The Borrowing Motives : A Study Among Retail Credit Customers of Different Life Cycle Segments in India

G. Ramasundaram* & Aiswarya B.**

ABSTRACT

The needs of people vary in different stages of family life cycle. Thus segmentation based on family life cycle stage play a important role in devising marketing strategy to target the consumers with specialized products. Retail banking service marketing is not an exception because people consume different retail products in different stages to accomplish objectives of their lives. As competition among bankers is very tough to attract retail customers in the wake of financial sector reforms, segmenting, targeting and positioning have become indispensable. Life cycle is an appropriate basis for segmenting retail banking consumers, since availing of type of retail credit differs while people pass through various stages of family lifecycle. This study has collected information from 895 retail credit customers and analyzed the relationship between motives of borrowing credit and segments based on family life cycle. The findings reveal the significant associations of motives with life cycle stage.

Retail or household credit comprising mainly housing loans, advances to individuals against fixed deposits, credit card, educational loans and loans for purchase of consumer durables has become an important component of banks' loan portfolio in several countries. In India, until the initiation of financial sector reforms, there were too many restrictions on retail credit in the form of limits on total amount of housing loan, loans to individuals, interest rate, margin requirement and prescription of maximum repayment period, among others. However, banks were granted the freedom in the early1990s to decide the quantum, rate of interest, margin requirement, repayment period and other related conditions of retail loans (Vepa, 2004). These relaxations had a positive impact on the growth of personal loans in the second half of the 1990s.

The sharp rise in bank credit to the household sector was attributed to several factors. With high economic growth in post reform years, employment opportunities in urban areas expanded and income levels, especially middle class, rose sharply. Rising income levels, particularly at young age, boosted the affordability. This combined with real estate boom created opportunities for the customers to own a house by availing of the housing loans. The fast growth in the housing market was actively supported, inter alia, by the emergence of a many second tier cities as forthcoming business centers. The low inflation risk in view of desirable inflation rate during early 2000s led to a decline in both nominal and real interest rates. The growth in IT and IT-related activities influenced positively the demand for housing and other comfort and luxurious consumer products. Further, tax incentives on interest and principal payment of home loans to salary earners made housing loans more attractive (Shanti, 2007).

* *Associate professor, MBA department, St Joseph's college of engineering, Chennai*

** *Assistant professor, Department of management studies, Sathyabama University, Chennai.*

The sharp rise in retail bank credit was also facilitated by the changing consumer demographics explaining the future consumption. Moreover, India is endowed with the highest proportion of young population. Convenience in the form of ATMs, credit and debit cards, Mobile banking, Internet banking etc., brought many new customers to the banking network (Paul and Mukherjee, 2006).

Credit cards have been accepted in a large-scale as a medium of exchange across merchant establishments in the major cities of the country, particularly in the four metropolitan cities that bring monetary incentives along with convenience.

On the supply side, the demand for corporate credit slowed down, especially between 1996-97 and 2001-02, as a result of which banks started looking for alternative avenues of lending. Banks also viewed retail loans from the angle of diversification of their loan portfolio because banks' balance sheets were seriously impaired due to bad debts resulting from corporate credit before the reform process began. Furthermore, income of the banks from treasury, which helped in building their profitability between 2002-03 and 2004-05, came down substantially in recent years. In the case of retail loans, the average size is very small and loans are widely distributed over a large number of customers. Hence, the average risk associated with the retail loans is also much lower. In the case of mortgage loans, there is adequate collateral security, particularly for home and auto loans. It is also easier to determine the reasonable sale value of housing loans than of inventory and plant and equipments in corporate loans. Besides, risk adjusted return on retail loans is normally significantly higher than the corporate loans. Banks, therefore, expanded their retail loan portfolio in a big way. In addition, the comfortable liquidity position of banks, which created easy credit conditions, encouraged them to look at new clients (Gopinath, 2005).

Though both supply and demand for retail credit are in favourable positions, it is difficult for bankers to increase their retail credit portion relatively and absolutely if consumers do not find reasons to borrow. However, the motives behind borrowing credit vary from person to person or segment to segment. Based on previous studies, some common motives of borrowing are identified as follows.

There are many motives of borrowing observed in the previous studies and household debt survey conducted in various countries across the world. Some of the common motives among the studies are consumption motive, investment motive, contingent motive, income smoothening, motive of coping up with neighbor and utilization of opportunity (Vatne, 2008; Barba and Pivetti, 2009.

Review of literature

Life cycle/permanent income of hypothesis of consumption explains that income of the people is less during their early stage, increase gradually and decreases during the later stage. In order to maintain consumption level they borrow money to fill the gap in initial stage. However it is not so in the later stage due to the fact that saving made during peak income would be used and credit constrain is because of age. The consumption includes both durable and non durable goods (Camphell and Gregory, 1990; Carroll, 1997; Ludvigson, 1997; Yilmazer and DeVaney, 2005).

Investment motive of borrowing is kind of financial leverage adopted by households for the purpose of maximizing their return on household investments. When prices of properties or assets in which they plan to invest are expected to rise in the near future and credit is available at a cheap rate comparatively, assets are purchased with borrowed money in addition to own money (Dunsky and James, 1997; Hendershott, Gwilym and White, 2002; Brahmakar and Shukla, 2003; Brown and Taylor, 2008) .

The third important motive of borrowing is to meet the contingency in income or smoothening income fluctuations of household. This is usually short term in nature and happens unexpectedly. For offsetting the gap arising between expenditure and income, people borrow credit. The unexpected gap may be due to either expenditure or income of household (Jacobsen and Naug, 2004; Williams, 2009).

Fourth reason observed for borrowing debt among household is to cope with neighbors or to maintain the status in the society they live. Possession of some kind of assets shows the status of a particular household among others. Hence, imitation of reference groups in consumption and purchasing pattern results in borrowing (Christen and Morgan, 2005).

Some times, individuals in the economy like India borrow loan for repaying old debt. The rural Indian and urban poor are born and live indebted. Hence when they fail to earn income to repay the old debt, they choose borrowing new loan for repayment of old one on maturity.

The last motive of borrowing retail credit is to make use of easy availability of credit and cheap credit. The competition among commercial banks to attract retail customers in recent past has influenced attitude of individuals towards credit (Fan, 2000; Schooley and Worden, 2010).

A study conducted in Japan (Horioka and Watanabe, 1997) identified seven motives for individual's borrowing such as (1) for illness, disasters and other unforeseen expenses, (2) for one's children educational expenses, (3) for one's children marriage expenses, (4) for the acquisition of housing, (5) for the purchase of consumer durables, (6) for leisure expenses and (7) for others.

The survey on household debt and investment of NSSO reported that the reasons for household indebtedness were to meet capital expenditure in farm business, current expenditure in farm business, capital expenditure in non-farm business, current expenditure in non-farm business, house hold expenditure, expenditure in litigation, repayment of debt, financial investment expenditure and others (All India debt and investment survey, 2003).

Recent increase in household debt has been due to favorable borrowing conditions, the need for own housing, expectations for a future rise of housing prices, increased income per family and income tax concession(Sebastian and Garry, 2003).

Household survey in Montenegro classified personal loan based on purpose as (a) cash credit- no fixed purpose, (b) credit for a specific purpose- for purchasing furniture, electronic devices, PCs, audio and video equipment, medical services, education, etc, (c) credits for housing- for reconstruction, building or purchasing flats or houses, and (d) credit for vehicles (Montenegro household survey, 2004).

The dominant economic theory on why people borrow is the life cycle hypothesis of saving (Ludvigson, 1999). This theory proposes that people use borrowing to smoothen their consumption during their life cycle to maximize lifetime utility. Standard representations of life-cycle models of consumption advocate that, for smoothing their consumption, households borrow early in their lives when current level of income is below the desired level of consumption expenditure. This explanation for debt is called consumption motive. Household borrowing may also be motivated by the desire to finance the ownership of durable goods, particularly housing. Besides, precautionary saving models explain that borrowing could offer liquidity to smoothen consumption over uncertain temporary income shocks (Ludvigson, 1999). Debt may also be driven by the desire of households to undertake investment (Han and Mulligan, 2001).

However, sociologists and social psychologists have explained that debt-tolerant or debt-inducing standards might be engendered if a consumer adopts a reference group with more economic resources than he or she has (Lea, Webley and Levine, 1993; Lunt and Livingstone, 1991).

Family life cycle

The origin of family life cycle concept was found in sociology in the 1930s and has its application in marketing research since 1950. The application has been based on the fact that stages of family life cycle have an impact both on the income and the expenditure of households. The family life cycle implies that an individual passes successively through a series of family stages which are characterized by their own financial situation and certain patterns of purchasing that are more or less determined (Wells.W.D. and Gubar.G, 2008). These stages are specified based on a range of variables namely age, labor activity of household, marital status, age of the youngest child and so on. In other words, family life cycle is referred as a multidimensional variable resulting from combination of other uni-dimensional ones.

Murphy and Staples stated three phases of conceptual evolution of family life cycle (Murphy.P.E and Staples.W.A, 1979). The first period is up to 1930s which is considered to be the founding period. During this phase, conceptual bases were developed (Sorokin.P.A, Zimmerman.C.C and Galpin.C.J, 1931; Kirkpatrick.E.L, Cowless.M and Tough.R, 1934), which followed simple structures having a limited family composition and stages. The second phase from 1940 to the end of 1950s was dominated by the models of Bigelow (1942), Glick (1947) and Lansing and Morgan (1955). During this phase, new uni-dimensional variables were incorporated in the family life cycle and further stages were defined. Third phase has started since 1960. In the present phase, researchers have concentrated on two things. First, family life cycle is used as criterion for segmentation purpose and second, it is considered for predicting consumer behavior along with other socio economic variables.

Family life cycle is considered as one of the useful bases for segmenting markets. It is a constructive socio demographic variable to explain consumer behavior and market segments. Its role has been tested in the consumption of many goods and services. Besides, many great researchers confirmed the significantly differentiated consumer behavior pattern in successive family life cycle stages (Derrick.F.W and Lehfeld.A.K, 1980; Fritzsche.D.J, 1981; Wagner.J and Hanna.S, 1983; Danko.W.D and Schaninger.C.M, 1990).

Model of Lansing and Morgan is a forerunner among family life cycle models consisting of seven stages identified in line with age and marital status of household heads and age of youngest child (Lansing.J.B and Morgan.J.M, 1955). Both income and expenditure on housing and durable goods reflected common pattern illustrating the form of an inverted 'U' shape along family life cycle stages.

Another important family life cycle model was developed by Wells and Gubar (2008), which comprised nine consecutive stages. It compared the household's age with average expenditure on wide range of goods and services. In half of the cases, the predictive capacity of model seemed to be similar.

Murphy and Staples model (1979) is yet another important life cycle model which improvised Wells and Gubar family life cycle model (2008) allowing space for non traditional families. It considered 13 stages of family.

Using the above mentioned models and self developed models, many studies have been conducted to predict the influence of family life cycle on expenditure and consumption pattern of goods and services such as expenditure on food (Derrick.F.W and Lehfeld.A.K, 1980), energy consumption (Fritzsche.D.J, 1981), total family clothing expenditures (Wagner.J and Hanna.S, 1983), food and beverages (Danko.W.D and Schaninger.C.M, 1990), sex role norms, attitudes, traditional values and leisure activities (Danko.W.D and Schaninger.C.M, 1990), ownership and acquisition order of durable products (Soutar.G.N, Bell.R.C and Wallis.Y.M, 1990), choice between city and suburban location (Varady.D.P, 1990), tourist expenditure and type of vacation (Lawson.R.W, 1991; Garner.T.I and Wagner.J, 1981), household expenditure for services (Soberon-Ferrer.H and Dardis. R, 1991), demand for housing attributes (Arima.B.C, 1992), asset holdings (Ramaswami.S.N and Srivastava.R.K and Mclnish.T.H, 1993) and appliances, furniture, entertainment, travel, insurance, automobiles, apparels etc., (Wilks.R.E, 1996).

The life cycle hypothesis {Ando.A and Modigliani.F, 1963) suggests that household consumption and savings reveal the life cycle stage of the family, and that consumption is a function of available income and the discounted value of future income. The general assumption is that income would increase during working years and decline following retirement, households would tend to borrow during the early stages, save during the middle stages and spend down during the later stages (retirement). Though there are many factors determining consumption and saving of individual households, the impact of household head's age is more significant. Similarly it influences significantly the amount of household debt. During their life time, individuals probably incur two kinds of debt: mortgage debt which is usually long term debt and consumer debt (short-term and intermediate-term loans) (Garman.E.T and Forgue.R.E, 2003). Consumer debt is further categorized as installment credit and revolving. Therefore, the different types of debt of households are correlated with changing requirements of the household over the life cycle.

Researchers have considered debt from various perspectives. Some of them are reviewed here. Cox and Jappelli examined credit constraint of household and pointed out that the wish for availing of debt goes up till the mid-thirties of age of household head and then comes down (Cox.D and Jappelli.J, 1993). The disparity between actual and desired level of debt appears among young households. The demand for debt was studied by Crook (2001) and Livingstone and Lunt (1992). Studies on credit card ownership and usage were conducted by Bird et al. (1999), Bertaut and Haliassos (2004), Castronova and Hagstrom (2004) and Kim and DeVaney (2001). Lee and DeVaney (2000) observed the link between life cycle stage and household debt.

Livingstone and Lunt (1992) concluded that, except for age, the role played by socioeconomic factors was insignificant in personal debt and debt repayment. They concluded further that households with younger head are more susceptible to debt than other households. This result was confirmed by all other researchers including Bertaut and Haliassos (2004), Castronova and Hagstrom (2004) and Kim and DeVaney (2001).

Though there are many literatures available regarding why people borrow or causes of borrowing household debt. No study has been conducted to ascertain the association of motives of borrowing with family life cycle stage. Nonetheless, some of studies revealed the role of life cycle in determining the household debt. Thus, the study on the relationship between family life cycle stage and borrowing motive is considered to be important for both academic and industry for the future course of action.

Methodology

Since the number of people who borrowed credit is very large, sampling technique is applied to select the respondents for study. Using mal intercept method, totally 1500 questionnaires have been distributed to respondents but only 1264 have been received after continuous follow-up. Among collected filled questionnaires, only 895 are in usable condition. The confidence level and sampling error considered in this study are 95 per cent and 3 per cent respectively. After adding 5 per cent contingency for non response the required sample size is 883 which is less than actual sample size of 895.

Respondents profile:

Gender:

Male: 617 (68.9%)

Female: 278 (31.1%)

Family income per month:

Rs 20000 and below: 165

Rs 20001-30000: 213

Rs 30001-40000: 161

Rs 40001- 50000: 217

Age Group:

30 years and below: 297

31-40 years: 231

41-50 years: 198

Above 50 years: 169

Education:

School: 53

Graduate: 313

Post graduate: 288

Professional degree: 199

Others: 37

Male respondents constitute nearly three fourth of the sample size and remaining one fourth comprised female respondents. It is obvious that majority of the borrowers are male members of the house hold, only in the recent period female members, who have independent source of income started going for availing of loan from the banks. Regarding the marital status of the respondents, most of respondents are married comparing to un-married.

With reference to age group of respondents, respondents with age of thirty and below constitute one third of sample size and one fourth belongs to 31-40 age group. Remaining forty percent belongs to age group more than 40.

As far as family income of respondents is concerned out of 895 respondents, 213 and 217 respondents fall to the category of Rs20001-30000 and more than Rs50000 monthly income respectively. Other income categories consist of more or less same number of respondents.

Most of the respondents are graduates and post graduates which is followed by the considerable percentage of professional degree holders. Only a few respondents are with school and other qualifications. Respondents belonging to other segment include diploma holders, ITI and like.

Segmentation based on family life stage of respondents

The demand for retail loan is determined by the family life cycle stage of respondents. The type of loan and amount of loan availed of by the people also differs from stage to stage. For finding out the differences in behavior of consumers belonging to different life cycle stage, the life of respondents is divided in to five stages. The first stage of family life cycle includes respondents, who are single but they either live with parents or stay alone. The second stage consists of married people with or without children. If they have children, children are in young age. The third stage of family life cycle comprises the respondents, who are parents of adult children. The respondents, whose children are in earning stage and any or some of the children are just married but still staying with them are categorized as the fourth stage. The respondents of fifth stage of family life cycle are old people living separately after settling their children.

Table: 1. Family life cycle stage of respondents

Life cycle stage of the respondent	Frequency	Percent
stage 1	205	22.9
stage 2	227	25.4
stage 3	192	21.5
stage 4	182	20.3
stage 5	89	9.9
Total	895	100.0

The table 1 shows that one fourth of the respondents fall in the category of second stage which means that married couple in their early stage for one or other reason avail of retail loan. The least percentage of respondents is in the fifth stage. It is a rare situation, in which people of this stage go for retail loan. The second highest number of respondent belongs to first stage of family life cycle. Due to the growth of IT and ITES industry, people of the less age resort to avail of loan especially home loan for reducing tax and investment purpose. The stage three and forth stage have one fifth of total respondents each.

Table: 2. Family life cycle and purpose of borrowing credit

Purpose of	Family life stage of Respondents					Chisquare	Sig
loan	Sage 1	Stage 2	Stage 3	Stage 4	Stage 5	value	value
Consumption	61 (9.8)	60 (26.4)	62 (32.3)	67 (36.8)	40(44.9)	12.359	.015*
Comfort	117 (57.1)	138 (60.8)	98 (51)	83 (45.6)	32 (36)	21.359	.000*
Creating asset	95 (46.3)	133 (58.6)	112 (58.3)	91 (50)	42 (47.2)	10.540	.032*
Investment	58 (28.3)	94 (41.4)	68 (35.4)	57 (31.3)	24 (27)	11.252	.024*
Status	44 (21.5)	68 (30)	27 (14.1)	31 (17)	13 (14.6)	20.730	.000*
Opportunity	35 (17.1)	58 (25.6)	25 (13)	20 (11)	10 (11.2)	20.996	.000*
Repayment of old debt	16 (7.8)	17 (7.5)	13 (6.8)	18 (9.9)	4 (4.5)	2.787	.594
Smoothening of income	60 (29.3)	44 (19.4)	45 (23.4)	30 (16.5)	19 (21.3)	10.647	.031*
Total	205 (100)	227 (100)	192 (100)	182 (100)	89 (100)		

* Significant at 0.05

Barring contingency and repayment of old loan, all other motives are significantly associated with stages of respondent's family life cycle. Forty five percent of respondents belonging to stage five of family life cycle segment have gone for credit for meeting consumption. On the contrary, only ten percent of stage one segment witness consumption as reason for loan. However, majority of the respondents in stage one, two and three have used the retail credit for the purpose of making their life comfortable. Creating asset has been a predominant motive for respondents in stage two and stage three of life cycle. Both saving and investment influence more respondents in stage two than respondents in other stages. In the case of smoothening income stage one and three dominate rather than others.

Results and Discussion

It is very clear that there is significant association between consumption motive of borrowing and family life cycle stage. Relatively more percentage of stage 3, stage 4 and stage 4 segments have borrowed for the purpose of consumption. This indicates that they borrow retail credit to meet the desired level of consumption which is mostly non durable in nature. Respondents belonging to these stages live with full family and hence their requirement is by and large more than their income capacity in some occasions. This credit is generally short term credit.

Comfort motive of borrowing shows strong association with second stage of family life cycle. People in this stage are newly married or are with young children, so they need new range of amenities like air conditioner, car, washing machine etc to make their life comfort. They may not have enough cash balance to buy all at a time. However, they may possess very high earning prospects. There fore they resort to retail credit rather than to wait.

Creating or building assets is predominant motive of stage two and stage three segments of family life cycle. The difference between creating asset and investment motive is only in terms of return or capital gain. The former aims at accumulation of asset without giving much importance to appreciation of value while latter anticipate return on the assets. Though both are seemed to be similar, the investment motive of borrowing is more associated with second stage of family life cycle.

The other two motives which have significant relationship with stage two of family life cycle are status and opportunity. As people in this stage are at the starting of their own family or in the process of separation from their parent, they used to compare themselves with others in terms of possession of goods. Moreover, they are in young age relatively with higher income because of working in sunrise industries like IT and ITES and have positive attitude towards borrowing. Hence they utilize the opportunity of easy and cheap credit available to them.

Credit for smoothening income reveals significant association with third stage of family life cycle segment. It is obvious that people with adult children may have some unexpected expenses or face increase in expenses like education expenditure that is more than their regular or planned income. In order to manage contingency gap, they end up with borrowing short term retail credit.

With the above discussion, it can be concluded that the motives of borrowing differ from one family life cycle stage to another. The features of credit requirement are also different for different life cycle segments. Therefore commercial banks have to design retail credit products specifically to meet the purpose of each segment respectively instead of having one product suit all. Further, the strategy to market these products are also to be framed appropriately.

BIBLIOGRAPHY

- *Aldo Barba and Massimo Pivetti, "Rising household debt: Its causes and macroeconomic implicationsa long-period analysis", Cambridge Journal of Economics 2009, 33, 113137*
- *All India Debt and Investment Survey, NSS 59th Round (January-December 2003), National Sample Survey Organisation, Ministry of Statistics and Programme Implementation, Government of India, April 2006.*
- *Ando, A., and Modigliani, F. The life cycle hypothesis of saving: Aggregate implications and tests. American Economic Review, Vol.53 No.1, 1963, pp. 55-84.*
- *Annamaria Lusardi and Peter Tufano, "Debt literacy, Financial experiences and over indebtedness", NBER working paper series, 14808, March 2009.*
- *Arimah, B.C. An empirical analysis of the demand for housing attributes in a third world city, Land Economics, Vol.68, November, 1992, pp.366-79.*
- *Bertaut, C. C. and Haliassos, M. Credit cards; facts and theories, Conference on the Micro foundations of Credit Contracts. Florence. Italy, May 21-22, 2004.*
- *Bigelow, H.F. Money and marriage, in Becker, H. and Hill, R. (Eds), Marriage and the Family, Health and Company, Boston, MA, 1942.*
- *Bird. E, J.. Hagstrom. P, A.and Wild, R. Credit card debts: high and rising, Journal of Policy Analysis and Management, Vol.18, 1999, pp.125-133.*
- *Campbell, John Y. and N. Gregory Mankiw, "Permanent Income, Current Income, and Consumption," Journal of Business and Economic Statistics, 1990, pp. 265-279.*
- *Carroll, Christopher, "Buffer Stock Saving and the Life Cycle/Permanent Income Hypothesis," Quarterly Journal of Economics, 1997, Vol. CXII, pp. 1-56.*
- *Castronova, E., and Hagsirom. P. The demand for credit cards: evidence from the Survey of Consumer Finances, Economic Inquiry, Vol. 42, 2004, pp. 304-318.*
- *Cox, D. and Jappelli. J. The effect of borrowing constraints on consumer liabilities, Journal of Money, Credit, and Banking, Vol. 25, 1993, pp.197-213.*
- *Crook. J. The demand for household debt in the USA: evidence from the 1995 Survey of Consumer Finance, Applied Financial Economics, Vol. 11 No. 1, 2001, pp. 83 - 91.*
- *Dag Henning Jacobsen and Bjørn E. Naug,What influences the growth of household debt? economic bulletin Q 3, 2004, pp.103-111.*
- *Danko, W.D. and Schaninger, C.M. An empirical evaluation of the Gilly-Enis updated household life cycle model, Journal of Business Research, Vol.21, 1990, pp. 39-57.*
- *Danko, W.D. and Schaninger, C.M. Attitudinal and leisure activity differences across modernized household life cycle categories, in Goldberg, M. et al. (Eds), Advances in Consumer Research, Vol.17, Association for Consumer Research, Provo, UT, 1990, pp. 886-94.*
- *Derrick, F.W. and Lehfeld, A.K. The family life cycle: an alternative approach, Journal of Consumer Research, Vol.7, September, 1980, pp. 214-17.*
- *Diane K. Schooley and Debra Drecnik Worden, "Fueling the credit crisis: who uses consumer credit and what drives debt burden?", Business economics, Vol. 45, No. 4, 2010, pp. 266276.*
- *Dunsky, Robert M., and James R. Follain, "The demand for mortgage debt and the income tax," Journal of Housing Research, Vol. 8, 1997, pp. 155-200.*
- *Fritzsche, D.J. An analysis of energy consumption patterns by stage of family life cycle, Journal of Marketing Research, Vol.18, May, 1981, pp. 227-32.*
- *Garman, E. T. and Forgue, R. E. Personal finance (7th ed.), Boston. MA: Houghton Mifflin Company, 2003.*
- *Garner, T.I. and Wagner, J. Economic dimensions of household gift giving, Journal of Customer Research, Vol.18, December, 1981, pp.368-79.*
- *Glick, P.C. The family cycle, American Sociological Review, Vol.12, 1947, pp.164-174.*
- *Gopinath, Shyamala, "Retail banking- opportunities and challenges, Reserve Bank of India Bulletin", Vol.59 No. 6, 2005, pp.591.*
- *Han, S. and Mulligan, C. B. "Human capital, heterogeneity and estimated degrees of intergenerational mobility", Economic Journal, Vol. 111(470), 2001, pp. 207-43.*
- *Hendershott, Patric H., Gwilym Pryce, and Michael White, "Household leverage and the deductibility of home mortgage interest: evidence from the UK house purchasers," NBER Working Paper n. 9207. 2002.*
- *Horioka,C.Y.and Watanabe, W. "Why do people save? A micro-analysis of motives for household saving in Japan", The Economic Journal, Vol. 107 No.442, 1997, pp. 537-552.*
- *Jessie X. Fan, "Linking Consumer Debt and Consumer Expenditures: Do Borrowers Spend Money Differently?" Family and Consumer Sciences Research Journal, Vol. 28, No. 3, 2000, pp. 358-401.*
- *Kim, H. and DeVaney, S. A. The determinants of outstanding balances among credit card revolvers, Financial Counseling- and Planning, Vol.12, 2001, pp.67-77.*
- *Kirkpatrick, E.L. Cowless, M. and Tough, R. The life cycle of the farm family in relation to its standard of living, Research Bulletin 121, University of Wisconsin Agricultural Experiment Station, Madison, WI, 1934.*

- *Lansing, J.B. and Morgan, J.M. Consumer finances over the life cycle, in Clark, L.H.(Ed), Consumer Behavior, Vol.2, New York University Press, New York, NY, 1955, pp.36-50.*
- *Lawson, R.W. Patterns of tourist expenditure and types of vacation across the family life cycle, Journal of Travel Research, Vol.29, Spring, 1991, pp.12-18.*
- *Lea, S.E.G., Webley, P., and Levine, R. M. (1993), "The economic psychology of consumer debt", Journal of Economic Psychology, Vol.14, 1993, pp. 85-119.*
- *Lea, S.E.G., Webley, P., and Levine, R. M. "The economic psychology of consumer debt, Journal of Economic Psychology", Vol.14, 1993, pp. 85-119.*
- *Lee, S. and DeVaney, S. A. The effects of consumer's ability, confidence and willingness to pay on the consumer installment borrowing decision, Proceedings of the Association of Financial Counseling and Planning Education, 2000, pp.99-107.*
- *Livingstone, S. and Lunt, P. Predicting personal debt and debt repayment: Psychological, social and economic determinants, Journal of Economic Psychology, Vol.13, 1992, pp. 111 134.*
- *Ludvigson, S. "Consumption and credit: a model of time-varying liquidity constraints", Review of Economics and Statistics, Vol. 81 No.3, 1999, pp. 434-47*
- *Ludvigson, Sydney, "Consumption and Credit: A Model of Time-Varying Liquidity Constraints", New York Federal Reserve, working paper, 1997.*
- *Lunt, P.and Livingstone, S. "Everyday explanations for personal debt: network approach", Journal of Social Psychology, Vol.30, 1991, pp.309-323.*
- *Malhotra, N.K. Marketing Research, an applied orientation, fifth edition, Pearson, India, 2008.*
- *Markus Christen and Ruskin M.Morgan (2005), "Keeping up with the Joneses: Analyzing the effect of income inequality on consumer borrowing", Quantitative Marketing and Economics, Vol.3, 2005, pp.145-173.*
- *Montenegro household survey, Institute for Strategic Studies and Prognoses (ISSP), Podgorica, Montenegro, March,2004, pp.30.*
- *Murphy, P.E. and Staples, W.A. A Modernised Family Life Cycle, The Journal of Consumer Research, Vol.6, No.1, 1979, pp.12-22.*
- *Murray, Alan P., "Debt and the Consumer," Business Economics, April 1997, pp. 41-45.*
- *Paul, Justin and Mukherjee, Anirban, "Retail banking, ATMs and supply chain management in banking: A study of two banks", Prajnan, Vol. 35 No. 1, 2006, pp. 47-60.*
- *Ramaswami, S.N. Srivastava,R.K. and Mclnish,T.H. An exploratory study of portfolio objectives and asset holdings, Journal of Consumer Research, Vol.19, March, 1993, pp.580-94.*
- *Ross Williams, "Household Debt: Is it a liability?" The Australian Economic Review, Vol.42, No.3, 2009, pp.321-26.*
- *S.D.Brahmankar and R.K.Shukla, "Consumer finance for white goods: Cause for cautious optimism", Margin, Vol 35,No 2, 2003, pp.19-36.*
- *Sebastian Barnes and Garry Young, "The rise in US household debt: assessing its causes and sustainability", Working Paper no. 206, Bank of England, 2003.*
- *Sebastian Barnes and Garry Young, "The rise in US household debt: assessing its causes and sustainability", Working Paper no. 206 bank of England, 2003.*
- *Shanti, G."Retail banking: The current trend in Indian banking sector", Organisation Management, Vol. 23 No. 3, July-September, 2007, pp.17-20.*
- *Soberon-Ferrer,H. and Dardis, R. Determinants of household expenditures for services, Journal of Consumer Research, Vol.17, March, 1991, pp.385-97.*
- *Sorokin, P.A. Zimmerman, C.C. and Galpin, C.J. A Systematic Sourcebook in Rural Sociology, Vol.2, University of Minnesota Press, Minneapolis, MN. 1931.*
- *Soutar, G.N., Bell, R.C and Wallis, Y.M, Consumer acquisition patterns for durable goods: a Rasch analysis, European Journal of Marketing, Vol.24 No.8, 1990, pp. 31-39.*
- *Strebkov, "Household Borrowing Behavior in Russia, Problems of Economic Transition", Vol. 48, No. 5, September 2005, pp. 2248.*
- *Varady, D.P., Influences on the city-suburban choice: a study of Cincinnati home buyers, Journal of American Planning Association, Vol.56 No.1, 1990, pp.22-40.*
- *Vatne. B.H, "who is borrowing for what and can they afford it? A study of comprehensive micro data for Norwegian households through 2006", Norges bank economic bulletin 2/2008 Vol. 79, pp. 4-12.*
- *Vepa, K. "Retail banking: challenges ahead in distribution channels in urban and rural India", Reserve Bank of India Bulletin, Vol.58 No. 1, 2004, pp. 103-105.*
- *Wagner,J. and Hanna, S. The effectiveness of family life cycle variables in consumer expenditure research, Journal of Consumer Research, Vol.10, December, 1983, pp. 281-91.*
- *Wells, W.D. and Gubar, G. Life Cycle Concept in Marketing Research, Journal of Marketing Research, Vol.3, No.4, 1966, pp.355-363.*
- *Wilkes, R.E. Household life cycle stages, transitions and product expenditures, Journal of Consumer Research, Vol.22, June, 1996, pp.27-42.*