Methodology

CHAPTER III

METHODOLOGY

Detailed plan of work and sequential procedures are required to accomplish the aims of the study The research design, conceptual framework displaying the relationship of variables, description of variables and operational definitions of the terms used in the study are explained in brief in this chapter Further, the sampling technique, construction of the tool as well as the method of data collection and analysis of data are also described

Thus, the present chapter is organized under the following sub-heads to explain the plan of work and sequential procedures

3 1 Research design

3 2 Conceptual framework of the study

3 3 Variables under study

3 4 Operational definitions

3 5 Selection of the sample

3 6 Development of the tool

3 7 Method of data collection

3 8 Analysis of data

3.1 Research Design

Research design is the plan structure and strategy of investigation conceived so as to obtain answers to research question (Kerlinger, 1973)

As defined by Miller (1986), research design is a matter of planning out or deciding on the structure and approach to be taken in the research

For the present study, descriptive research design was selected Descriptive studies begin with specific variables and seek to describe them or their distribution among a certain group of people Further, a descriptive study typically proceeds with specific methods of specifying population and sample selection and data collection, as well as, the analysis and interpretation of the data

Hence, the present study aims at studying the effect of selected independent variables on the quality of life and financial management of the urban families belonging to different income groups Certain intervening variables have also been identified to assess their impact upon quality of life

3.2 Conceptual Framework of the Study

The investigation was given direction through a conceptual framework The components of the framework are enlisted below

i) Personal variables

ii) Familial variables

iii) Situational variable

iv) Economic profile of urban families

v) Financial management practices followed by the families

vi) Family's cost of living

vii) Coping strategies adopted by the families

viii) Quality of life

Families always strive for a better quality of life However the journey to the same is not without constraints and impediments In fact this pursuit in a broader sense involves family's internal and external environment In a sense it provides us with a

family's landscape wherein many more diverse variables interact with each other, they could be personal and family variables affecting the economic profile, financial management practices and coping strategies

Further it could be a situational variable i.e general price level-affecting significantly the cost of living and financial management and eventually the quality of life of the family. Certain intervening variables which act as dependent variables when treated with independent variables were also studied. These variables were economic profile, financial management practices and coping strategies which affect quality of life

Urban families, as part of their strategic planning process may set for themselves amidst diverse constraints certain objectives like a better quality of life, and, while doing so, they may also setup certain short term goals which are in alignment and consistency with long term goals

Fig 1 CONCEPTUAL FRAMEWORK

Figure 2

VARIABLES UNDER STUDY

INDEPENDENT VARIABLES	INTERVENING VARIABLES	DEPENDENT VARIABLE
Personal Variables Age Education Occupation Income	**Economic Profile of the Family** Savings and Investment	
Familial Variables Type of family Size of family Type of House	**Financial Management Practices**	**Quality of Life**
Situational Variable Rise in general price level	**Cost of Living** **Coping Strategies**	

3.3 Variables Under the Study

With a view to represent the factors affecting quality of life of urban families three sets of variables have been chosen. The set of independent variables act upon the dependent variable through intervening variables. The set of intervening variables act as independent variables so far as the dependent variable is concerned but act as dependent variables in relation to independent variables. The rationale for selecting these variables have been presented in the following discussion.

3.3.1 Dependent Variable

"Feelings of happiness or satisfaction with material and nonmaterial accomplishments are termed quality of life" Ackerman and Paolucci, (1983)

"What people call their quality of life is culturally defined Even with a single society, views relating the quality of life differ widely among its sub cultural groups and individuals" Metzen et al , (1980)

In the present study, quality of life was the dependent variable The attempt has been made to study the quality of life of urban families of Vadodara city belonging to various income groups

Since the present study aimed at assessing the impact of rising prices, the parameters selected to be linked with the satisfaction with quality of life belonged to financial domain The selected parameters were as follows

1 Satisfaction with wealth

2 Satisfaction with level of consumption

3 Satisfaction with financial security

The measure quality life a scale covering above mentioned parameters was developed

3.3.2 Intervening Variables

Intervening variables in the study were, economic profile of the families, financial management practices adopted by the families, cost of living of the families and coping strategies adopted by the families against rising prices which in turn might influence the quality of life of urban families Here, they would act as independent variables The same would act as the dependent variable in relation to other personal variables, familial variables and situational variable of the present study

3.3.2.1 Coping Strategies adopted by the Families

The phenomenon of family coping has been studied under family stress theory as the management of a stressful event by the family as a group and by each individual in the family Boss, (1987).

Coping research in the family field has depended upon and drawn heavily from cognitive psychological theories-as well as from sociological theories Haan, (1977) Past studies reveal that, coping strategies refer to the ways in which individual family members alter their subjective perceptions of stressful situations The family member responds to the stress in a passive but reactive posture

Sociological theories of coping have emphasized on actions directed at either changing stressful conditions or alleviating distress by manipulating the social environment Family-oriented coping studies focus upon the following coping behaviour, namely,

1 Strengthening the family resources (eg family cohesiveness and adaptablility) which serve to protect the family from harm or disruption (Adams, 1975)

2 Reduce or eliminate stressor events and their specific hardships and,

3. Involve the process of actively influencing the environment by doing something to change the social circumstances (McCubbin, Pearling et al , 1978)

On the basis of these observations coping strategies were chosen as one of the intervening variables which may affect the dependent variable as well as may get affected by the independent variables of the present study. The focus is on, how families cope with their financial problems that arise due to price rise

3.3.2.2 Financial Management Practices

"Management is a behavioral process that recognizes the actions and reactions of persons in living situations as they discover and use their resources to achieve something they want" Application of management differs with each family's resources and goals. "Management means different things to different people and is executed in varying qualities by each person or group" Gross and Crandall, (1977)

Management involves a process comprising of a series of specific functions that bring out desired results The elements of the managerial process include planning, controlling and evaluating Whether functioning as an individual or as a family, people manage resources As the present study aims at identifying the impact of rising prices on financial management of the families, management process applied to the economic resources of the family was chosen, covering money income of the family

Financial management, chosen as an intervening variable may affect the dependent variable namely the quality of life as well as, may get affected by the independent variables of the present study

3.3.2.3 Cost of Living

Cost of living index numbers are generally intended to represent the average change over time in the prices paid by the ultimate consumer of a specified basket of goods and services. The need for constructing cost of living indices arises because the general price index numbers fail to give an exact idea of the effect of the change in the general price level on the cost of living of different classes of people since a given change in the level of prices affects different classes of people in different manner.

Different classes of people may consume different types of commodities and even the same type of commodities are not consumed in the same proportion by them The objective of cost of living index is to find out how much the consumers of a particular class have to pay more for a certain basket of goods and services in a given period compared to the base period

Since the aim of the present study was to identify the impact of price rise on families, it was considered necessary to construct a cost of living index To ascertain the relationship between the situational variable (general price level) and, the dependent variable (quality of life), the cost of living index was taken as an intervening variable

3.3.2.4 Economic Profile of the Family

It can hardly be denied that economic aspects / matters would ultimately constitute the economic profile of a family The economic profile can both be descriptive and analytical It is descriptive to the extent that it delineates the relevant economic constituents like savings, investments, financial assets etc It is analytical to the extent that it indicates the degree of potential and lack of this potential in generating and for sustaining economic opportunities as well as entitlements to the assets by a family The

qualitative and quantitative aspects of the economic profile would also indicate the robustness or vulnerability of family's economic strength in combating and insulating itself against potential economic hazards like rising prices

Hence this variable was considered to serve an important base, working as an intervening variable for the present study

3.3.3 Independent Variables

For the present investigation, the independent variables were classified into three categories

1 Personal variables

2 Familial variables

3 Situational variable

3.3.3.1 Personal Variables

For the present study, head of the family was the main respondent Under personal variables, age, education, occupation and income of the head of the family were included "Resource management practices of the family depend upon the head of the family, further, family's cost of living and economic profile depend upon the occupational status and income of the head of the family" Oppenheim, (1972)

Age, Education, Occupation and income of the respondents

Age, education, occupation and income were among the factors found to influence the financial wellbeing of the family (Deacon and Firebaugh, 1981) Savings behavior and financial management have been viewed as the factors being influenced greatly by the age of head of the family As identified by Titus and Fanslow (1989), during the beginning stage of family life cycle, when the head of the family is young,

financial goals are set carefully and to achieve which careful financial management is observed On the other hand, during expanding stage, with experience and added demands on the use of money, careful planning proceeds handling money which is again an important task

Education & occupation of the head of the family are another aspects that along with governing the income generating capacity, govern the mode of handling money income to enhance the quality of life

Hence, personal characteristics of the head of the family have been chosen as independent variables for the present study

3.3.3.2. Familial Variables

"Family size and, type of the family greatly affect the management of family resources There would be difference in the money management of the family with five children than with only two adults" (Dohrenwend and Dohrenwend, 1974)

As reported by Schram and Dunsing, (1973) family income was used as the objective measure of financial resources to study the finance domain and satisfaction with quality of life

The study by Metzen, (1980) has focused on the type of residence as an important variable to assess the quality of life

Studies on coping behavior highlight the impact of the size and composition of the family on stress as well as the important role of occupation and education of the had of the family on the coping strategies adopted As identified by Hill (1949), availability of family resources causes stressor event especially when it is the absence or lack of one

or more than one resource may it be the material (non human) resource or, human resource

Above mentioned studies thus support the selection of familial variables as a part of the set of independent variables of the present study

3.3.3.3 Situational Variable

Rise in General Price Level

"Price is the rate at which goods and services are exchanged for money. It is the amount of money paid for buying or selling one unit of a commodity or services in an exchange economy"

The term, 'price level', is frequently used in economic analysis, involving groups of commodities and individuals It is an aggregative concept An increase in price levels mean that, one unit of a basket of commodities or services costs more money

3.4 Operational Definitions

Certain terms and concepts were operationally defined for the measurement of variables in this study

Family Income

Gross receipts or monetary gains to all family members derived from salaries, wages and profit

Inflation

A sustained upward movement in the general price level leading to a decline in purchasing power of the monetary unit

Cost of Living

Expenditure incurred to buy a representative basket of commodities by families belonging to different income groups

Economic Profile

A compact economic canvas/display of a family embodying specific parameters namely savings and investment

Savings

For the present study saving is defined as putting money in the bank, or contributing to a pension plan and employee's provident fund

Investments

Funds placed in a more or less permanent form, with the expectation of assuring the security of the principle and receiving a regular and predictable return on it

Financial Management

Applying management process, (that involves planning, controlling and evaluation) for managing present and future consumption expenditure to meet short-term and long-term financial goals of the family

Coping Strategies

Referred to the choices in the ways of using family resources, decrease the presence of stress factors related to financial aspects and lack of satisfaction Involving the process to change the stressful circumstances, by trying to reduce the expenditure and increase the income through utilizing human resources

Quality of Life

State of well-being of people on the basis of family's perception about wealth, level of consumption and financial security

3.5 Selection of the Sample

For the research, sampling has to do with, who is chosen to be studied In general use, the term sample means a subset or part of the whole Miller, (1986) From the universe (means the total of the members in the field of inquiry) the population is to be identified (Population refers to the total of people, about whom, information is desired) Sampling units are chosen from the population

For the present study, families were the sampling units As the title suggests, the present study aimed at studying the impact of price rise on families belonging to different income groups of Vadodara city

Identifying Income Groups

Income slabs are decided on the basis of the class of the city, and the minimum wage rates prevailing in the city Municipal corporation of urban areas follow the specific criteria to decide low, middle and higher income slabs, based on which, the following five slabs are made, namely low income, lower middle income, middle income, higher middle income and higher income slab For the present study, these five income slabs were considered to ascertain the population from which sampling units can be chosen

Income groups	Income Range (Rs./month)
Low Income (LIG)	Up to 2500 pm
Lower middle income (LMIG)	2501 to 5500
Middle income (MIG)	5501 to 8500
Higher middle income (HMIG)	8501 to 10500
Higher income (HIG)	10501 and above

Following a specific sampling procedure, sampling units were selected from the population

3.5.1 Locale of the Study

Present study was carried out in Vadodara city of Gujarat State With the purpose of covering the urban population proportionately from the city, wards were selected from each zone, namely north, south, east and west zones As per the information availed from Vadodara Municipal Corporation, Vadodara City is divided into 10 wards For the present study, one ward was chosen from each of the four zones While selecting the ward, areas being covered under the respective wards were carefully checked to ensure the perceived probability of various income groups residing in the same ward

Population

Vadodara is a city surrounded by industries It has a name in academic and cultural achievements as well Due to the opportunities for employment in various fields Vadodara has over a period of time become a cosmopolitan city Divided into four zones and 10 wards, Vadodara has the population of including all the income classes

3.5.2 Sampling Design

A multistage sampling design was used to select the study area and families from five different income groups for the present study The stages included selection of wards, areas, housing colonies and selection of Families (Fig 3)

Figure 3

3.5.2.1 Selection of Wards

For the selection of wards a list of the wards, falling under four zones of Vadodara city was obtained from the Vadodara Municipal Corporation Four zones consisted of 10 administrative wards, including two to three wards per zone The list of wards under each zone, mentioned below :

Zone	Ward Nos.
North	7 and 8
South	3, 4 and 5
East	1, 2 and 9
West	6 and 10

3.5.2.2 Selection of Areas

For the selection of areas a list of areas falling in each ward was obtained from the Vadodara Municipal Corporation ward office. The areas ensuring greater probability of containing various income groups were picked up from each ward, namely

Ward Numbers	Name of the Area
Ward No 8	Karelibaug
Ward No 4	Tarsali
Ward No 9	Ajwa Road
Ward No 6	Gotri, Old Padra Road

3.5.2.3 Selection of Housing Colonies/Slums

At random two or three housing colonies were selected from each residential area Slums were also randomly selected to cover low income families Families belonging to

different income groups were identified and enlisted to arrive at the aggregate figure including the families from all the areas selected for the present study

3.5.2.4 Selection of Families

Ten percent of the respective total was taken as the final number of sample to be included for data collection With the help of random sampling method, Families were finally chosen proportionately from each of the housing colony/slum

3.5.2.5 Sample Size

Total sample consisted of 255 Families with the breakup as follows

Income Group	Number of Families
Low Income Group (LIG)	50
Lower Middle Income Group (LMIG)	52
Middle Income Group (MIG)	53
Higher Middle Income Group (HMIG)	50
Higher Income Group (HIG)	50

3.6 Development of the Tool

For the present study, primary data was to be collected from five different income groups, as it was a cross sectional study Further, the sample was drawn from different areas of Vadodara city Since it was essential to obtain in-depth information, structured interview schedule was considered to be the appropriate tool for the present study

3.6.1 Description of the Tool

Structured interview schedule prepared for the collection of data was a pre-coded one comprising of 7 sections

Section I

First section included questions of the interview schedule regarding the socio economic & demographic profile of the respondents It included information on age, education occupation and income of the respondents It also covered the questions regarding type and size of family as well as number of adults and children in the family It further contained questions about type of house and family's total monthly income as well as about public facilities availed by the family

Section II

Section second of the interview schedule aimed at obtaining first hand information about the consumption expenditure incurred by the families during the base year taken for the present study (1995-96) and the current year, (1999-2000) on the items selected to construct cost of living indices

Section III

To elicit the information regarding the families' economic profile this section was designed, to collect information regarding savings, investment and credit in specific

Section IV

This section contained a scale consisting of a set of statements dealing with the money management practices adopted by the families, focusing specifically on planning, controlling and evaluating as the process of management

Section V

Contained questions regarding the problems faced by the families due to rise in general price level

Section VI

Covered the questions regarding coping strategies adopted by the families against rise in general price level

Section VII

Of the instrument dealt with the information regarding the extent of satisfaction of the families in relation to the selected parameters of quality of life, experienced during the base year and the current year for the present study (Viz 95-96 and 99-00)

3.6.2 Method of Collecting Secondary Data

Office of the Economic Advisor to Government of India in Ministry of Industry has been publishing the index number of wholesale prices with effect from Jan 10, 1942 onwards The consumer price index numbers for industrial workers and for Agricultural labourers and Rural labourers are computed by the Bureau, Ministry of Labour and are published in their monthly publication ' Indian Labour Journal' and annual publication 'Indian Labour Statistics'

The weights are based on the average consumption expenditure of the working class family as revealed by the family income and expenditure survey conducted periodically

3.6.3 Development of the Item List for Constructing Consumer Price Index

Establishment of content validity evidence for a measure requires good logic and perseverance Missick, (1998) Determination of content validity evidence is often made by expert judgement Typically, multiple judges rate each item in terms of its match or relevance to the content Sireci, (1998)

Individual consumption items have been classified into specific groups and it has been used in the construction of state-specific consumer price indices The same list of items (an inventory) was used for the present study (Appendix Part-B)

An inventory as a measure of cost of living index was given to 16 experts for the present study Experts were from the field of Social Work, Home Science, Sociology, Centre for Advance Studies in Education, Economics and Faculty of Management Studies of the M S University of Baroda. The inventory was given to the panel of judges for judging the clarity and content of items to be included The source of the inventory was "Indian Labour Statistics" 1981-82.

Those items, on which there was eighty percent agreement on clarity and content were retained under the same groups Certain items as suggested for categorizing under separate heads by majority of the judges were grouped separately

3.6.4 Pilot Study

With the incorporation of suggested restructuring of the item groups, the inventory was administered on 40, randomly selected families from three, non sampled localities of Vadodara city A pilot study was done to see the feasibility and clarity of the item list and to discover any kind of problems which might have been overlooked by the investigator at planning stage

The results of the pilot study revealed that certain item groups needed to be further broken into new groups for the ease of providing specific information regarding expenditure on those items Hence the item group entitled "other non food" was further broken into specific groups for the present study

Financial Problems Faced by the Families

Family uses money to obtain many of the things desired and wanted by its members The use of money involves economic decisions The nature and kind of economic decisions that the families are able to make depend in large part upon how much money it has When inflation decreases the purchasing power of money, family experiences economic stress As identified by Boss, (1987) families experience stress, mainly in cultural, religious, constitutional, developmental, historical and economic contexts

The direct outcome of persistent rise in price of commodities of consumable items, along with no quick rise in nominal incomes results in the fall in purchasing power The gradual effect is witnessed through the problems faced by the families due to lack of money resource

Since each individual and the family as a whole make efforts to manage the stressful event and overcome the problems, the same has been tried to be identified in the present study Effort has been made to identify problems in general as well as in relation to specific areas like expenditure, savings & investment, faced by the selected families due to rise in general price level

3.6.5 Development of Financial Management Practice Scale

In the present investigation, an attempt had been made to develop a descriptive rating scale about financial management practices adopted by the families For the aim of identifying (measuring) the extent to which planning, controlling and evaluating practices were followed for the management of money-resource by the families, there existed the need to construct a scale for quantitative measurement

Item Collection

The scale comprised of the set of statements for each of the three steps of the management process, specifically from the point of view of financial management Framing of statements was qualitatively improved with the help of thorough review of literature While selecting the items, it was remembered that the statements should be simple, clear and brief and relevant to the aspect to be measured

3.6.5.1 Content validity of the Financial Management Practice Scale

"Are we measuring what we think we are measuring?" is the basic question attached to any measuring scale Kerlinger, (1983). Establishment of validity enables the researcher to know and ascertain the capacity of the tool to measure the desired aspects For this specific aim, effort was made to establish content validity of the present scale for the construction of which, a set of 50 statements was prepared The same was submitted to the similar panel of judges who had evaluated the inventory for cost of living indices For the present scale, the statements were judged for clarity and relevance Finally, 45 statements were identified on which there was 80 percent agreement and were included in the final scale

3.6.5.2 Pilot Study

To check the clarity and feasibility of the statements of the scale, pilot study was conducted with the same families as mentioned for the item list to construct consumer price index for the present study As all the statements were identified to be clear and feasible, the same were retained for the final interview schedule

3.6.5.3 Reliability of the Financial Management Practice Scale

Reliability refers to the stability and dependability of the measure scale or tool, Miller, (1986)

Following procedure was followed to ascertain the reliability of the scale

(i) Response scoring

The aim for the present study was to check whether the scale produces stable scores for subjects With this purpose, test-retest method was considered to be the appropriate one to assess reliability.

A three point scale was developed to know the extent of following the management practices for money resource. The sought responses were in terms of always, sometimes and never Responses on each of the item of the scale were quantified by ascribing scores The weight age given was,

Extent of following management practices	Positive Statements (Scores)	Negative Statements (Scores)
Always	3	1
Sometimes	2	2
Never	1	3

The score obtained by respondents on each statement were totaled to arrive at the management practice score for each respondent

ii. Reliability Co-efficient of Financial Management Scale

A scale containing 45 statements, including 15 statements on planning, 18 statements on controlling and 12 statements on evaluating was administered twice at the interval of three months, i e during September 2000 and December 2000 respectively) on

the same group chosen for pilot study to administer the interview schedule The correlation between the two sets of scores reflected the reliability of the tool The correlation coefficient of the test-retest was, r=0 81 which did support the reliability of the scale .

3.6.6 Development of Satisfaction Scale for Quality of Life

An attempt was made to develop descriptive rating scale to measure the extent of satisfaction experienced by the families towards quality of life

3.6.6.1 Item Collection

Based on thorough review of literature, specific financial parameters were selected to assess the satisfaction towards quality of life which were as follows

(i) Satisfaction towards wealth

(ii) Satisfaction towards level of consumption

(iii) Satisfaction towards financial security

For each of the parameters, group of statements was framed against which the respondents were to express the extent of satisfaction ranging from highly satisfied to dissatisfied and somewhat satisfied including 14 statements on satisfaction towards wealth, 11 statements on satisfaction towards level of consumption and 15 statements on satisfaction towards financial security The care was taken while framing the statements as to each of the statement should be having only single clear meaning, put in simple words to ensure easy understanding on the part of the respondents

3.6.6.2 Content validity of the Satisfaction Scale

Similar to the establishment of content validity of the scale for financial management practices, the satisfaction scale too was submitted to the same panel of

judges to check the clarity and relevance of the statements Those statements on which at least 80 percent of the judges agreed upon clarity and relevance were included in the final scale Thus, finally a scale with 40 items was ready to be used for the study

3.6.6.3 Pilot Study

Using the same sample, pilot study was conducted along with the other measuring scales prepared for the present study Since all 40 items were identified to be clear and relevant, the same set was finalized for the interview schedule

Reliability of the satisfaction scale to measure the extent of satisfaction towards quality of life.

To enable the families to express the extent of satisfaction in definite terms, three point scale was developed The weight age for which was as follows

Extent of Satisfaction	Scores
Satisfied	3
Somewhat satisfied	2
Dissatisfied	1

The responses on each item were quantified by ascribing scores The scores obtained by the respondents on each statement were totaled to arrive at a satisfaction score for each respondent

3.6.6.4 Reliability coefficient on Satisfaction Scale

The scale was administered on the sample of 40 Families along with the scale for financial management practices twice, at the interval of three months The correlation coefficient of the two tests was r=0 71 Thus the scale was found to have high reliability

$$r = \frac{\Sigma xy}{\Sigma x^2 \Sigma y^2}$$

3.7 Method of Data Collection

Data were gathered personally by the investigator using structured interview schedule Though, the fact remains that personal interview method requires more time, it is also true that this particular method for collection of primary data enables the investigator to collect information in greater depth Further, if there is any kind of resistance on part of the sample, it can be overcome due to the rapport established and confidence developed by the investigator with the sample Chances of non-returns and incomplete information can be controlled as well Hence, interview method was selected for the data collection for the present study

Respondents were interviewed in either English or Gujarati Language The tool was prepared in English and then translated in to Gujarati by the investigator

As interview method gives an opportunity to establish personal contact with the respondent, at the time of filling up the information, cross checking and cross questioning was also done at points to ensure the authenticity of the data

Though the questions for the present study were mainly focused on financial aspects, it was found that the respondents as well as the family members were sincere, genuine and co-operative in providing all the required information

Data for the present study was collected during March to May 2001

3.8 Analysis of Data

The data collected were coded and analysed applying descriptive as well as relational statistics. The data were categorized, tabulated and presented in frequencies, percentages, mean and standard deviation for the analysis. For testing the hypothesis of the study, inferential statistical methods were used

3.8.1 Categorization of the Variables

Variables of the study were categorized for the purpose of analysis Responses were scored using different techniques, for different sections of the interview schedule

(i) Age of the respondent

Age was measured in terms of actual full years completed at the time of data collection and it was then categorized under following range on equal interval basis

21-30 years

31-40 years

41-50 years

51-60 years

61 years and above

(ii) Educational level of the respondents

It referred to the formal education attained by the respondents, and it was categorized under seven categories

1 Illiterate – No formal education

2 Literate – Primary level

3 Literate upto – 10th grade

4 Literate upto – 12th grade

5 Graduate

6 Post Graduate

7 Vocationally trained

(iii) Occupation of the respondent

For their profession or employment, respondents were categorized into two categories

Salaried Job

Business

(iv) Monthly income of the respondent

Income received per month by the head of the family was actually noted down Further the income was categorized according to the 5 income levels selected for the present study

(v) Type of family

Family type was categorized under joint and nuclear type

Joint family

Nuclear Family

(vi) Number of family members

Total members of the family were asked to identify the size of the family The categories for the family size were

Category	Range (Number of family members)
Small family	< # 4
Medium size	5 to 8
Large family	> # 9

(vii) Number of adults and children in the family

To find out the information pertaining to the same, two categories were made

Number of :	Age
Family members	< # 18 yrs
Family members	> # 18 yrs

(viii) Ownership of the house

Information regarding house ownership was categorized into two types

Own House

Rented house / quarter provided by the employee with rent deducted at source

(ix) Family income

Family income referred to the monthly income received by the family from all possible sources After obtaining actual figures, the income was put under respective income slabs

(x) Public Facilities availed by the family

Whether the family availed certain public facilities was found in terms of yes and no the score given were

Yes = 2

No = 1

Public facilities were enlisted as follows

Municipal School, General Hospital, Health Centre

(xi) Expenditure Incurred by the Families

Annual, monthly and occasional expenditure was identified for the base year and the current year Respondents were asked to provide actual expenditure figures against the items enlisted as per the standard consumption items

The data were then clubbed for each consumption item groups and used to construct the consumer price index using expenditure relative method

(xii) Information regarding savings, investment and credit

Similar to the expenditure pattern, data regarding savings, investment and credit facilities availed were gathered in actual figures

Possible options were enlisted In the columns provided against each possible option, the respondents were asked to provide actual figures

The data were then categorized as below

Total savings, cash on hand, deposits in banks, investment through shares and debentures, claims on govt bonds, investment through insurance funds, Investment through provident fund and pension plans

Whether credit facility is availed

1 Yes

2 No

If yes, for what reasons

Constructing a house, Social and personal reasons, purchase of durable goods

The information on savings and investment was for the use to construct economic profile of the families

(xiii) Financial management practices adopted by the families

To identify the extent to which financial management practices were adopted, a set of standardized statements was used Respondents were to provide the information by choosing either of the three answers always, sometimes and never The scoring pattern was as follows

Financial management practices	Scores
Always	3
Sometimes	2
Never	1

The obtained scores were categorized on the basis of equal intervals separately for each of the step of the management process Scores were totaled for each respondent

Category	Scores
Planning	
Low	15-25
Medium	26-35
High	36-45
Controlling	
Low	18-34
Medium	35-44
High	45-54
Evaluating	
Low	12-20
Medium	21-26
High	27-36

(xiv) Problems experienced due to rise in general price level of consumer goods

Responses against problems were scored by the respondents as follows

Problems experienced	Score
Yes	2
No	1

(xv) Strategies adopted to cope with rising prices

(Backward coping strategies)

Respondents had responded in yes=2 or no=1 against the items on the list of coping strategies that contained 22 statements Multiple responses were obtained

(xvi) Efforts made to increase money income as a measure to cope up with price rise (Forward coping strategies)

For the same, responses were obtained for Job/business started by family members

Job/business started by family members	Score
Yes	2
No	1

(xvii) Efforts made to increase money income as a measure to cope up with price rise

For the same, respondents were categorized into three categories

Full time job

Part time job

Self employment

(xviii) Reasons of inability in adding to the family money income

For the present information 7 options were visualized and enlisted Respondents had chosen applicable options The resulted responses ranged between 1 to the combination of four to six multiple answers

(xix) Satisfaction towards Quality Of Life

Referred to the extent to which the families were highly satisfied, some what satisfied or dissatisfied towards the selected parameters of the quality of life It was measured by giving scores for the extent of satisfaction during the base year as well as the current year

The scoring pattern was,

Extent of satisfaction	Scores of the statements
Satisfied	3
Somewhat satisfied	2
Dissatisfied	1

Score were summed up for each respondent and were categorized into three groups on the basis of equal intervals separately for each of the parameter for the quality of life

Category	**Range of scores**
Satisfaction towards Wealth	
Low	14-27
Medium	23-32
High	33-42
Satisfaction towards Level of Living	
Low	11-18
Medium	19-26
High	27-33

Satisfaction towards Economic Security

Low	15-25
Medium	26-35
High	36-45

3.8.2 Statistical Treatment of Data

The data were statistically analysed employing descriptive as well as relational statistics for drawing of inferences The total sample was categorized into five income groups.

3.8.2.1 Descriptive Statistics

The data were presented in frequencies, percentages, mean and standard deviation for analyzing the information

3.8.2.2 Relational Statistics

The statistical analysis was carried out to test the relationship between selected variables and the hypothesis postulated for study The major use was made of chi square test of independence Furthermore, the analysis of variance was computed to study the differences among the respondents in the financial management practices and satisfaction with quality of life Besides Pearson's Product Moment Correlation Coefficient was computed to find out the extent of relationship among (a) the rise in general price level and the cost of living indices of various income groups In addition the 't' test was applied to assess the statistical significance of the calculated correlation coefficients