

2.1 Please enter your household average monthly expenditure that your family has had to last month:

Attention! Do not report expenditures more than once.

DESCRIPTION	Sum/ALL
2. 1. 1 Personal expenditures (food, clothing, shoes, detergent, hairdressing, make- up, gifts, fitness, jewelry, etc.)	
2. 1. 2 Health care expenditures (medicines, doctor visits, etc.)	
2. 1. 3 Transportation expenditures (fuel, maintenance, license / taxes, tickets, public transport, etc.)	
2. 1. 4 Debt expenditures (credit cards, car installment loan, personal installment loan, line of credit, etc. excluding home loan)	
2. 1. 5 Housing expenditures (phone, water, electricity, cables, furniture, appliances, etc.)	
2. 1. 6 Expenditures for children (day care, babysitters, toys, clothing, etc.)	
2. 1. 7 Tax expenditures / taxes (taxation and various taxes)	
2. 1. 8 Monthly expenditures of mortgage	
2. 1. 9 Expenditures: Monthly rent house	
2. 1. 10. Entertainment expenditures (movies, concerts, theater, vacations, hobbies, pets, bars, restaurants, art magazines and books, CDs, videos, cassettes, etc.)	
2. 1. 11. Other expenditures	

2. 2 Please enter your household average yearly expenditure that your family has had to last year.

DESCRIPTION	Sum/ALL
2. 2. 1 Insurance Expenditures: car, life, etc. (not included insurance of the home)	
2. 2. 2 Education Expenditures (school fees payment, textbooks, courses, etc.)	
2. 2. 3 Maintenance of the apartment, utilities, repairs, etc.	
2. 2. 4 Tax expenses for housing, apartment insurance	
2. 2. 5 Expenditures for charity (donations, other)	
2. 2. 6 Other expenditures	

3. Personal Income:

Please enter your household average monthly/yearly incomes that your family has had to last month/year**. (**Attention! Do not report expenditures more than once.)

DESCRIPTION	Sum/ALL	Monthly	Yearly
3. 1. 1 Incomes from private business			
3. 1. 2 Incomes from agriculture			
3. 1. 3 Incomes from livestock			
3. 1. 4 Incomes from remittances			

3. 1. 5 Incomes in the form of gifts			
3. 1. 6 Incomes from workhand			
Salaries of family members are as follows::			
3. 1. 7 Salary 1			
3. 1. 8 Salary 2			
3. 1. 9 Salary 3			
3. 1. 10 Salary 4			
Pensions for members of the family are as follows:			
3. 1. 11 Pension 1			
3. 1. 12 Pension 2			
3. 1. 13 Pension 3			
Other incomes			
3. 1. 14 Other incomes			

1. Set below the amount of cash that your family owns at the moment:
2. *Cash* _____ ALL

3. Set below the amount of money that your family owns in checking account:
4. Amount of _____ALL

5. Does your family has saved or invested financial instruments?
6. Yes No

7. Circle the appropriate alternative in which your family has saved or invested money:
8. Accounts, savings deposits
9. Stocks
10. Bonds / Treasury Bonds
11. Other investment

12. Set below the amount on money you have invested or saved:
13. Amount of _____ALL

14. Set below the income derived from the amount of the money you have invested or saved.
15. Amount of _____ ALL earned during one year

16. Does your family has invested in real estate?
    Yes No

17. Circle the appropriate alternative in which your family has invested money:
18. Rented land.
19. Home rented.
20. Warehouses rented.
21. Stores rented.
22. Other assets rented.

23. Set below the amount on money you have invested in real estate

24. Amount of _____ALL

25. Write down the income earned from the amount of the money you have invested in real estate:
26. Amount of _____ ALL earned during one year

27. Houshold liabilities:
28. 14. 1 Does your family has taken loans (money owed)?

    Yes No

    a. Circle the appropriate alternative that shows the kind of loan that your family has taken:
        1. mortgage
        2. car loan
        3. student loan
        4. other loans and liabilities

    b. How much unpaid loan does your family owe?
29. Amount of _____ALL

    a. Credit card debts.
30. Amount of _____ALL

31. Household assets:

Please enter the market value of the following items:

DESCRIPTION	Sum/ALL
15. 1 Residence	
15. 2 Vehicle	
15. 3 Furniture	
15. 4 Appliances	
15. 5 Assets for personal use	
15. 6 Other investment assets	

14 On a scale of 1 to 5, where 1 is "Never" and 5 is "Always" determine how often do you record the notes of your household incomes and expenses?