

## Information use and Budgetary Control as a Remedy of Financial Crises in Achieving Family Wholeness

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| Received: 08.04.2019 | Accepted: 16.04.2019 | Published: 30.04.2019

DOI: [10.21276/sjbms.2019.4.4.6](https://doi.org/10.21276/sjbms.2019.4.4.6)

### Abstract

This paper examined the information use and budgetary control in the personal and family wholeness context from a theoretical perspective. It revealed that Information is critical to feel the gap that occurs between the children and parent in the family especially in the spending profile of family. It shows that the process of exercising control in a Christian's home is significantly more complex than conventional family as theory suggest. It also revealed that Christian home cannot be fulfilled until they educate their children about planning and control of their future on how to run their home which includes demand of essential goods and spending profile since they are growing and later set up their family's objectives. The study also revealed that budgeting cannot be viewed as a control system per se without the use of information; rather, they must be seen as a total system of family control. The study deduced that if the linkages between the information use, budgetary control and family wholeness measurement system and other prerequisites of control system are not adequately put in place, the system may not fulfill its intended function.

**Keywords:** Budget, Information, Family, Financial crises, Information Use, Budgetary Control.

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### INTRODUCTION

Information is a facts, news messages and processed data which are capable to improve the knowledge of children or individuals as regards to budget any control in family wholeness. Information can be used by different family in different areas of life. The use of information has been recognized as a survival input for children in the information age. Information use is a prerequisite to raise educational standards, participation in family decision-making, developing the home economy, to settle financial crises and enhancing the family or children power to plan, purchase and act in an informed manner. Information can be used to enhance good budgetary planning. The effective use of information sources for budgetary control at home will improve the children focus in family wholeness [1].

Information to be used for the family wholeness can be gotten from the internet, news media, television, government agencies, parents and other possible sources. Many sources of budget information that are available from the social network are relevant for improving the knowledge of children in family wholeness. Information to be used for budgetary control on financial crises for family wholeness can be acquired through print and non print media. This could be transmitted in print, orally, audio-visually or electronically. Effective use of the various budget information sources will improve family

wholeness ideas and this may lead to improvement in financial crises of families. However, the challenges of good quality of life is based on how to settle financial crises by findings better ways of access and use the available budget information which can help to improve quality of life through planning and budgetary control [2].

Information can be used as a means of thinking about budgetary control for financial crises in family wholeness. It could be a system by which one undergoes a regulated training over a period of time on how to overcome financial crises. Information use has made it possible for the family to be rich in knowledge as long as he has due information awareness. Today, one needs to make due budget planning and exclusive budget research before making a budget control for financial crises in order to adjust to the evolving socio-economic and environmental condition confronting family wholeness. However, many families do not have accurate information about budgetary control and financial crises opportunities that will enhance or help them to reduce appropriate financial crises in their family. Information as a critical resource for budgetary control in family wholeness is a product of multiple factors which include; cultural identity, parental influence, settlement of financial crises, marketing prices, socialization, socio-economic factors, role model and available resources such as interest and financial support that can reduce financial crises in the family [3].

The role of information and budgetary control can be seen in children attitude, its social contacts, and parents' educational attainment [4]. In family wholeness, many kids are influenced by spending profile which their parents subject them to; others follow the spending that their parent's socio-economic status has open for them. Some choose to follow their parents regardless of how much it will affect their financial crises in the future while others take to their family budgetary control that guarantee high income based on their parental influence. It is believed that role model and the quality of relationship between parents and children will contribute much to the reduction of financial crises in the family wholeness [5].

Information use aids religion and culture which constitute enabling environment in children/kids development. It has been noted that spending culture relates positively to budget planning in a family set up which children should learn from the parents. Many families with high religious commitment play a critical role in the life of their children, by preparing a strong budget that will offset the family financial crises. The role of Information use is to create awareness by indicate that a family have an external locus of control and also shows that there are many external and internal factors that control their spending profile which call for budgetary control to ease their financial crises.

The term budget was derived from the French word "Bougette" which means a leather bag from which the minister of the Government would take out his proposals regarding the expenditure of the government during the coming financial period [6]. Nowadays, the budget is not restricted to government offers only but it covers domestics, business and institutional affairs. Sikka, A [7] defined budget as a pre-determined statement of management policy during a given period which provides standard for comparison with the result actually achieved. George R. Terry has also defined budget as an estimate of future needs arranged according to an orderly basis, covering some or all the activities of an enterprise for a defined period of time. Also the Institute of Cost and Management Accountants has defined budget as a financial or quantitative statement, prepared prior to a defined period of time, of the policy to be pursued during that period for the purpose of attaining a given objective.

A careful examination of the various definitions brings out some specific features of a budget and they are:

- A budget is a plan
- It is comprehensive
- It provides for a co-ordinate plan
- It is prepared in advance
- It is a plan for operations and resources
- It is expressed in financial and quantitative terms
- It provides a yardstick for the comparison of

actual performance.

Emanating from the above, a budget for a family can be defined as a document carefully designed in quantitative and financial terms for the future operations of a family for the purpose of achieving the family objectives.

### **Budgeting**

*Money is not necessarily a curse or evil; it is of high value because if rightly appropriated, it can do well in the salvation of souls, in blessing others who are poorer than us. By and large, it is an improvident or unwise use. Money will become a snare to the user. He who employs money to gratify pride and ambition makes it a curse rather than a blessing. Money is a constant test of the affections. Whoever acquires more than sufficient for his real needs should seek wisdom and grace to know his own heart and to keep his heart diligently, lest he have imaginary wants and become an unfaithful steward, using with prodigality his lord's entrusted capital (Adventist Home 372.1). '*

A family that has financial crises is sick, has incomplete wholeness and must be willing to demand for healing. Demand for money is ability to hold liquidity ration. In our society, people including Christians usually demand for money to offset family and financial holdings. Everybody in the society demands for money for three basic essential things in life. That is, people in the world demand for money for transaction, precaution and speculative motives in human *endeavour*. Since the three basic things are necessity for human survival, the Christians

In a family wholeness are not exempted. It is therefore important to hold and spend money; the way we handle and allocate money to finance daily expenditure varies from one person or family to another. It is not how much you earn that matters but how well spent for daily bases. The Christians or family should behave well on the way they spend money which call for budgeting and control measure. This is very necessary so as not to be involved in financial crises. Therefore, it is imperative to know the role of budget as a panacea for financial crises in the family wholeness.

Home management entails budget control in other to offset financial crises in the family. The concept of budgeting is a sure way of coming out of prodigality of family financial administration. Budgeting refers to the mechanism of preparing budgets, that is, preparation or formulation of family plans and the process of translating it to Naira and Kobo by definition. In other words, budgeting

involving the entire process of making family plans in concrete terms.

### **The Implication or Benefits of Budget and Budgetary Control in a Family**

The use of budget attracts many advantages and benefits to the family setting and individual. It solves so many problems and issues that can silently disorganize the family among these advantages are:

#### **Helps in Planning**

Regular use of information and budgetary control system enhances the ability and power of the family leadership to foresee or think ahead. It gives them the opportunity to forecast future needs and challenges of the family with the principal aim of providing solutions in advance.

#### **Encourage Cost Consciousness and economy of operations**

The system of budgetary control awakens the consciousness of every budget officer in the family on the cost control and reduction strategies. This is a common issue as each person might be called to account for the budget actually allocated for his/her needs. Cost consciousness will eventually leads to elimination of waste and inefficiency in the family operations and activities.

#### **Promotes co-operation and co-ordination**

Budgetary control promotes co-operation and co-ordination among the various functionaries and departments of the family. The members of the family will be indirectly compelled to work in harmony to achieve the family objective. It is obvious during the budget preparation that every member of the family would have to produce a plan that will be translated to Naira and Kobo as a result they are to work together as a team.

#### **Gives motivation to family members and encourages team spirit**

Each member of the family feels important and relevant in the decision making process and by this all are encouraged to work towards the achievement of the family objective.

#### **Serves As A Means of Communication**

Budget translates the goals and targets of a family in quantitative and monetary terms. Each member of the family participates in the preparation, discussion and distribution of the resources and responsibility. The process of preparing the budget creates a very good avenue for discussion, interaction and more understanding. The budget itself also serves as a medium of communication. In addition, control is a process of evaluating budget performance and therefore becomes an instrument and object of communication to determine deviations or variations. It encourages delegation of authority and assignment of responsibility in the family management. This also

encourages management by exception in the family operation.

### **Family Budget Preparation Procedure and Format**

The budget preparation requires the attention of every member of the immediate family, this will assist in determining all necessary budget heads inform of revenue and expenditure. The first step in the preparation of the budget is to determine the goals and objectives of the family both in the long run and in the short run. The purpose of the budget is very essential as there are different budgets for different purposes; a budget may be prepared for birthday party and thanksgiving service and so on. The point we are stressing here is that, the purpose of a budget must be established.

Also the budget must be made to be simple, flexible and captures regular income. It must be conservative and reasonable in composition. Before proceeding to discuss different types of budget, we shall examine Ellen G. White concepts and views about family budget.

#### **Ellen G. White Perspective on Family Budgeting**

In E.G. White Adventist home, (pg 372:1)<sup>2</sup>, stated that money may not necessarily be a curse, and if it is rightly appropriated, it may even be of high value, and salvation for the soul. Money can also be vice versa if used in an unwise manner. She further says that money is a constant test of the affection of the parties. E.G. White Adventist home, pg 372:1

When we love God earnestly, temporal things will occupy their right places in our minds. If we humbly and earnestly seek for knowledge and ability in order to make the right use of our Lords goods, we shall receive guidance from the lord which served as good information. However, when our hearts leans to its own preferences and inclinations, when the thought is cherished that money can confer happiness without the favour of God, money automatically becomes a tyrant. (Adventist home 372:2)<sup>3</sup>

She also talks about balancing the budget. There are so many families that find it extremely difficult to keep their expenditure within the limits of their income. They do not learn to adapt themselves to circumstances, and this often leads them into indebtedness as they begin to borrow and borrow, again and again. (Adventist home 374:2)<sup>4</sup>

When the wife in the home has a self indulgence habit, it may become a constant drain on the treasury of the family. Such a person may even be oblivion to this flaw because she may never have been taught about restricting her wants or her children's wants. Hence, they may end up spending double the amount that a similar family in size may spend compared to them. This

implies that every members of family should learn how to keep accounts. Some neglect this work as non-essential, but this is wrong. All expenses should be accurately stated for the family to peruse. The family that has been privy to receive messages from God concerning spendthrift habits admonishes that if one has extravagant habits, should cut them away from his or her life at once. Unless one does this, one will be bankrupt till eternity. We are all pilgrims and strangers on the earth. Let us not spend our means in gratifying desires that God will have us repress. We should represent our faith by restricting our wants and spending profile as a family that fear God.

### Composition of Family Budget

#### The Family Income

The family income, more often than not, includes the following; salaries, allowances, bonus, overtime, leave allowances, income from investments for instance, rent received, bank interest on savings account, dividend, etc. This is a typical of the non self employed family. In the case of self employed family, the major income sources that may be quite different from the above is profits, the family is expected to only spend from profit and leave the capital, however, the ideal situation is to place themselves on salary that could have been earned in

an alternative choice of operation to sustain the family from collapsing.

#### The Family Expenditure

The family expenditure has to be categorized in a preferential order. The ability of the family to separate needs from want is very essential for instance; children's school fees and uniform for a burial may be competing in the budget schedule. It is important for the family treasurer to educate and explain the importance of education of the children over and above uniform for burial. Following are common heads of expenditure among others, tithe, taxes, food, housing, clothing (minimum requirement), school fees, parent's care, medical/dental, debt repayment, insurance/pension contribution, entertainment and recreation, savings/investment giving to the needy and miscellaneous.

The categorization of family expenditures can be separated into two sectors in order of priority. Section A should follow a particular order of arrangement while section B can follow any order according to the family interest;

Adventist home pg 375:2

#### Section A

Tithe/Offering	N
Taxes	66,000
Debt Payment	50,000
Pension/Insurance	5,000 <u>5,000</u>
Total	86,000 = B

Section A is recommended to follow this order due to the following reasons.

#### Tithe

The property we own as a family belongs to God and we are holding the wealth in trust therefore, we should first make available what belongs to God to Him. Every Christian and God fearing family must provide in their budget, foremost, for the Lord. This display of honors to God is a sure way of attracting more blessings to the family. From proverbs we read: "However the Lord with your possessions, and with the first fruits of all your increase; your barns will be filled with plenty, and your vats will overflow with new wine" (Proverbs 3:9) KJV.

*In the same vain Malachi 3: 10-11 says "Bring ye all the tithes into the store house; that there may be meat in mine house, and prove me now herewith, said the LORD of hosts, if I will not open the windows of heaven, and pour out a blessing, that there shall not be room enough to receive it. And I will rebuke the devourer for your sakes, and he shall not destroy ground; neither shall your vine cast her*

*fruit before the time in the field said the Lord of host". Also in the Holy Quran Surah (chapter) 6:141 says "And it is He who produces gardens trellised and untrellised, and date-palms, and crops of different shape and taste (their fruits and their seeds) and olives, and pomegranates, similar (in kind) and different (in taste). Eat of their fruit when they ripen, but pay the due thereof (it's Zakat, according to Allah's Orders 1/10' or 1/2 0<sup>th</sup>) on the day of its harvest, and waste not by extravagance. Verily, He likes not Al-Musrifun (those who waste by extravagance).*

Tithe is the ten percent of the family earned income. But more than ten percent God requires us to also contribute generously to His cause through our generous offerings. To move God's work forward, a

minimum of another ten percent is recommended as offering unto the Lord (Malachi 3:8).

### Taxes

The government has their own share of the family income. It is a compulsory levy that should be respected. For all true children of God it is recommended in Romans 13:7 that "Render therefore to all their dues; taxes to whom taxes are due, customs to whom customs, fear to whom fear, honour to whom honour". In making our family budget, it is essential to make provision for the payment of taxes, dues, levies, development fees and other things.

### Debt Payment

This is fundamental so as not to attract unnecessary embarrassment to the family. In case the family has any previous commitment, it should be quickly taken care off, so that the family yes can be yes and no to be no. In case there is any reason for them not to meet up, they should enter into discussion with the creditor far before the due date of payment for re-arrangement that the family budget can accommodate without causing financial crises in the home.

### Pension and Insurance

Pension contribution is very easy to triviliase especially when the family is self employed. It is a contribution that caters for the old age and such provision is as good as providing for our present needs. If family failed to provide for their old age, the incidence will fall on the children forgetting that they were not properly educated.

The importance of the preceding items (i.e Tithes/Offering, Taxes, Debt payment and Pension and Insurance) discussed is that it determines the disposable income of the family. Total income less B equals disposable income which can be expended on the following other items of the family budget.

### Family Needs

The family budget should provide for the needs of the immediate family such as food, clothing, housing, education, health and security. The scriptures counsel that those who cannot provide for their households attract the displeasure of heaven towards themselves. 'But if anyone does not provide for his own, and especially

for those of his household, he has denied the faith and is worse than an unbeliever" I Timothy 5:8" and in Holy Quran Surah (chapter) 17: 26 says "And give to the kinsman his due and to the *Miskin* (poor) and to the wayfarer. But spend not wastefully (your wealth) in the manner of a spendthrift (*Tafsir At-Tabari*).

### Extended Family

It is important to recognize the importance of the culture of our environment where we operate. In Nigeria, the culture of extended family relations is prevalent and it should be recognized in the family budget. This may include responsibility from maternal or paternal side and the in-laws. The needs of these relations should be recognized in the family budget to avoid emergencies in the later date. Recognition of this fact will enhance harmony and peace in the family setting. Holy Quran, Surah (chapter) 17: 26 [8].

### Provision for the Needy

Any family that have good background of what the scripture says in Proverbs 19; 17 that "He who has pity on the poor lends to the Lord and He will pay back what he has given". The family budget should have provision for the needy no matter how little. It might be an item easily ignored but using a template recommended here will bring it to the memory. Holy Quran, Surah (chapter) 17: 26 [8].

### Parent's Care

One of the ingredients of the family wholeness is caring for the old parents especially when they are no longer working. The family budget should make provision for this by providing for them, which is, food, shelter, clothing and general upkeep. The scripture says 'Honour widows who are really widows, but if any widow has children or grand children, let them first learn to show piety at home and to repay their parents; for this is good and acceptable before God" (1 Timothy 5: 3, 4).

It is carelessness and extreme irresponsibility on the part of householders who ignore to provide for their aged parents in the family financial budget. Through good care, wise children can help their aged parents to enjoy life even to a great old age. Care of parents is a deed which has many blessing in it.

**Family Financial Budget Template**

Family Income		N
Salaries (spouses)		200,000
Overtime pay		10,000
Allowances		50,000
Income from Investment;		
Rent	10,000	
Interest	5,000	
Dividend	5,000	20,000
Pension income		50,000
<b>Total income</b>		<b>50,000</b>

<b>Less Expenditure</b>		
Critical expenses;		
Tithe	33,000	
Offering	33,000	
Taxes	10,000	
Debt payment	5,000	
Pension contribution	5,000	86,000
		<b>244,000</b>
<b>Disposable income</b>		
Food	50,000	
Clothing	10,000	
Medical	10,000	
Education	15,000	
Parent's care	20,000	
Giving to the needy	5,000	
Automobile/transportation	20,000	
Entertainment/recreation	10,000	
Spouse pocket money	60,000	
Miscellaneous	10,000	<b>210,000</b>
Surplus		<b>34,000</b>
Savings/investment		

### Types of Budget Result

There are three types of budget result; Surplus budget, balanced budget and deficit budget. The concept of Christian financial budget system encourages balanced budget or surplus budget. The family appetite should be guided by her financial resources; any attempt to spend more than the financial resources creates crises for the future. Moderacy and temperance are the major watch words when preparing family budget. A deficit budget is a budget where expenses are more than the income while on the other hand a balanced budget is one that equals expenses with income that is, no surplus no deficit. A deliberate effort should be made by family heads to have savings against the future. It is important to cater for future contingencies.

### Teaching Children the Importance of Budget

One of the most important things we can teach our kids is about effective money management, this is to know how to budget and not live beyond our means. Information about budgeting should be started while the kids are still young. Starting early is so important. The fact is that children really are interested in learning about money and budgeting. This is such a grown-up thing that really perks their interest, but unfortunately, only a few of them are given such information. We should not let them grow up without knowing how to handle money and go from one-day millionaires to broke in a couple of days. There is no better time to start teaching a person about the importance of budgeting than when they are still a child. It is very valuable to start early because soon they can have more for long-term use. Budget control will instill responsibility in a child as well as set up a guideline in spending and saving their money. Budgeting is not binding or set in stone, the children should not carry the fear of sticking to his budget or avoid overspending or under

spending. The better he sticks to it, the better it will be for the things he wants and needs.

### Saving vs. Spending

We need to show the children the value of budgeting by teaching through example. Sticking to a sensible budget and controlling our spending will teach the children to do the same. We need to give them information about spending profile. Through this way, they will also learn the value of spending for necessities and luxuries. Explaining the difference between wants and needs gives the children more pleasure in saving and spending on the things they really want. Another helpful way to make children aware of the value of money is to take them on groceries store trips and by teaching them to be savvy shoppers and bargain hunters so that they can stick to their budget while they purchase things they want and need. Teaching kids the values of budgeting and saving up for their future needs will help them handle expenses and debts when they grow older. Given the children information on how to spend money will help them know how to spend within their means, prevent unnecessary debts, and always resort to making wise consumer decisions within their environment.

### Dealing with Family Financial Crises

The children or kids hear about the financial crises at school, see it on Television and read it on spouses' face. Teaching them about financial crises can be stressful. We don't want to scare them or make them feel anxious, but they need to know how this financial crises is going to affect their life. We should pass the information about financial crises to them and discuss it based on the kids' ages and what we feel they can handle. The

following means can be used to get the information across to them,

- Start the discussion when you are calm and can deal with questions and emotions that may come up
- Ask the children what they think is going on at home with money
- Ask the kids how they think this will affect them
- Reassure them that they are loved, safe, and that their needs will be met
- Make sure they know that they can talk to parent about money
- Talk about the budgeting process which helps them better control their money which is even more important in harder times
- Get them involved in finding ways to save money
- Talk to them about needs and wants
- Talk about how they can budget their own money
- Brainstorm ideas on how they can have fun without having to spend money
- Keep the lines of communication open

This initial conversation may be a family meeting, but shows that it's important to keep talking to them about money. Parent should use teachable moments when they are with their kids to help them learn about money. This is a great time to teach them about credit cards, checking accounts, and budgets. Listen to the kids' fears. They may be scared and think that they will become less and may not voice that fear to parents. Kids have active imaginations so parent should make sure they give them information that will put them at ease about finances crises.

## SUMMARY AND CONCLUSION

This paper has reviewed the meaning and purpose of information in preparing a family budget. It has equally discussed the benefits a family can derive from using information for preparing a budget to benefit family wholeness. The discussion so far has stressed the fact that, to enjoy family wholeness, the financial activities of the home should be taken seriously through information and budgetary control.

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