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Exploring Marilyn L Pinto's ADEPT Theory on budgeting practises of self employed individuals

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Abstract

Self-employment offers flexibility and autonomy but comes with significant financial challenges, particularly when it comes to budgeting and managing irregular income. Without the predictable pay checks associated with traditional employment, self-employed individuals often face uncertainty, which can lead to stress and inefficient financial management. The ADEPT framework—comprising Agency, Discomfort, Education, Purpose, and Thinking Better—can potentially provide valuable insights into how these individuals manage their finances in such a context. This study aims to explore how the ADEPT framework influences the budgeting strategies and financial decision-making of self-employed individuals, specifically focusing on how each of the five components impacts their ability to manage irregular income.

Keywords: *Self-employment, financial management, budgeting, irregular income, ADEPT framework, financial decision-making, financial literacy, income stability.*

Introduction

Self-employment offers flexibility and autonomy but comes with significant financial challenges, particularly when it comes to budgeting and managing irregular income. Without the predictable pay checks associated with traditional employment, self-employed individuals often face uncertainty, which can lead to stress and inefficient financial management. The ADEPT framework—comprising Agency, Discomfort, Education, Purpose, and Thinking Better—can potentially provide valuable insights into how these individuals manage their finances in such a context. This study aims to explore how the ADEPT framework influences the budgeting strategies and financial decision-making of self-employed individuals, specifically focusing on how each of the five components impacts their ability to manage irregular income.

Statement of the Problem

Self-employed individuals face significant financial challenges due to the irregularity and unpredictability of their income. Unlike traditionally employed individuals who receive fixed salaries, self-employed persons must develop effective budgeting strategies to ensure financial stability. However, the absence of structured financial guidance often results in inefficient financial management, stress, and vulnerability to financial instability. The ADEPT framework—comprising Agency, Discomfort, Education, Purpose, and Thinking Long-Term—offers a potential lens to understand how self-employed individuals navigate financial decision-making and budgeting effectiveness. This study seeks to explore the relationship between the ADEPT factors and the budgeting practices of self-employed individuals, aiming to identify key elements that contribute to improved financial management in self-employment contexts.

Objectives of the Study

1. To analyse how self-employed individuals use the ADEPT framework (agency, discomfort, education, purpose, thinking better) to manage the challenges of budgeting with irregular income.

2. To investigate how the ADEPT framework (Agency, Discomfort, Education, Purpose, Thinking Better) influences the budgeting strategies and financial decision-making of self-employed individuals.

Significance of the study

This research contributes to the growing discourse on financial literacy and management among self-employed individuals. By evaluating the ADEPT framework, it seeks to provide a practical guide for improving financial stability and resilience. The findings will not only benefit self-employed individuals but also inform policymakers, educators, and financial advisors about the utility of structured frameworks in addressing financial literacy gaps.

ADEPT framework

The **ADEPT framework**—comprising *Agency*, *Discomfort*, *Education*, *Purpose*, and *Thinking Better*—can potentially provide valuable insights into how these individuals manage their finances in such a context. Marilyn L. Pinto, Founder of KFI GLOBAL, an education company that specialises in teaching individuals how to handle money smartly and responsibly, propels to the forefront the ADEPT

Research Methodology

This research aims to examine the relationship between ADEPT factors and the budget effectiveness of self-employed individuals. The study was conducted among self-employed persons in Kerala, with data collected from a sample of 244 respondents. A descriptive research design was adopted, and participants were selected using the purposive sampling method. Primary data were gathered through a structured interview schedule to ensure comprehensive insights into their financial behaviors and budgeting practice

Hypothesis of the study

H1: There is a significant impact of Agency on Budgeting Behaviour.
H2: There is a significant impact of Discomfort on Budgeting Behaviour..
H3: There is a significant impact of Education on Budgeting Behaviour.
H4: There is a significant impact of Purpose on Budgeting Behaviour.

H5: There is a significant impact of Thinking Long-Term on Budgeting Behaviour.

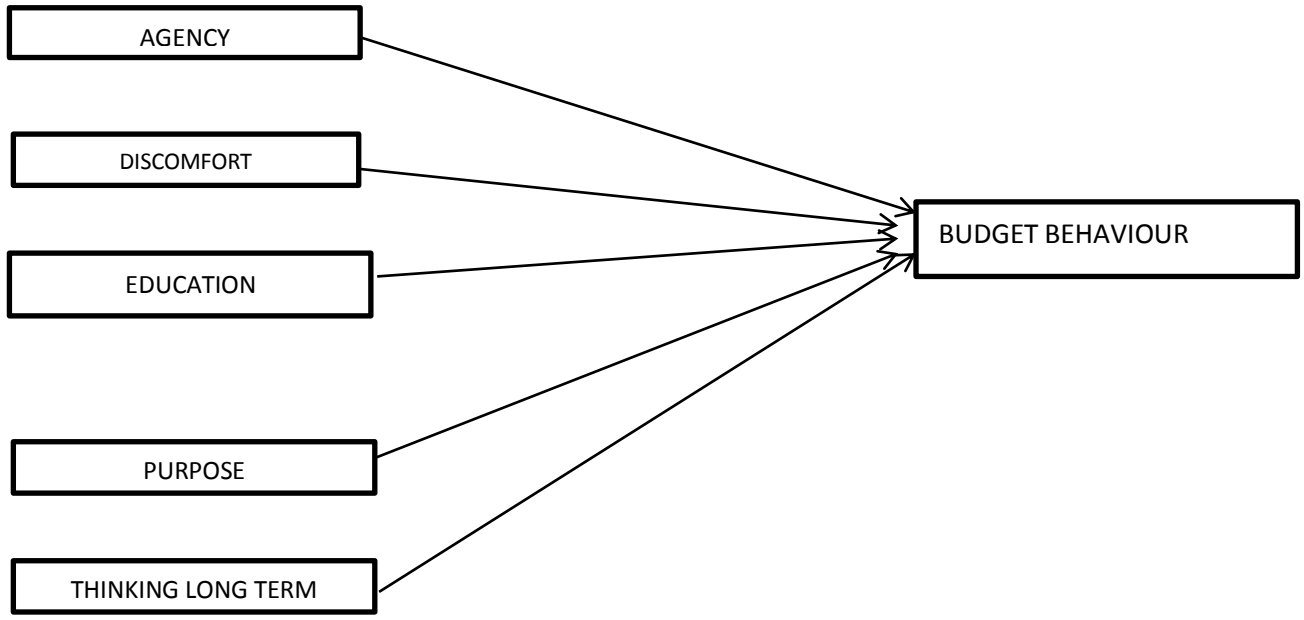
H6: The ADEPT framework (Agency, Discomfort, Education, Purpose, and Thinking Long Term) has a significant combined effect on budgeting effectiveness

H7: Demographic factors (such as age, gender, income level, educational level, and years of experience) significantly influence Budgeting Behaviour among self-employed individuals.

Variables of the study

Variables	**Definitions**
AGENCY	The individual's sense of control over financial decisions and confidence in managing finances.
DISCOMFORT	Willingness to make uncomfortable financial choices, such as cutting discretionary expenses, to achieve financial goals.
EDUCATION	The level of financial literacy, knowledge of budgeting tools, and efforts to seek financial education
PURPOSE	Clarity of financial goals and alignment of budgeting practices with these goals.
THINKING LONG TERM	Focus on long-term financial planning, prioritizing future stability over short-term convenience.
BUDGET EFFECTIVENES	Includes behaviours such as regular budgeting, adherence to budgets, tracking expenses, separating personal and business finances, and overall financial management effectiveness.

Conceptual model



Literature Review

Self-employed individuals face financial uncertainty due to irregular income, leading to budgeting difficulties and financial stress. Effective budgeting strategies and financial literacy are essential for stability (Collins & Morduch, 2022; Lusardi & Mitchell, 2021). The ADEPT framework (Agency, Discomfort, Education, Purpose, Thinking Long-Term) provides insights into financial decision-making. It highlights the importance of control, resilience, literacy, goal-setting, and long-term planning in financial management (Pinto, 2021; Sardeshmukh & Smith-Nelson, 2023).Higher financial literacy improves budgeting effectiveness, reduces debt risk, and enhances financial resilience. Education plays a crucial role in equipping self-employed individuals with essential money management skills (Fernandes et al., 2022; Huston, 2023).Behavioral finance suggests that self-efficacy, cognitive biases, and stress influence financial behaviors. The ADEPT framework's Discomfort component helps individuals develop resilience and adapt to financial uncertainty (Thaler & Sunstein, 2022; Akerlof & Shiller, 2023). Self-employed individuals who engage in long-term financial planning, such as retirement savings and investments, experience greater financial security. Thinking Long-Term is crucial for financial sustainability (Benartzi & Thaler, 2023; Modigliani & Brumberg, 2023).

Data Analysis and Interpretation

Reliability analysis

Table: Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.810	25

Source: Primary Data

The Cronbach's Alpha value of 0.810 for the 25 items indicates acceptable internal consistency. This means that the items in the questionnaire are generally reliable in measuring the same concept. An Alpha value above 0.8 is considered good, suggesting that the scale is consistent.

Results and Discussion

The results are represented in the form of tables, in classes or intervals, frequency and percentages. The following is the demographic profile of respondents:

1. Demographic characteristics of respondents

Table 1: Demographic Characteristics of Respondents

Sample Characteristics	Full Sample	
	n	*%*
Age		
22-30	165	67.6
31-40	20	8.2
41-50	10	4.1
51-60	27	11.1
Above 60	22	9
Gender		
Male	79	32.4
Female	165	67.6
Marital status		
Married	119	48.8
Unmarried	125	51.2
Educational level		
SSLC	13	5.3
Plus Two	45	18.4
Bachelor's Degree	125	51.2
Master's Degree	43	17.6
Others	18	7.4
Income level		
Less than 100000	137	56.1
100000-200000	83	34
200000-300000	13	5.3
300000-400000	11	4.5
Above 400000	0	0

Note, *N*=244

Source: Primary Data

The demographic analysis of 244 self-employed individuals in Kerala reveals that the majority are young adults aged 22-30 (67.6%) and predominantly female (67.6%). Over half hold a Bachelor's degree (51.2%), yet a significant portion (56.1%) earn less than INR 100,000 annually. These findings highlight a well-educated, young, and female-dominated

self-employed demographic facing economic challenges, underscoring the need for targeted financial support and effective budgeting strategies.

2. Self-Employed Individuals' Financial Attitudes and Behaviours

Table 2: Self-Employed Individuals' Financial Attitudes and Behaviours

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I can take control of my financial decisions	1.6%	3.3%	2.9%	33.6%	58.6%
I prioritize my spending based on my financial goals	0.0%	2.5%	3.7%	44.3%	49.6%
I set financial goals and work towards achieving them	0.0%	1.6%	5.7%	51.2%	41.4%
I seek advice from others when making financial decisions	0.0%	2.5%	3.7%	54.9%	38.9%
I often feel stressed about my financial situations	0.0%	6.1%	4.5%	43.4%	45.9%
I feel anxious when I think about my debt	0.0%	15.2%	8.6%	38.1%	38.1%
I worry about not having enough money for the future	0.0%	9.8%	13.9%	49.6%	26.6%
I am concerned about making financial mistakes	0.0%	7.0%	1.6%	59.0%	32.4%
I have a good understanding of personal finance concepts	0.0%	0.8%	4.5%	61.5%	33.2%
I regularly seek out new information or resources to improve my financial knowledge	0.0%	9.4%	7.0%	55.3%	28.3%
I am confident in my ability to apply financial concepts to real-life situations	0.0%	13.1%	4.5%	54.9%	27.5%
I believe financial education is essential for achieving financial stability	2.0%	0.0%	2.5%	65.6%	29.9%
I have a clear vision for my financial future	0.8%	1.6%	8.6%	43.0%	45.9%
I regularly review and adjust my financial goals	0.0%	1.6%	9.8%	61.9%	26.6%
I prioritize my financial goals over short-term desires	0.0%	5.3%	11.9%	63.1%	19.7%
I am motivated to achieve financial stability	0.0%	3.7%	4.1%	68.9%	23.4%
I prioritize long-term financial goals over short-term gains	0.0%	1.6%	7.8%	70.1%	20.5%
I am willing to delay short-term gratification for long-term financial	2.9%	4.1%	4.1%	68.9%	20.1%

benefits					
I have a clear vision for my long-term financial future	2.9%	3.7%	9.0%	66.8%	17.6%
I regularly review and adjust my long-term financial plans	2.0%	2.9%	6.1%	68.9%	20.1%
Ability to create and adhere to a budget with irregular income	0.0%	0.8%	6.6%	54.5%	38.1%
Regular tracking of income and expenses for budget adherence	0.0%	2.5%	2.9%	57.4%	37.3%
Saving a portion of income despite fluctuations	0.0%	6.1%	4.5%	45.5%	43.9%
Perception of financial stability with irregular income	0.0%	14.8%	8.2%	40.2%	36.9%
Financial decisions based on long-term goals over immediate needs	0.0%	7.8%	16.0%	50.8%	25.4%

Note: SD = Strongly Disagree, D = Disagree, N = Neutral, A = Agree, SA = Strongly Agree.

Interpretation:

The most strongly agreed-upon items indicate that respondents feel confident in taking control of their financial decisions and prioritizing spending based on their financial goals. A majority also express a commitment to long-term financial planning, regularly reviewing and adjusting their financial goals.

However, financial stress is a concern for many respondents, with a significant portion feeling anxious about debt and worrying about their financial future. While most respondents actively seek financial knowledge and resources to improve their understanding, some still perceive financial instability, particularly those with irregular income. Budgeting behaviours, such as tracking expenses and saving despite fluctuations, are widely practiced, though financial uncertainty remains a challenge for some

Regression Analysis

1. Effect of Agency on Budgeting Behaviour

To study the effect of one independent variable (agency) on dependent variable (budgeting behaviour), regression analysis is used.

The hypothesis tests whether Agency significantly influences Budgeting Behaviour. The dependent variable Budgeting Behaviour (BB) was regressed on the predicting variable

Agency (A) to test H1. Agency significantly predicted Budgeting Behaviour, F (1, 242) = 15.632, $p < 0.001$, indicating that Agency plays a significant role in shaping Budgeting Behaviour ($b = 0.300$, $p < 0.001$). These results clearly highlight the positive effect of Agency on Budgeting Behaviour. Moreover, $R^2 = 0.061$ shows that the model explains 6.1% of the variance in Budgeting Behaviour. The table below summarizes the findings.

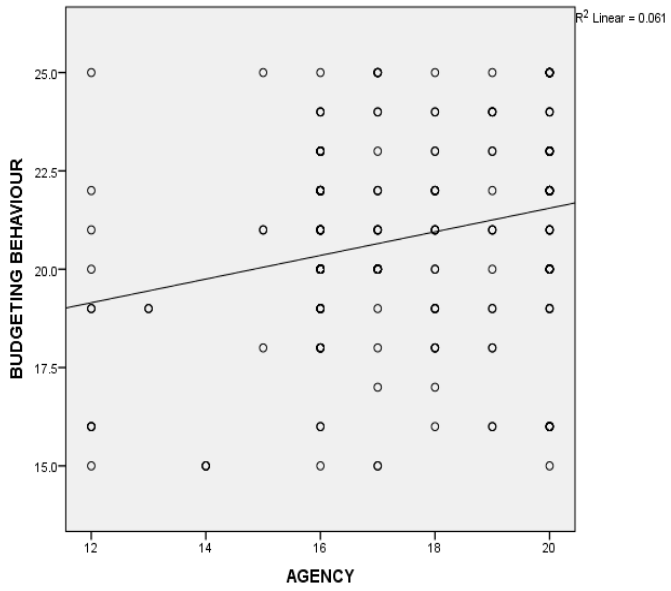
Table 3: Regression Analysis for the Impact of Agency on Budgeting Behaviour

Hypothesis	**Regression Weights**	**Beta Coefficient**	R^2	F	p-value
H1	A → BB	0.246	0.061	15.632	0.000

Source: Primary Data

Agency has a statistically significant but weak positive effect on Budgeting Behaviour. This suggests that other ADEPT factors should also be considered to better explain Budgeting Behaviour.

Figure 1: Scatter Plot of Agency vs. Budgeting Behaviour



Source: Primary Data

The scatter plot for Agency and Budgeting Behaviour shows a clear positive trend, indicating that individuals who feel more in control of their financial decisions tend to engage in better budgeting practices. The data points are moderately clustered, suggesting a moderate positive relationship. This aligns with the regression analysis, where Agency significantly impacted

Budgeting Behaviour (b = 0.300, p < 0.001, R^2 = 0.061). This suggests that self-employed individuals who actively take charge of their finances are more likely to manage their budgets effectively.

2. Effect of discomfort on Budgeting Behaviour

To study the effect of one independent variable (discomfort) on dependent variable (budgeting behaviur), regression analysis is used..

The hypothesis tests whether Discomfort significantly influences Budgeting Behaviour. The dependent variable Budgeting Behaviour (BB) was regressed on the predicting variable Discomfort (DISCOMFORT) to test H1. Discomfort significantly predicted Budgeting Behaviour, F (1, 242) = 31.060, p < 0.001, indicating that Discomfort plays a significant role in shaping Budgeting Behaviour (b = 0.296, p < 0.001). This suggests a positive relationship between Discomfort and Budgeting Behaviour. The model explains 11.4% of the variance in Budgeting Behaviour (R^2 = 0.114), suggesting a moderate influence of Discomfort on Budgeting Behaviour. The table below summarizes the findings:

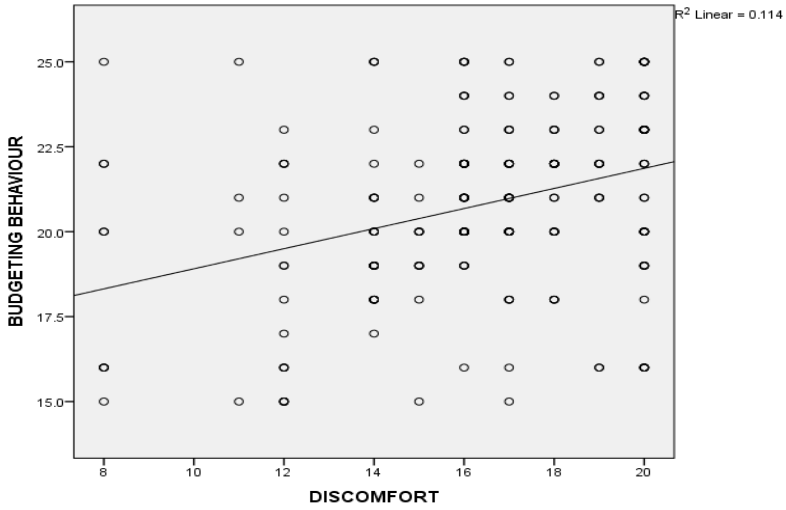
Table 4: Regression Analysis for the Impact of Discomfort on Budgeting Behaviour

Hypothesis	**Regression Weights**	**Beta Coefficient**	***R²***	***F***	***p*-value**
H1	D → BB	0.296	0.114	31.060	0.000

Source: Primary Data

Discomfort has a statistically significant positive effect on Budgeting Behaviour, suggesting that individuals who experience more discomfort are likely to exhibit stronger budgeting behaviors. However, other factors should also be explored to explain budgeting behaviour more comprehensively.

Figure 2: Scatter Plot of Discomfort vs. Budgeting Behaviour



Source: Primary Data

The scatter plot for Discomfort and Budgeting Behaviour reveals a stronger positive trend, indicating that individuals who experience higher levels of financial stress are more likely to adopt structured budgeting habits. The data points are more tightly clustered compared to Agency, reinforcing the stronger relationship. This observation matches the regression results ($b = 0.296$, $p < 0.001$, $R^2 = 0.114$), which showed that Discomfort explains a significant portion of the variance in Budgeting Behaviour. This suggests that financial anxiety acts as a motivator, pushing individuals to engage more actively in budgeting to manage their uncertainties.

3. Effect of Education on Budgeting Behaviour

To study the effect of one independent variable (agency) on dependent variable (budgeting behaviour), regression analysis is used.

The hypothesis tests whether Education significantly influences Budgeting Behaviour. The dependent variable Budgeting Behavior (BB) was regressed on the predicting variable Education (EDUCATION) to test H1. Education did not significantly predict Budgeting Behaviour, F (1, 242) = 0.373, p = 0.542, indicating that Education does not play a significant role in shaping Budgeting Behavior. The beta coefficient for Education was negative (b = -0.044), but it was not statistically significant (p = 0.542). The model explains

only 0.2% of the variance in Budgeting Behaviour (R^2 = 0.002), suggesting that Education has a very minimal effect on Budgeting Behaviour. The table below summarizes the findings:

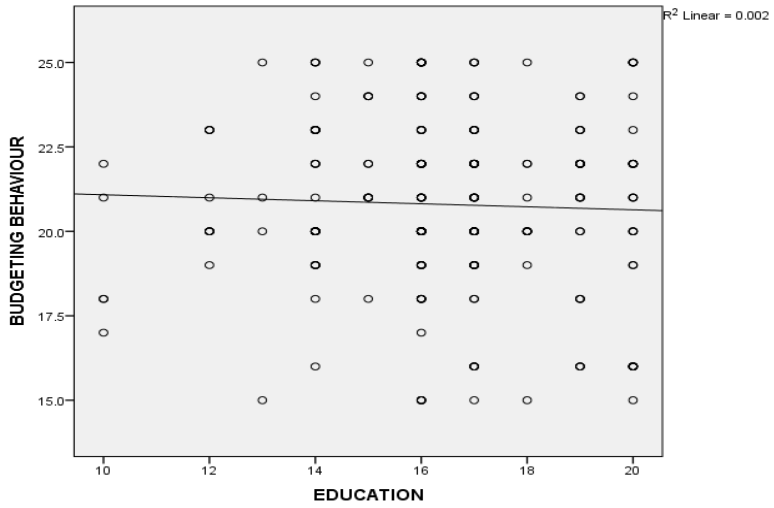
Table 5: Regression Analysis for the Impact of Education on Budgeting Behaviour

Hypothesis	**Regression Weights**	**Beta Coefficient**	***R²***	***F***	***p*-value**
H1	E → BB	-0.044	0.002	0.373	0.542

Source: Primary Data

Education does not have a statistically significant effect on Budgeting Behaviour. The results suggest that factors other than Education may have a stronger influence on budgeting behaviour.

Figure 3: Scatter Plot of Education vs. Budgeting Behaviour



Source: Primary Data

In contrast, the scatter plot for Education and Budgeting Behaviour does not exhibit a clear trend, implying that education level does not significantly influence budgeting habits. The points are widely scattered, confirming a weak relationship. This corresponds with the regression findings (b = -0.044, p = 0.542, R^2 = 0.002), where Education had no statistically significant effect. This suggests that formal education alone does not necessarily lead to better budgeting behavior, highlighting the need to explore other aspects of financial literacy

4. Effect of purpose on Budgeting Behaviour

To study the effect of one independent variable (purpose) on dependent variable (budgeting behaviour), regression analysis is used.

The hypothesis tests whether Purpose significantly influences Budgeting Behaviour. The dependent variable Budgeting Behaviour (BB) was regressed on the predicting variable Purpose (PURPOSE) to test H1. Purpose did not significantly predict Budgeting Behaviour, F (1, 242) = 1.656, p = 0.199, indicating that Purpose does not have a statistically significant impact on Budgeting Behaviour. The beta coefficient for Purpose was positive (b = 0.102), but it was not statistically significant (p = 0.199). The model explains only 0.7% of the variance in Budgeting Behaviour (R^2 = 0.007), indicating that Purpose has a very small and likely negligible effect on Budgeting Behaviour. The table below summarizes the findings:

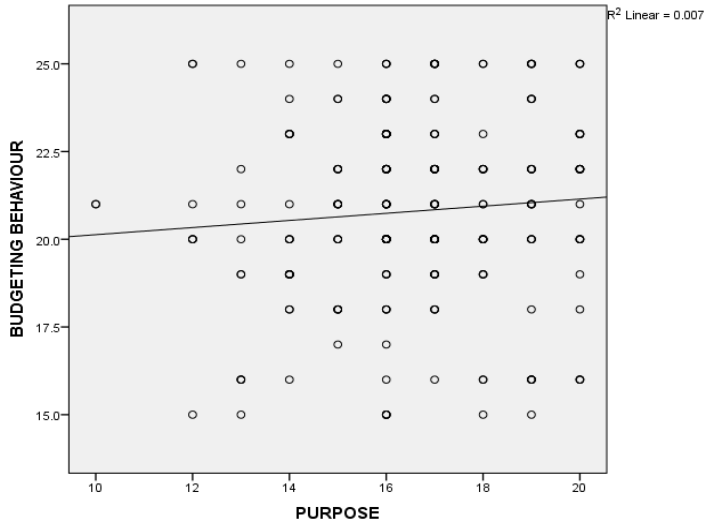
Table 6: Regression Analysis for the Impact of Purpose on Budgeting Behaviour

Hypothesis	**Regression Weights**	**Beta Coefficient**	***R²***	***F***	***p*-value**
H1	PURPOSE → BB	0.102	0.007	1.656	0.199

Source: Primary Data

Purpose does not have a statistically significant effect on Budgeting Behaviour. The results suggest that Purpose may not be a major factor influencing budgeting behaviour, and other variables should be explored for a more comprehensive understanding.

Figure 4: Scatter Plot of Purpose vs. Budgeting Behaviour



Source: Primary Data

The scatter plot for Purpose and Budgeting Behaviour shows no clear pattern, with data points widely dispersed. This suggests that having a strong sense of purpose does not necessarily translate into better budgeting practices. This observation aligns with the regression analysis (b = 0.102, p = 0.199, R^2 = 0.007), where Purpose did not have a statistically significant effect on Budgeting Behaviour.

5. Effect of Agency on Budgeting Behaviour

To study the effect of one independent variable (thinking long term) on dependent variable(budgeting behaviur), regression analysis is used.

The hypothesis tests whether thinking Long-Term significantly influences Budgeting Behaviour. The dependent variable Budgeting Behaviour (BB) was regressed on the predicting variable Thinking Long-Term (THINKING LONGTERM) to test H1. Thinking Long-Term significantly predicted Budgeting Behaviour, F (1, 242) = 4.882, p = 0.028, indicating that Thinking Long-Term plays a statistically significant role in shaping Budgeting Behaviour (b = 0.154, p = 0.028). This suggests a positive relationship between Thinking Long-Term and Budgeting Behaviour. The model explains 2.0% of the variance in Budgeting Behaviour (R^2 = 0.020), which is a small but notable influence of Thinking Long-Term on Budgeting Behaviour. The table below summarizes the findings:

Table 7: Regression Analysis for the Impact of Thinking Long-Term on Budgeting Behaviour

Hypothesis	**Regression Weights**	**Beta Coefficient**	***R²***	***F***	***p*-value**
H1	TL→ BB	0.154	0.020	4.882	0.028

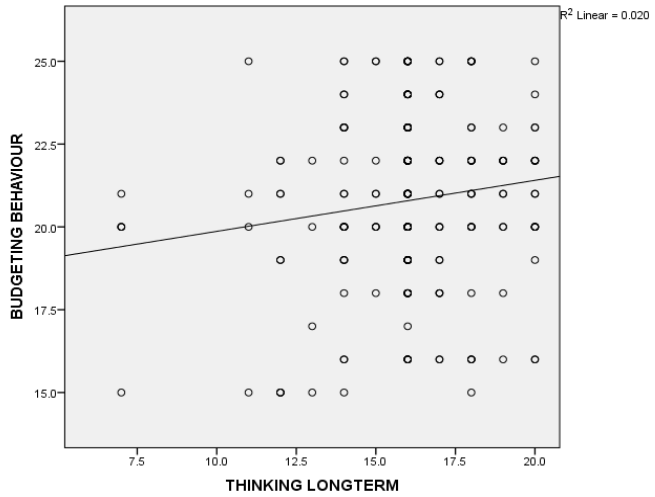
Source: Primary Data

Thinking Long-Term has a statistically significant positive effect on Budgeting Behaviour. While the effect size is small, it suggests that individuals who think more about long-term outcomes tend to engage in more consistent budgeting behaviour.

For Thinking Long-Term and Budgeting Behaviour, the scatter plot displays a slight positive trend, indicating that individuals who prioritize long-term financial goals are somewhat more likely to engage in budgeting. However, the data points remain somewhat scattered, suggesting a weak but present relationship. This is consistent with the regression results (b =

0.154, p = 0.028, R^2 = 0.020), where Thinking Long-Term had a small but significant effect. This implies that while focusing on long-term financial stability does contribute to better budgeting behavior, other factors such as financial stress and a sense of control have a stronger influence.

Figure 5: Scatter Plot of Thinking Long-Term vs. Budgeting Behaviour



Source: Primary Data

Based on the analysis of the ADEPT framework (Agency, Discomfort, Education, Purpose, Thinking Long-Term) and its impact on self-employed individuals' Budgeting Behaviour, the results indicate:

6. Effect of Agency on Budgeting Behaviour

To study the effect of The ADEPT framework (Agency, Discomfort, Education, Purpose, Thinking Long Term) dependent variable, multiple regression analysis is used..

Multiple Regression Analysis was performed with all five variables (Agency, Discomfort, Education, Purpose, Thinking Long-Term) as predictors of Budgeting Behaviour (BB). The R^2 value of 0.163 indicates that the model explains 16.3% of the variance in Budgeting Behaviour, suggesting a moderate relationship between the predictors and the dependent variable. The ANOVA result shows a significant overall model (F (5, 238) = 9.277, p < 0.001), indicating that the ADEPT framework as a whole significantly influences Budgeting Behaviour.

Specific Results for Each Predictor:

- Agency: b = 0.257, p = 0.003. Agency significantly predicts Budgeting Behavior, with a positive effect. Individuals who feel more in control of their budgeting process tend to engage in more effective budgeting practices.
- Discomfort: b = 0.256, p < 0.001. Discomfort also significantly predicts Budgeting Behavior, showing a positive relationship. Those who experience more discomfort related to budgeting are likely to develop more structured budgeting strategies.
- Education: b = -0.050, p = 0.521. Education does not significantly predict Budgeting Behavior. Its effect is minimal and statistically non-significant in this model.
- Purpose: b = -0.110, p = 0.286. Purpose does not significantly predict Budgeting Behavior either. The negative effect suggests a small, insignificant influence.
- Thinking Long-Term: b = 0.142, p = 0.088. Thinking Long-Term approaches budgeting in a positive direction, but it is not statistically significant at the conventional level (p = 0.088). It does show a trend towards a positive effect.

Table 8: ADEPT Framework Regression Results on Budgeting Behaviour

Hypothesis	Regression Weights	Beta Coefficient	*p*-value	Conclusion
ADEPT → BB	-	-	0.000	Supported (overall model is significant)
A→ BB	0.257	0.211	0.003	Significant positive effect
D → BB	0.256	0.293	<0.001	Significant positive effect
E → BB	-0.050	-0.044	0.521	Non-significant effect
P → BB	-0.110	-0.090	0.286	Non-significant effect
TL → BB	0.142	0.129	0.088	Marginal positive effect

Source: Primary Data

The results indicate that the ADEPT framework (Agency, Discomfort, Education, Purpose, and Thinking Long-Term) collectively influences Budgeting Behaviour. Specifically, Agency

and Discomfort are significant predictors of budgeting strategies and financial decision-making in self-employed individuals, showing positive relationships. Education and Purpose do not significantly affect budgeting behaviour in this context. Thinking Long-Term shows a trend toward a positive influence, though not statistically significant.

Therefore, Agency and Discomfort are the key drivers of effective budgeting behaviour among self-employed individuals, while other factors like Education and Purpose appear less impactful in the context of budgeting strategies and financial decision-making.

7. Effect of Demographic factors (such as age, gender, income level, educational level, and years of experience) on Budgeting Behaviour among self-employed individuals

An ANOVA was conducted to explore the impact of demographic factors (age group, gender, income level, educational level, and years of experience) on budgeting behaviour among self-employed individuals. The results indicated that none of the demographic factors significantly influenced budgeting behaviour. Specifically, for age group, the *p*-value was 0.195, which is greater than the 0.05 significance level, suggesting no significant differences in budgeting behaviour across different age groups. Similarly, gender had no significant effect, as evidenced by a *p*-value of 0.636, well above the 0.05 threshold. The income level also showed no significant influence on budgeting behaviour, with a *p*-value of 0.330, further indicating that variations in income did not contribute to differences in budgeting practices. The educational level was not found to significantly affect budgeting behaviour, with a *p*-value of 0.142. Finally, the years of experience had a non-significant effect, with a *p*-value of 0.568.

Table 9 : ANOVA Results for Budgeting Behaviour

Demographic Factor	Sum of Squares	*df*	Mean Square	*F*	*Sig.*
Age Group	39.124	4	9.781	1.527	0.195
Gender	1.453	1	1.453	0.224	0.636
Income Level	6.164	1	6.164	0.954	0.330
Educational Level	44.375	4	11.094	1.738	0.142
Years of Experience	13.131	3	4.377	0.675	0.568

Source: Primary Data

In summary, the findings suggest that demographic factors such as age, gender, income level, educational level, and years of experience do not have a statistically significant influence on budgeting behaviour among self-employed individuals. Therefore, the hypothesis that these demographic factors would significantly influence budgeting behaviour was not supported by the data.

Findings

- The sample predominantly comprises younger individuals, with 67.6% falling in the 22-30 age group. There is a noticeable skew towards females (67.6% of respondents), with a near even split between married and unmarried individuals.
- Educationally, the majority of respondents hold a Bachelor's Degree (51.2%), followed by a significant portion holding a Master's Degree (17.6%). Interestingly, income levels are skewed towards the lower end, with 56.1% earning less than 100,000.
- The majority of respondents feel confident in their ability to control financial decisions (58.6% strongly agree). They also prioritize their spending in line with financial goals (49.6% strongly agree), and most aim to set and work towards financial goals (41.4% strongly agree).
- Despite this confidence, financial stress remains prevalent, with a significant portion feeling anxious about debt and their future financial stability.
- In terms of budgeting behaviours, most respondents report actively engaging in regular financial tracking and saving, although financial uncertainty, particularly with irregular income, persists for some.
- Agency was found to significantly influence Budgeting Behaviour, with a positive but weak effect ($R^2 = 0.061$).
- Discomfort, or financial stress, exhibited a stronger positive influence on Budgeting Behaviour ($R^2 = 0.114$), suggesting that individuals experiencing more discomfort tend to engage more in budgeting practices.
- Education and Purpose did not have a significant impact on Budgeting Behaviour, with p-values far exceeding the 0.05 threshold.
- Thinking Long-Term showed a small but statistically significant positive effect on Budgeting Behaviour ($R^2 = 0.020$).

- The ADEPT framework (Agency, Discomfort, Education, Purpose, and Thinking Long-Term) collectively accounted for 16.3% of the variance in Budgeting Behaviour, highlighting the significant roles played by Agency and Discomfort.
- Age, Gender, Income Level, Educational Level, and Years of Experience did not significantly affect Budgeting Behaviour. This indicates that budgeting behaviours are more influenced by psychological and behavioural factors like Agency and Discomfort, rather than demographic variables.

Suggestions

- Given that Discomfort (financial stress) plays a significant role in encouraging budgeting behaviour, it may be beneficial for financial education programs to focus on stress management techniques alongside budgeting strategies. This could help individuals feel more in control of their finances and reduce anxiety-driven behaviour.
- While Education had minimal impact in this study, it's still crucial to continue promoting financial literacy. A better understanding of budgeting and financial management might lead to more informed decision-making and better financial outcomes. Financial education initiatives could integrate practical tools that help individuals manage stress, particularly in unpredictable financial situations.
- Increasing individuals' sense of Agency could help improve budgeting behaviour. Empowerment programs that encourage self-control and decision-making might lead to more effective financial management. Financial independence training, especially for self-employed individuals, could be a key area of focus.
- Although Thinking Long-Term had a small but statistically significant impact, this suggests that there's room for improvement in long-term financial planning. Encouraging individuals to think beyond immediate needs could lead to more consistent and sustainable budgeting practices.
- The findings suggest that demographic factors (age, gender, income, etc.) have little impact on budgeting behaviour, meaning that a one-size-fits-all approach may not be as effective. Tailoring financial strategies to the unique psychological needs and situations of individuals, such as those with irregular income, may be a more effective way forward.

Conclusion

This study aimed to explore the factors influencing budgeting behaviour among self-employed individuals, focusing on the ADEPT framework (Agency, Discomfort, Education, Purpose, and Thinking Long-Term). The results indicated that Agency and Discomfort significantly influence Budgeting Behaviour, with Discomfort showing a stronger effect. Education and Purpose did not have a significant impact on budgeting practices, suggesting that other factors such as psychological stress and a sense of financial control are more influential. Furthermore, demographic factors such as age, gender, and income were found to have no significant impact on Budgeting Behaviour, emphasizing the psychological and behavioural aspects as more important in determining financial management practices. The ADEPT framework collectively accounted for a moderate portion of the variance in budgeting behaviour, with Agency and Discomfort emerging as the primary drivers. Based on these findings, future efforts should focus on addressing financial stress, enhancing financial empowerment, and promoting long-term financial thinking. Tailored financial education programs that acknowledge these behavioural factors may be key in improving budgeting behaviours among self-employed individuals.

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