



Comparative Analysis of The Financial Planning Habits on The Students of Pre-Grade of The Economic-Administrative, Biomedical and Engineering Division of Los Altos University Center as Inhabitants of The Region



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Abstract: The recent research material will show the variables and results of the comparison of the financial planning habits of the students of pre-grade of the economic-administrative, biomedical and engineering division of Los Altos University Center, based on a matrix about the financial planning habits in four quadrants, built in financial habits regarding to the importance and urgency that the students consider them. It is analyzed the manner of improvement, modifications and how do they make their financial planning from their own criterion. A good definition for a habit could be an action that is made in a natural form until the extent of becoming in something spontaneous, that is to say, it supposes to change the behavior and this not always turn to be easy. The best way of achieving is through the perseverance and a strong conviction of the action we are trying to internalize will be beneficial for our life. For students, it's helpful to manage a control of incomes and expenses. The personal finance is also based on habits.

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1. Introduction:

From immemorial times, the human makes financial planes when is trying to buy, sell, exchange products or instruments that contribute to a financial stability. But the financial planning is an application of the concept to the society, to determinate the manners towards reaching the expected goals for the financial set (VELA, 2002). This involves more developed societies with financial habits.

Nowadays, we live in a world where acquire the financial planning habit is a challenge from short term to long term period and that's why there must be generated strategies that allow obtaining good results in the financial administration (ECORFAN, 2014). It is necessary to consider the most important expenses and keep an accurate record of the debts and savings.

Is essential to analyze, realize and prioritize the most important expenses to cope with an adequate control of debts and savings whether from a company to home. The habit of the financing is a critical factor to the economic growth, and this has to be acquired to evolve with a financial culture. A rational being must look forward to stabilizing their economy along with their life and accomplish to develop a financial planning habit in their

personal expenses not to have any problem in connection with their finances (Villagómez, 2014)

Is necessary that exist the financial culture in the society, as obtaining a good planning practice that is carried out through as the payment of expenses made by all the family members or just for one integrant, for example, tuition fees, bills as potable water, electrical energy, leasing fees. That is why knowing how to have a financial plan to not contract debts and avoid problems in the case of not being able to solve them.

Saving and indebtedness are two areas that react to the process of planning and breeding ideas, into the strategies and in pursuit of resources, evaluation, and financial management, in the administration and personal economy control (Lohmann, 2012).

Be able to create habits, tolls, and a financial planning as savings, expenses and incomes control, assist us to administrate and develop abilities about finance management obtaining as a result, a better perspective and quality of life.

The general object of a financial planning behavior it's to provide following their financial decisions, a throughput that recompenses the expectations of the personal expenses (Ibídem).



All this could be carried into reality by an extensive analysis of the accounting data and an appropriate evaluation of the different expenses alternatives and strategies (Pérez-Iñigo & Ferrer, 2015).

The public finances are instruments that allow reaching purposes that inspire the origin of the state, as leasing of essential public services, to guarantee the existence of the society in conditions of human dignity, harmony, and peace.

The proper management depends on the level of well-being that can be provided to the population by the government, that's why is significant to investigate this knowledge area, as a key fundament of political economy for the balance of the state (García Galindo, 2014).

1.1. Justification

Present-days society, people are required in many aspects of their lives, one of the elements it's related to financial habits. There is a signaled concern about the personal expenses and if people make a financial plan to confront those expenses.

1.2. Objective

Relate and compare the financial planning habits of the students of the social, administrative, bio-medics and engineering of Los Altos University Center during their schooling path, through a survey that consist of 15 questions.

2. Methodology:

The implementation of the fieldwork was performed by the enrolled students of 14 university degrees courses offered in the Campus in the school cycle 2014-A, which corresponds to January until July. Each measuring instrument consists of 15 questions related to the financial planning habits. The design of the research is a descriptive transversal study.

2.1. The Sample Size Determination

The student's population of Los Altos University Center of 14 different majors was 2932 students.

To determinate the sample size was used the following formula:

$$n = \frac{N Z^2 p q}{(\pm)^2(N-1)+Z^2 p q} \text{ (Reus, 2016)}$$

- n= Simple size
- N= Population Size
- Z= 1.96 (a standardized value that corresponds to the confidence level of 95%)
- ±= 5% error rate.
- p= probability of success
- q= Failure probability
- pq= multiplication of the probabilities in their highest expression (0.5) (0.5)= (0.25)

Obtaining, as a result, the sample size of the minimum representative students for the population of the campus, 14 college degrees were elected in their corresponding areas, the engineering area with sample size of 97 interviewees, Administrative-Social area with 213 applied surveys, and Health science division with a total of 301 interviews in the campus.

3. Results:

The expenses classification matrix is divided into four captions, the first one corresponds to the quadrant (I) Urgent and important, the number two is Urgent and not important (II), the third one is not urgent but important (III), and the fourth not urgent and not important (IV).

In the obtained results with the study fields of the health science, Economic-socio-administrative, and the engineering of the University Center in the survey with 15 questions was classified with each question for each quadrant according to the answer with the highest observation.

Table 1. *Matrix Quadrants of Expenses Classification.*

	Urgent	Not urgent
Important	I	III
Not Important	II	IV

According to the habits of financial planning of the ungraduated students considering the urgency and importance that they considered both for the health science students, Social- economic-administrative area, and engineering area of Los Altos University Center. That can be observed in the tables 2, 3 and 4.

The results of the present chart indicate the importance and the urgency that is given to the habits of financial planning, not taking into account, for example, the option of urgent and not important, but also the option as not urgent and important as it is shown on the quadrant II and III.

In this research which the respondents were students of Los Altos University Center, in the analyzed areas before mentioned Health Science, Economic-social-administrative, and engineering. In none of these cases, the variables of urgent and not important that corresponds to the II quadrant and the important and not urgent that belongs to the quadrant III did not occupy the first place in answers.

Each answer after being classified in the different areas of the finance habits matrix allow to observe and analyze the behavior according to the necessities of importance in connection with the finance habits of the students.



Table 2. Finance planning habits matrix of the Health science students of Los Altos University Center.

Financial Planning Habits Matrix	Urgent	No Urgent
IMPORTANT	(I) - Make an expenses budget. - Make an expenses control. - Estimate and control incomes. - Save money for contingency expenses. - Save a percentage of incomes. - Consider investment alternatives (Future benefits). - Make an expenses plan and improve your financial situation. - Make a financial budget and improve the personal economy during the academic journey. - Improve the learning achievement making a periodic control of incomes and expenses. - Analyze the financial situation and control the expenses. - Modify the habits of financial planning. - Modify the financial planning and improve the school performance.	(III) *
	(II) *	(IV) Funding Sources (Loans)
NOT IMPORTANT		

* The quadrants II and III do not have a considerable number of answers.

It's important to mention that the comparative analysis between the areas of Health science, Economic-social-administrative and engineering of Los Altos University Center were found coincidences about the 93% of the questions, there is just one difference in the answers that represent the 7% that refers to considering investments mediums (future benefits), There's no relation between the urgent and not important quadrant(II) and the important and not urgent quadrant (III) for the students of Los Altos University Center.

Table 3. Chart of financial planning habits of the Economic-social-administrative area of students of Los Altos University Center.

Financial Planning Habits Matrix	Urgent	Not urgent
Important	(I) Make an expenses budget. Make an expenses control. Make an incomes budget Make an incomes control Have emergency savings Save a specific percentage of the incomes Make an expenses plan to improve the personal financial situation Make a financial budget to improve the academic journey Improve the learning achievement making a periodic control of incomes and expenses. Analyze the financial situation and control the expenses. Modify the habits of financial planning. Modify the financial planning and improve the school performance. Apply the financial planning habits already known	(III) *
	(II) *	(IV) - Funding Sources (Loans). - Consider future investments.
Not important		



*The quadrants II and III do not have a considerable amount of answers to the questions.

Table 4. *Financial planning matrix of the students of engineering area of Los Altos University Center.*

Financial Planning Habits Matrix	Urgent	Not Urgent
Important	(I) - Make an expenses budget. - Make an expenses control. - Make an incomes budget. - Make an incomes control. - Have savings for emergencies. - Save a specific percentage of the incomes. - Consider future investments (Long-term benefit).	(III) - Make an expenses plan to improve the personal financial situation. - Make a financial budget to improve the academic journey. - Improve the learning achievement making a periodic control of incomes and expenses. - Analyze the personal financial situation and control the expenses. - Modify the habits of finance planning. - Modify the finance planning and improve the school performance. - Apply the financial planning habits already known.
	(II) *	(IV) Funding sources (Loans)
Not Important		

* The quadrants II and III do not have a considerable amount of answers to the questions.

Table 5. *shows the coincidence in each of the following quadrants regarding the financial habits that apply and are given to the students financial planning and their respective areas of Los Altos University Center.*

Financial planning habits matrix	Urgent	Not Urgent
Important	(I) - Make and expenses Budget. - Make an expenses control. - Make an incomes budget. - Make an incomes control. - Have savings for emergencies - Save a specific percentage of the incomes. - Make an expenses plan to improve the personal financial situation. - Make a financial budget to improve the academic journey - Improve the learning achievement making a periodic control of incomes and expenses. - Analyze the financial situation and control the expenses. - Modify the habits of financial planning - Modify the financial planning and improve the school performance. - Apply the financial planning habits already known	(II) funding sources (Loans)
	Not Important	

4. Discussions

The applied surveys about the financial planning habits in Los Altos University Center to the students of the areas; Economic-Social-administrative, engineering, and health science.

Regarding the health science, students occupied the first place with fourteen answers of the fifteen questions of the survey, while in the first caption the students of the Economic-social-administrative area got third place with



thirteen answers just one under the engineering students. Which there is a coincidence in thirteen of them that actually represents 87% of the questions (make a expenses budget, make a expenses control, make an incomes budget, make an incomes control, have savings for emergencies, Save a specific percentage of the incomes, make an expenses plan and improve the financial situation, make a financial budget and improve the academic journey, Improve the learning achievement making a periodic control of incomes and expenses, Analyze the financial situation and control the expenses, modify the habits of financial planning, Modify the financial planning and improve the school performance, Apply the financial planning habits already known.

In the “urgent and nor important” the quadrant (II), wasn’t obtained as main answer, as well as the health science, economic-social-administrative and the engineering area of Los Altos University Center.

Concerning to the "urgent and important (III)" quadrant, as in the pass case, this wasn't obtained as the main answer. On the results of the expenses matrix that is “not urgent and not important “(IV), was considered as the main answer in the comparative of one of the fifteen questions, this represents a 7% of coincidence about having founding sources (loans).

Exist in higher percentage 87% the similarity in the behavior according to the importance that students of the different areas gives to the attitudes in the comparative the answers in accordance with the resulting matrix of financial planning habits. In case of the university students, during the lapse of the professional studies, arose the necessity of acquiring a certain type of financial habits that work as a tool for the management and expenses control for mention the budgeting making to improve the personal economy. Therefore, the students should procure the financial planning habit to make budgets, controls, and analysis of their finances to be able to solve the debts

without having the necessity of request a loan to any banking institution that could generate more severe problems to the students.

Is useful for the students to make budgets to control their incomes and expenses. Nowadays thanks to the technological headway exist different tools that could support this activity, for example, mobile apps that can be downloaded on your smartphone to make easier this task.

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