

Household Budgeting Practices Needed By Spouses in Enugu State

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Abstract

The major purpose of this study was to explore the budgeting practices needed by spouses in Enugu State. Specifically, the study identified factors the spouses should consider in making household budget and procedures spouses should adopt in making household budget. Descriptive research design was adopted for the study. It was carried out in Enugu State. The population for the study was 8,791 married teachers in the area of study. A sample size of 382 was selected using multi-stage and random sampling techniques. Questionnaire was used for data collection. Mean and standard deviation were used for data analysis. The findings revealed 12 factors to consider in making a household budget in Enugu State. These include among others, considering the sources of income of the household, considering the money available to the household, consider the size of household, consider time and season of the year. It also identified 13 procedures spouses should adopt in making household budget in Enugu State. These include taking inventory of all available and potential resources, listing the expenses of the household members, estimating expected/available income spent by the spouses; estimate the cost of the needed expenses to be made by the spouses. Three recommendations were made. These include spouses should create joint account as a panacea for eliminating financial infidelity in the family; spouses should endeavour to avoid creating communication gap; spouse should take household budgeting seriously to enable the household make rational and reasonable expenses.

Keywords: Household, Money, Management, Budgeting/Planning, Spouses.

Introduction

A household is a group of persons who are related, sharing food, and utilities, found living in the same roof at a given period of time, pursuing individual and/or collective goals. A household is referred to as a person or group of persons related or unrelated, who live together in the same dwelling, unit,

who make provisions for food and regularly take their food from the same pot or share the same grain store, or who pool their income together for the purpose of purchasing food (Isaac, Ephraim, and Chibwana, 2004). OECD (2013) stated that a household is defined as a group of persons who share the same living

accommodation, pool some or all of their income and wealth together, and consume certain types of goods and services collectively.

Money is one of the resources available to households for meeting their needs. This resource is very important because it serves as a medium of exchange. Money is also sought for three other basic reasons which include transactionary reason, that is, for day-to-day household expenses, precautionary reasons, for household emergency purposes, and speculative reasons, for investment purposes. In order to make the best out of available money, households must necessarily manage the resource (money) properly.

Management is defined as the process of assembling and using sets of resources in a goal directed manner to accomplish tasks in an organization (Hitt, Black and Porter, 2020). Management according to Griffin (2013), is a set of activities which includes planning and decision making, organizing, leading, controlling, and evaluating an organization's resources (i.e human, financial, physical and information), with the aim of achieving organizational goal in an efficient and effective manner. Management involves planning, organizing, implementing and evaluating the use of money (Anyakoha, 2015). Money management According to Ibrahim (2012), is important as without planned expenditure, it is not possible to achieve financial sustainability in the household. Planning is a major and primary function of management. No household can operate properly without

planning the use of their money. Sharma (2020) stated that planning is the preparatory step for action and a systematized pre-thinking for determining a course of action to achieve some desired results. Planning is also the process by which the spouses of a household set objectives, make an assessment of the future, and chart the courses of action, with a view to achieving the household goals. Sharma (2020) continued by stating that a perfect plan can increase profits to their optimal level. Planning household money involves practices such as identifying the family needs, establishing priorities among goals, identifying the resources available to the family and deciding on those to be used in meeting the identified needs or goals and many others. A plan normally requires a number of activities for achieving the goals. These activities need to be organized.

Organizing involves the practices of sharing responsibilities among the household members and delegating authority as well as scheduling and synchronizing activities. Organizing according to Louis (2011) is the process of identifying and grouping the work to be performed, defining and delegating responsibility, authority and establishing relationships for the purpose of enabling people to work most effectively together in accomplishing objectives. It also involves practices such as setting up measurable sub-goals, determining who pays the bills, makes the purchasing decisions, who does the shopping and keeps the records for proper implementation.

Implementing is the third in the ladder of management process. It entails putting the plan into action. Implementing is the act of carrying out execution or practice of a plan, a method, or policy for doing something (Margret, 2015). The author further stated that implementing is the action that must follow any preliminary thinking in order for something to actually happen. Implementing involves checking the budget regularly, eliminating waste, comparing prices and qualities of goods in different shops before buying and many others. This will make for easy evaluation.

The final stage in management process is evaluating the whole process. Evaluating is also a process of analyzing a completed or ongoing activity that determines or supports management accountability, effectiveness and efficiency (Anyakoha, 2015). Evaluating involves practices such as the appraisal of the entire management procedure, that is the planning, organizing and implementing processes, appraisal of the performance, checking how effectively the household resources have been used in meeting the family goals. At this stage, assessments are made to see the problems encountered and the mistakes made for the purpose of learning and avoidance of future occurrence. Evaluating also ensures adjustment where necessary. Salaried spouses like teachers need to learn good budgeting practices so as to keep track of household finances.

Budgeting is the process of creating a plan to spend money, creating this spending plan allows one to determine in advance whether one will have

enough money to do things one needs to do or will like to do. To Billy (2020), budgeting is simply balancing one's expenses with one's income. If one fails to balance and spend more than they earn, they slowly sink into debt every year. Billy (2020), further stated that if one does not have enough money to do everything one has in mind, the individual should use this planning process of prioritizing one's spending and focus the money on the things that are most important. Budgeting is a plan for spending and saving money. Budgeting according to Akhiles (2019) is an estimation of revenue and expenses over a specified future period of time and is usually combined and re-evaluated on a periodic base. A household budget is the plan for future expenditures of a given household. Budgeting involves practices such as considering the sources of income of the household, considering money available to the household, considering the regularity of income to the household, among others. Budgeting calls for consideration of certain factors and involves some procedures. There are certain factors that influence budgeting in the household Anyakoha (2015). These factors are household values, needs and wants of the household. Value is a measure of work; one's value represents one's belief or view of what goals that are important or desirable. Value influences the choice one makes among alternatives. Anyakoha (2015) went further to list the examples of values as freedom, peace, comfort, integrity, orderliness, courtesy, love, respect, patience, among others. These values are not seen but can be

recognized in behaviour Okpala (2006). Needs on the other hand are those reasons or motivations for household management which influence the actions of members of the household. Every household has peculiar needs and so requires a general or acceptable procedure needed to be adopted in making a household budget. It is in the light of this that Ibrahim (2012) stated that it is wise to establish a good money management procedures at an early stage.

The following ways are the procedures for making budgeting: estimating the expected family income, determining expenses, making an estimate of expenses to be made and finally creating a plan for action (Anyakoha, 2015). When individuals and households consider the factors and follow the procedures, these constitute budgeting practices. The budgeting practices therefore consider important factors in budget making and following the necessary practices. It is important to make a budget before spending money. This is because budgeting helps in controlling one's spending, tracking one's expenses, helping one to save more money. Zach (2018) viewed budgeting as the process of helping one to make better financial decision, prepare for emergencies, get out of debt, and stay focused on one's long-term financial goals.

In a household, the key persons who earn income for the household are the spouses (husband and wife). Spouses are husband and wife joined together to build a family, Kembe (2005). The spouses need to work together in ensuring effective management of

household finance for effective family living. This effective management by spouses is very crucial when both of them are wage earners like the teachers, and need to live within limited income. Teachers in secondary schools lack training in money management as they fail to budget or do so ineffectively. Teachers in secondary schools buy goods and services on credit before they get their pay/salary. This habit has thrown many teachers into huge debt. Hence they need to learn and adopt workable budgeting practices so as to come out of debts, make better financial decisions and solve many others problems. When spouses fail to manage their finances effectively, they encounter problems. Evidence abound that financial management practices adopted by spouses have been one of the areas of household conflicts in this area of study. Offiong (2017) posited that marriages in the area of study are besieged by numerous financial constraints that lead to divorce, marital disharmony, hatred, rancor, uncertainty, hostility, lack of love, lack of respect, lack of trust and many others.

Reports from the Social Welfare in Nsukka Local Government Area of Enugu State (2019) indicate that there are high rate of marital conflicts between spouses occasioned by challenges relating to management of household finances. Moreover, the spouses do not have any form of training or orientation on family finance management practices. They therefore have problems and need help. It is then necessary to find out budgeting practices needed by the spouses in

order to avert marital conflicts in Enugu State.

Purpose of the Study

The general purpose of the study was to explore budgeting practices needed by spouses in Enugu State. Specifically, the study determined:

1. Factors spouses should consider in making household budget in Enugu State.
2. Procedures spouses should adopt in making household budget in Enugu State.

Research Questions

1. What are the factors spouses should consider in making a household budget in Enugu State?
2. What are the procedures spouses should adopt in making a household budget in Enugu State?

Methodology

Research Design: Descriptive survey was adopted to seek the opinion of the respondents on budgeting practices needed by spouses in Enugu State.

Area of the Study: The study was carried out in Enugu State. Enugu State is in the South East geo-political zone of Nigeria. The State is made up of three senatorial Districts namely: Enugu North, Enugu East and Enugu West. Enugu North comprises of six local government areas: Igbo-eze North, Igbo-eze South, Udenu, Uzo-Uwani, Nsukka and Igbo-etiti. Enugu East is also made up of six local government areas: Isi-Uzo, Enugu East, Enugu South, Nkanu West, Nkanu East and Enugu North while Enugu West is made up of five local Government

areas: Udi, Ezeagu, Oji River, Awgu and Aniri local Government areas. Enugu State therefore, is made up of 17 local government areas. The study covered all the 304 public secondary schools in Enugu State.

Population for the Study: The population for this study was 8,791 teachers. This was gotten from Post Primary School Management Board and Science, Technical and Vocational Management Board Enugu State, (2019). This population consisted of 2,356 married male and 6,435 married female teachers in secondary schools in both urban and rural areas of Enugu State. The minimum education qualification level of the respondents is NCE and who are within 26-60 years of age, and whose income is within thirty-five thousand naira (₦35000) and above.

Sample for the study: The sample size for the study was 382 teachers. A multi-stage sampling technique was adopted to select this sample size. In stage one, purposive sampling technique was used in the six educational zones that make up Enugu State for the study. In stage two, simple random sampling technique was used to select ten percent (10%) out of 304 public Secondary schools in Enugu State, giving rise to a selection of seven schools, from Nsukka Educational zone, five from Agbani Educational zone, six from Udi Educational zone, five from Obollo-Afor Educational zone, four from Enugu Educational zone, and six from Awgu educational zone. These gave a total of 33 schools. In stage three purposive sampling technique was used to select only married teachers. This gave rise to a selection of 88 married teachers from

Nsukka Educational zone, 55 married teachers from Agbani Educational zone, 66 married teachers from Udi Educational zone, 55 from Obollo educational zone, 52 from Enugu Educational zone, 66 from Awgu Educational zone. These selections were made from both urban and rural areas.

Instruments for Data Collection: A 4-point scale questionnaire was used for data collection. It was developed through literature review and based on the specific purposes of the study. The instrument was made up of three sections which are sections A, personal data of the respondents, section B, the factors to consider in making a household budget, section C, steps / procedures needed to be adopted in making a household budget in Enugu State. The instrument was validated by three experts from the department of Home Economics and Hospitality Management Education, and a reliability co-efficient of 0.77 was obtained based on the experts' ratings of the questionnaire items and this was adjudged to be reliable.

Data Collection Method: Three hundred and eighty two (382) copies of the questionnaire were distributed to the respondents by hand, with the help of trained research assistants. All the 382 copies were duly completed and returned. This represents 100% return rate.

Data Analysis Technique: The data were analyzed using mean and standard deviation. Any item with mean (\bar{X}) value of 2.50-4.0 was considered factors or procedures needed by spouses in making a household budget. Items with mean scores of 1.50-2.49 were considered moderately needed factors or procedures spouses consider in making a household budget while any item less than 1.50 were considered not needed factors or procedures spouses in making a household budget.

Results:

The results obtained from the study were presented as follows:

Factors spouses should consider in making household budget in Enugu State.

Table 1: Mean Responses on the Factors Spouses Need to consider in Making a Household Budget in Enugu State

S/N	Factors to consider in making a household budget							Overall		
		\bar{X}_1	SD ₁	Rm	\bar{X}_2	SD ₂	Rm	\bar{X}_3	SD ₃	Rm
1	Sources of income of the household	3.62	0.55	HN	3.61	0.56	HN	3.61	0.56	HN
2	Money available to the household	3.58	0.65	HN	3.57	0.58	HN	3.57	0.61	HN
3	Goals of the household	3.38	0.69	N	3.45	0.63	N	3.42	0.66	N
4	Priorities among household needs/goals	3.34	0.72	N	3.26	0.77	N	3.29	0.75	N
5	Regularity of income to the household	3.38	0.69	N	3.45	0.63	N	3.42	0.65	N
6	Size of household	3.31	0.70	N	3.38	0.76	N	3.36	0.73	N

7	Family values	3.18	0.85	N	3.25	0.87	N	3.23	0.86	N
8	Time and season of the year	3.39	0.82	N	3.35	0.76	N	3.36	0.78	N
9	Health of members of the household	3.39	0.75	N	3.39	0.74	N	3.39	0.74	N
10	Number of other dependants on the household	3.19	0.71	N	3.26	0.75	N	3.23	0.73	N
11	Location of the family (environment)	3.08	0.89	N	3.08	0.88	N	3.08	0.88	N
12	Effective communication among spouses.	3.68	0.05	HN	3.79	0.47	H	3.75	0.52	H

NB: SD=Standard Deviation; N= Needed; HN= Highly Needed; Rm= Remark

Table 1 shows the factors which the spouses need to consider in making a household budget in Enugu State. The result revealed the respondents in all the 12 items in Table 1 are the factors to

be considered in making a household budget.

Procedures spouses should adopt in making household budget.

Table 2: Mean Responses on Procedures Spouses Need to Adopt in Making Household Budget in Enugu State

S/N	Procedures Spouses Need to Adopt in making household budget	Overall								
		\bar{X}_1	SD ₁	Rm	\bar{X}_2	SD ₂	Rm	\bar{X}_3	SD ₃	Rm
1	Take inventory of all available and potential resources	.05	0.85	N	.09	0.77	N	3.08	0.79	N
2	List the expenses of the family members.	3.31	0.74	N	3.23	0.80	N	3.26	0.78	N
3	Estimate expected/available income spent by the spouses.	3.42	0.70	N	3.39	0.77	N	3.40	0.75	N
4	Estimate the cost of the needed expenses to be made by the spouses.	3.25	0.78	N	3.28	0.66	N	3.26	0.71	N
5	Decide on how and when the resources will be used to meet the family needs.	3.16	0.87	N	3.22	0.74	N	3.19	0.79	N
6	Decide on the resources to be used in meeting the identified needs/goals	3.21	0.76	N	3.37	0.68	N	3.31	0.72	N
7	Balance the family income and the family expenditure by both spouses	3.34	0.78	N	3.40	0.74	N	3.38	0.76	N
8	Develop a flexible budget so as to provide a means of meeting the numerous family needs such as immediate, long term and emergencies.	3.28	0.84	N	3.26	0.82	N	3.27	0.82	N
9	Develop a plan	3.39	0.66	N	3.34	0.76	N	3.36	0.73	N
10	Identify spouses' individual needs.	3.30	0.78	N	3.17	0.79	N	3.23	0.79	N
11	Make allowance for flexibility.	3.18	0.79	N	3.08	0.76	N	3.12	0.77	N
12	Eliminate spouse's argument about finances.	3.25	0.73	N	3.17	0.82	N	3.19	0.70	N
13	Have a joint account for monitoring the inflow and outflow of the income of the spouses	3.12	0.95	N	.91	1.04	N	2.99	1.01	N

NB: SD=Standard Deviation; N= Needed; HN= Highly Needed; Rm= Remark

Table 2 reveals the respondents' responses on the procedures spouses should adopt in making a household budget. It was unanimously agreed upon that the thirteen items are the steps or procedures needed to be adopted by the spouses in making a household budget.

Discussion of Findings

The study established factors spouses should consider in making a household budget in Enugu State. Some of them include: considering the sources of income of the family, considering money available to the family, effective decision making in selecting the goals and establishing priorities, effective communication among spouses concerned while planning activities to be carried out among needs /goals. The findings of this study are in agreement with Anyakoha (2015) which stated that points needed to be considered when making a household budget are family values, needs and wants among others. Other factors that need to be considered as outlined by Kin (2018) include: establishing the family goals, calculating household income, prioritizing debts, determining the needs and wants of the family, documenting expenses and additional income to the family to eliminate financial infidelity among others. The findings of this study also agrees with Poduska (1993) who stated that effective communication about family finances and goals is critical to money management. Ibrahim (2012) also stated that the family financial planning is important to maintain a stable financial

household. This means that the neglect of these needed household financial practices by spouses throws the family into family financial chaos capable of truncating the peace and stability of the household, thus negotiating for family violence, the result of which is usually disastrous. Okwoh and Kpelai (2008), maintained that planning involves analytical process which involves the assessment of the future, the development of alternative courses of action to achieve such objectives and the selection of course or courses of actions from among the alternatives. Kenyon and Border (2004) asserted that the best way to achieve financial sustainability is to create a budget and develop a spending plan to get rid of debt and save money. The authors went ahead to state that the act of creating budget will allow one to see one's current financial status as well as where expenses can be cut out.

Research question two identified the procedures spouses should adopt in making household budget in Enugu State some of which included: taking inventory of all available and potential resources, listing the expenses of the family members, estimating expected / available income spent by the spouses, estimating the cost of the needed expenses to be made by the spouses, among others. The findings are in agreement with Muhammed (2016) who stated that planning family finance. It involves such practices as identifying family goals, formulating strategies to achieving them, creating the means required, monitoring, directing and controlling all steps in its proper

sequence. The findings of this study is also supported by (Anyakoha, 2015) where she mentioned steps in making household budget as setting a realistic goals, identifying one's income, separating needs and wants, designing your budget, among others. The study also agrees with Woody (2018) who stated that before you begin to manage your money, you need to identify what is important to you. Marshall, and Vann (2014) asserted that healthy financial management in a relationship involves learning how to spend and manage your money wisely, using communication and conflict management skills, building and maintaining a strong foundation of trust with your spouse. Marshall, and Vann (2014) further stated that spouses who communicate openly and don't spend more than they earn tend to be happier and more stable in their relationships. The authors went ahead to state that spouses who struggle with financial issues often have increased stress and tension in their relationships. Jaggernath (2018) also affirmed that how we use our money should be determined by what is important to us, and the goals we have for our future, not by what others are doing. Josephine, Nayada, Vervil and Michael (2008), assert that a good spending habits foster financial security, develop wise use of money and extends one's buying power.

Conclusion

Based on the findings of the study the following conclusions were drawn: The present level of economic hardship and recession requires in-depth knowledge

of financial budgeting/planning practices by spouses to mitigate the rising cases of household conflicts, which this study has revealed, are caused by inability to adopt the needed household finance planning practices by the family custodians (spouses). Based on the findings of this study, the spousal teachers in Enugu State need to adopt the planning practices needed for the management of household finances which include effective communication while planning activities to be carried out, considering sources of income to the family, listing the expenses of the family members and many others.

Recommendations

Based on the findings of this study, the following recommendations were made.

1. Spouses should create joint account as a panacea for eliminating financial infidelity in the family. Joint account helps in instilling household financial discipline.
2. The spouses should endeavour to avoid creating communication gap. Every household should be able to communicate effectively about household and individual needs in order to erase any form of financial mismanagement that may cause family conflicts
3. Spouses should take household budgeting seriously to enable the household make rational and reasonable expenses.

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