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EVALUATION OF FUTURE ECONOMIC
CONDITIONS AND BUYING INTENTIONS
A SURVEY OF BUC WORKERS, STAFF AND FACULTY

A Research Topic
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CHAPTER I
INTRODUCTION

Lebanon has been known for his stable economy due to the inflow of foreign capitals, to the low budget deficit, and to the insignificant foreign debt. This inflow of foreign capital has been always the cushion of the Lebanese Economy and Lebanon was the ideal place to invest your money or to deposit it because of extra Liberal economy and the 1967 banking secrecy law and all other elements that reinforce the "Laissez Faire" approach.

From the beginning of the Civil War and until now the Lebanese economy is characterized by its inflation which was really felt, due to its sharp acceleration, in the mid eighties and is still the major concern of the Lebanese population.

"The historical experience of other countries suggests that an increase in the inflation rate typically accompanies wartime periods. However, in most other episodes of wartime the source of inflation lies in government monetary finance of increased expenditure, in particular military or defense

type expenditure to conduct an international war."¹ But in Lebanon it is different because we have a high government expenditure not in the military field but in other fields with the result that Lebanon has one of the highest ratio of public debt to income in the world.² Estimates of real output in Lebanon shows that Civil War had led to a reduction in GDP with real government borrowing, and a growth in spending faster than inflation.

Oppositely our actual economic conditions are disastrous; our fiscal policy is about 80 percent absent due to the presence of militia on the ground collecting the government revenues which led to a disturbance of the state expenditure and disproportion of the income distribution of the Lebanese Society.

The balance of payments is deficitary implying a supply problem of hard currencies in the local market as compared to demand. In our open economy where we depend heavily on commodity imports to survive the implication is that the demand

1. Nasser Said, "The Effects of the War on Economic Activity in Lebanon: Quantitative Estimates", Bank of Lebanon, Quarterly Bulletin No.20, Second and Third Quarter, 1984, p.4.

2. Ibid. p. 8.

for the US dollar will tend to be higher than the supply pushing up the exchange rate of the dollar in terms of Lebanese pounds.

In addition to this, and with a heavy drop in GNP, exports declined and investments were reduced due to the high interest rate imposed by the Central Bank. This also led to a further increase in US Dollar parity in terms of the Lebanese pound. With this sharp drop in purchasing power to which extent the Lebanese consumer is affected and how is he spending his low income in the actual situation.

Inflation has been one of the main economic problems in Lebanon since the beginning of the Civil War. This inflation became more critical in the 80's and galloped into Hyperinflation since 1984, changing the process of normal trade activities, feeding distrust in the Lebanese pound, this inflation was magnified by the depreciation in the Lebanese currency when Lebanon 2/3 National Production went to the purchase of foreign capital.

Lebanon survived this inflation from 1975 till 1983 but since 1984 the consumer behavior changed vis-a-vis this new economic condition and could not bear it anymore. This sharp

decrease in the value of their national currency and in their purchasing power made the Lebanese Society poor, worried and insecure.

This study will focus on consumers within Beirut University College represented by its faculty staff and workers to see how did they spend their salaries and wages on durable goods for the last couple of years their future buying intentions for those goods and their expectations for the next few months i.e till the end of 1988.

The lack of faith of Lebanese people in the political and economical future, the presence of a paralyzed public sector, the presence of militia men controlling many economical sectors, the division of the country into different sectors with demarcation lines in between which are not easy to be bypassed, the Israeli invasion and the internal wars all led to the crash of the economical situation from 1982 till now.³

This crash, mainly characterized by its galloping hyperinflation from 1984 till now, has affected the Lebanese people from all social groups. This study as mentioned previously focus on BUC Faculty, Staff and Workers behavior. The persons were chosen have always lived without any difficulty in the pre-hyperinflation phase their income was sufficient to assure food, clothing, and even some leisure.

³. Fernand Saron, "La Situation Economique du Liban Etapes et Enseignement d'une Experience, pp 42-43.

Need for the study

Granted, there have been many studies done on inflation in Lebanon, many included methods in calculating inflation and its effect on the whole economy, others tried to tackle this problem and its effect on consumers in general. But there was no attempt to test relationship between variables and to limit it to a certain group of people, here BUC faculty staff and workers, and on specific kind of product i.e durable goods.

Purpose of the study

The problem of inflation has been discussed and exposed in many studies, the aim of this study is to show the effect of inflation on a particular group of people, Beirut University College faculty staff and workers and to show how much of their income is spend on durable goods and their buying intentions of those goods and their future expectations. By seeing how much this particular group of people is currently spending its income on durable goods

we can have an idea on how their behavior have changed and how much this economical crisis has affected them.

Statement of the Problem

What is the effect of the current inflation on BUC faculty staff and workers expenditure on durable goods.

Research Questions

1. What are the major characteristics of the selected group of the study?
2. What are their major expectations for the coming few months?
3. What are the direct and indirect effects of the independent variables on the dependent variables?

Operational Definition of Terms

Inflation: "By inflation we mean a time of generally rising prices for goods and factors of production."⁴

Galloping Hyperinflation: When each increase in prices becomes a signal for an increase in wages and costs, which sends prices up still further."⁵

Durable goods: Goods that cannot be consumed in a short period of time and whose life is usually long.

Limitations of the study

This study has been limited to BUC Faculty, staff and workers because the researcher did not have an access to the registers of Beirut's population and their addresses

⁴•William Samuelson, "Economics", Eleventh Edition, p. 255.

⁵•Ibid. pp. 258-259.

and because of time and money limitation. For this reason there will be no attempt to generalize the findings of this study beyond BUC faculty staff and workers.

The expenditure was limited to durable goods because if it has to include all kinds of consumer goods and services it would be more costly and time consuming, for example if we had included daily consumed goods we should have made a record of expenditure that should be kept with the households to register their daily expenditures on it for at least one or two weeks.

Many respondents did not include fringe benefits and others facilities offered by BUC. The timing of the research added some disadvantages due to the fact that most faculty full-timers are on vacation.

CHAPTER II
REVIEW OF LITERATURE

The research problem of this study has been already discussed in foreign countries which had wars. The economic conditions during wartime caused inflation, i.e all government expenditure go to military unproductive purposes, unemployment, high public debt, and deficit in balance of payment. At this point economists began to make studies to see the effect of inflation on consumer behavior and expenditures.

Many economic studies had been made in Europe and in the United States of America about inflation's effect on consumer expenditure and purchasing power. Also in the period following the end of wars where reconstruction takes place (for example the Marshall plan for reconstructing Europe), we have inflation due to huge amount of money supply entering the market. This period was subject to many studies by statisticians and economist whom studied its effects on consumer behavior.

Lebanon

In Lebanon no study had been made to deal with this problem except the one of the Confederation Generale Des Travailleurs Libanais (C.G.T.L.) which distributed different kind of questionnaire to define different income groups, social status and the expenditure of each of those groups during 1985-1986.

In their book entitled "Human Behavior in Economic Affairs" the editors B. Strumpel, J. N. Morgan and E. Zakor have assembled twenty-five essays related to the review of behavioral economics which has a dual focus, on specific problem areas and the approaches to study them.

Latin America

One of those essays in "The Social Setting of Consumer behavior in Latin America"⁶ where two survey studies were made focusing on the most common pattern in

⁶. Albert Lauterbach "The Social Setting of Consumer Behavior in Latin America", In Human Behavior in Economic Affairs, eds, B.Strumpel, J.N. Morgan and Ernest Zahn (New York: Elsevier Scientific Publishing Company, 1972), pp. 261-285.

Latin America: Inflation. The writer of this essay, Albert Lauterbach, took the case of Chile where nobody has lived there in a non-inflationary economy for longer than two years. The first survey was on consumer credit for the purchase of durable goods and the second one which will be exposed now refers to family income taking into consideration some governmental, i.e adjustment of salaries, tax policy...etc, and the prevailing inflationary conditions.

This survey included a sample of 2,428 families interviewed in four largest cities over a 12 month period. The independent variable is income the dependent variables is the distribution of expenditure among bread, potatoes, flour, beef poultry, eggs and fresh milk products.

The findings of this survey could be summarized in two main points:

1. The patterns of food consumption were found to differ substantially according to income groups and more specifically the lower income groups spent higher proportion of their total consumption expenditure on bread, flour and potatoes than did the higher income group, the opposite was true of beef, poultry, eggs and fresh milk.
2. The richer the person the higher he spends on luxury goods which are mainly imported and this is due to the fact that Chile was colonialized in the past and there was a national inferiority feelings.

During the symposium on consumer expenditure held in Istanbul,⁷ Turkey in 1963 and which was latter edited as a report, the discussion was opened by Dr. Ewan Claugue, Commissioner of Labor Statistics, U.S. Department of Labor, who first gave a comprehensive review of the development of consumer surveys in the United States in which he also referred to early European research in this field. He highlighted the general problems involved in planning surveys of this type, reviewed some of the detailed problems and described the methodology employed in their solution. He drew special attention to the many uses of consumer expenditure data by government and private agencies, in addition to furnishing the basis for the consumers price index. Certain methodological aspects of the work of the Bureau of Labor Statistics in this field were discussed by Mrs. Kathryn R. Murphy, Supervisory Price Economist in the Bureau of Labor Statistics.

The delegates from Iran, Turkey and Pakistan presented papers giving a comprehensive review of their experience in the field of consumer expenditure surveys. Experience in the three countries had so far been largely confined to case studies. Investigations have been limited mainly to selected urban or rural areas.

⁷ Central Treaty Organization (CENTO), "Symposium on Consumer Expenditures" Istanbul, Turkey, 1963.

Pakistan

In Pakistan (both in pre and post independence days), surveys have consisted of: case studies of small areas and selected populations, urban area surveys of industrial, commercial and governmental employee, and since 1959, a national sample survey of households in rural areas.

Turkey

In Turkey work in this field in modern times had been confined to the cities of Ankara and Istanbul in which the the expenditures of civil service families were surveyed.⁸ This has formed the basis for the present consumer price indices in those cities. More recently an experimental study has been carried out in Cukorova Region to investigate the pattern of general household expenditures on a regional basis.

⁸. Ibid. pp 105-127

Iran

In Iran a national survey of urban households based on a sample from 32 cities was carried out in 1959/1960 by the bank Markazi to provide information to review the cost of living index numbers. A survey of rural areas has been conducted.⁹

This review of experience in the three countries revealed several common problems of which the following were the most significant:

Even under the most favorable conditions consumer expenditure surveys are costly undertakings, but in the circumstances outlined above they necessarily become much more costly. With the economic development now taking place and planned for the future there is a growing demand for information which imposes an intense pressure on the limited resources available to statistical services in the area. Consequently, progress in this field will depend in part upon the priority attached to this work in relation to other competing demands.

⁹ Ibid. pp 33-37

A wide range of uses of consumer expenditure data was discussed. The following uses were particularly highlighted in the course of discussions:

- (a) The compilation of data on expenditure of groups and sections of the population as fundamental to the construction of consumer price index numbers.
- (b) The data were of great value in the development of national accounts statistics, and in their projection for economic planning purposes.
- (c) The information was also of great value from a social point of view because it enabled comparisons of levels of living of various socio-economic groups to be made.
- (d) The complication of cross-sectional elasticities was discussed at some length and the value of this type of analysis in economic planning was stressed.
- (e) Consumer expenditure enquiries also enabled estimates to be made of expenditures on specific goods and services which are of great value in market analyses, particularly in connection with feasibility studies for development projects.

During their discussion it became increasingly evident that the conditions of the three countries do not always lend themselves to the adoption of techniques and methods developed elsewhere. The statistical services in the three countries are therefore faced with the challenge of developing methods of work compatible with their own environments and traditions.

The consensus of the symposium was that the following measures merited particular attention in the countries of the region:

- (a) Estimates of the expenditure side of the national accounts continue to be a source of weakness in all three countries. Properly designed household budget studies can go a long way towards overcoming these deficiencies. High priority should therefore be given to this work. In this connection governments were urged to review their present statistical programs and adjust them if necessary to release adequate resources for this purpose.
- (b) A vigorous program of research studies was required to be undertaken to develop techniques most appropriate to the countries of the region. In this connection the Central Treaty Organization (CENTO) could provide a suitable framework for mutual collaboration in this field on a continuous basis. To this end it was recommended that a study Group of CENTO statisticians be constituted to meet periodically in order to examine specific aspects of this research program and to initiate necessary action through their respective governments.

United States of America:

A multi-purpose survey of consumer expenditures in the United States is a large-scale operation.¹⁰ Because of the widespread interest in the results of the 1960-1961 survey, the schedule design, the selection of the city sample, and other phases of planning were subject to intensive review by other government agencies, as well as by private users of the data in academic, marketing, and other fields. Their suggestions

¹⁰. Ibid. pp 15-31.

were welcomed and beneficial, but such clearance is time-consuming and ample time must be allowed for it in planning survey operations.

The plans included a preliminary survey in a single city prior to the nationwide survey. This was Cincinnati, Ohio—a metropolitan area a population of about a million people—1960 issue of the Monthly Labor Review. A sample of 66 cities was selected by probability methods to represent all urban places in the 50 states.

The sample was designed to provide data for individual cities, for four major geographic regions and for the entire urban United States. The sample cities are heavily concentrated in the Eastern half of the United States.

The city sample was divided into two balanced subsamples, for administrative reasons. Data for one-half of the sample were collected for the year 1960, and for the other half, for 1961. In cooperation with the United States Department of Agriculture, the collection of family expenditure data for 1961 was extended to rural areas, where approximately 30 percent of the population lived in 1960. Thus for the first time since 1941-42, when a small scale survey of family spending in wartime was made, data were available to describe the living patterns of all families in the United States.

The survey sample consisted of approximately 12,000 living quarter addresses in the 66 urban places and an additional 5,000 in rural areas. Under provisions of special

legislation, the Bureau of Labor Statistics also conducted surveys for 1959-60 in three other cities in Alaska, in addition to Anchorage, which is in the Consumer Price Index (CPI) sample. The Congress also authorized funds for surveys in 1964 to collect data on 1963 consumer expenditures in five metropolitan areas with populations of a million or more which did not fall in the 1960-61 sample.

At the request of the Atomic Energy Commission, the Bureau of Labor Statistics (BLS) also made a survey of consumer expenditures in 1962 in Las Vegas, Nevada, to obtain a comparison of living costs in Las Vegas and San Francisco, California. The extension of the surveys beyond the original plans to meet the requirements for the CPI revision suggests the importance which is attached to these surveys for a wide range of economic and social research in the United States. Comprehensive studies of family expenditures undertaken by government agencies in the United States generally have used the schedule interview method in obtaining information from families in the sample. Trained interviewers fill in schedules based on information supplied by the family from memory or records. The detailed questionnaires used by the BLS agents in interviewing families in the current surveys were developed out of the Bureau's long experience with this type of survey and incorporated modifications suggested after the 1959 pretest of the schedule in Cincinnati.

Three forms were used in the interviews. Schedule A, was used to determine the family's eligibility for the survey

and, for families who refused or were unable to participate in the survey, it provided a record of minimum data for the analysis of nonresponse. Schedule B, forms the basic framework of the survey on which the interviewer entered the complete annual record of the family's living arrangements, income, and saving. Schedule C, was used to report the complete detail of the family's purchase of food and household supplies in the week preceeding the interview.

In some other countries government surveys have been based on day-to-day accounts, or diaries, kept by families. Some experiments with this method have been conducted by Federal agencies in the United States, notably the Department of Agriculture's study of accountkeeping farm families in 1933, and diaries have been widely used in marketing research.

India

In the book entitled "all India Consumer Expenditure Survey"¹¹ the National Council of Applied Economic Research undertook a project to study, compare and contrast the pattern of consumer expenditures in different areas.

The survey was carried out in three rounds, each round with a different set of sample households; the duration of

¹¹.National Council of Applied Economic Research "All India Consumer Expenditure Survey" Volume II (Pattern of Income and Expenditure) New Delhi, 1967, pp: 45-54.

each round of the survey was approximately four months. The first round was during May-August 1964, the second round during September-December 1964, and the third round in January-April 1965. In addition, a fourth round of the survey was also carried out (exactly one year after the beginning of the first round) during May-July 1965, in which the same set of households selected randomly and interviewed in the first round of the survey were re-interviewed. Among other things, this round-the-year survey was planned to take into account the effect of seasonal variations in the pattern of household consumption, particularly in rural areas, depending upon the availability of certain commodities. For example, the low income households in rural areas consume the superior cereals-rice and wheat-immediately after the harvest and change over the inferior cereals such as jowar and bajra after some time.

The selection of households for the survey was made by adopting a three stage stratified sample design with districts as the first stage units, places within the district as the second stage units and households within selected places as the third stage units. In the first three rounds of the survey, a probability sample of 3,504 households selected from 254 places (cities, towns and villages) was interviewed. The breakdown of the total random sample of 3,504 households by rounds is 876 for the first round 1,752 for the second and 876 for the third.

In addition to the above random sample, the survey also covered 64 places chosen purposively. These 64 places were representatives of areas where important developmental projects are located. From the purposively selected places, a random sample of 260 households for the first round, 520 households for the second round and 260 households for the third round were also interviewed. The main objective of the purposive sample was to compare the average income per family, classified by a few characteristics such as occupation and education in these areas, with those obtained for the corresponding groups in the randomly selected developmental areas. This attempt enables one to examine to what extent the average incomes earned in the randomly selected developmental areas and the purposively selected project areas are comparable.

The fourth round of the survey was a repeat-survey conducted mainly for methodological purposes, particularly to examine some dynamic aspects of household consumption to certain commodities. This round of the survey was carried out exactly after one year in which the 876 households randomly selected in the first round, in May-August 1964, were re-visited and re-interviewed with the same questionnaire and instructions for collection of data. It is, of course, recognized that this work is beset with certain conceptual and practical difficulties in addition to the fact that one year interval is too small a period for studying the dynamic aspects of household consumption. Nevertheless, it was thought that this repeat-survey might give better insight of household consumption in certain respects.

The places in each of the 32 selected districts were classified into two groups. Group I places with a population of 10,000 or more, and Group II places with a population under 10,000. The places in Group I were further classified into two groups as developmental and non-developmental on the basis of a priori information relating to factory employment and growth of population. The places for which (a) the proportion of factory employment in 1958 was greater than 2 percent or, (b) the percentage increase in population over the period 1951-58 was greater than 100 percent or, (c) the proportion of factory employment in 1958 was greater than one percent and also the percentage increase in population over the period 1951-58 was greater than 50, were classified as developmental areas and the rest as non-developmental areas.

After classifying the places (with population of 10,000) it was not possible to classify the places under 10,000 population as developmental and non-developmental areas on the basis of a priori information. Therefore, from each of the 32 sample districts, two places from the group of places with a population between 5,000 - 10,000 and four places from the group of places having under 5,000 population were selected with probability proportional to population and without replacement. At the time of the field investigation a place schedule was completed for all the sample places under 10,000 population, with a view to classifying them later on the basis of this information as developmental and non-developmental areas.

The selection of households from each selected place was accomplished in two stages. From each place one or more blocks of households were selected and then a sample of households was selected from each of the selected blocks.

The selection of blocks in each place was carried out by using the National Sample Survey (NSS) frame of blocks. For places with a population of 10,000 and more, a list of blocks prepared by NSS was usually available. In the absence of such a list for any place, and also for places, with population under 10,000 a list of identifiable blocks was prepared by the National Council of Applied Economic Research (NCAER). For places under 1,500 population, no demarcation of blocks was attempted and the entire place was taken as one block. The demarcation of a place into a set of blocks was done by using all the records available with the civic administration of the place. From the list of blocks so obtained, the required number of blocks in each place was selected at random without replacement.

For each selected block a list of household was prepared and all the households listed were classified into two groups as high (H) and low (L) on the basis of their approximate annual income. A sample of households was selected from each group. In rural areas (i.e places under 10,000 population according to the 1961 Census). Households with an annual income of Rs 1,500 and over were rated as High (H) and other as low (L).¹² In urban areas (i.e places

¹².Rs= Roupies: India National Currency.

with 10,000 or more population) households with an annual income of Rs 3,000 and over were rated as high (H) and others as low(L). The information on income required for rating the households was either obtained by asking the household about its approximate income status or by inspection where the income position of the household was obvious (as it would be in the case where household possesses a motor car, or a telephone or where a household lives in a relatively costly spacious and attractive house).

The number of blocks and households selected from each sample place was different for different types of places as detailed below. From each of the 12 cities eight blocks were used for the first round, the next four for the second round and the last two for the third round. From each selected block, five households—two from the high (H) and the other three from the low (L) income category—were selected at random for each round.

From each of 60 selected places of our blocks were selected at random. The first block was used for the first round, the next two blocks for the second and the last block for the third round. Three households, one from the high income group and the other two from the low income group—were selected at random from each of the selected blocks.

From each of the 192 selected places under 10,000 population, only one blocks was selected at random and was used for all the three rounds. From the list of households prepared for each block in these places, three subsamples of households from high income group and households from low income group were selected at random for the first, second and third rounds respectively.

taking care to see that the translation was as close to the English version as possible.

The field teams were also instructed to do preliminary editing in the field and post the questionnaires to the headquarters immediately after completing the work at each place. The questionnaires were again carefully edited at the headquarters and 12 decks were coded in accordance with a specially designed 'Code Book'. The data entered into the 'Code Book' were processed on IBM machines at the statistical laboratory of the Council. Certain tabulations relating to the calculation of income elasticities and multiple regressions were, however, obtained with the help of IBM 1620 Computer installed in the Planning Commission.

The results show that population living in developmental areas spend most of their income 45.6% on non-necessities i.e goods other than food, clothing, fuel and light. These categories of consumption consists largely of manufactured consumer goods and services.

But despite the substantially higher incomes of the population living in the developmental areas, the per capita expenditure on cereals is only 10% below the per capita expenditure of India's population living in non-developmental areas. The remaining Income is spent respectively on Milk and Milk products, clothing, fuel and light, Edible oils, pulses, sugar and meat egg and fish. The population living in non-developmental areas spend most of their income on cereals (42.6%) then on non-necessities products and then respectively on Milk and Milk products, clothing Pulses, Fuel and Light, Edible oils and Sugar.

In "Consumption Economics: A Multidisciplinary Approach"¹³ the author's objective is to analyse the consumption aspects of the United States market for consumer goods and services and compare and contrast it with the consumption trends and patterns with some

¹³."Marguerite Burk, Consumption Economics: A Multi-disciplinary Approach, (USA: 1968), pp:39-57.

developing or less developed countries. The author tries to give an overall view of variations in consumption, especially consumption of food, between the developed countries and the less-developed countries and she also tries to identify the consumption problems and changes in consumptions.

The consumption problems of the less-developed countries in Latin America, Africa, and Asia are both more varied and more critical to future economic and social changes than those of the industrialized countries. Consumption patterns within these developing countries are much less homogeneous. Levels of consumption for food and for non-food goods and services are often very low among large groups of people. Averages for the whole countries are much less meaningful because of the wide disparity in consumption rates and attitudes between people in the so-called "westernized" or industrialized urban centers.

Economists have experimented with a variety of indicators of differences in levels of living from place to place and time to time. Perhaps the most common are the per capita measures of money income, gross domestic product, and total consumption expenditures. These money measures pose problems in comparability because of difficulties in converting from one currency to another. There are also difficulties in combining the wide variety of goods and services preferred by different cultural groups. Therefore, alternative measures are used occasionally to supplement income and expenditure data.

Variations in average per capita income from country to country are general indicators of variations in consumption. Data assembled by the United Nations for the early 1950s indicate that per capita incomes averaged less than \$ 100 in most countries of the Far East and Africa. \$ 100 to \$ 200 in most countries of the Near East, and \$ 100 to \$ 250 in most countries of Latin America. In contrast, per capita incomes ran between \$ 750 to \$ 1000 in the Western European Countries, around \$ 1000 in Oceania (Australia and New Zealand), and in the neighborhood of \$ 1500 to \$ 2000 in North America.

A popular indicator of real levels of living is the proportion of income or total consumption expenditures spent on food. Such data for a number of countries are given in, but careful study leads on to question the statistics underlying some of them. For example, the percentages allocated to food reported for El Salvador, Peru, and Jamaica seem quite low in view of their relatively low levels of income and their general consumption situation. Data on food supplies in those countries do not indicate such plentiful food supplies or such low prices as to yield these percentages. One suspects that some of the subsistence food did not get counted in the expenditure figures or in income.

The housing shares of total personal expenditures are affected by the shares required for food in the less-developed countries. Among the more developed countries, the housing share is affected by government subsidies to housing programs (which do not show up in personal consumption expenditures) and by the relative importance attached to housing in these countries. The percentages of the distribution of Income have been computed from data in the United Nations year-book of National Accounts statistics in 1965. The following

distribution of percentages represent the proportion of private consumption expenditures allocated to food and housing in 1964. Population in the developed countries i.e USA, Canada, Austria, Sweden, U.K., France...) spend between 20 to 29% of their income on Food and from 10 to 19% of their income on housing whereas population in less developed countries i.e Jamaica, Taiwan, Korea, Ghana, Peru, Al Salvador, Nigeria... spend from a minimum of 33% up to 70% of their income on food and from 3% to a maximum of 20% on housing.

In the light of all those surveys which are related to our actual study due to the economic situation of the countries concerned (all of them are less developed countries or countries who faced or are still facing galloping hyperinflation), we can have now a base for comparison on which we will analyse changes in the consumption patterns in Lebanon in this specific period of economic crisis.

CHAPTER III
PROCEDURES AND METHODOLOGY

This chapter will describe the population of B U C and how the sample was selected, then we will discuss the procedure and methodology used during this research study.

Population of the study

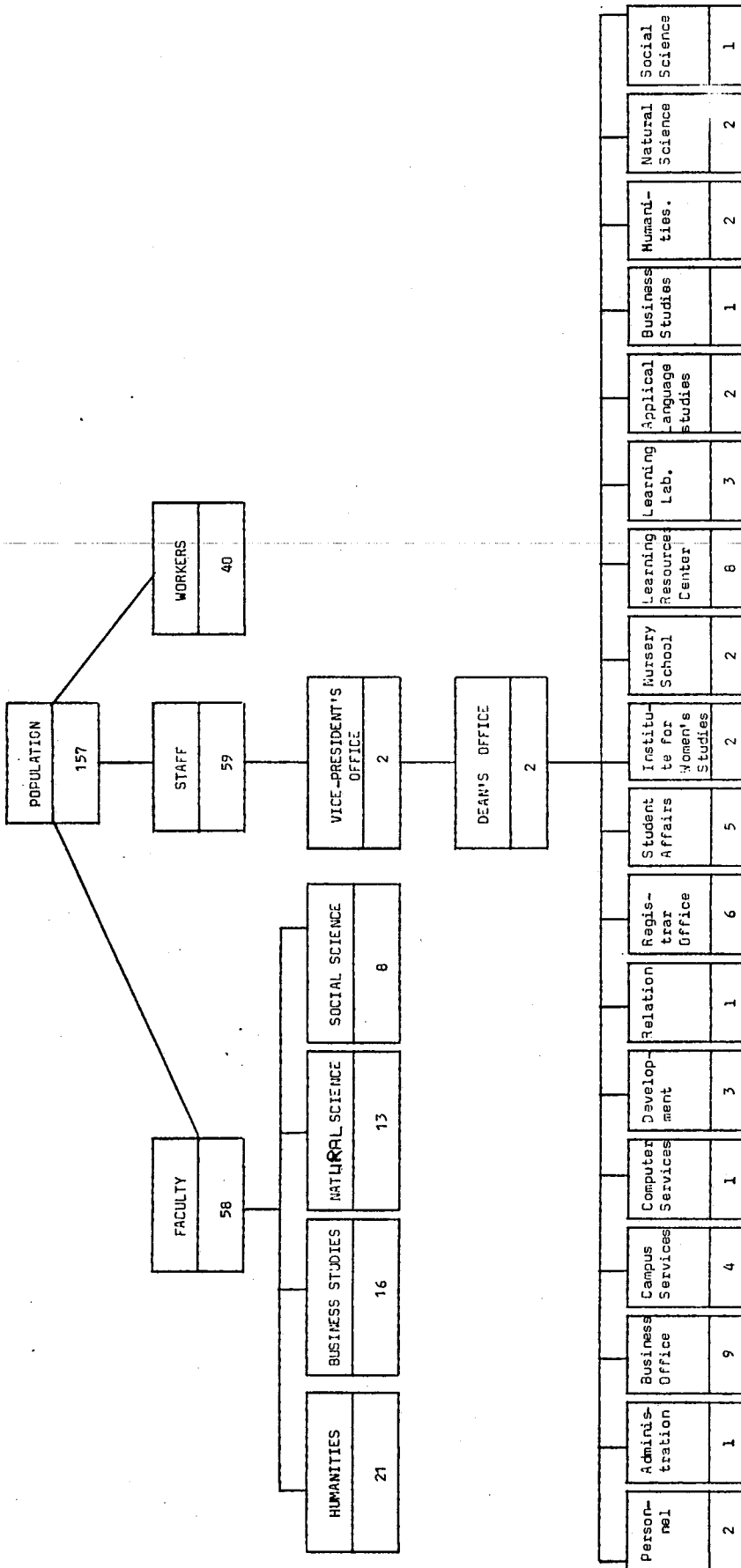
A large portion of faculty, staff and workers who were working as full timer or part-timer for the summer of 1988 academic year were used as the population for this study. The population for the study is composed of one hundred and fifty-seven respondents only fifty-eight (36.9 percent) of them are faculty; for this summer 1988 eighteen of the 58 faculty surveyed were full-timers and the rest, i.e forty are part-timers. Faculty's minimum degree is Master but few exceptions exists.

Fifty-nine persons of the one hundred and fifty seven BUC elements are staff most of them have Bachelor's or Master's degrees, i.e BA/BS or MA/MS. The remaining forty persons of the population are workers with little education. Those three groups existing at BUC have different backgrounds, social status, incomes ages etc... A faculty member at BUC could have a Phd but for a staff a Bachelor degree is enough whereas the most educated worker did not reach the Lebanese Baccalaureate level.

Faculty members are distributed over five divisions: Applied language, Business Studies, Social Science, Natural Science and Humanities. Staffs members are distributed among departments other than the Vice-presidents and Dean's office as shown in Table: I. These departments are Personnel Department, Administration Department, Business Office, Campus Services, Computer Center, Development Department,

TABLE 1

BUC POPULATION



Relations Department, Registrar's Office, Student Affairs, Institute for Women's studies in the Arab World, Nursery School, Learning Resources Center, Learning Laboratory, Applied Language Studies, Business Studies, Humanities, Natural Science and Social Science.

A faculty member could also be considered as a staff when he becomes a chairman of a department or working for a department for special reason. The workers are divided into gatemen, janitors and could have other parallel tasks. Table I shows the distribution of BUC's population according to their departments during this summer 1988.

The instrumentation shows the tools used during this research study and how we arrived at the final instrument.

Instrumentation

A pilot instrument that consisted of twenty items was constructed on May 1988. It was administered on June 1988 on a trial basis to a selected group of employees at the Central Bank of Lebanon. Based on this trial a second pilot instrument was devised as a version of the first. The second pilot instrument was administered on a trial basis to a selected group of employees at Fransabank - Beirut (Hamra).

It was found that the second pilot instrument contained few ambiguous items. As a result, the final instrument was designed to correct these problems.

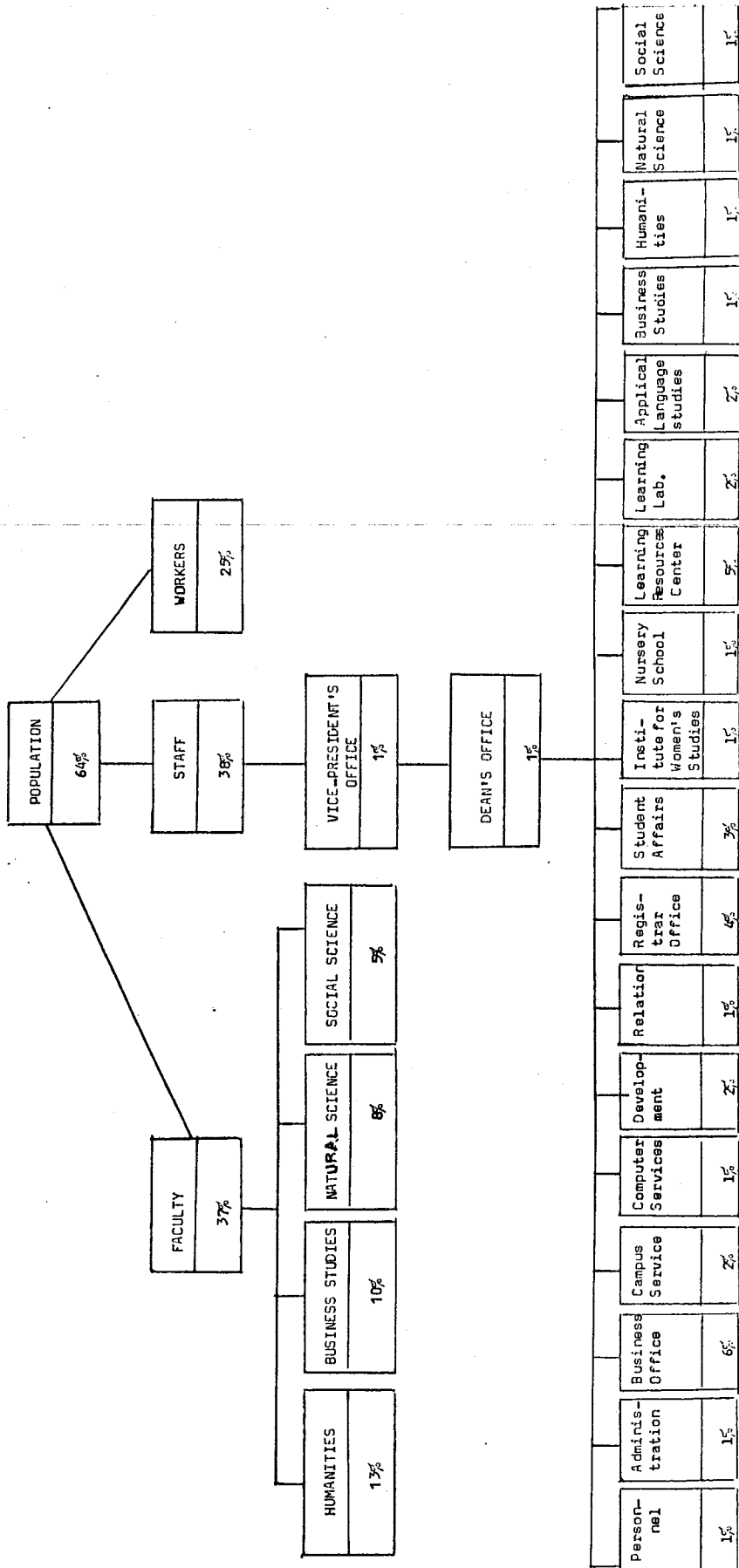
Some respondents were critical of the selection of independent variables, some thought that age was not important, others were very aggressive when they read the question concerning religion; also the income and the marital status were subject to many criticisms.

Concerning the dependent variables many respondents tried to escape from some questions by saying that those questions must be answered by economists only, their argument ignored that the questionnaire was to know their expectations whatever they are, and irrespective to which social class they belong.

Sample Selection and Questionnaire Administration

A sample of 64 percent of the overall BUC population has been taken from faculty and staff according to their divisions and departments. The majority of full-time faculty has been asked to fill the questionnaire due to their small number during summer sessions. A simple random sample was selected from the workers because they were not divided among different tasks officially. The sample was obtained by a process called lottery

TABLE II
POPULATION SAMPLE



freezer, air conditioner sewing machine, vaccum cleaner sterio, typewriter, personal computer camera, carpet, land.

Future Expectations

The future expectations are also divided into three categories future business and financial conditions, expectations on the automobile market, and expectations on housing and real estate.

Financial and Business Conditions

This item consists of seven variables discribed as follows:

- a) The first dependent variable consists of summing up all the optimistic answers of the respondents.
- b) The second dependent variable is about the expectation of the respondant about his financial position in the next few months i.e after the presidentials and till the end of 1988. The answers range from better off, worse off or same as now.
- c) The third dependent variable is the expectation of the respondant about the business conditions in the next few months. The answer of the respondant ranged from good to bad to same as now.
- d) The fourth question is about the expectation of the respondant on the prices of things that he buys. The answer of the respondant could be go up, go down or stay where they are.

- e) The fifth dependent variable is about the effect, of what the respondent has answered about his expectation on future prices. The answer of the respondent could be good effect, bad effect or no effect.
- f) The sixth dependent variable is the expectation of the respondent on the exchange rates in the next few months. The answer of the respondent could be fall, rise or stay where they are.
- g) The seventh dependent variable is about the effect of what the respondent has answered about his future expectations on exchange rates, on the economy. The answer of the respondent could be good effect, bad effect or no effect.

Automobile Market

- a) The eighth dependent variable is about the automobile market and how the respondent expect it to be. The answer could be a good time to buy a car, a bad time or don't know.
- b) The ninth variable is related to the preceding question, if the respondent thinks that it is a good time to buy a car will it be a new car or a used one. If the respondent thinks that it is a bad time to buy a car or he doesn't know his answer must be not applicable.

Housing and Real Estate

The tenth, eleventh, twelveth and thirteenth variables are about the future expectation of the respondant to buy a house and/or a land or build and/or lease a house those questions are calculated by the use of cross tabulation.

Future Buying Intentions

This variable indicates the future buying intentions of the respondant it consists of summing up his answers showing that he will buy the above mentioned items. The last seventeen variables are the same listed above but in this case the respondant has to give his buying intentions for the next few months by indicating if he will buy, will probably buy or will not buy them.

The Independent Variables

The independent variables are divided into four categories the income variables, the education and occupational status, the marital and family status

and the other variables. Based on the review of literature and logic those pre-mentioned independent variables were selected.

Income Variables

- a) Percentage of income generated from Beirut University College divided into three categories: 0 but less than 35 percent, 35 percent but less than 70 percent and 70 percent but less than 100 percent.
- b) The current monthly income of the respondent give five categories: under LL 50,000, LL 50,000 but less than LL 100,000, LL 150,000 but less than LL 200,000, LL 200,000 but less than LL 250,000 and more than LL 250,000.
- c) Source of Income from how many source the respondent get his income including Beirut University College.
- d) Total Family Income give five categories: under LL 50,000, 50,000 but less than LL 100,000, 100,000 but less than LL 100,000, LL 150,000 but less than LL 200,000, LL 200,000 but less than LL 250,000.

Education and Occupational Status

- a) Education: This variable indicates the possible degree that the respondent holds.
- b) Years of Education: This will indicate the years of education of the respondent from KG classes till the year he got his degree or stopped his education.
- c) Years of Experience: This variable corresponds to the number of years the respondent has been working.
- d) Occupation: This variable shows if the respondent is a faculty, staff or worker.
- e) Full-timer or Part-timer: The respondent must indicate if he is a full-timer or a part-timer.

Marital and Family Status

- a) Marital Status: Whether the respondent is single married divorced separated or widowed.
- b) Number of children: of the respondent if he is married.
- c) Living conditions: if the respondent is living alone with his parents or with his wife and/or children
- d) Number of dependents: Number of persons depending on the respondent wage or salary.

Other variables:

They include sex, age and religion which is divided into sects.

Measurement of the Dependent Variables

In this section the coding of the dependent variables will be summarized. Details of the coding of both dependent and independent variables will be found in Appendix "B" of this research project.

The coding of future expectations varied among the financial and business expectations, the automobile market and the housing and real estate items. The first dependent variable, the future expectation, had to be filled numerically, the rest of future expectations of the respondent were assigned "1", "2" and "3" as codes for each answer. Concerning the automobile market expectations the codes were also assigned as "1", "3" for each of the answers, for housing and real estate, the codes were assigned as "1", "0" otherwise because the respondents have to answer by Yes or No.

The purchased durable goods variable is filled numerically according to the total of items bought for the last couple of years. Then there is a list of seventeen durable goods which were assigned a code of "1", "0" otherwise according to the answers of the respondent if he has bought the item. It has been recorded as follows: those who did not buy anything were assigned a code of 9, those who has bought 1 or 2 items were assigned a code of 10, those who has bought 3 or above were assigned a code of 11.

The future buying intention has to be filled numerically then the seventeen durable were assigned a code of "1", "2" or "3" according to their future buying intentions.

Measurement of the Independent Variables

The measurement or coding of independent variables varies between the income variables, the education and occupational status variables, the marital and family status and other independent variables. In this section we will review the coding briefly, (details will be found in Appendix "B").

The codes assigned to income variable range from "1" till "5" according to the choices given under each questions. The sources of Income is the only variable that was not assigned a code and that must be filled numerically. The years of education and experience had to be filled numerically, the education variable was assigned codes from "1" to "8". The occupation and full-time or part-time variables were assigned a code of "1", "0" otherwise.

The marital status and the living conditions were assigned codes from "1" to "5". The number of children and dependents had to be filled numerically. The age of the respondent also had to filled numerically, his or her sex and religion were assigned a code of "1", "0" otherwise.

CHAPTER IV

FINDINGS OF THE STUDY

The findings of the study are presented and discussed herein under two major sections. The first section describes the major characteristics of the selected sample. The second section analyzes the relationship between two variables using the Chi-square test of independence.

The Dependent Variables

This description of the dependent variables was demonstrated by the use of frequencies that we will see in the three sections constituting the dependent variables.

Purchased Durable Goods

In this section we will know what the respondents have bought of durable goods and we will list the durable goods selected to know which one has

been the most purchased by the respondents. Fifty-two respondents did not buy any good for the last couple of years, thirty-six bought one or two items and twelve bought three items or more.

The first durable good on our questionnaire is the car; seventy-three respondents did not buy a car and twenty-seven did. Ninety-six respondents did not buy a house and four did. Ninety-two respondents did not buy a color T.V and eight did, ninety-five did not buy a video whereas five did. Ninety respondents did not buy a washing machine and ten did, ninety-six did not buy a dishwashing machine and four did. Ninety-two respondents did not buy a generator and eight did, ninety-five did not buy a freezer and five did. Ninety-six respondents did not buy an air-conditioner and four did, ninety-four did not buy a sewing machine and six did. Ninety-two did not buy a stereo and eight did, ninety-eight did not buy a typewriter and two did.

Ninety-two did not buy a personal computer and eight did, ninety-four did not buy a camera and six did. Ninety-one did not buy a carpet and nine did. Ninety-seven did not buy a land and three did.

From those results we see that the majority of the respondents did not buy any item for the last couple of years, thirty six bought one or two items and last twelve bought three items or more.

Future Expectation

As we have seen in the previous chapter this section is divided into three categories in each one we will have the percentage of expectations expressed by our sample.

Financial and Business Expectations:

According to our results forty-four of our respondents are pessimistics, they have no hope for the next few months, i.e after the presidential and till the end of 1988, and think that the monetary

situation will deteriorate, whereas twenty-one are really optimistic, i.e they had more than four positive expectations and thirty-five are optimistic, i.e they had the majority of their expectations positive. Regarding their future financial position forty-six of our respondent expect their financial position to be better off, thirteen expect it to be worse off and forty-one expect it to remain unchanged.

Concerning the future business conditions fifty respondents expect good, eleven expect bad and thirty-nine expect the conditions to remain unchanged. The expectations on the future prices differed among the respondents; thirty-one of them expect prices to go down, thirty-two expect them to go up and thirty-seven expect them to remain stable. The effect of the price changes or stability were seen as good by thirty-seven of the respondents, they were considered as bad by thirty-six of the respondents and they were considered as negligible by the rest.

About future exchange rates, sixty-one of the respondents expect that the US \$/LL. will go down, twenty expect it to go up and nineteen expect it to remain stable. The future effects of these changing or stable exchange rate will be good according to forty-five of our respondents, bad for thirty-two of our respondents and negligible for the remaining twenty-three. We can notice from the expectations of the respondent that the majority are pessimistic or don't expect any changes in the next few months.

Automobile Market

In response to the expectations questions, twenty-six of the respondents believed that the next few months will be a good time to buy a car, thirty-six, however, believed it was a bad time to buy one. The remainder, forty-four responses, were undecided about the issue. On the automobile condition question only three, from the respondents who think that it is a good time to buy a car, will

buy a new one. Twenty-three will buy a used one and the remaining seventy-four answers were not applicable due to the fact that the respondents thought that it would be a bad time to buy a car or they were undecided about the issue.

Housing and Real Estate

The expectations of BUC's population concerning housing and real estate was less scattered, the results show that ninety-eight respondents don't intend to buy a house during the next twelve month and only two are willing to buy. Concerning the construction of a house ninety-five respondents are not willing to build a house and only five responded positively. Eighty-seven respondents will not be ready to lease a house and thirteen expect to do it. Finally ninety-one respondents will not buy a land in the next twelve month whereas nine expect to do it.

Buying Intentions

This section will show us how many respondents are willing to buy durable goods in the next few months and their buying intentions for each of the selected durable goods. Two respondents will buy one or no item, twenty-two will buy two items, sixty-one will buy three items and only fifteen will buy four items or more.

Six respondents will buy a car in the next few months, five will probably buy and eighty-nine will not buy.

Five respondents will buy a color T.V, five will probably buy and ninety will not buy. Four respondents will buy a video, six will probably buy and ninety will not buy. Four respondents will buy a video, six will probably buy and ninety will not buy. Two respondents will buy a washing machine, another two will probably buy and ninety-six will not buy. Four respondents will buy a dishwashing machine, fifteen will probably buy and eighty-one will not buy. Four respondents will buy a generator, two will probably buy and ninety-four will not buy.

Eight respondents will buy a freezer, eleven will probably buy and eighty-one will not buy. Four respondents will buy an air conditioner, five will probably buy and ninety-one will not buy, three will buy a sewing machine another three will probably buy and ninety-four will not buy. Two respondents will buy a vaccum cleaner, nine will probably buy an eighty-nine will not buy. Three respondents will buy a stereo, four will probably buy and ninety-three will not buy.

Five respondents will buy a typewriter, eight will probably buy and eighty-seven will not buy. Six respondents will buy a personal computer, four will probably buy and ninety will not buy. Six respondents will buy a camera, four will probably buy and ninety will not buy. One respondent will buy a carpet, three will probably buy and ninety-six will not buy. Two respondents will buy a house, three will probably buy and ninety-five will not buy. None of the respondents will buy a land for the next few months.

From the results we can see that only fifteen percent of our population will buy four durable goods or more out of the seventeen listed ones.

The Independent Variables

This section will show us the characteristics of our sample and its composition. The income variables, the education and occupational status, the marital status and other variables will help us to identify more our sample selected.

Income

Fifty-four of our respondents have an income less than fifty thousands Lebanese Pounds, twenty eight have an income between fifty and one hundred thousand, eight have an income between one hundred and one hundred and fifty thousands, five have an income between one hundred and fifty and two hundred thousands and five have an income between two hundred and two hundred and fifty thousands.

All those data show that the majority of BUC's population earn less than fifty thousand Lebanese pounds and only five earn between two hundred and two hundred and fifty thousand.

Education and Family Income

The type of education of the respondents or the degree they hold is distributed as follows; seven of the respondents have no education, twelve have their "certificat", four have

their "Baccalaureat", three are undergraduate students, twenty-six have their Bachelor Degree, three are Master's students, thirty-two have their Master Degree and nine are Phd's.

Eight of the respondents have no years of education, one has one year, another one has six years, fourteen have seven years, two have eleven years, one has twelve years, three have fourteen years, three have fifteen years, twenty-six have seventeen years, one has eighteen years, thirty-one have nineteen years, two have twenty years, one has twenty-one, five have twenty-two and one has twenty-three.

Thirty-two of the respondents have between zero and four years of experience, twenty-five have between five and nine, fifteen have between ten and nineteen and twenty-eight have between twenty and fifty-three. Now concerning the occupation of the respondents thirty-seven are faculty, thirty-eight are staff member and twenty-five are workers. Among those faculty, staff and workers thirty-two are part-timer and sixty-eight are full-timer.

Marital and Family Status

Forty-seven of our respondents are singles, forty-seven are married, four are married but widowed, one is divorced and

one is separated. Fifty-seven of our respondents have no children, fifteen have one or two children, twenty-two have three or four and six have five or more. The number of persons depending on the respondent's income varies, fifty-five have one or nobody depending on their income, thirty-two have between two and four, thirteen have between five and seven. The living conditions of our respondents also varies, fourteen of them live alone, thirty-eight live with their parents and forty-eight live with their wives or husbands and/or children.

Other Variables

Fifty-eight of the respondent are females and forty-two are males. Fifty-nine of the respondents are moslem, thirty of them are Sunnites, twenty are Chiites and seven are Druze. Forty-one of the respondents are Christians twelve of them are Maronites, twenty are Greek Orthodox and five are Catholics. Six respondents have other sects than the ones mentioned before. Forty-two of the respondents are between nineteen and twenty-nine years old, thirty-one are between thirty and forty-four and twenty-seven are between forty-five and sixty years old.

Analysis of Relationship between Variables

In order to formulate valid answers to the research questions of the study, the cross-tabulation method was adopted. In this research we had about fifty cross-tabulations, the selected cross-tabulations were based first on the level of significance of each table, i.e tables with a significance level inferior ($<$) to five percent were chosen because they show a significant relationship between the variables. The selection of the cross-tabulations was based on logic through the review of literature.

Purchased Durable Goods

This section will show the cross-tabulation of total number of durable goods bought for the last couple of years by the percentage of income generated from BUC, the type of education of the respondents and their years of experience

Income Generating from BUC

The first research hypothesis formulated was: is the total number of durable goods bought for the last couple of years by the respondent affected by the percentage of income that our sample generated from BUC? Table III shows a crosstabulation of the total items bought by the percentage of income generated from BUC. The Chi-square value is 10.07877 and there is a significant relationship between the two variables. The significance level is $0.0391 < 0.05$ Concerning respondents who have zero to thirty-five percent of their income generated from BUC, the table shows that three out of eleven did not buy any durable good, five bought one or two goods and only three bought three goods or more. Now those who have thirty-five to seventy percent of their income generating from BUC, five out of fourteen did not buy durable good, five bought one or two goods and three bought three goods or more. Finally those who have

TABLE III
PURCHASED DURABLE GOODS
BY INCOME GENERATING FROM BUC

By Income generating Purchased Durable Goods from BUC	0 but < 35%	35% but < 70%	70% but < 100%	TOTAL
NONE	3 27.3	5 35.7	44 58.7	52 52.0
1 OR 2 ITEMS	5 45.5	5 35.7	26 34.7	36 36.0
3 AND ABOVE	3 27.3	4 28.6	5 6.7	12 12.0
TOTAL	11 11.0	14 14.0	75 75.0	100 100.0

<u>Chi-square</u>	<u>D.F.</u>	<u>Significance</u>	<u>Min E.F.</u>	<u>Cells with E.F < 5</u>
10.07877	4	.0391	1.320	3 OF 9 (33.3%)

seventy to hundred percent of their income generating from BUC, forty-four out of seventy-five did not buy any durable good, twenty-six bought one or two goods and five bought three goods or more.

This shows that those who have seventy but less than hundred percent of their income generating from BUC are those who have bought the least of durable goods for the last couple of years.

By Type of Education:

The second research hypothesis formulated was: is the total number of durable goods bought for the last couple of years by the respondent affected by the type of this education, i.e, the degree he holds? Table IV shows a cross tabulation of total items bought by the type of education of the respondents. In this case the Chi-square is 27.60325 and there is a significant relationship between the two variables (significance level - $0.0352 < 0.05$). Those who have no degree, none of the seven bought any durable good for the last couple of years whereas those who have their certificat,

TABLE IV
PURCHASED DURABLE GOODS
BY TYPE OF EDUCATION

By type of Education Purchased Durable Goods	None	Certificat	Brevet	BACC	Under Graduate	Bachelor Degree	Master Student	Master	Phd	TOTAL
NONE	7 100.0	10 83.3	4 100.0	2 50.0	1 33.3	11 42.3	2 66.7	11 34.4	4 44.4	52 52.0
1 OR 2 ITEMS		2 16.7		2 50.0	1 33.3	12 46.2	1 33.3	13 40.6	5 55.6	36 36.0
3 AND ABOVE					1 33.3	3 11.5		8 25.0		12 12.0
TOTAL	7 7.0	12 12.0	4 4.0	4 4.0	3 3.0	26 26.0	3 3.0	32 32.0	9 9.0	100 100.0

Cells with E.F. \leq 5

Min E.F.

Significance

D.F.

Chi-square

22 OF 27 (81.5%)

.360

.0352

16

27.60325

ten out of twelve did not buy any item and two bought one or two items. Concerning those who have their "Brevet" none of them bought any item, the respondents who hold a Baccalaureate two out of four did not buy any item and two bought one or two items.

Concerning the undergraduate students who responded to this questionnaire one out of three did not buy any item, another one bought one or two items and a third one bought three items or more. Eleven out of the twenty-six holder's of a Bachelor degree who responded to our questionnaire did not buy any time, twelve bought one or two items and three bought three items or more. Two of the Master students out of three did not buy any item and one bought one or two items. Those who hold a Master degree, eleven of them out of thirty-two did not buy any item, thirteen bought one or two items and eight bought three items or more. Finally four out of the nine Phd's who responded to our questionnaire did not buy any item for the last couple of years and five bought one or two items.

By Years of Experience:

The third research hypothesis formulated was:
is the total number of durable goods bought for the last couple of years by the respondents affected his years of experience? This will be answered from Table V which shows a cross tabulation of the total item bought by the years of experience of the respondents.

The Chi-square is 27.98387 and there is a significant relationship between the two variables (significant - $0.0001 < 0.05$). After recording the variables, the years of experience were divided into four categories the first one is concerned with respondents who have zero to four years of experience, twelve out of thirty-two did not buy any item for the last couple of years, seventeen bought one or two items and three bought three items.

The second category in the years of experience lies from five to nine years, eight of the respondent belonging to this category out of the twenty-five did not buy any item, ten bought one or two items and seven bought three items or

TABLE V
PURCHASED DURABLE GOODS
BY YEARS OF EXPERIENCE

By Years of Experience Purchased Durable Goods	0 TO 4 YEARS	5 TO 9 YEARS	10 TO 19 YEARS	20 TO 53 YEARS	TOTAL
NONE	12 37.5	8 32.0	7 46.7	25 89.3	52 52.0
1 OR 2 ITEMS	17 53.1	10 40.0	7 46.7	2 7.1	36 36.0
3 AND ABOVE	3 9.4	7 28.0	1 6.7	1 3.6	12 12.0
TOTAL	32 32.0	25 25.0	15 15.0	28 28.0	100 100.0

<u>Chi-square</u>	<u>D.F.</u>	<u>Significance</u>	<u>Min E.F.</u>	<u>Cells with E.F. < 5</u>
27.98387	6	.0001	1.800	4 OF 12 (33.3%)

more. The third category of years of experience concerns those who have ten to nineteen years of experience, seven of fifteen did not buy any item for the last couple of years, seven bought one or two items and only one bought three items or more. The last category of years of experience is from twenty to fifty of the respondents out twenty-eight did not buy any durable good for the last couple of years and only two, inspite of their long years of experience, bought one or two items and none of the respondents bought more than two items.

From these results we see that even those who have twenty to fifty-three years of experience twenty-five out of twenty eight did not buy any item for the last couple of years and this is due to political and economic insecurity.

Future Expectations

This section will analyse the cross tabulation of future expectations by the type of education, occupation, years of experience, sex and number of children.

By Financial and Business Conditions

This part will include the cross tabulation of future expectations of the respondents on the trend of Prices by

their type of education and their occupation. It also include the cross tabulation of the expectations of the respondents on the effects of any price changes or stability by their type of education and the expectations on the effects of any exchange rates changes or stability by the type of education and occupation. This part also include the cross tabulation of expectations of respondents on their future financial position by their occupation and years of experience. Finally it include the cross tabulation of the expectations of the respondents on future business conditions by their sex and their number of children.

By Type of Education

The fourth research hypothesis was: are the future expectations of the respondents on the trend of prices affected by their type of education? This will be answered from Table VI which shows a cross tabulation of the expectations of the respondents on the future trends of prices by their type of education. The Chi-square is 39.51876 and there is a significant relationship, between the two variables (significance - $0.0009 < 0.05$). Those who have no education, four out of

TABLE VI

EXPECTED TREND OF PRICES
BY TYPE OF EDUCATION

BY Type of Education Expected Trend of Prices	None	Certificat	Brevet	Bacc	Under graduate	Bachelor degree	Master student	Master	Phd	TOTAL
GO DOWN	4 57.1	8 66.7	4 100.0	1 25.0	2 66.7	6 23.1		3 9.4	3 33.3	31 31.0
GO UP	3 42.9	3 25.0		3 75.0		8 30.8	2 66.7	10 31.3	3 33.3	32 32.0
SAME AS NOW		1 8.3			1 33.3	12 46.2	1 33.3	19 59.4	3 33.3	37 37.0
TOTAL	7 7.0	12 12.0	4 4.0	4 4.0	3 3.0	26 26.0	3 3.0	32 32.0	9 9.0	100 100.0

Chi-square D.F. Significance Min E.F. Cells with E.F. < 5

39.51876 16 .0009 .930 21 OF 27 (77.8%)

seven expect prices to go down and three expect them to go up. Those who have their certificate, eight out of twelve expect prices to go down, three expect them to go up and one expects them to remain stable. The respondents who have their Brevet, all of them expect prices to go down, those who have their Baccalaureate one of them out of four expects prices to go down and three expect them to go up.

The undergraduate students responding to our questionnaire, two out of three expect prices to go down and one expects them to remain where they actually are, those who are holding Bachelor's degree six out of twenty-six expect prices to go down, eight expect them to go up and twelve expect them to remain unchanged. The Master's students who filled our questionnaire, two out of three expect prices to go up and one expects them to go down and one expects them to remain stable.

Concerning those who hold a Master degree, three out of thirty-two expect prices to go down, ten expect them to go up and nineteen expect them to stay stable. Finally those who hold a Phd degree, three out of nine expect price to go down, another three expect them to go up and the last three expect them to remain stable.

The fifth research hypothesis formulated was: are the expectations of the respondents on the effect of any change or stability of the exchange rates affected by their type of education? Table VII shows a cross tabulation of the expectations of the respondent on the effect of any change or stability of the exchange rates by their type of education. The Chi-square is 37.13473 and there is a significant relationship between the two variables (significance = $0.002 < 0.05$). Those who have no education, four out of seven expect to have their certificate, ten out of twelve expect good effects, and two expect bad effects.

Those who have their Baccalaureate, three out of four expect bad effects and one expects no effects. The undergraduate students responding to this questionnaire, two out of three expect good effects and one expects bad effects, the respondents holding Bachelor's degree, seven out of twenty-six expect good effects, twelve expect bad effects and seven expect no effects. Those who are Master students, two out of three expect to have bad effects and one expect no effects.

Concerning those who are holding a Master degree, twelve out of thirty-two expect goods effects, six expect bad effects and one expects no effects. The respondents holding a Phd degree, six of them out of nine expect good effects and three expect bad effects.

TABLE VII

EFFECTS OF EXCHANGE RATES CHANGES OR STABILITY

By type of Education

By type of Effects of Exchange Rates changes Or Stability	By type of Education										TOTAL
	None	Certificat	Brevet	Bacc	Under graduate	Bachelor degree	Master degree	Master	Phd		
G O O D	4 57.1	10 83.3	4 100.0		2 66.7			12 37.5	6 66.7		45 45.0
BAD	3 42.9	2 16.7		3 75.0	1 33.3	12 46.2	2 66.7	6 18.8	3 33.3		32 32.0
SAME AS NOW				1 25.0		7 26.9	1 33.3	14 43.8			23 23.0
TOTAL	7 7.0	12 12.0	4 4.0	4 4.0	3 3.0	26 26.0	3 3.0	32 32.0	9 9.0		100 100.0

Chi-square D.F. Significance Min E.F. Cells with E.F. < .5

37.13473 16 .0020 .690 20 OF 27 (74.1%)

The sixth research hypothesis formulated was:

Are the expectations of the respondents on the effects of any change or stability in prices affected by their type of education? This will be answered from Table VIII which shows a cross tabulation of the expectations of the respondents on the effects of any change or stability in prices by their type of education. The Chi-square is 34.07238 and there is a significant relationship between the two variables (significance = $0.0053 < 0.05$). Those who have no education, five out of seven expect goods effects, one expects bad effects and one expects no effects. Those who have their certificate, eight out of twelve expect good effect, three expect bad effects and one expects no effect. Those who have their Brevet, four out of four expect good effects. One of those who have their Baccalaureate out of four expect good effects, two expect bad effects and one expects no effects.

TABLE VIII

EFFECTS OF PRICE CHANGES OR STABILITY

BY TYPE OF EDUCATION

By Type of Education Effects of price changes or stability	Education										TOTAL
	NONE	Certificat	Brevet	BACC	Under graduate	Bachelor degree	Master student	Master	Phd		
GOOD	5 71.4	8 66.7	4 100.0	1 25.0	2 66.7	4 15.4	1 33.3	8 25.0	4 44.4	37 37.0	
B A D	1 14.3	3 25.0		2 50.0	1 33.3	16 61.5	2 66.7	9 28.1	2 22.2	36 36.0	
SAME AS NOW	1 14.3	1 8.3		1 25.0		6 23.1		15 46.9	3 33.3	27 27.0	
TOTAL	7 7.0	12 12.0	4 4.0	4 4.0	3 3.0	26 26.0	3 3.0	32 32.0	9 9.0	100 100.0	

Chi-square

34.07238

D.F.

16

Significance

.0053

Min E.F.

.810

Cells with E.F. 5

21 OF 27 (77.8%)

The undergraduate students who have responded to our questionnaire, two out of three expect good effect and one expects bad effects. Those who hold a Bachelor degree, four out of twenty-six expect good effects, sixteen expect bad effects and six expect no effect.

The respondents who hold a Master degree, eight of them out of thirty-two expect good effects, nine expect bad effects and fifteen expect no effects.

Those who have their Phd degree, four out of nine expect good effects, two expect bad effects and three expect no effects.

By Occupation

The seventh research hypothesis formulated was: Are the future expectations of the respondents on the trend of prices affected by their occupation? This will be answered from Table IX which shows the cross tabulation of the future expectations of the respondents on the trend of prices by their occupation. The Chi-square is 31.1342 and the relationship between the two variables is significant (significance = $0.0000 < 0.05$). Five of the faculty out of the thirty-seven

TABLE IX
 EXPECTED TREND OF PRICES
 BY OCCUPATION

BY OCCUPATION Expected Trend of Prices	Faculty	Staff	Worker	TOTAL
GO DOWN	5 13.5	9 23.7	17 68.0	31 31.0
GO UP	9 24.3	16 42.1	7 28.0	32 32.0
SAME AS NOW	23 62.2	13 34.2	1 4.0	37 37.0
TOTAL	37 37.0	38 38.0	25 25.0	100 100.0

<u>Chi-square</u>	<u>D.F.</u>	<u>Significance</u>	<u>Min E.F</u>	<u>Cells with E.F < 5</u>
31.13420	4	.0000	7.750	NONE

selected expect prices to go down, nine expect them to go up and twenty-three expect them to stay where they are.

Concerning staff, nine out of the thirty-eight expect prices to go down, sixteen expect them to go up and thirteen expect them to remain stable. Finally seventeen out of the twenty-five workers expect prices to go down, seven expect them to go up and one expect them to remain stable.

The eighth research hypothesis formulated was: Are the expectations of the respondents on the effects of any change or stability of the exchange rates effected by their occupation? This will be answered from Table X which shows a cross tabulation of the expectations of the respondents on the effects of any change or stability of exchange rates by their occupation. The Chi-square is 19.18554 and there is a significant relationship between the two variables (significance = $0.0007 < 0.05$).

Sixteen out of the thirty seven faculty selected expect good effects, nine expects bad effects and twelve expect no effects. Ten out of the thirty-eight staff selected expect good effects, seventeen expect bad effects and eleven expect no effect. Finally nineteen out of the twenty-five workers expect good effects and six expect bad effects.

TABLE X
EFFECTS OF EXCHANGE RATES CHANGES OR STABILITY
BY OCCUPATION

BY OCCUPATION Effects of Exchange rates Changes or Stability	Faculty	Staff	Worker	TOTAL
G O O D	16 43.2	10 26.3	19 76.0	45 45.0
B A D	9 24.3	17 44.7	6 24.0	32 32.0
SAME AS NOW	12 32.4	11 28.9		23 23.0
TOTAL	37 37.0	38 38.0	25 25.0	100 100.0

<u>Chi-square</u>	<u>D.F.</u>	<u>Significance</u>	<u>Min E.F.</u>	<u>Cells with E.F. < 5</u>
19.18554	4	.0007	5.750	NONE

The ninth research hypothesis formulated was:

Are the expectation of the respondents on their future financial position affected by their occupation? This will be answered from Table XI which shows a cross tabulation of the expectations of the respondents on their future financial position by their occupation. The Chi-square is 16.01205 and there is a significant relationship between the two variables (significance = $0.003 < 0.05$). Twelve out of the thirty-seven faculty expect their financial position to be better off, five expect it to be worse off and twenty expect no change.

Fifteen of the thirty-eight staff selected expect their financial position to be better off, four expect it to be worse off and nineteen expect it to remain unchanged. Nineteen out of the twenty-five workers expect their financial position to be better off, four expect it to be worse off and two expect it to be some as now.

TABLE XI
 FUTURE FINANCIAL POSITION
 BY OCCUPATION

BY OCCUPATION Future Financial Position	Faculty	Staff	Worker	TOTAL
BETTER OFF	12 32.4	15 39.5	19 76.0	46 46.0
WORSE OFF	5 13.5	4 10.5	4 16.0	13 13.3
SAME AS NOW	20 54.1	19 50.0	2 8.0	41 41.0
TOTAL	37 37.0	38 38.0	25 25.0	100 100.0

<u>Chi-square</u>	<u>D.F.</u>	<u>Significance</u>	<u>Min E.F.</u>	<u>Cells with E.F. < 5</u>
16.01205	4	.0030	3.250	3 OF 9 (33.3%)

By Years of Experience

The tenth research hypothesis formulated was: Are the expectations of the respondents on their future financial position affected by their years of experience? This research question will be answered from Table XII which shows a cross tabulation of the expectation of the respondents on their future financial position by their years of experience. The Chi-square is 18.57558 and there is a significant relationship between the two variables (significance = $0.0049 < 0.05$). The years of experience are divided into four categories, those who have zero to four years of experience, in this case nine out of thirty-two expect their financial position to be better off, one expect it to be worse off and twenty-two expect it to be same as now.

These who have five to nine years of experience, twelve out of twenty-five expect their financial position to be better off, four expect it to be worse off and nine expect it to remain the same. Those who have ten to nineteen years of experience, seven out of fifteen expect their financial position to be better off, four expect it to be worse off and four expect it to remain the same. The final category include the respondents who have twenty to fifty-three years of experience, eighteen of them out of twenty-eight expect their financial position to be better off, four expect it to be worse off and six expect it to remain the same.

TABLE XII
 FUTURE FINANCIAL POSITION
 BY YEARS OF EXPERIENCE

Future Financial Position	BY YEARS OF EXPERIENCE				TOTAL
	0 TO 4 Years	5 TO 9 Years	10 TO 19 Years	20 TO 53 Years	
BETTER OFF	9 28.1	12 48.0	7 46.7	18 64.3	46 46.0
WORSE OFF	1 3.1	16.0	4 26.7	4 14.3	13 13.0
SAME AS NOW	22 68.8	9 36.0	4 26.7	6 21.4	41 41.0
TOTAL	32 32.0	25 25.0	15 15.0	28 28.0	100 100.0

<u>Chi-square</u>	<u>D.F.</u>	<u>Significance</u>	<u>Min E.F.</u>	<u>Cells with E.F. < 5</u>
18.57558	6	.0049	1.950	4 OF 12 (33.3%)

By Number of Children

The eleventh research hypothesis formulated was: Are the expectations of the respondents on future business conditions affected by their number of children? This question will be answered from Table XIII which shows a cross tabulation of the expectation of respondents on future business conditions by their number of children. The Chi-square is 25.44899 and there is a significant relationship between the two variables (significance = $0.0003 < 0.05$). The number of children of the respondent was divided into four categories, those who have no children, twenty-six of them out of fifty-seven expect the future business conditions to be good, two expect it to be bad and three expect it to remain the same. Those who have one or two children, ten of the out of fifteen expect the future business conditions to be good, two expect it to be bad and three expect it to be same as now.

Those who have three or four children, thirteen of them out of twenty-two expect the future business conditions to be good, two expect it to be bad and seven expect it to be same as now. The last category include the respondents who have four children or more, one out of six expects the future business conditions to be good, four expect it to be bad and

TABLE XIII
 FUTURE BUSINESS CONDITION
 BY NUMBER OF CHILDREN

BY NUMBER OF CHILDREN FUTURE BUSINESS CONDITION	NONE	1 OR 2	3 OR 4	4 OR ABOVE	TOTAL
GOOD	26 45.6	10 66.7	13 59.1	1 16.7	50 50.0
B A D	3 5.3	2 13.3	2 9.1	4 66.7	11 11.0
SAME AS NOW	28 49.1	3 20.0	7 31.8	1 16.7	39 39.0
TOTAL	57 57.0	15 15.0	22 22.0	6 6.0	100 100.0

Chi-square D.F. Significance Min E.F. Cells with E.F. < 5

25.44899 6 .0003 .660 5 OF 12 (41.7%)

one expects it to remain same as now.

In this part we see that those who have no children thirty one out of fifty three expect future business conditions to be the same as now or to be bad mainly because they are not ready to build a family in the present economic conditions.

By Sex

The twelveth research question formulated was: Are the expectations of the respondents on future business conditions affected by their sex? This question will be answered from Table XIV which shows a cross tabulation of the expectations of the respondents on future business conditions by their sex. The Chi-square is 9.39922 and there is a significant relationship between the two variables (significant = $0.0091 < 0.05$).

Twenty-three out of the fifty-eight females expect the future business conditions to be good, five expect it to be bad and thirty expect it to remain the same. Twenty-seven out of the forty-two males expect the future business conditions to be good, six expect it to be bad and nine expect it to be same as now.

TABLE XIV
 FUTURE BUSINESS CONDITIONS
 BY SEX

BY SEX Future Business Conditions	Female	Male	TOTAL
GOOD	23 89.7	27 64.3	50 50.0
B A D	6 8.6	6 14.3	11 11.0
SAME AS NOW	30 51.7	9 21.4	39 39.0
TOTAL	58 58.0	42 42.0	100 100.0

Chi-square D.F. Significance Min E.F. Cells with E.F. < 5

9.39922 2 .0091 4.620 1 OF 6 (16.7%)

From these results we see that the male respondents are more optimistic than female respondents. Thirty-six out of the fifty-eight female respondents (sixty-two percent) expect the future business conditions to remain unchanged or to be bad whereas only fifteen out of forty-two males (thirty-six percent) expect it to stay unchanged or to be bad.

Future Buying Intentions

This section include the cross-tabulation of the future buying intentions of the respondents by their occupation, their family income, the percentage of income generated from BUC.

By Occupation

The thirteenth research hypothesis formulated was: Are the future buying intention of the respondents affected by his occupation? This will be answered from Table XV which shows a cross tabulation by their occupation. The Chi-square is 22.7243 and there is a significant relationship between the two variables (significance = $0.0009 < 0.05$). Nine of

TABLE XV
 FUTURE BUYING INTENTIONS
 BY OCCUPATION

BY OCCUPATION Future Buying Intentions	Faculty	Staff	Worker	TOTAL
NONE OR 1 ITEM		2 5.3		2 2.0
2 ITEMS	9 24.3	12 31.6	1 4.0	22 22.0
3 ITEMS	18 48.6	19 50.0	24 96.0	61 21.0
4 ITEMS AND ABOVE	10 27.0	5 13.2		15 15.0
TOTAL	37 37.0	38 38.0	25 25.0	100 100.0

<u>Chi-square</u>	<u>D.F</u>	<u>Significance</u>	<u>Min E.F.</u>	<u>Cells with E.F. < 5</u>
22.72430	6	.0009	.500	4 OF 12 (33.3%)

the thirty-seven faculty will buy two items in the next few months, eighteen will buy three items and ten will buy four items or more.

Two out of the thirty eight staff will be one or no item, twelve of them will buy two items, and nineteen will buy three items and five will buy four items or more. Those are considered as workers, one out of the twenty-five will buy two items and twenty-four will buy three items.

By Family Income

The fourteenth research hypothesis formulated was: Are the future buying intentions of the respondents affected by their family income? This will be answered from Table XVI which shows a cross tabulation of the future intentions of the respondents by their total family income. The Chi-square is 26.33155 and there is a significant relationship between the two variables (significance = $0.0096 < 0.05$). Those who have their total family income less than fifty thousand Lebanese pounds one out of twenty-eight will buy one or no items, another one will buy two items, twenty-five will buy three items and one will buy four items or more.

TABLE XVI
FUTURE BUYING INTENTIONS
BY FAMILY INCOME

Future Buying Intentions	BY FAMILY INCOME					TOTAL
	< 50	50 but < 100	100 but < 150	150 < 200	200 < 250	
NONE OR 1 ITEM	1 3.6	1 4.2				2 2.0
2 ITEMS	1 3.6	5 20.8	7 46.7	7 30.4	2 20.0	22 22.0
3 ITEMS	25 89.3	16 66.7	6 40.0	9 39.1	5 50.0	61 61.0
4 ITEMS AND ABOVE	1 3.6	2 8.3	2 13.3	7 30.4	3 30.0	15 15.0
TOTAL	28 28.0	24 24.0	15 15.0	23 23.0	10 10.0	100 100.0

Chi-square D.F. Significance Min E.F. Cells with E.F. < 5

26.33155 12 .0096 .200 12 OF 20 (60.0%)

Those who have a total family income of fifty thousands but less than one hundred thousand, one out of twenty-four will buy one or no items, five will buy two items, sixteen will buy three items and two will buy four items or more.

Those who have a total family income of one hundred but less than one hundred and fifty thousand, seven out of fifteen will buy two items, six will buy three items and two will buy four items or more. Those whose total family income is one hundred and fifty buy two hundred thousands, seven out of twenty-three will buy two items, nine will buy three items and seven will buy four items or more.

Finally those who have a total family income of two hundred but less than two hundred and fifty thousand, two out of ten will buy two items, five will buy three items and three will buy four items or more.

The fifteenth research hypothesis formulated was: Are the future buying intentions of the respondents affected by the percentage of their income generating from BUC? The answer for this research question will be found in Table XVII which shows a cross tabulation of the future buying intentions of the respondents by the percentage of their

TABLE XVII
 FUTURE BUYING INTENTIONS
 BY INCOME GENERATED FROM BUC

BY INCOME GENERA- TED FROM Future Buying Intentions BUC	0 but < 35%	35% but < 70%	70% but < 100%	TOTAL
NONE OR 1 ITEM		1 7.1	1 1.3	2 2.0
2 ITEMS	4 36.4	3 21.4	15 20.0	22 22.0
3 ITEMS	4 36.4	5 35.7	52 69.3	61 61.0
4 ITEMS AND ABOVE	3 27.3	5 35.7	7 9.3	15 15.0
TOTAL	11 11.0	14 14.0	75 75.0	100 100.0

<u>Chi-square</u>	<u>D.F.</u>	<u>Significance</u>	<u>Min E.F.</u>	<u>Cells with E.F. < 5</u>
13.53870	6	.0352	.220	7 OF 12 (58.3%)

income generating from BUC. The Chi-square is 13.53870 and there is a significant relationship between the two variables (significance = $0.0352 < 0.05$). Those who have zero to thirty-five percent of their income generating from BUC, four out of eleven will buy two items, another four will buy three items and the last three will buy four items or more.

Those who have thirty-five to seventy percent of their income generating from BUC, one out of fourteen will be one or no items, three will buy two items, five will buy three items, and the last five will buy four items or more. Those who have seventy to hundred percent of their income generating from BUC, one out of seventy-five will buy one or no items, fifteen will buy two items, fifty-two will buy three items and seven will buy four items or above.

Automobile Market

The research hypothesis formulated was: Will the future expectations of BUC's population on the automobile market differ according to their occupancy if they are faculty, staff or workers? The use of Chi-square test shows the difference between observed and expected values with a

Chi-square of 10.77821 and a significant relationship between the future expectation on the automobile market and occupation (it reveals a significance of $0.0292 < 0.05$). Table XVIII shows a cross tabulation of Automobile Market expectations by the occupation of the respondent. Of this cross-tabulation we found that seven out of the thirty seven faculty think that it will be a good time to buy a car, six think that it will be a bad time and the remaining twenty-four have no idea about this subject.

Eleven of the thirty-seven staff think that it will be a good time to buy a car, six think it will be a bad time and twelve don't know. Eight of the twenty-five worker think that it will be a good time to buy a car, nine of those workers think it will be a bad time and eight did not give their opinion about it.

TABLE XVIII
 EXPECTATIONS OF AUTOMOBILE MARKET
 BY OCCUPATIONS

BY OCCUPATIONS Expectations of Automobile Market	Faculty	Staff	Worker	TOTAL
GOOD TIME TO BUY	7 18.9	11 28.9	8 32.0	26 26.0
BAD TIME TO BUY	6 16.2	15 39.5	9 36.0	30 30.0
DON'T KNOW	24 64.9	12 31.6	8 32.8	44 44.0
TOTAL	37 37.0	38 38.0	25 25.0	100 100.0

<u>Chi-square</u>	<u>D.F.</u>	<u>Significance</u>	<u>Min E.F.</u>	<u>Cells with E.F. < 5</u>
10.77821	4	.0292	6.500	NONE

CHAPTER V

SUMMARY AND RECOMMENDATIONS

The aim of this study is to see the expenditures of BUC faculty, staff and workers on durable goods for the last couple of years is during the severe economic crisis and to have their expectations on the Future Economic Conditions in the country for the next few months and finally to know their future buying intentions of durable goods given their sex, age, income, marital status and other independent variable that discriminate between them.

Major Findings

The finding of this study are all important and answer the research questions, the use of cross tabulation helped us identifying those findings. But because this chapter is a concluding one only are presented.

Income

Fifty-four percent of BUC's population have a monthly income inferior to 50,000 LL or 143 US.D (given the USD/LL 350). Twenty-eight percent have a monthly income between 100,000 but less than 150,000 LL is 286 but less than 429 US.D.

Source of Income

Inspite those low salaries and wages seventy percent of BUC's population earn their income only from BUC, which appears as a real social problem given the actual economic conditions.

Purchased Durable Goods

During the last couple of years fifty-two percent of BUC's faculty, staff and workers did not buy any durable good, thirty-six percent bought one or two items and twelve percent bought three items or more. Whereas in good economic conditions the least number of durable goods bought or exchanged is over four items.

Future Expectations

Forty-six percent of BUC's population expect their future financial position to be better off whereas fifty-four expect it to be worse off or remain the same. Thirty-one percent of BUC's population expect the prices of goods they are buying, to go down whereas sixty-nine percent expect them to go up or stay where they are now.

From these two points we can see that the majority of BUC's population expect their financial position to be worse

off or stay the same as now. Also we can see that the majority expect prices to go up or stay where they are which shows that inspite the decrease of exchange rates the majority of BUC's population has no faith in future economic solutions.

Future Buying Intentions

Concerning the future buying intentions of BUC's population we have the following results: two percent will buy one or no item in the next few months, twenty-two percent will buy two items, sixty-one percent will buy three items and fifteen percent will buy four items or more. These results show that only fifteen percent of BUC's population are willing to buy four durable goods or more whereas the remaining eighty-five percent will buy one, two, three or no items mainly because they cannot afford it.

RECOMMENDATIONS

This study has been limited to BUC's population because the researcher had no accessability to the files of West-Beirut population. Hoping that situation in the country will be better, I recommend to other researchers not to limit their study, on

institutions but to include all Beirut's population or any other Lebanese city.

Also this study has been limited to the expenditure of BUC's population and their future buying intentions on durable goods because of time limitations. I recommend to other researchers to include all kind of consumption items, i.e food and non food products.

The findings of the study were interpreted by the use of cross tabulation, I recommend to other researchers to use the regression and the recursive system and to make their sample larger than the sample of this research in order to get more accurate answers.

APPENDIX -A-

A Sample of the Questionnaire used in the Study

PART I

1- What is your age (in years)?

2- What is your sex? Male Female

3- What is your religion?

(a) Moslem

(b) Christian

Sunnite

Maronite

Shiite

Greek Orthodox

Druze

Greek Catholics

Others

4- What is your education?

None

Undergraduate student

Certificat

Bachelor Degree (BA, BS..)

Brevet

Master Student

Baccalaureate

Master Degree (MA, MS..)

Phd.

5- What are your years of education? (in number) _____

(Standard: 2 KG,

5 Elementary

4 Preparatory,

3 Secondary

3 BA or BS.

2 MBA or MS.

3 Phd.)

6- What are your years of experience? _____

PART II

In this part, your answers will be based on your attitude and expectations about the economic conditions during the next few months i.e after the presidentials and till the end of 1988.

A) Put a check mark in the blanks corresponding your answers:

1) Looking ahead, do you think that in the next months your financial position will be:

Better off Worse off Same as now

2) Now turning to Business Conditions in the country as a whole, what are your expectations for the next few months?

Good Bad Same as now

3) Speaking of prices in general, I mean the prices of things that you buy, do you think that in the next few months they will be:

Go down Go up Stay where they are now.

4) Would you say that these rising or falling or unchanged prices in the next few months will have ___ on the economy?

A good effect A bad effect No effect

5) What do you think will happen to the price of U.S Dollar and other foreign currencies vis-a-vis the Lebanese Pound in the next few months?

- Fall Rise Stay the same
as now.

6) Would you say that these rising or falling or unchanged exchange rates, in the next few months, will have _____ on the economy.

- A good effect A bad effect No effect

7) Speaking now of the automobile market, do you think that the next few months will be:

- A good time to buy A bad time to buy Don't know.

If yes, are you going to buy a

- new car used car not applicable

8) Do you expect to: (a) buy (b) build (c) lease a house for your own use during the next 12 months?

a) Yes No

b) Yes No

c) Yes No

9) Do you intend to buy a land during the next 12 months?

- Yes No

B) Indicate if you have bought any of the following durable goods in the last couple of years by putting a check mark in the corresponding cell:

C a r		Generator		Stereo Hi-Fi	
House		Freezer		Typewriter	
Color T.V.		Air conditioner		Personnel Computer	
Video		Sewing Machine		Camera	
Washing Machine		Vaccum Machine		Carpet	
Dish Washing Machine				Land	

If you have (or don't have) Please indicate your buying intentions for each of the following items within the next few months:

Buying Intentions Selected Durables	Will buy	Probably will buy	Will not buy
C a r			
H o u s e			
Coor T.V			
V i d e o			
Washing machine			
Dishwashing machine			
Generator			
Freezer			
Air conditioner			
Sewing machine			
Vaccum machine			
Stereo Hi-Fi			
Typewriter			
Personal Computer			
Camera			
Carpet			
L a n d			

APPENDIX B

Measurement of the Variables

A) CODING OF DEPENDENT VARIABLES:

FUTURE EXPECTATION : Corresponding to the number of
positive answers should be
filled numerically (width space:2).

FUTURE FINANCIAL POSITION : "1" for better off.
"2" for worse off.
"3" same as now.

FUTURE BUSINESS CONDITION : "1" for good.
"2" for bad.
"3" same as now.

FUTURE TREND OF PRICES : "1" Go down
"2" Go up
"3" Stay where they are now.

EFFECT OF THE TREND OF
ON THE ECONOMY : "1" Good effect.
"2" Bad effect.
"3" No effect.

FUTURE EXCHANGE RATES: : "1" Fall
(i.e. \$ / LL) "2" Rise
"3" Stay where they are now.

EFFECT OF FUTURE EXCHANGE RATES:

"1" Good Effect

"2" Bad Effect

"3" No Effect

AUTOMOBILE MARKET EXPECTATION:

"1" Good time to buy

"2" Bad time to buy

"3" Don't know.

AUTOMOBILE CONDITION:

"1" New car

"2" Used car

"3" Not applicable

HOUSING EXPECTATION:

If the respondant expects to buy a house "1", "0" otherwise.

If the respondant expects to build a house "1", "0" otherwise.

If the respondant expects to lease a house "1", "0" otherwise.

LAND EXPECTATION:

If the respondant expects to buy a land "1", "0" otherwise.

TOTAL ITEM BOUGHT: It indicates the total number of item bought by the respondant during the last couple of years.

should be filled numerically (width space:2)

It has been recoded as follows:

Those who did not bought anything were assigned a code of 9

Those who has bought 1 or 2 items were assigned a code of 10

Those who has bought 3 above were assigned a code of 11

CAR-HOUSE-COLOUR TV-VIDEO-SASHING MACHINE-DISHWASHING MACHINE

GENERATOR-FREEZER-AIRCONDITIONER-SEWING MACHINE-VOCCUM CLEANER-

STEREO-TYPEWRITER-PERSONAL COMPUTER-CAMERA-CARPET-LAND.

If the respondant has bought any of these "1", "0" otherwise for each of the 17 pre-mentioned durable goods.

FUTURE BUYING INTENTIONS: Should be filled numerically by summing up the "WILL BUY" answers of the respondant (width the space:2)

The some 17 pre-mentioned durable goods will show us the future buying intention of the respondant, each of those durable good (at the same time dependent variables) will have:

"1" will buy

"2" probably will buy

"3" will not buy

So each of those durable good will have to be coded according to the future buying intentions of the respondant.

A recode has been made as follows:

Those who will buy 1 or no item were assigned a code of 9

Those who will buy 2 items were assigned a code of 10

Those who will buy 3 items were assigned a code of 11

Those who will buy 4 items or more were assigned a code of 12.

B) CODING OF INDEPENDENT VARIABLE

Age : Which is a continuous variable reported to the nearest years and measured by the number of years. It was recoded as follows:

Those who are between 19 and 29 years old were assigned a code of 1.

Those who are between 30 and 44 years old were assigned a code of 2.

Those who are between 45 and 60 years old were assigned a code of 3.

Sex : It is a nominal variable broken into 2 categories coded as follows:

If male the respondent was assigned a code of "1", "0" otherwise.

Religion: "1" for moslem "0" for Christian

Sect : "1" for Sunnite
"2" for Shiite
"3" for Druze
"4" for Maronite
"5" for Greek Orthodox
"6" for Greek Catholics
"7" for others.

SUNNITE: If Sunnite the respondent was assigned a code of "1", "0" otherwise.

SHIITE: If Shiite respondent was assigned a code of "1", "0" otherwise.

DRUZE: If Druze the respondent was assigned a code of "1", "0" otherwise.

GREEK ORTHODOX: If Greek Orthodox the respondent was assigned a code of "1", "0" otherwise.

GREEK CATHOLIC: If Greek Catholic the respondent was assigned a code of "1", "0" otherwise.

EDUCATION:

"1" for none.

"2" for certificat.

"3" for Brevet

"4" for Baccalaureate

"5" for Undergraduate

"6" for Bachelor Degree

"7" for Master Student

"8" for Master Degree

"9" for Phd.

YEARS OF EDUCATION: Should be filled numerically (width space:2)

OCCUPATION: "1" for faculty
"2" for staff
"3" for workers

YEARS OF EXPERIENCE: Measured by the number of years and recoded
as follows:

Those who have 0 to 4 years of experience were assigned a code of 1

5 to 9 → code 2

10 to 19 → code 3

20 to 53 → code 4

FACULTY: If the respondent is a faculty member "1", "0" otherwise.

STAFF : If the respondent is a staff member "1", "0" otherwise.

FULL TIME/PART TIMER: If the respondent is a full-timer "1" if a
part-timer "0".

PERCENTAGE OF INCOME GENERATED FROM "BUC":

"1" if 0 but less than 35%

"2" if 35% but less than 70%

"3" if 70% but less than 100%

MARITAL STATUS:

- "1" for Single
- "2" for Married
- "3" for Divorced
- "4" for Separated
- "5" for Widowed

SINGLE : If the respondent is single "1", "0" otherwise.

MARRIED : If the respondent is married "1", "0" otherwise.

DIVORCED : If the respondent is divorced "1", "0" otherwise.

SEPARATED : If the respondent is separated "1", "0" otherwise.

WIDOWED : If the respondent is widowed "1", "0" otherwise.

NUMBER OF CHILDREN: (If married, divorced, separated, widowed)
should be filled numerically)(Width space:1).

RECODED AS FOLLOWS:

- Those who have no children were assigned a code of 7
- Those who have 1 or 2 children were assigned a code of 8
- Those who have 3 or 4 children were assigned a code of 9
- Those who have 5 or more children were assigned a code of 10

LIVING:

"1" Alone

"2" With your parents

"3" With your wife or husband and/or children

NUMBER OF PERSONS DEPENDING ON YOUR INCOME:

Should be filled numerically (width space 1) it has been recorded as follows:

Those who have 0 or 1 person depending on their income they were assigned a code of 7

Those who have 2 to 1 person depending on their income they were assigned a code of 8

Those who have 5 to 4 person depending on their income they were assigned a code of 9

Those who have 8 or more person depending on their income they were assigned a code of 10

CURRENTLY MONTHLY INCOME:

"1" for under 50.000 LBP

"2" for 50.000 LBP but less than 100.000 LBP

"3" for 100.000 LBP but less than 150.000 LBP

"4" for 150.000 LBP but less than 200.000 LBP

"5" for 200.000 LBP but less than 250.000 LBP

"6" MORE

SOURCE OF INCOME: Should be filled numerically (width space:1)

TOTAL FAMILY MONTHLY INCOME:

"1" for under 50.000 LBP

"2" for 50.000 LBP but less than 100.000 LBP

"3" for 100.000 LBP but less than 150.000 LBP

"4" for 150.000 LBP but less than 200.000 LBP

"5" for 200.000 LBP but less than 250.000 LBP

"6" for MORE.

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