

Effectiveness of Personal Finance among Selected Skilled – Working Expatriates in the Kingdom of Bahrain

Dr. Steve Salamat Guansi¹ and Emad Sadeq Ebrahim²

¹Faculty, Department of International Business, CAFS, AMA International University, Salmabad, Kingdom of BAHRAIN

²Faculty, Department of International Business, CAFS, AMA International University, Salmabad, Kingdom of BAHRAIN

¹Corresponding Author: sguansi@yahoo.com

ABSTRACT

In the study entitled “Effectiveness of Personal Finance among Selected Skilled – Working Expatriates in the Kingdom of Bahrain”, the research sought answers on the following specific problems and drawn inferences that relatively identified factors on personal finance. Specifically, the research included fifty respondents having twenty – five (25) males and twenty - five (25) skilled – working expatriates who are connected with various companies in the Kingdom. Through survey – questionnaires, data were gathered, collected, and were used as basis of analysis subject to statistical treatments that include frequency count, weighted means and comparison through t – test.

The study has inferred the level of effectiveness of personal finance among selected skilled – working expatriates as Effective with a combined average weighted mean of 4.20 and with a test result of Not Significant leading to the decision to fail to reject the null hypothesis. while the degree of seriousness of the problems encountered by selected skilled – working expatriates revealed that their top difficulty is financial wellness factored by salary reasons, compensation, debt and liabilities and the inflations in the prices across almost basic demands and social and living costs.

Keywords-- Money, Finance, Savings, Investments, Financial Planning, Personal Finance

I. INTRODUCTION

Background of the Study

Looking back at the ancient times and even without connecting back with the previous years, in today’s generation, we cannot deny the fact that satisfaction of every individual is factored mostly by money economy. This means that money and finances are contributory determinants in realizing every individual’s need and wants. While it is true that there are other means

to make one fulfilled of his or her needs, money is never an excuse since almost all things in this universe is factored by the great importance of money [1].

Money is anything with amount and that has value or price and is use as a medium of exchange. Finance as one of the schools of business, defines money as anything with value and has general acceptability as its prime characteristics [2]. Other characters and functions can be described as store of values, unit of account, medium of exchange; standard of deferred payment; it has character like convertibility, divisibility, uniformity, portability and limited supply.

Dealing with money and money management, finance is the main concern that gives emphasis on the proper allocation, money positions and efficient utilization of funds whether by an individual, business group or company - related institutions [3].

Personal finance for example has become one of the main interests among all individuals and groups or families. This particular subject of finance is known to be very contributory to individuals in many ways such as the area or aspects of budgeting, insurance, debt management, debt servicing like loans and mortgages, taxes, savings and investments as well as future expenditures and retirements [4].

In this study, the prime objective is to find answers to questions relating to personal finance, financial planning and money management of individuals who are skilled – working expatriates in the Kingdom of Bahrain.

Statements of the Problem

1. What are the demographic profiles of the selected skilled – working expatriates in the Kingdom of Bahrain?
2. What are the main motivations of personal finance among skilled – working expatriates in the Kingdom of Bahrain?

3. What is the level of personal finance among skilled – working expatriates in the Kingdom of Bahrain in terms of: a) Budgeting; b) Savings and Insurance; c) Debt Management; and d) Investments?
4. Is there significant difference between the perceptions of male and female skilled – working expatriates in the Kingdom of Bahrain on issue of personal finance?
5. What are the problems encountered by skilled – working expatriates in the Kingdom of Bahrain on issue of personal finance?

Null Hypothesis

1. There is no significant difference between the perceptions of male and female skilled – working expatriates in the Kingdom of Bahrain on issue of personal finance.

Significance of the Study

The research finds it significant to the following key publics:

Expatriates. The expatriates across different professions and careers can benefit from the study. The results of the study can help them realize the value of working overseas as well as the main purpose of personal finance dealing with budgeting, investment, savings and other aspects of financial planning.

Employees. The employees can benefit from the study particularly on the aspect of financial plan. While it is true that employees receive their salaries and other compensation, by this study can help them tract out their spending patterns, budgeting patterns and their savings as well.

Individuals. The individuals regardless of professions and walks of life can also benefit from the research so much about financial planning or personal finance.

Customers. The customers can also benefit from the study so much about budgeting and spending patterns.

Students. The students and future researchers can also benefit from the study. They can use the study as their reference in any subjects relating to personal finance.

Objectives of the Study

It is the prime objectives of the study to find answers and responses to the following problems as indicated. The purpose of the research is centered at having a clear understanding, and having a clear interpretation on results underscoring the following such as: main motivations of personal finance among selected skilled – working expatriates in the kingdom of Bahrain; level of effectiveness of personal finance in terms of budgeting, saving, investment, debt management and insurance; and also dealing with the problems encountered by these expatriates on issue of personal finance.

Scope and Limitation of the Study

The research covers three main points of study and delimits to the following: motivations of personal finance among selected skilled – working expatriates in the

Kingdom of Bahrain; effectiveness of personal finance in terms of budgeting, savings and insurance, debt management and investment; and the problems encountered by expatriates on issue of personal finance.

Definition of Terms

The following terms are beneficial to further understand and verify statements and terms relating to the study of personal finance.

Personal Finance. It is the financial management which an individual or a family unit performs to budget, save, and spend monetary resources over time, taking into account various financial risks and future life events [5].

Money. It is often defined in terms of the three functions or services that it provides. Money serves as a medium of exchange, as a store of value, and as a unit of account [6].

Budgeting. It is the process of expressing quantified resource requirements (amount of capital, amount of material, number of people) into time-phased goals and milestones.

Budgeting for a business. It is the process of preparing detailed financial statements that cover a given time period in the future. A company sets business targets for results it expects to achieve over the course of the next financial year. It then documents them in a format that allows the company to compare how it expected to perform financially against its actual financial results throughout the year [7].

Savings. The portion of disposable income not spent on consumption of consumer goods but accumulated or invested directly in capital equipment or in paying off a home mortgage, or indirectly through purchase of securities.

Investment. An investment is an asset or item acquired with the goal of generating income or appreciation. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit [8].

Debt Management. It is a unique strategy developed to help a debtor manage their debt. This strategy is usually developed and implemented by an outside company or organization on behalf of the debtor, usually because the debtor is unable to sufficiently manage their debt on their own, due to lack of knowledge or because they are overwhelmed by the amount of debt [9].

Theoretical and Conceptual Framework

Theoretical Framework

The theory on Managing Personal Finance finds it significant with the following flow process including budgeting, plan, track, reporting and analyzing. This procedure can help individuals find and understand clearly the basics of personal of finance.



Figure 1.1
Theoretical Framework of the study

Based on the theory presented above, Figure 1 displays the theoretical framework of the study. It details out the effectiveness of managing personal finance underscoring financial planning, budgeting, spending patterns, and analyzing finances.

Conceptual Framework

The conceptual framework of the study is reflected in its paradigm in Figure 2. The paradigm shows the interplay of the independent variables and the dependent variables.

The independent variables are: 1) motivations on personal finance among skilled – working expatriates in the Kingdom of Bahrain; 2) effectiveness of personal

finance among selected skilled – working expatriates in terms of budgeting, savings and insurance, debt management and investment; and 3) problems encountered by expatriates on issue of personal finance.

The dependent variables are: 1) status of motivations on personal finance as perceived by male and female skilled – working expatriates; 2) level of effectiveness of personal finance as perceived by male and female skilled – working expatriates; and 3) degree of seriousness of the problems encountered on personal finance as perceived by male and female expatriates in the Kingdom of Bahrain.

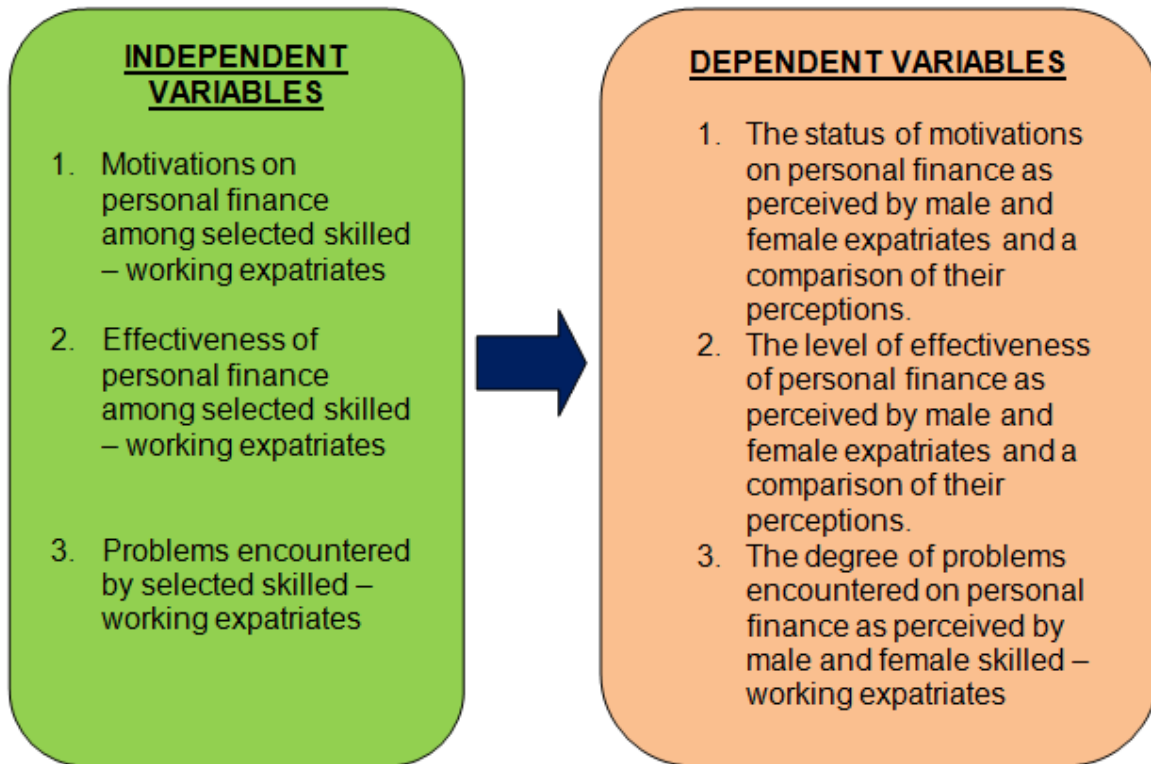


Figure 1.2
Conceptual Framework of the study

II. REVIEW OF RELATED LITERATURE

On Personal Finance

Personal finance is the financial management which an individual or a family unit performs to budget, save, and spend monetary resources over time, taking into account various financial risks and future life events. When planning personal finances, the individual would consider the suitability to his or her needs of a range of banking products (checking, savings accounts, credit cards and consumer loans) or investment private equity, (stock market, bonds, mutual funds) and insurance (life insurance, health insurance, disability insurance) products or participation and monitoring of and- or employer-sponsored retirement plans, social security benefits, and income tax management [10].

Financial planning is a systematic approach whereby the financial planner maximizes customer's existing financial resources by using the appropriate financial planning tools and investment vehicles to best achieve his financial goals and objectives. In other words, financial planning is the process of meeting once life [11].

On Personal Financial Planning Process

The key component of personal finance is financial planning, which is a dynamic process that requires regular monitoring and re-evaluation. In general, it involves five steps:

1. Assessment: A person's financial situation is assessed by compiling simplified versions of financial statements including balance sheets and income statements. A personal balance sheet lists the values of personal assets (e.g., car, house, clothes, stocks, bank account), along with personal liabilities (e.g., credit card debt, bank loan, mortgage). A personal income statement lists personal income and expenses.

2. Goal setting: Having multiple goals is common, including a mix of short- and long-term goals. For example, a long-term goal would be to "retire at age 65 with a personal net worth of \$1,000,000," while a short-term goal would be to "save up for a new computer in the next month." Setting financial goals helps to direct financial planning. Goal setting is done with an objective to meet specific financial requirements.

3. Plan creation: The financial plan details how to accomplish the goals. It could include, for example, reducing unnecessary expenses, increasing the employment income, or investing in the stock market.

4. Execution: Execution of a financial plan often requires discipline and perseverance. Many people obtain assistance from professionals such as accountants, financial planners, investment advisers, and lawyers.

5. Monitoring and reassessment: As time passes, the financial plan is monitored for possible adjustments or reassessments.

Typical goals that most adults and young adults have are paying off credit card/student loan/housing/car loan debt, investing for retirement, investing for college costs for children, paying medical expenses [12].

Personal financial planning is the process by which an individual considers their current personal and financial information, determines future financial goals and develops a financial plan to meet these goals [13]. Once the financial plan is implemented, it is reviewed on a regular basis to assess progress towards these goals and make adjustments to them as personal and financial information changes. The following example illustrates this process. An individual currently aged twenty five earning a monthly income (personal and financial information), wishes to retire at age sixty five having saved an amount of money to live off during retirement and be financially independent (future financial goal). How much money should be saved each month from age twenty five and sixty five to achieve the future financial goal is determined. The individual begins to save the required amount every month until age sixty five (financial plan). At age thirty the individual decides to retire at age sixty with the same future financial goal. This increases the amount of money which must be saved every month and the individual proceeds to save the new amount of money (review and adjustment of the financial plan). Future financial goals for an individual may include planning for life events such as death and minimizing the financial consequences for remaining family members, been disabled and not able to work and earn an income, financial independence at retirement, choosing appropriate investments to build wealth, for making provision for unforeseen health care expenditure and providing for the education of children. These goals are common to a broad spectrum of individuals in a modern economy and the successful achievement of them requires personal financial planning [14].

On Financial Wellness

Generally, wellbeing is defined as a state of being healthy, happy, and free from worry. As the importance of financial health of individuals and families continues to grow, people often use the term "financial wellness" to mean the level of a person's financial health. Derived from the definition of general wellness, financial wellness could mean a state of being financially healthy, happy, and free from worry and this could be the concept that should be addressed. Personal financial wellness is a comprehensive, multidimensional concept incorporating financial satisfaction, objective status of financial situation, financial attitudes, and behavior that cannot be assessed through a single measure. An individual's personal financial wellness can be said to be "high" (or a person is "well") when individuals are satisfied with their financial situations, their objective status is desirable; they have positive financial attitudes, and exhibit healthy financial behavior. Previous studies have confirmed that economic

status strongly predicts happiness and overall well-being in most cultures. People are happier when they are financially secure [15].

There are five keys that can help us get control of our finances. First, Start with Goals. The first thing we should do is to write specific goals about what we want to do in life and our money. Finances can affect many different areas of our lives. There are ways to identify our financial goals and these are setting long – term goals like getting out of debt, buying a home or retiring early; setting short – term goals, like following a budget, decreasing our spending or not using credit cards; and prioritizing our goals to help create a financial plan. Second, Create a Plan. A financial plan is absolutely essential in helping us reach our financial goals. The plan should have multiple steps. A sample plan would include getting control of our budget, creating a spending plan, then getting out of debt. Once we have accomplished these three things, we have freed up some major cash, and the money we free up from our debt payment can be used to reaching these goals. Third, Stick to our Budget. Our budget is one of the biggest tools that will help us succeed financially. It allows us to create a spending plan so we can focus our money in a way that will help us reach our goals. Fourth, Get out of Debt. Debt is a huge obstacle to reaching our financial goals, so eliminating it should be a priority. Fifth, Seek for Advice from Financial Planners [16].

III. METHODOLOGY

This chapter, the researcher has provided information pertaining to the research methodology utilized for the study. The details provided includes

information about the research design, sampling design, respondents of the study, research instrument, it's validation, data gathering procedures and statistical processing of data.

Research Design

The study utilizes mixed method of both qualitative and quantitative survey methods of research more specifically the synthesis integrative and descriptive survey method respectively. Quantitative research imply means of inquiry to provide a more, complete meaningful, and useful understanding of social phenomena by studying them in their entirety, in the context in which they occur, while considering the meanings which those studied give to their actions and to the actions of others. T - test was used because this studies trying to prove or disapprove a relationship between the perceptions of the two sets of respondents.

Sampling Design

The data used to complete this research was obtained through the use of a validated questionnaire that helped answer the specific questions mentioned in the statement of the problem. It followed a non probability - purposive sampling as the researcher considered the characteristics common to every respondents including the convenience of the researchers at identifying set of criteria for better utilization of results of the study.

Respondents of the Study

The respondents of the study were divided into two groups. These groups were selected male and female skilled – working expatriates in the Kingdom of Bahrain. The sample of the study included fifty (50) respondents distributed as twenty – five (25) for male and twenty – five (25) for female expatriates.

Respondents	Sample Size	Percentage
Male Expatriates	25	50%
Female Expatriates	25	50%
Total	50	100%

Table 1.1
Distribution of Respondents

Research Instruments **Questionnaire**

The research instrument that was used in this study was a questionnaire although it was aided basically by information derived from the internet, reading journals, business magazines and books. The questionnaire was arranged into side component contained a question that assessed each of the variables.

Data Gathering Procedures

After approval of the examination instrument, the information accumulation handle started.

The researcher went by the workplaces of the distinguished organizations and the surveys were in this manner dispersed to the chose respondents.

Reliability and Validity of Instrument

The reliability and validity of the questionnaire was tested through pilot test conducted to 10 respondents

and they were never included in the final floating of the questionnaire.

Equivalent – Form method was used to determine the reliability of the questionnaire. Also, content – juror validity from three (3) research experts was utilized to further validate the study questionnaire.

Statistical Treatment of Data

The data was treated with two statistical treatments. These statistical treatments are the weighted mean and the t - test. The responses of each item in

$$WM = \frac{TWV}{N}$$

where:

$$\begin{aligned} WM &= \text{Weighted Mean} \\ TWV &= \text{Total Weighted Value} \\ N &= \text{Number of respondents} \end{aligned}$$

The data gathered for the study will be treated accordingly:

The following scale will be used in interpreting the means for the perceptions on the level of effectiveness

the tables will be subjected to the weighted mean treatment to determine the weight of each response. On the other hand, the t - test will be used in determining if there is significant difference between the perceptions of male and female skilled – working expatriates on issue of personal finance in the Kingdom of Bahrain.

Weighted Mean

In the computation of the weighted mean, the following formula will be used:

of personal finance among skilled – working expatriates in the Kingdom of Bahrain.

Numerical Value	Statistical Limit	Descriptive Equivalent	Symbol
5	4.51 – 5.00	Highly Effective	HE
4	3.51 – 4.50	Effective	E
3	2.51 – 3.50	Moderately Effective	ME
2	1.51 – 2.50	Slightly Effective	SE
1	1.00 – 1.50	Not Effective	NE

T - test

Formula:

$$t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{\sum X_1^2 + \sum X_2^2}{N_1 + N_2 - 2} \left(\frac{1}{N_1} + \frac{1}{N_2} \right)}}$$

Where:

\bar{X}_1 = the mean of the group 1

\bar{X}_2 = the mean of the group 2

N_1 = the number of respondents of group 1

N_2 = the number of respondents of group 2

IV. RESULTS AND DISCUSSION

This chapter presents the results and discussion of the following problems identified in the study.

Demographic profiles of the selected skilled – working expatriates in the Kingdom of Bahrain

The t-test will be used to compare the perceptions of the two groups of respondents. The formula is:

Based from the demographic profiles of the respondents utilized in the study having 25 males and 25 female skilled – working expatriates in the Kingdom of Bahrain, on age profile, those with ages 18 to 23 has 6%; ages 24 – 29 has 14%; ages 30 – 35 has 22%; ages 36 – 40 has 32%; ages 41 – 45 has 16% and ages 46 and above has 10%.

On academic profile, those who are post graduates that include doctorate and masters education has 16%; college graduates including those attempted college has 40%; high school graduate and undergraduate has 14%; elementary graduate and undergraduate has 8% while those who are vocational and technical graduate has 22%.

On length of service, those who are employed for 1 – 5 years has 36%; employed for 6 – 10 years has 22%; those employed 11 – 15 years has 12%; employed for 16 – 20 years has 8%; employed for 21 – 25 years has 6% and those employed for 26 years and above has 4%.

Below shows the table of demographic profiles of the selected skilled – working expatriates in the Kingdom of Bahrain.

Age Profile	Frequency (50)	Percentage (100%)
18 – 23 Years	3	6%
24 – 29 Years	7	14%
30 – 35 Years	11	22%
36 – 40 Years	16	32%
41 – 45 Years	6	16%
46 and above	5	10%
	50	100%

Academic Qualifications	Frequency (50)	Percentage (100%)
Post Graduates	8	16%
College Graduates	20	40%
High School	7	14%
Elementary	4	8%
Vocational/Technical	11	22%
	50	100%

Length of Service	Frequency (50)	Percentage (100%)
1 – 5 Years	18	36%
6 – 10 Years	11	22%
11 – 15 Years	12	12%
16 – 20 Years	4	8%
21 – 25 Years	3	6%
26 and Above	2	4%
	50	100%

Motivations on Personal Finance among Selected Skilled – Working Expatriates in the Kingdom of Bahrain

Of the five (5) chosen priorities that contributes to the motivations on personal finance, the respondents who were the selected skilled – working expatriates, have responded that coping with basic needs, family needs and achieving budget plan is their top priority on personal finance having listed 32% of the overall standing. This have resulted against the reasons of getting works or career abroad that is to earn for a living, provide for the basic needs of the family and meet daily needs and wants, and provide for education of the children in the family. Debt Management comes in second with 22% of the overall standing. The result showed that most of the expatriates decide to work abroad to freeze out their insolvencies and credit liabilities they have in their home countries. This is undoubtedly true because most overseas workers aim to become debt free. The result can also be true compare to

savings because their thinking and beliefs show that before they can afford to save, they should settle first their insolvencies. Third rank of motivation is savings. While it true that almost everyone's goal when getting or landing for a job is to save, the same goal applies to these skilled – working expatriates. The result showed that 20% would want to prioritize savings while doing jobs abroad. Fourth motivation has listed 15% of the overall standing and that is investment like investing in properties, buying properties, building houses, putting up businesses and realizing short term and long term projects. And lastly, the respondents also prioritize to engage in buying insurance or getting insured for health securities, life insurance and retirement securities. The respondents tallied 10% of the overall standing.

Below shows the table of motivations on personal finance among selected skilled – working expatriates in the Kingdom of Bahrain.

	Motivation	Frequency (50)	Rank	Percentage (100%)
1	Savings (future needs, future plans)	10	3	20%
2	Debt Management (payment of loans, meeting liabilities, debt – free, no insolvencies)	11	2	22%
3	Budget Plan (meeting family needs, education, economic needs and social living cost)	16	1	32%
4	Insurance (Life insurance, death benefits, retirement plan and securities)	5	5	10%
5	Investment (buying houses, getting involved in business, buying properties)	8	4	15%
		50		100%

Effectiveness of Personal Finance among Selected Skilled – Working Expatriates in the Kingdom of Bahrain

There were four (4) groups as indicators that measured the effectiveness of personal finance among selected skilled – working expatriates in the Kingdom of Bahrain. The first indicator (Budgeting Plan) that dealt with meeting family needs, meeting education, meeting economic needs, social cost and meeting living standards has an overall weighted mean of 4.30 with a description on

Effective (E). The second indicator which is savings and insurance has a weighted mean of 4.22 with a description of Effective (E). The third indicator which is debt management has a weighted mean of 4.11 with a description of Effective (E) while investment, the fourth indicator has a weighted mean of 4.18 with a description of Effective (E). Overall, the four indicators have resulted to a description of Effective (E) with overall average weighted mean of 4.20.

	INDICATORS	N = 50 (25 Male; 25 Female)					
		Male		Female		COMBINED	
	Level of Effectiveness of Personal Finance among Selected Skilled – Working Expatriates in the Kingdom of Bahrain	WM	DE	WM	DE	WM	DE
1	Budget Plan (meeting family needs, education, economic needs and social living cost)	4.36	E	4.33	E	4.30	E
2	Savings (future needs, future plans); Insurance (Life insurance, death benefits, retirement plan and securities)	4.20	E	4.24	E	4.22	E
3	Debt Management (payment of loans, meeting liabilities, debt – free, no insolvencies)	4.12	E	4.10	E	4.11	E
4	Investment (buying houses, getting involved in business, buying properties)	4.19	E	4.16	E	4.18	E
	Average Weighted Mean (AWM)	4.22	E	4.18	E	4.20	E

$t_{comp} = .53$
 $t_{0.05, 48df} = 2.0$
Result = Not Significant
Decision = Fail to reject the null hypothesis

The table presents the summary and comparison of the perceptions between male and female skilled – working expatriates on the level of effectiveness of personal finance in the Kingdom of Bahrain.

The table showed the summary of perceptions of the two groups of respondents, comparison of the perceptions between the two groups and the comparison of the “t” computed value of their perceptions to the tabular “t” critical value. The summary of perceptions showed the Average Weighted Mean of perceptions for male expatriates as 4.22 while the Average Weighted mean of perceptions of the female expatriates was at 4.18. Both respondents revealed an assessment of the indicator as

EFFECTIVE (E) in description. The combined Average Weighted Mean of the perceptions of the two groups was 4.20 which, was also equivalent to a description of EFFECTIVE (E).

In the comparison of “t” values, the computed “t” value was .53 and was observed to be lower than the tabular “t” critical value at 5% level of significance with 48 degree of freedom which was 2.0. The comparison revealed that we fail to reject the null hypothesis therefore there is no significant difference between the perceptions of the two groups of respondents on the level of training effectiveness of personal finance among selected skilled – working expatriates in the Kingdom of Bahrain in terms of

budgeting, savings and insurance, debt management and investment.

Problems Encountered on Issue of Personal Finance by Selected Skilled – Working Expatriates in the Kingdom of Bahrain

Of the following noted problems or issues on personal finance which among the selected skilled – working expatriates in the Kingdom of Bahrain, it was revealed that they have the top most issue on difficulty of achieving financial wellness, most of the respondents identified difficulty in meeting completely their basic economic, and social needs including education of their children due to some issues like salary is not that compensating and inflation in prices of commodities, goods and services during the present time. They have also noted that not most of them gets or have the less capacity to engage in business or operate business as their savings is not that so compensating to operate business they intend to put up. Investment also is one of their difficulties such as they cannot excellently afford to invest in long term properties or acquire properties of their own. They mentioned that one of the factors to this is the salary and inflation in the prices of basic needs during the present times. While some of the respondents said that they have at least freeze out their insolvencies, some also revealed that their debts remain unpaid in their home countries due to lack of finances. They said that their salary is not compensating to meet all other needs such as family budget for basic needs and education and other living costs.

V. CONCLUSION AND RECOMMENDATIONS

This chapter presents the drawn conclusions and recommendations of the study.

Conclusions

1. Based on the respondents' response, it was revealed that budgeting plan that includes meeting basic, economic and social needs as well as education among skilled – working expatriates is effective, that means, these selected expatriates on personal finance, their priority is to make sure the meet their living standards through their jobs or careers abroad.
2. It was revealed that personal finance among selected skilled – working expatriates in terms of debt management that includes payment of loans, meeting insolvencies and financial liabilities in their home countries is effective, that means, their motivation of working abroad is to find ways to achieve free or zero debts.
3. It was revealed that personal finance among selected skilled – working expatriates in terms of saving and insurance that includes opening savings account, or personal account into the banks or other financial

institutions, buying insurance or getting insured, retirement plans, and life insurances is effective, that means, these expatriates also prioritize earning abroad to save for their future needs and life intentions.

4. It was revealed that investment like buying houses, investing in properties or any other short term and long term asset investments is effective, that means that these selected skilled – working expatriates include in their priorities of personal finance to at least realize investment for their own families, their own financial security and financial wellness.

Recommendations

While it is true that there are known motivations and reasons of personal finance just the same with the case of the selected skilled – working expatriates in the Kingdom of Bahrain, noting their motivations and the effectiveness of their personal finance in terms of budgeting plan, debt management, savings and insurance and investment, we cannot deny that are also problems that put them in difficulty to meet or realize their aims to personal finance. Financial wellness has been the prime objective of every individual just like the respondents used in the study.

Financial planning then is recommended among these respondents and the rest of individuals in general term. The following are suggested tips to effective financial plan. 1) Budget successfully or get used to budgeting; 2) eliminate or manage debt; 3) Build an emergency fund; 4) Save for the future or start saving early; 5) make smart investments; and 6) ask or seek help or advice from consultants and financial planners.

On the other hand, remember and put into actions the following keys to successfully managing our personal finances and these are: starting with goals; creating a plan; sticking to budget; getting out of debts; and seeking for advice from consultants and financial planners.

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