

KEEPING UP WITH STUDENT EXPENSES USING EXPENDITURE DIARIES

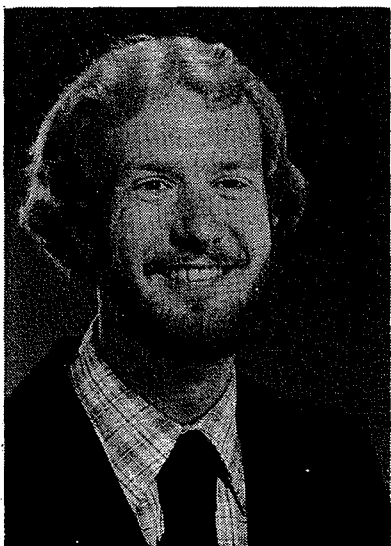
By William W. Bowman

In an article published in this journal expenditure diaries were recommended as a means of verifying the adequacy of financial aid student budgets.¹ At that time, the diary technique was untested for financial aid purposes though it had been widely used for more than twenty years in market research and the social sciences.

In the Fall of 1975, the Financial Aid Office at the University of California, Berkeley commissioned a small pilot study to field test the diary methods and to verify, if possible, the figures for the 1975-76 student budgets.

Sampling and Recruiting Student Participants

The author, along with staff members from the offices of Financial Aid and Student Affairs Research, worked together in designing a sampling frame which would include survey participants from all major budget categories (e.g., single, married — with and without children, single parents and commuter students, at both the undergraduate and graduate level). Names of potential participants were drawn from two distinct sources to ensure representation in the sample of both aid recipients and students who were not receiving financial aid from the campus. The Financial Aid Office's "student profiles" (e.g., the roles of aid recipients) and the Registrar's list of current names and addresses were used for this purpose.



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1. Bowman, William W., "Keeping Up With Student Expenses: Towards Systematic Methods of Computing Student Budgets," *The Journal of Student Financial Aid*, Vol. 5, No. 2, May, 1975.

The next step was to contact those selected by telephone and ask them to participate in the expenditure survey. The purposes of the study, the methods to be used and the time it was estimated would be required of participants were all briefly explained. While the students understood that their participation was completely voluntary, each respondent was offered \$10 per month, plus a \$5 bonus for completing two full months' expense records. This financial incentive, along with the obvious enthusiasm expressed by most contacted students that the campus administration was concerned about their expenses, ensured the students' full participation in the study. Anonymity was, of course, protected.

Surprisingly few students approached in the recruiting effort declined participation. The sampling and selection processes were conducted during the first week of classes, and uncertainty about courses, housing, and other student/family responsibilities were the main reasons given for refusing.

The final group of 25 students who agreed to keep track of their expenses for the two-month period were split roughly half and half between those who received aid and those who did not. The group was equally divided between undergraduates and those enrolled in graduate or professional schools on the campus.

Training Sessions and Diary Forms

All participants were required to attend a "training session" where the author explained the diary forms and began to acquaint them with the procedures for entering expense data. About half of the participants attended one mass meeting, while others were contacted individually or in smaller groups as their schedules permitted.

Because the survey was intended to be a field test of the diary method and the instrument designed for this purpose, detailed instructions were not given and the students were encouraged to develop their own patterns of recording expenditure information. All participants were informed that at the end of the field period short "de-briefing" interviews would be held to discuss their record-keeping techniques.

The diary form was kept simple (see SAMPLE), dividing expenditures into categories which should be familiar to most financial aid administrators, including:

1. *Food and Household Supplies* (cleaning supplies and other non-food items normally purchased along with groceries or at dry goods and other retail outlets were included here)
2. *Housing Expenses* (according to the student's housing situation, dorm fees, rental costs and deposits required by landlords and utility companies were recorded)
3. *Books and Supplies*
4. *Transportation* (public transit and expenses involved with private auto use were included here)
5. *Personal Items* (grooming aids, laundry and dry cleaning costs, and entertainment expenses)

6. *Personal Items* (grooming aids, laundry and dry cleaning costs and entertainment expenses)
7. *Medical Expenses* (beyond those covered by student fees)
8. *Dependent Expenses* (beyond those included in other family budget categories, especially clothing, child care and baby-sitting, school and miscellaneous expenses)
9. *Miscellaneous* (those items not elsewhere recorded including newspaper, magazine or journal subscriptions, gifts, pet supplies, liquor, etc.)

Students were asked to record their expenditures, as incurred, within the appropriate category. Both the amount of the expenditure and the date of purchase were recorded.

It was intended that data be gathered for the full range of student expenditures and stricter definitions of allowable expenses be imposed on the figures after the fact (e.g., during the analysis). Allowable expenditures were those determined by the Financial Aid Office for student budgets.

The investigators wanted to know how students spent their money, for what goods and services and in what amounts. The information gathered in a diary survey, even for those items beyond allowable expenses by financial aid standards, may be used for redefining student budgets or as an indicator of the items comprising current student "lifestyles." In nearly all recent deliberations of financial aid administrators concerning what constitutes the familiar "moderate but adequate" student budget, the question of student lifestyles becomes an issue. The diary survey is a convenient vehicle for obtaining data from students for such considerations.

The same form was used by all participants, regardless of their student or marital status, or whether they lived on or off the campus. In the case of student families, the diary keeping required the cooperation of spouses and/or children insofar as was possible.

Receipts were required for submission with the diary forms to allow verification of data entries. Students seldom had receipts for all entries and little added information was found from those receipts which were turned in. Should a similar survey be attempted in the future, the receipt requirement would be dropped. One advantage to saving receipts was that students could accumulate them and make their diary entries for periods of up to several days at one time rather than on a daily basis.

Survey participants worked independently for the most part, but always had a phone number for the study director in case any questions about their entries arose. Initiative was taken to contact all diary keepers at the beginning of the second month of the field period to check on the progress of each individual. Few problems or questions arose during the entire field period, and the instructions at the beginning of each section of the diary form, along with the verbal instructions and examples of entries presented in the training sessions, seemed sufficiently clear to cover most cases.

Analysis of the Diary Forms

At the end of the field period, the participants returned their completed forms with receipts and briefly chatted with the survey director about

their experiences. Of the original 25 participants, completed forms were received from 23, for a 92% completion rate. One student dropped out of the study early in the field period due to family difficulties and the other student was kept from turning in his forms (which were complete) by the theft of his bookbag from the bins of a local bookstore. Two of the remaining 23 diaries represented what were felt to be "unusual" cases, both in terms of their own personal budgets (e.g., unexpected expenses or financial crises) and in comparison with other students of similar student and marital status.

These problems are difficult to anticipate when sampling and recruiting respondents, but careful scrutiny of the diary forms to identify those cases which would unfairly inflate or deflate the results is the best means for disallowing such cases and fairly representing "normal" expenses.

Some minor problems were experienced by students. Several of the survey participants were doctoral candidates and had difficulty recording costs related to their dissertations or research, but notes in the margin of the forms or a quick call to the study director easily solved such problems. There will always be exceptions or unusual cases, but on the whole, the diary forms worked well for our purposes.

The analysis of the diary forms was simple and straightforward. The expenditures recorded within each category were summed for each month, and then added together to derive a monthly expense estimate. Subtotals within categories allowed for analysis of specific budget items. The costs for these items can be used by financial aid officers in a review of student budgets, adjusting only those costs which have significantly increased since their budgets were previously reviewed. An assumption at Berkeley is that not all expenses increased at the same rate and that gross figures do not reflect the more subtle changes in students' expenses. The diary method increases the aid officer's ability to determine both the amount of increase in student expenses and the items which cause expenses to rise.

Housing information on the coversheet of the diary forms was related to the recorded costs as a means of estimating market values for rental units, and the variation between communities, if any. These figures can also be used as standards for comparison with on-campus housing costs.

The diary results were used to verify the campus' current student budgets and to verify the fact that differences existed in the expenditures of students receiving financial aid and those who did not. Non-aid recipients spent more than their fellow students receiving aid, with the bulk of the cost differential resulting from expenditures for entertainment, clothing and miscellaneous items in the budgets. These elements comprise the major components of students' lifestyle, and using non-aid recipients' diary figures as the standard, aid recipients appear to live at a more modest living standard.

Summary

On the whole, the investigators were satisfied with the performance of the student participants. They were faithful in making data entries and

most found the experience beneficial, even enjoyable. It had been discovered in our research the previous year that few students kept close account of their expenses, or even for what purposes they spent their funds. The diary survey results gave all concerned a more accurate picture of student consumption. Many of the survey participants commented that they had learned the value of careful record-keeping and would continue to keep detailed financial records on their own. One student had used his diary results to make a successful case for more money from his parents.

The bulk of the costs incurred in the diary survey were for payment of the respondents. Beyond the \$25 paid each participant, less than \$50 was spent for supplies, printing the forms and other items. If students would agree to participate in a diary survey without pay, perhaps as a class assignment, the costs would be greatly reduced.

The major advantage of the diary technique over personal interviews or questionnaires is the precision achieved. Both interviews and questionnaires surveying expenses require the respondents to recall what they spent for specific items during a defined period of time. The ability to recall exact dollar amounts spent for books, food, utilities, etc. without the benefit of records is extremely low. Most would be forced to guess.

The diary survey might easily be used twice a year, once during the Fall to verify existing budgets, and a second time in the Spring to monitor the increased expenses experienced by students. The Spring results can be used as an indicator of how accurate the budgets projected for the following year are. It is recommended that whenever possible, the same participants be used in both the Fall and Spring surveys. Training sessions would not have to be repeated and participants would be aware of the best method for keeping their records. It would be helpful to expand the number of students keeping diaries, but it is not felt that statistically significant samples are required to obtain good data.

It is urged that other campuses try the diary methods using the form devised for the Berkeley campus, or modified to suit specific needs. The ability of the financial aid officer to verify or adjust current budgets, and the benefits for students, are well worth the investment.

EXPENDITURE DIARY SURVEY

University of California, Berkeley

(SAMPLE)

CODE #

Please check all responses and answer all questions that apply to you.

1. *Student Status* New Continuing
 Dependent Independent
 Frosh Soph Jr
 Sen Grad Law

2. How old were you on your last birthday?

3. *Marital Status* Single
 Single Parent (No. of Children)
 Married (No. of Children)
 Spouse Employed? Yes No
 Occupation

4. *Housing Status* U. C. Dormitory* U.C. Married Student Housing
 Coop* Fraternity/Sorority*
 *How many meals are served at your housing unit each
 week? meals/week
 Rental Apartment off-campus
 How many roommates/family members?
 How many bedrooms?
 House
 How many bedrooms?
 How many roommates/family members?
 Do you own or rent?
 City of Residence

5. *Ethnic Identification* (Optional):

5. *Academic Major*:

FOOD AND HOUSEHOLD SUPPLIES

Record all purchases made at the grocery store under the appropriate column heading whether for food, cleaning supplies or other nonfood items. *Do not* record elsewhere in the dairy those non-food items which are included here.

Grocery Store Purchases		Lunches Purchased on or Near Campus		Snacks Purchased on Campus/From Machines		Dinners or Weekend Meals in Restaurants	
Date	Amount	Date	Amount	Date	Amount	Date	Amount

HOUSING EXPENSES

Where the total cost for housing (e.g. rent) and/or utilities are shared with roommates, record only your "share" of the costs and *not* the total paid by all. For home owners, record the total monthly mortgage and tax payments you are responsible for.

Monthly Rent/Mortgage and Tax Payments for House or Apartment

for the month of October were

for the month of November were

FOR RENTERS ONLY: Which of the following deposits were required at the beginning of the lease or rental agreement? How much was your share?

	Required	Amount
A. Last month's rent
B. Security/Cleaning
C. Other (please specify)

Dormitory Fees per Month / Quarter / Year (Circle One)

<i>Utilities</i>	<i>October</i>	<i>November</i>	Initial Installation Charge or Deposit Recently Paid
A. Pacific Gas & Electric
B. Pacific Telephone
C. East Bay MUD
D. Refuse Collection

BOOKS AND SUPPLIES

Record the cost of *all required texts* for your current classes whether you choose to purchase them or not. Under the Miscellaneous category, include the costs of items like art studio fees, lab fees, drafting tools, electronic calculators, etc., which are not recorded in either the "Books" or "Supplies" columns.

Books for All Classes **Supplies (pens, pencils, Miscellaneous paper, etc.)**

Date	Amount	Date	Amount	Date	Amount
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PERSONAL ITEMS

Toiletries, Haircuts		Laundry & Dry Cleaning		Entertainment/Recreation	
Date	Amount	Date	Amount	Date	Amount

TRANSPORTATION

Record expenses for public transit for periods of several days at a time, rather than each day. Under the "Date" heading in that category, record the period covered by the summed cost figure (e.g. 10/1-10/4 \$2.00).

Public Transportation		Gasoline for Auto		Maintenance for Auto	
Date	Amount	Date	Amount	Date	Amount

If you have auto insurance that you must pay, what is the annual premium?

What is the cost of a round-trip between your home (e.g. your permanent residence) and Berkeley by the normal means of transportation you use?

Cost Type of Transportation

PERSONAL CLOTHING

Record the cost of all clothing items purchased, the date of purchase, and a brief description of the items, e.g. shoes, blouses, shirts, slacks, levis, etc. If you are married, record clothing purchase of your spouse here as well and designate them as such by placing an (S) after the amount recorded. Do *not* record cost of child's clothes here, but in the section provided.

Date	Amount	Description of Item(s)
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MEDICAL EXPENSES YOU PAY FOR

Record expenses for medical care and maintenance for you *and your family (where applicable)* that is *not* covered by any insurance or health care program (e.g. Cowell, spouse's health care plan through employer, etc.). If you pay for insurance (major medical) or a health care plan of some sort, record that cost (per year) under Miscellaneous. Also under Miscellaneous include eye glasses, physical therapy, allergy shots and psychiatric treatment.

Doctor's/Dentists's Fees		X-Ray/Lab Work		Prescriptions, Vitamins and Miscellaneous		Hospital Charges	
Date	Amount	Date	Amount	Date	Amount	Date	Amount

DEPENDENT EXPENSES

Child Care/Babysitting		Children's Clothing		Miscellaneous Items (e.g. school supplies, recreation, etc.)	
Date	Amount	Date	Amount	Date	Amount

MISCELLANEOUS

Record those items you normally would purchase that have not been categorized elsewhere in the survey. Examples would include the following: newspaper/magazine subscriptions; records; books for pleasure reading; pet supplies and food; etc.

Description of Item(s)	Date	Amount
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