

# The Behavior Of Spending And Its Financial Impact On The Consumer Of Basic Basket Products In Ecuador

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## Abstract

The objective of this research work was to determine the spending behavior and its financial incidence of the consumer of basic basket products in the city of Riobamba. Study carried out through a mixed, qualitative and quantitative methodology; through analytical, synthetic, deductive and inductive methods; with a non-experimental, cross-sectional and documentary design. Where research techniques were applied with the interview and the survey with their respective instruments; the use of Spearman's correlational method to verify the proposed hypothesis. This is how the main results were: disproportionate spending based on income; and ant expenses are contemplated that influence the income that can be used for savings. Hence, The current financial situation of the economically active population was proposed through a statistical analysis study to determine how it affects the level of consumption of products belonging to the basic basket, in addition to proposing solutions for personal finance management. Concluding that the technical study of the different economic variables is important for the strengthening of consumer decisions; recommending to the population that local consumption be encouraged and achieve a behavior of measured spending. Concluding that the technical study of the different economic variables is important for the strengthening of consumer decisions; recommending to the population that local consumption be encouraged and achieve a behavior of measured spending. Concluding that the technical study of the different economic variables is important for the strengthening of consumer decisions; recommending to the population that local consumption be encouraged and achieve a behavior of measured spending.

**Keywords:** spending behavior, finances, consumer, basic basket

## Introduction

Inflation and its impact on household consumption expenditure in Ecuador, period 2008-2020; by the author (Reyes Vera, 2020) aims to determine the incidence of inflation in household consumption expenditures in Ecuador, in which I conclude that in Ecuador inflation and unemployment greatly affect

the level of consumption of households, because with higher unemployment and inflation, the consumption of basic basket products is lower, due to the purchasing power of each family, in addition to various external factors that have contributed to the impact on the household economy, such as dollarization, the price of a barrel of oil, investments

and natural phenomena, in such a way that this means that its consumption is not progressive and rather decreases.

Analysis of the relationship between monthly family income and the cost of the basic food basket in Ecuador. Period 1982 – 2017; by the authors (Morán et al., 2018), aims to analyze the relationship between household income and the basic basket, which will allow studying the relationship between inflation, which concluded that family income and the cost of the basic family basket has a high relationship, that is to say that having a higher income level will be able to acquire the basic basket, taking into account that the price of the basket does not remain stable over time, but rather the products that that compose it are influenced by external factors that cause inflation, and that end up affecting its cost.

Personal finances are aimed at the correct management of money, savings, retirement plan, investment and tax administration, therefore it is important to correctly manage financial resources, since the decisions that individuals make about how to spend their money depend on it. income, what percentage to save and how to invest your savings. The World Bank (GBM, 2022), points out that aspects such as changes in supply chains, as well as pandemic outbreaks, will have an effect of financial stress, and the study of vulnerability to commodity volatility is of great importance, especially in developing economies. .

The newspaper *The universe*. (2021), points out that, in Ecuador, 8 out of 10 middle-class households suffered a restriction in their usual income, due to the fact that many companies resorted to reducing working hours and mass layoffs of workers in 2021, as an effect pandemic, in the first total confinement. Likewise, it was estimated for 2021 that an Ecuadorian family has a debt of \$4,500, which represents almost ten times more than the average income of a worker, therefore, families having a cut in their income are forced to reduce the level consumption of certain products, which affects the level of sales of businesses nationwide.

In the city of Riobamba, according to the Economic Bulletin (UNACH, 2022), it is estimated that the current and future financial situation of the household in relation to the month of January 2022, has improved by 12%, while 69.38% of households have not had any change, and 18.32% indicated that their situation It has worsened, causing effects on consumer behavior at the level of consumption of various products. Therefore, the general objective of this work is to determine the behavior of spending and the financial impact on the level of consumption of the products of the basic basket in the city of Riobamba, year 2022. Through a central hypothesis which seeks establishing whether the behavior of spending and the financial incidence will allow, or not, to know the consumption of products of the basic basket in the city of Riobamba.

### **Methodology**

This article will use the level of correlational research, because it is intended to analyze the behavior of spending and the financial impact on the level of consumption of basic basket products, allowing us to determine whether or not there is a relationship between the variables, taking into account the importance of knowing the behavior of the variables depending on the relationship that exists between them (Sampieri et al., 2014). The study will be designed under the methodological approach of the mixed approach, since this is the one that best adapts to the characteristics and needs of the research. From the mixed approach, the interview technique will be taken to know the behavior of spending and the financial incidence of households in the city of Riobamba, aimed at heads of household, as well as a survey to analyze the behavior of spending and its financial incidence. of the consumer of basic basket products in the city of Riobamba in the year 2022. Which will allow us to define if there is a correlation between the variables and how the income and expenses of a household affect the level of consumption of the products belonging to the basic basket.

The study population is made up of the Economically Active Population (PEA) of the city of Riobamba from the age of 20 to 64, considering that they refer to the population that has family nuclei and habitual

consumption of the products. of the basic basket, with a total of 87%, which due to the delimitation of the study will be applied in the urban area of the city of Riobamba, according to the(SNI, 2010)the EAP in the urban area is 66%, with a population of 66,381

people. To calculate the EAP projection, the Composite Population Growth formula will be used, with a population growth rate of 1.56%, see Table 1.
$$P_t = P_0(1 + r)^t$$

**Table 1.** EAP projection

PEA Riobamba	2010	PROJECTION	
	Not.	Not.	%
cantonal EAP	100,585	121,117	
urban EAP	66,381	79,931	66
rural EAP	34,204	41,186	3. 4
EAP by age	57,767	69,558	87

Own authorship.

The projection of the urban area is 79,931 people, obtaining a population by age of 69,558 people.

$$n = \frac{N * Z_{\alpha}^2 * p * q}{e^2 * (N - 1) + Z_{\alpha}^2 * p * q}$$

Where:

n: the sample size.

N: population size

e: maximum accepted estimation error= 0.05

Z: confidence level = 1.95

p: probability of the studied event occurring = 0.5

q: probability that the event studied does not occur = 0.5

$$n = \frac{69.558 * 1.95^2 * 0.5 * 0.5}{0.05^2 * (69.558 - 1) + 1.95^2 * 0.5 * 0.5}$$

$$n = 378$$

The sample is a total of 378, which is statistically representative of the total population to obtain adequate results, considering the circumstances of the study. In addition, a Scale will be developed

which will allow us to measure and interpret the variables through a scale of scores, depending on the attribution assigned to each of them. A scale "is a table of calculations or a set of rules that establish the

set of criteria to measure or evaluate the merits, damages or contributions presented by a person or institution" (Morales, 2020).

According to the latest survey carried out by the INEC at the national level on the income and expenses of urban and rural households in the period 2011-2012 (ENIGHUR). The income received by households is divided into two types which are; monetary income from wages and salaries, leases, transfers and other current income; while non-monetary income is those wages in kind, self-consumption or self-supply, gifts received and imputed value of the dwelling. On the other hand, we have the structure of current spending, which, like income, is divided into monetary spending, which includes consumption spending, which are the 12 divisions of the CCIF, and non-consumption spending such as taxes, alimony and vehicle

registration and fines; and therefore non-monetary spending.

Through the IBM SPSS Software, the reliability of the instruments will be measured, in addition to determining if there is a correlation between the variables and accordingly, determine how finances affect the level of consumption of products belonging to the basic basket.

## RESULTS

Below are the results obtained from the surveys and interviews conducted in the city of Riobamba. The process of elaboration of the surveys was executed through a Likert scale questionnaire, with a Cronbach Alpha Coefficient of 0.97305, being the reliable survey for its application, which allowed us to know the opinion of a total of 378 people, see Table 2.

**Table 2.** Cronbach's Alpha Calculation

Name	Worth
k: number of items	76.00
$V_i$ : initial variance	98.99
$V_t$ : overall variance	2489.88

Own authorship.

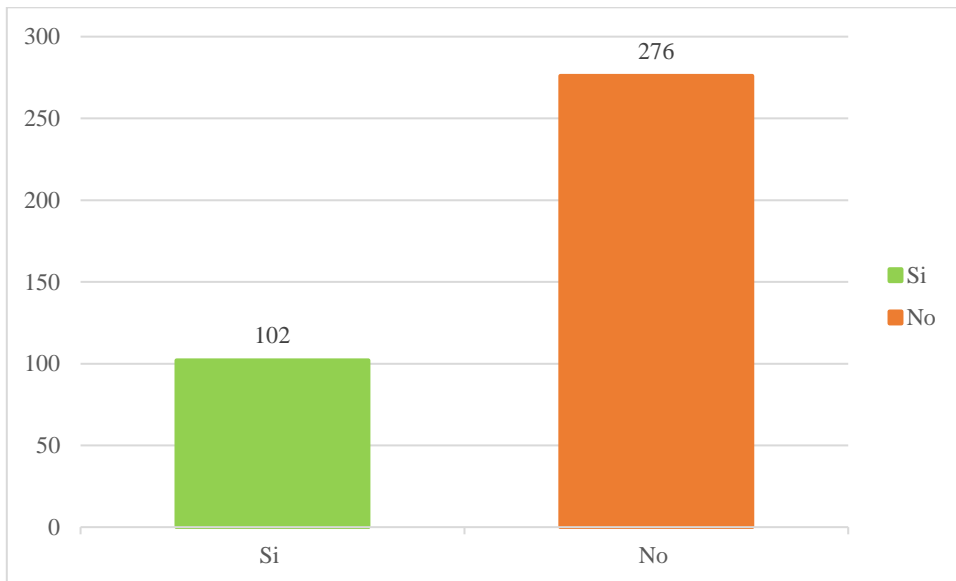
**Table 3**

Do you live alone?

Yes	102
Not	276
<b>TOTAL</b>	<b>378</b>

Own authorship.

**Figure 1** Distribution of Table 3



**Analysis and interpretation:** 73% of those surveyed, a total of 276 people, do not live alone. While 27% live alone. This shows that most of the respondents are part of a family nucleus, however, it

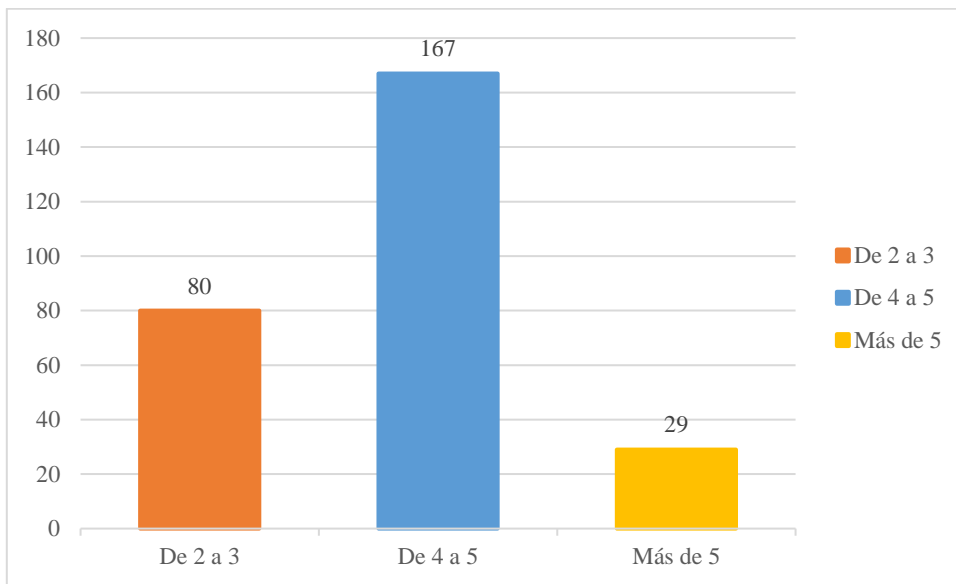
is important to take into account that a high and rising percentage lives alone, so it is important to consider their needs and priorities as a consumer.

**Table 4.** How many members make up your household?

from 2 to 3	80
from 4 to 5	167
more than 5	29
<b>TOTAL</b>	<b>276</b>

Own authorship.

**Figure 2** Distribution of Table 4



**Analysis and interpretation:** 11% of those surveyed, a total of 29 people, have their family made up of more than 5 members. 29% of the respondents, a total of 80 people, have their family made up of 2 to 3 members and 61% of the respondents, a total of 167 people, have their family made up of 4 to 5

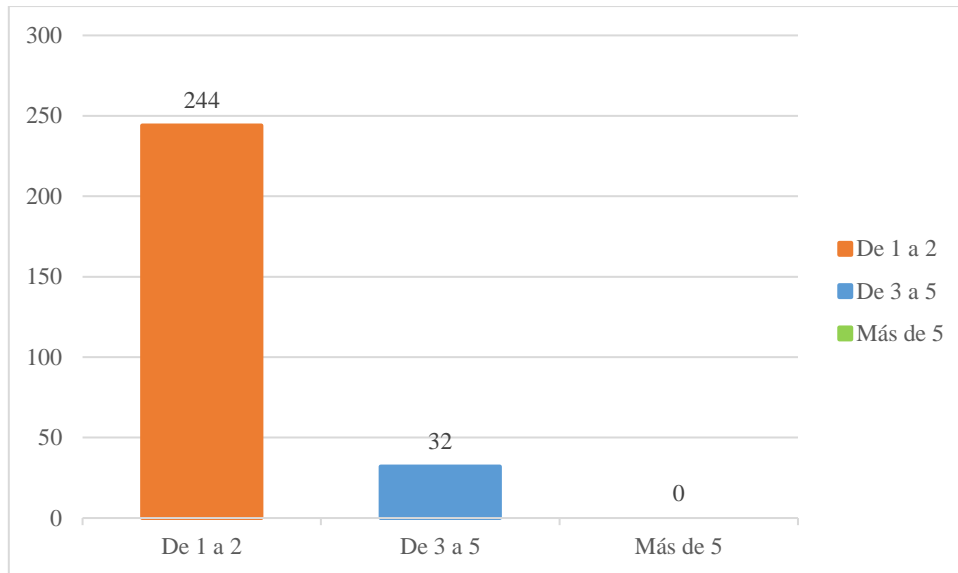
members. These results show that the majority of families in the city of Riobamba are made up of 2 to 3 members and their behaviors, priorities and needs differ from those of families from decades ago made up of more members.

**Table 5.** How many household members work?

from 1 to 2	241
from 3 to 5	32
more than 5	3
<b>TOTAL</b>	<b>276</b>

Own authorship.

**Figure 3** Distribution of Table 5



**Analysis and interpretation:**88% of households, with a total of 244 people, have 1 to 2 members working while 12% of those surveyed, with a total of 32 people, have 3 to 5 members working. Together with the result of the previous question, we also see

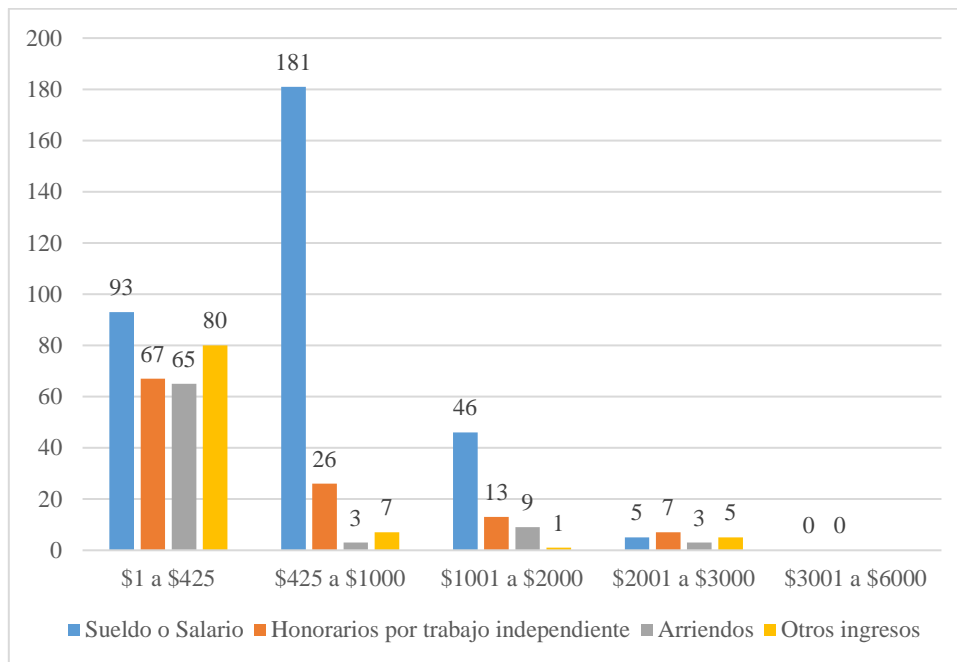
a change in the dynamics in terms of obtaining income, since a large majority of families receive more than one income and several members provide it.

**Table 6.** What is the amount of income you receive monthly?

Income	\$1 to \$425	\$425 to \$1000	\$1001 to \$2000	\$2,001 to \$3,000	\$3,001 to \$6,000	Total	Lost System	Total
Wage or Salary	93	181	46	5	0	325	53	378
Fees for freelance work	67	26	13	7	0	113	265	378
leases	65	3	9	3	0	80	298	378
Other income	80	7	one	5	0	93	285	378

Own authorship.

**Figure 4.** Distribution of Table 6



**Analysis and interpretation:** They receive monthly income between \$1 and \$425, 25% from wages and salaries, 18% from fees for independent work, 17% from rent and 21% from other income. Followed by income between \$425 to \$1000, 12% for wages and salaries, 7% for fees for independent work, 0.8% for leases and 1% for other income. Between \$1,001 to \$2,000, 12% receive income from wages and

salaries, 3% from fees for independent work, 2% from rentals, and 0.3% from other income. Finally, from \$2,001 to \$3,000, 1% receive wages and salaries, 2% fees for independent work, 0.8% rentals, and 1% other income. Most of the respondents receive an income between \$425 and \$1,000, considering various sources of income and even several family members working. So,

**Table 7.** What is the amount of your monthly expenses?

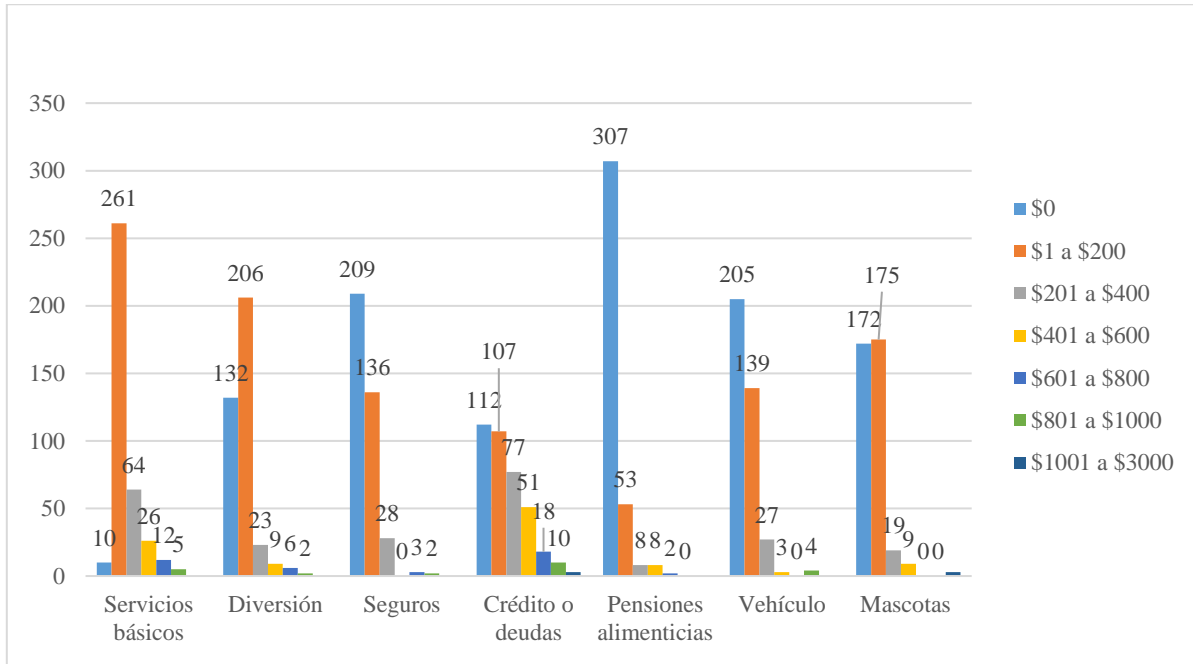
Costs	\$1 to \$200	\$201 to \$400	\$401 to \$600	\$601 to \$800	\$801 to \$1000	\$1,001 to \$3,000	Total	Lost System	Total
Basic services	261	64	26	12	5	0	368	10	378
Fun (platform subscriptions, weekend rides, movies, bars, etc.)	206	23	9	6	2	0	246	132	378
insurance	136	28		3	2	0	169	209	378
Credit or debts	107	77	51	18	10	3	266	112	378
alimony	53	8	8	2	0	0	71	307	378



Vehicle (maintenance and fines)	139	27	3	0	4	0	173	205	378
Pets (food, vets, accessories)	175	19	9	0	0	3	206	171	378

Own authorship.

**Figure 5.** Distribution of Table 7



**Analysis and interpretation:** Of the monthly income received by the population, 24% is used for expenses for basic services, 19% for fun, 16% for pets, 13% is used for insurance and vehicle maintenance, 10% to credits or debts, with 5% of their income destined to the payment of alimony. The

behavior of the consumers of the sample, allocate 24% of their income to basic expenses, we can observe that there are other elements considered as priorities, which are the ones that dictate this change in behavior, such as the importance of entertainment expenses , pets, insurance. Relatively new needs.

**Table 8.** How often do you buy the products?

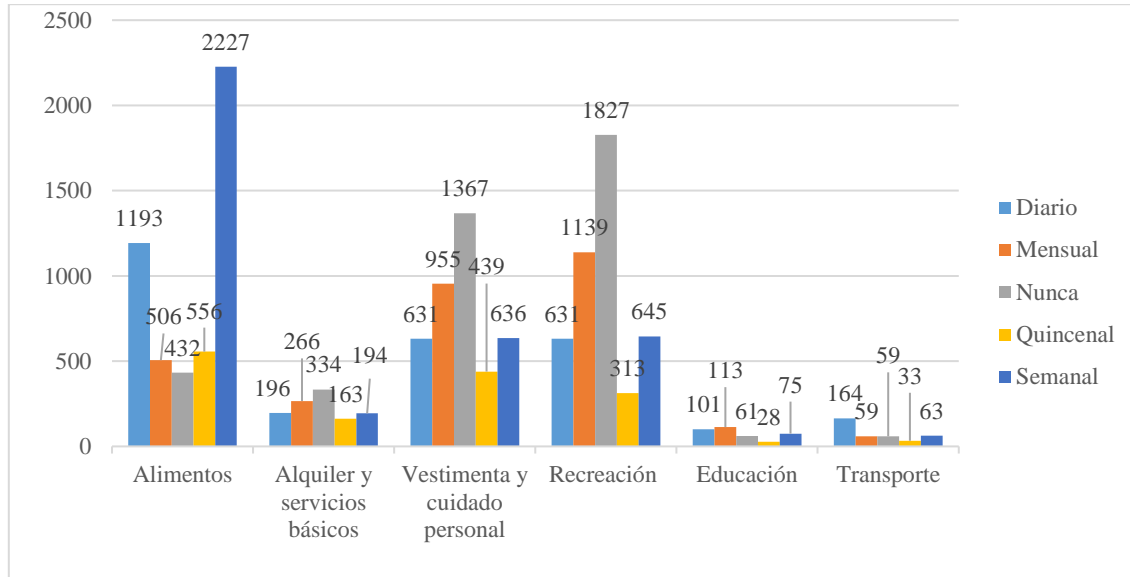
Consumption Groups/Subgroups	Never	Daily	Weekly	Biweekly	Monthly	Total
Cereals and derivatives	61	51	146	51	69	378
Meat and preparations	18	91	211	44	14	378
fish and shellfish	23	42	200	72	41	378

Edible fats and oils	13	74	174	52	65	378
Milk, dairy products and eggs	16	108	209	32	13	378
Fresh vegetables	13	130	199	28	8	378
Tubers and derivatives	38	99	196	24	twenty-one	378
Legumes and derivatives	44	97	196	25	16	378
Fresh fruits	14	132	198	27	7	378
Sugar, salt and seasonings	twenty-one	109	144	52	52	378
Coffee, tea and soft drinks	3. 4	109	129	38	68	378
other food products	82	78	eleven	46	61	278
Food and baby consumed outside the home	55	73	114	65	71	378
Rent	179	41	39	8	111	378
lighting and fuel	110	93	91	16	68	378
washing and maintenance	163	62	86	19	48	378
Other household appliances	170	76	48	16	68	378
Fabrics, shapes and accessories	191	43	fifty	18	76	378
Men's ready-made clothing	159	37	49	twenty-one	112	378
Women's ready-made clothing	137	41	59	16	125	378
Housekeeping	197	38	68	17	58	378
Health care	66	49	93	41	129	378
Care and personal items	78	46	101	49	104	378
Recreation, reading material	159	58	66	23	72	378
Tobacco	267	31	40	16	24	378
Education	61	101	75	28	113	378

Transport	59	164	63	33	59	378
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Own authorship.

**Figure 6.** Distribution of Table 8



**Analysis and interpretation:** According to the results obtained, 45% of those surveyed consume food and drinks weekly, while 41% do not pay rent for housing, lighting, washing and maintenance, with respect to clothing, 25% of people buy monthly, as well as miscellaneous with 22%. The behavior of the

consumers in the sample, detail that they purchase food and beverages more frequently, however, they have additional priorities, which define this new change, the most evident, is the need created for recreational activities, even on the education, rent and transportation.

**Table 9.** What is the monthly amount that you allocate for the purchase of basic basket products?

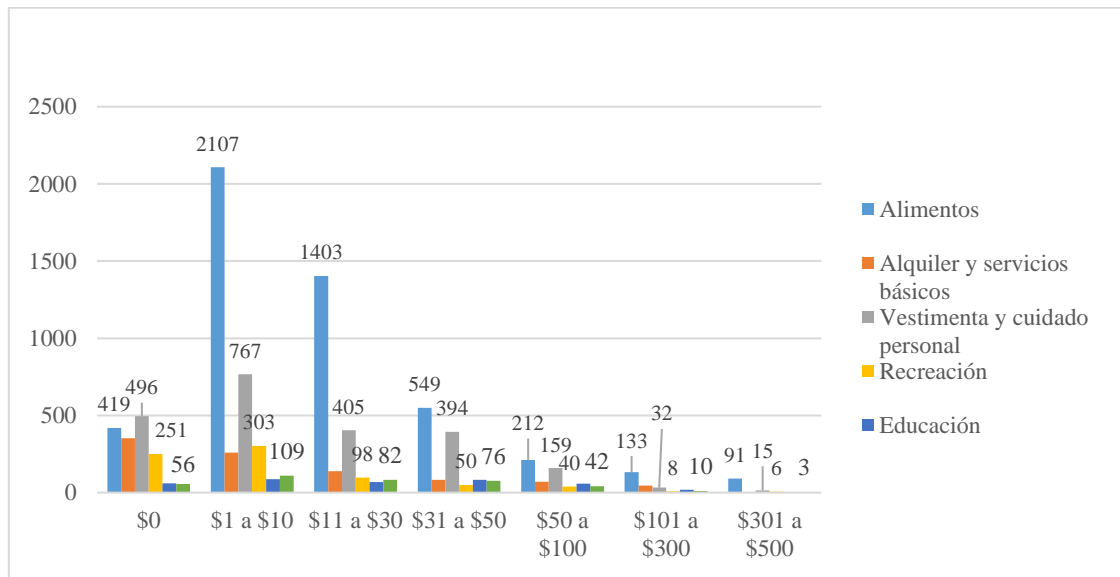
Spent	\$1 to \$10	\$11 to \$30	\$31 to \$50	\$50 to \$100	\$101 to \$300	\$301 to \$500	Total	Lost System	Total
Cereals and derivatives	204	91	3.4	17	7	3	356	22	378
Meat and preparations	123	171	54	16	4	3	371	7	378
fish and shellfish	158	140	46	14	4	6	368	10	378
Edible fats and oils	176	115	54	18	one	3	367	eleven	378

Milk, dairy products and eggs	186	116	51	19	0	3	375	3	378
Fresh vegetables	165	140	49	14	0	3	371	7	378
Tubers and derivatives	183	117	35	13	0	3	351	27	378
Legumes and derivatives	181	109	42	eleven	0	3	346	32	378
Fresh fruits	179	132	36	16	0	3	366	12	378
Sugar, salt and seasonings	192	98	53	19	3	3	368	10	378
Coffee, tea and soft drinks	201	106	35	13	0	3	358	twenty	378
other food products	165	88	47	25	0	4	329	49	378
Food and baby consumed outside the home	169	92	49	24	0	0	334	44	378
Rent	129	40	35	46	40	2	292	86	378
lighting and fuel	129	99	47	24	6	2	307	71	378
washing and maintenance	176	47	36	23	3	0	285	93	378
Other household appliances	141	66	47	twenty-one	0	0	275	103	378
Fabrics, shapes and accessories	159	54	35	22	5	0	275	103	378
Men's ready-made clothing	130	60	71	23	5	3	292	86	378
Women's ready-made clothing	126	51	81	25	5	3	291	87	378
Housekeeping	152	49	43	22	4	5	275	103	378
Health care	88	85	103	39	8	2	325	53	378

Care and personal items	112	106	61	28	5	2	314	64	378
Recreation, reading material	150	67	32	23	3	3	278	100	378
Tobacco	153	31	18	17	5	3	227	151	378
Education	86	68	83	57	19	5	318	60	378
Transport	109	82	76	42	10	3	322	56	378

Own authorship.

Figure 7. Distribution of Table 9



**Analysis and interpretation:** 49% of those surveyed spend between \$1 to \$10 for food and beverages, 50% spend between \$1 to \$10 for housing, while 20% spend between \$31 to \$50 for clothing and 25% of those surveyed spend between

\$11 to \$30 for miscellaneous. The highest amount of expenses in relation to food is from \$1 to \$10, considered low and they allocate a greater range to clothing, miscellaneous, this shows in the same way, the change in consumer behavior and priorities.

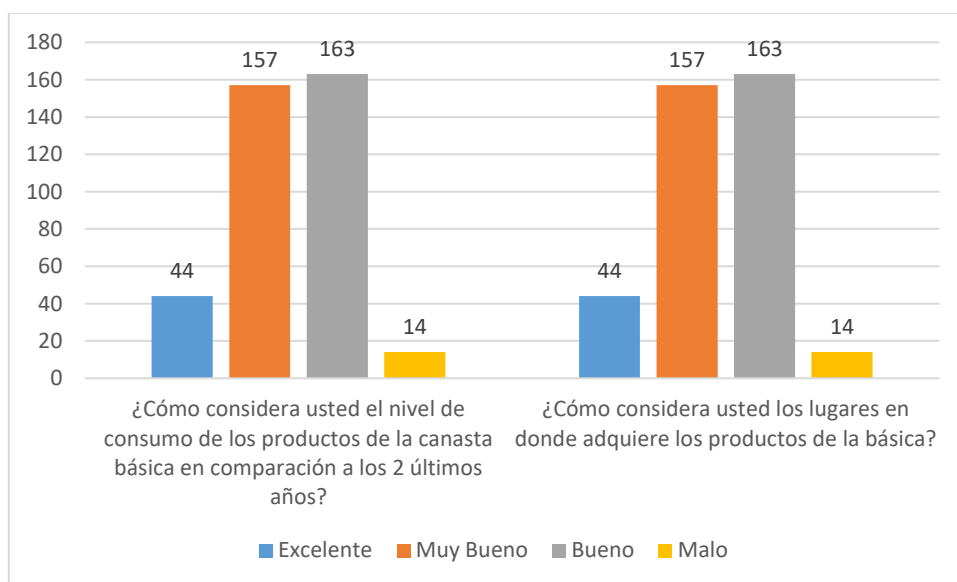
Table 10. Of the following variables with respect to consumer behavior?

Question	Great	Very good	Well	Bad	Total
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How do you consider the level of consumption of the basic basket products compared to the last 2 years?	44	157	163	14	378
How do you consider the places where you buy basic products?	44	157	163	14	378

Own authorship.

**Figure 8.** Distribution of Table 10



**Analysis and interpretation:** 43% of those surveyed consider that the level of consumption is good compared to recent years, while 41% consider that it is very good and 12% consider that the level of consumption is bad. On the other hand, 43% consider that the places where they buy basic basket products are good, 41% that they are very good and 12% that they are excellent. Focusing on the products of the

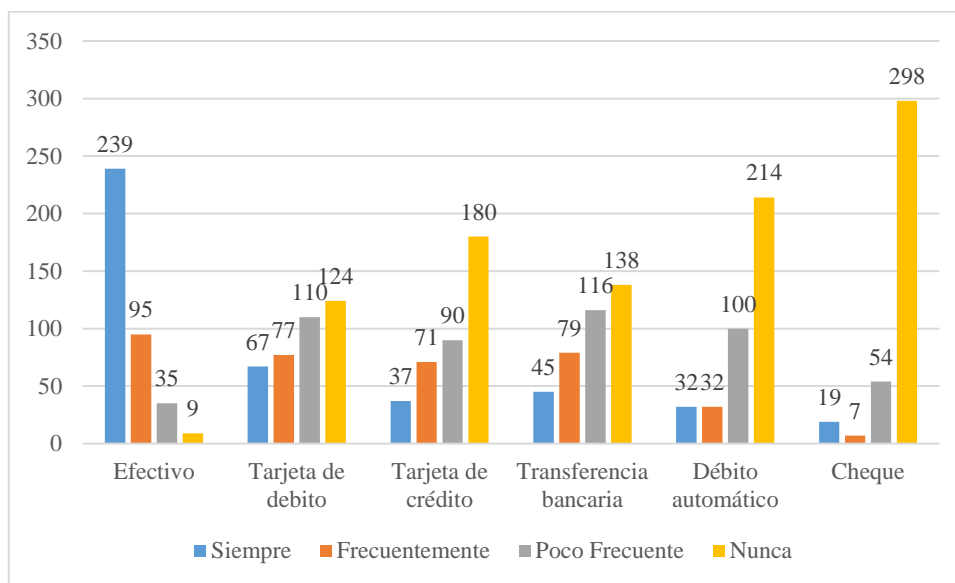
basic basket and the suppliers that sell them in the city of Riobamba, he considers that their consumption has not changed compared to previous years and the places where they can be purchased, according to his perception, are good, but not excellent, being an opportunity for improvement for small and medium businesses.

**Table 11.** What method do you use to pay for your purchases?

heading	Always	Frequently	Infrequent	Never	Total
Cash	239	95	35	9	378
Debit	67	77	110	124	378
Credit card	37	71	90	180	378
Wire transfer	Four. Five	79	116	138	378
Automatic debit	32	32	100	214	378
Check	19	7	54	298	378

Own authorship.

**Figure 9.** Distribution of Table 11



**Analysis and interpretation:** 63% of those surveyed always use cash to buy, 29% use a debit card infrequently, 47% do not use a credit card, 21% frequently use a bank transfer, 57% do not use an automatic debit or check to pay for your purchases. Part of the implementation of digitization in providers in the city of Riobamba, as a competitive advantage, it is important to consider that the second most used method is the debit card, which can be

considered as an initial cost to implement it, but a important competitive advantage.

#### Interview

Through an interview guide, 10 interviews were conducted with heads of household in the city of Riobamba with the objective of determining the spending behavior and financial incidence of households, which was validated by three experts. In order to establish the validity of the instrument's

contents, the total validity coefficient (CVC) was used, which was 0.7230, considered in the acceptable

validity and concordance scale, granting validity to the instrument. See Table 12.

**Table 12.** Validation by Judges, together with the error

items	pro-judge	vmx	erroritm	validitm
one	3.3333	0.6667	0.03704	0.6296
2	4,0000	0.8000	0.03704	0.7630
3	4,0000	0.8000	0.03704	0.7630
4	3.6667	0.7333	0.03704	0.6963
5	4,0000	0.8000	0.03704	0.7630

Own authorship.

The results obtained in the interview are shown below.

Ten interviews were conducted with heads of household in the city of Riobamba, where six heads of household consider that their income level is good, this due to the number of people who contribute financially to the household, which generates greater sources of income. while four households consider that their income level is regular. However, seven people consider that their income level covers all their needs, while three people consider that their income does not cover all their needs. Regarding whether they carry out financial planning, six people answered that they do carry out financial planning, which they do on a monthly basis, through a record of monthly income and expenses. Secondly,

To cover their primary expenses, three people allocate \$300 to cover their expenses, while another three people allocate \$400, likewise other households allocate between \$200 and \$500, eventually allocating \$1000 to cover all their expenses, these highest priority expenses are as follows ; food, housing, basic services, education, transportation, loans and health. Likewise, six people consider that it is necessary to have a savings culture, because another source of income can be generated through investments, in addition to covering any eventuality.

### Hypothesis

For the verification of the hypothesis, the Spearman correlation coefficient will be applied, which is applied to non-parametric data. Therefore, through a normality test, it will be possible to know if the variables of the present study have a normal distribution.

### Normality test.

#### Hypothesis

H0: The data is close to the normal distribution.

H1: The data differ from a normal distribution

**Table 13** normality test

Kolmogorov-Smirnova	Shapiro-Wilk
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	Statistical	gl	Next.	Statistical	gl	Next.
<b>V1</b>	.137	378	,000	.917	378	,000
<b>V2</b>	.075	378	,000	.979	378	,000

Own authorship.

Note: V1 spending behavior and its financial incidence; V2 consumption of basic basket products.

According to the value of the Kolmogórov-Smirnova test obtained from the first variable, which was 0.137, a p value of 0.000 less than 0.05 of  $\alpha$  was obtained, therefore, the negative hypothesis is rejected, and it is accepted that the spending behavior score and its financial incidence differ from the normal distribution. Likewise, with the second variable, the negative hypothesis is rejected and it is accepted that the consumption score of basic basket products differs from a normal distribution,

#### Correlations.

**Table 14.** Correlations

		<b>V1</b>	<b>V2</b>
Spearman's Rho	Correlation coefficient	1,000	.242**
	<b>V1</b>		
	Next (bilateral)	.	,000
	No.	378	378
	Correlation coefficient	.242**	1,000
	<b>V2</b>		
Next (bilateral)	,000	.	
No.	378	378	

Own authorship.

Note: V1 spending behavior and its financial incidence; V2 consumption of basic basket products. \*\*. The correlation is significant at the 0.01 level (2 tails).

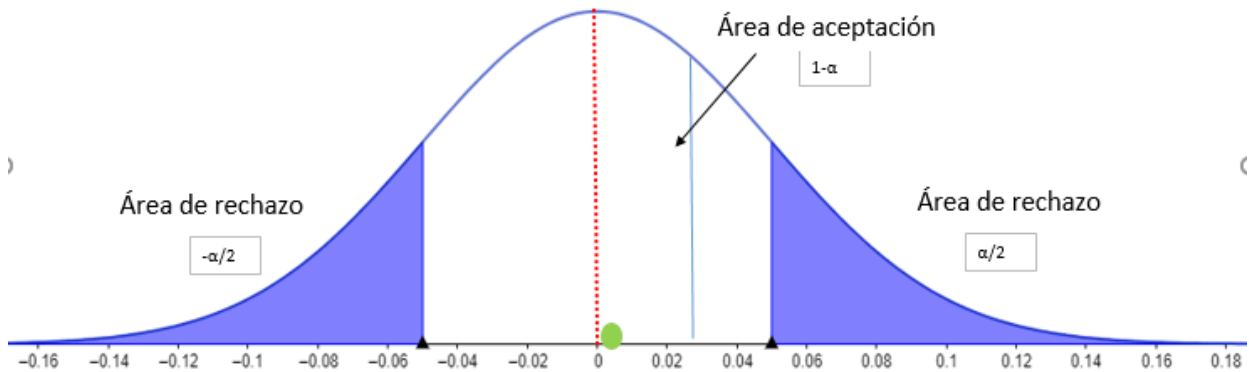
#### Figure 10. Testing of the hypothesis

therefore, the correlation model of Spearman. See Table 13.

#### Hypothesis

H1: The behavior of spending and its financial incidence will allow knowing the consumption of basic basket products in the city of Riobamba.

H0: The behavior of spending and its financial impact will not allow knowing the consumption of basic basket products in the city of Riobamba.



It is observed that the calculated value is less than the assumed one ( $0.000 < 0.05$ ), which indicates accepting the alternate hypothesis and rejecting the null hypothesis. Therefore, the behavior of spending and its financial incidence will allow to know the consumption of products of the basic basket in the city of Riobamba. In other words, there is a direct and highly significant moderate positive correlation between the variables spending behavior and its financial impact, and the consumption of products from the basic basket ( $\rho=0.242$ ). See Table 14.

$$y = \beta_0 + \beta_1 x$$

**x**: spending behavior and its financial impact  
 (independent variable)

**Y**: consumption of basic basket products  
 (dependent variable)

$$H_0: \beta_1 = 0$$

$$H_1: \beta_1 \neq 0$$

**Regression coefficient significance test.**

Mathematically it is expressed as follows:

**Table 15.** Goodness-of-fit test

Model Summary			
Model	r squared	adjusted r squared	Standard error of the estimate
one	.065	.063	20,615

Own authorship.

The goodness-of-fit test was 0.065, which represents 6.5%, therefore the consumption variable of the basic basket products is explained by the spending behavior variable and its financial impact. This

indicates that the dependent variable and the independent variables are linearly related. See Table 15.

**Table 16.** ANOVA

	<b>Model</b>	<b>Sum of squares</b>	<b>gl</b>	<b>root mean square</b>	<b>F</b>	<b>Next.</b>
one	Regression	11124,134	one	11124,134	26,175	,000
	Residue	159797,189	376	424,993		
	Total	170921,323	377			

Own authorship.

According to the data obtained, the p value is 0.000 less than 0.05, therefore, the negative hypothesis is rejected, and the alternate hypothesis is accepted, that is, that there is a regression between the two variables and what proves that there is a correlation of the variables. See Table 16.  $\beta_1 \neq 0$

### Discussion

In the results of the investigation it was possible to appreciate that there is a direct and highly significant moderate positive correlation between the variables spending behavior and its financial incidence and the consumption of basic basket products, in addition the spending behavior and its financial incidence will allow to know the consumption of basic basket products, which coincides with the investigation of Moran et al. (2018), in which he concluded that the income of families and the cost of the basic family basket have a high relationship, that is to say that

having a higher level of income will be able to acquire the basic basket, adding that the price of the basket does not remain stable over time, but the products that make it up are influenced by external factors that cause inflation, and that end up affecting their cost, agreeing with Vera Kings (2020), where inflation and unemployment affect the level of household consumption, because with higher unemployment and lower inflation is the consumption of products from the basic basket, due to the purchasing power of each family.

Family income (IF) is the average value of remuneration received by a family made up of 1.6 recipients, in 2022 it is \$712.50, with respect to the data obtained from the study carried out. The table of the average behavior of the Basic Family Basket (CBF) and Family Income (IF) for 2022 is detailed, see Table 17.

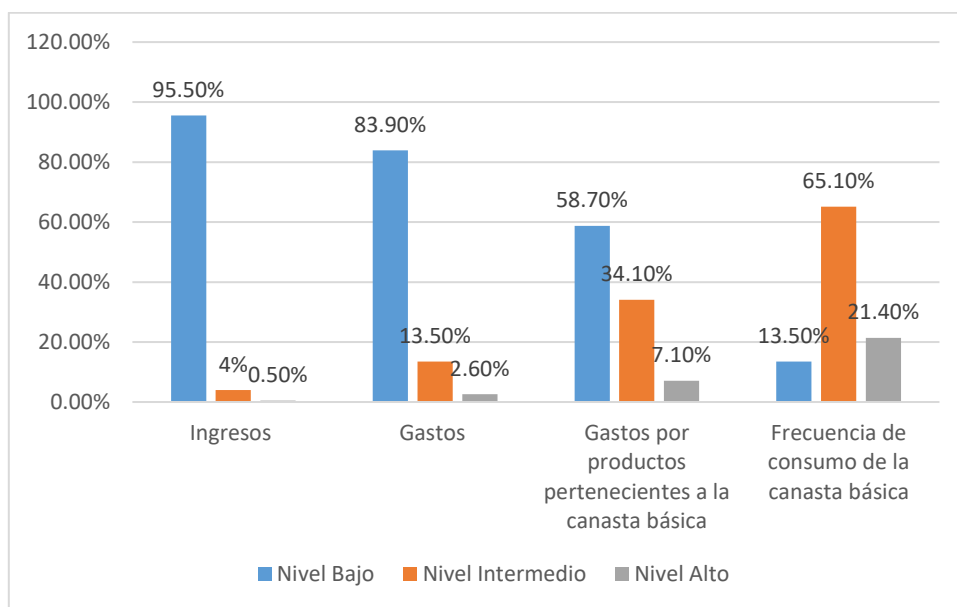
**Table 17.** Family Income Coverage

<b>Years</b>	<b>Average CBF</b>	<b>Average IF</b>	<b>Family Income Coverage</b>
2022	739.51	712.5	96.35%

Own authorship.

Note: CBF (Basic Family Basket), IF (Family Income).

**Figure 11.** Data analysis by the Baremo Method



95.5% of the economically active population have a low income level, while 4.0% have an intermediate income level, and only 0.5% of the population have a high income level. The low level of income is due to various factors such as the high unemployment rate that exists nationwide with a rate of 5.4% in January 2022, for the urban area 7.4% while for the rural area it was 1.6%, causing a hasty cut in the income that the pea receives monthly, so it is important not to wait until you are unemployed, it is necessary to look for new sources of income that help cover the different expenses.

84% of the population have a low level of spending, while 13% have an intermediate level of spending and only 3% of the population have a high level of spending. The level of spending varies according to the level of income received by the PEA on a monthly basis, and according to survey data, 95.5% of the population has a low level of income, prioritizing the consumption of certain items.

Meanwhile, 59% of the population have a low level of expenses for products belonging to the basic basket, that is, the EAP allocates a low budget of its income for the consumption of products belonging to the basic basket, 34% have an intermediate level of spending and only 7% have a high level of spending, which confirms that the level of household income and the level of consumption of the basic family basket have a high relationship, that is to say that by having a higher level income, the basic food basket can be purchased. Thanks to the data obtained in the survey, 15.7% of the economically active population who live alone receive income from dependent work between \$425 and \$1,000, followed by 23% who receive income between \$1 and \$425 from fees for independent work, Regarding rental income, 30% receive between \$1 to \$425, and 33.3% for other non-current income receive between \$1 to \$425. See table 19.

**Table 19.** Income according to the members that make up the household

		Do you live alone?	
		YEAH	NOT

		% of Table No.	How many members make up your household?			How many household members work?	
			from 2 to 3	from 4 to 5	more than 5	from 1 to 2	from 3 to 5
			% of Table No.	% of Table No.	% of Table No.	% of Table No.	% of Table No.
<b>PRIMARY INCOME</b>							
<b>dependent work</b>	\$1 to \$425	8.0%	7.7%	16.6%	3.8%	25.5%	3.0%
	\$425 to \$1000	15.7%	15.7%	33.6%	5.5%	48.9%	5.5%
	\$1001 to \$2000	2.5%	3.8%	10.2%	1.7%	12.3%	3.4%
	\$2,001 to \$3,000	.6%	.9%	.4%	0.0%	1.3%	0.0%
	\$3,001 to \$6,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Independent work</b>	\$1 to \$425	23.0%	16.2%	32.4%	6.8%	47.3%	6.8%
	\$425 to \$1000	7.1%	5.4%	14.9%	4.1%	20.3%	4.1%
	\$1001 to \$2000	1.8%	2.7%	10.8%	0.0%	13.5%	1.4%
	\$2,001 to \$3,000	1.8%	4.1%	1.4%	1.4%	6.8%	0.0%
	\$3,001 to \$6,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>PROPERTY INCOME</b>							
<b>leases</b>	\$1 to \$425	30.0%	10.0%	56.0%	16.0%	68.0%	14.0%
	\$425 to \$1000	2.5%	0.0%	0.0%	2.0%	2.0%	0.0%
	\$1001 to \$2000	1.3%	4.0%	10.0%	2.0%	14.0%	2.0%
	\$2,001 to \$3,000	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%
	\$3,001 to \$6,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>OTHER NON- CURRENT INCOME</b>	\$1 to \$425	33.3%	16.9%	54.2%	11.9%	69.5%	13.6%
	\$425 to \$1000	0.0%	1.7%	8.5%	1.7%	10.2%	1.7%
	\$1001 to \$2000	0.0%	0.0%	1.7%	0.0%	1.7%	0.0%

\$2,001 to \$3,000	3.2%	0.0%	1.7%	1.7%	3.4%	0.0%
\$3,001 to \$6,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Own authorship.

As can be seen, the level of income is low since the vast majority of current and non-current income receive between \$1 to \$425, affecting the monthly budget to cover expenses and, in turn, decreases the quality of life of people by not be able to cover all your monthly expenses. As with respect to food, the range of expenses is from \$1 to \$10, for 49% of the sample. A range greater than \$30 is earmarked for housing for 50% of the surveyed population. For 20%, a value greater than \$30 is allocated for clothing and finally, 25%, allocates a range of \$11 to \$30 for miscellaneous belonging to the basic basket.

Based on these data, we can detail that the preponderant expense for the surveyed population is housing, allocating a greater value from their budget, followed by food and other basic basket products. However, it is also observed that, despite not allocating a significant amount to recreation expenses, this item is the second most important for the population in 2022. Evidencing the change in behavior in its post-pandemic consumption, giving priority to their health and after the acquisition of goods or services that promote leisure and coexistence.

One of the primary approaches is that, thanks to the information collected, to be able to benefit MSMEs, in generating new sales strategies that allow them to continue in this new market and even consider important changes that may lead to greater investment. and growth. It is important to detail the large part of the population that today lives alone and how it is already being an important indicator for supply and demand, to determine the behavior and preferences of a market that has a different lifestyle and that each time, there are more inhabitants who adopt it. Relevant data obtained from the study is also the change in sources of income, the evolution of how a family nucleus obtains various incomes and more than one member works to achieve a standard of living that allows them to survive,

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