

DETERMINANTS OF COST OF LIVING OF THE HOUSEHOLDS IN KAJIADO NORTH SUB-COUNTY

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Abstract: This research was carried out to examine the determinants of the cost of living of the Households in Kajiado North sub county. It attempted to answer: What is the influence of utilities on the cost of living of the Kajiado county residents? What is the influence of the household income on the cost of living of the Kajiado county residents? How does inflation affect the cost of living of the Kajiado county residents? How do taxes influence the cost of living of the Kajiado county residents? The study reviewed theories that are relevant to the study. These theories included the utility choice theory, the cost-push theory and the market-power theory of inflation. This study was based on a qualitative and quantitative research method, using the descriptive survey design, to depict the participants in an accurate way. Information was collected using a questionnaire distributed to the sample of 399 respondents, randomly selected from the clusters in the target population, representing the entire population of 138,561 households. The collected data was critically analyzed for easy evaluation and presentation, using means, standard deviations, percentages bar-graphs and tables. The results indicated that goods and services for were available in timely manner when needed in nearby locations in their preferred value and satisfaction was experienced. Non availability of enough income determined cost of living; unemployment affected their cost of living and household income is mostly sufficient to cater for their basic needs only. There was a steady rise of prices of goods and services consumed; this affected their purchasing power and in turn reduces their spending power. There was a perception that taxes don't improve the household's cost of living, taxes reduces household investments and high taxation demand of goods and services consumed. The study recommends for an increase in the scope for future studies to cover development of concepts that can have a lasting effect in creating an environment that will sustain manageable cost of living

Keywords: Household Income, Utilities, Inflation, Taxes, cost of living.

1. INTRODUCTION

1.1 Background of the study

The cost of living as defined by Albouy et. al (2016) refers to be the monetary value of those consumers' goods and services which are in fact consumed in the course of a certain period of time by an average family belonging to a given stratum of a population. This consumption defines the general state of the want-satisfaction which the researcher terms as the 'standard of living' of the family in question. It is a useful measurement, in an index format, that allows comparison of expenses between locations and over time. The consumption level is determined by a wide range of factors like the utility costs, taxes available, inflation, insurance cover required and even the household level of earnings. All these impacts the amount of income that will be available to enable them do the consumption.

Mercer 2019 Cost of Living Rankings identified the top 10 most expensive cities in the world for expatriates. The most expensive cities according to the rankings are Hong Kong (1), Tokyo (2), Singapore (3) and Seoul (4), Zurich (5), Shanghai (6), Ashgabat (7), Beijing (8), New York City (9), and Shenzhen (10). They went forward to identify the ones that are the least expensive cities in the world to be Tunis, Tashkent, Karachi, Bishkek, Banjul, Windhoek, Islamabad, Tbilisi, Skopje and Managua which are often unsafe, poverty-stricken, or war-torn areas. These are the factors that make the distinction between the two categories, meaning the inhabitants are affected or faced with different factors determining their cost of living. The effect on the cities keep on changing depending on how these factors are being handled by the cities concerned, either in making steps to mitigate the problems existing or new factors setting in to make the situation worse off. This leads to changing the rankings existing (Matoke, & Omwenga, 2016)..

To the cheapest cities in the world, as per the 2019 economic report done by The Economist Intelligence Unit Limited, the best value for money has traditionally been offered by South Asian cities, particularly those in India and Pakistan. To an extent this remains true, and Bangalore, Chennai, New Delhi and Karachi feature among the ten cheapest locations surveyed. India is tipped for rapid economic expansion but, in per-head terms, wage and spending growth will remain low. Income inequality leading to low wages are the norm, limiting spending and creating many tiers of pricing and strong competition from a range of retail sources. This, together with the cheap and plentiful supply of goods into cities from rural producers with short supply chains as well as government subsidies on some products, had kept prices down, especially by Western standards. “Cost of living is an important component of a city’s attractiveness for businesses,” said Yvonne Traber, Global Mobility Product Solutions Leader at Mercer. “Decision makers increasingly acknowledge that globalization is challenging cities to inform, innovate, and compete to foster the kind of satisfaction that attracts both people and investment – the keys to a city’s future.”

Utilities remained expensive in North America, with US cities ranking highly in these categories. Elsewhere, the euro making gains against the US dollar in 2017, these gains went into reverse in 2018 as economic momentum slowed and the election of a populist coalition in Italy raised new concerns about challenges to European integration. The political aspect affected the economies as the confidence of investors dwindled. Paris stood out as the only euro area city in the top ten, possibly because of its political stability by the time. The French capital, which had risen from seventh position two years ago to joint first, remained extremely expensive to live in, with only alcohol, transport and tobacco offering value for money compared with other European cities.

In February 2017(Alper et. al 2017), inflation figures were released for some of the largest African economies. During January it was 40.3% in Angola, 13.3% in Ghana 18.7% in Nigeria and 6.8% in South Africa. In none of these countries could high inflation be attributed to the economy “overheating”: the latest GDP growth rates for Nigeria and South Africa were minus 1.5% and 0.2% respectively; and the figures for Angola and Ghana were 1.3% and 3%. In 2016, Nigeria and Ghana experienced their worst overall economic performance for the two decades. Measurement of inflation varies, just like the weighting given to food prices in headline national consumer price indices. Food accounts for 17% of the Consumer Price Index in South Africa, 36% in Kenya and 50% in Nigeria. According to the International Monetary Fund, the average weighting for sub-Saharan Africa is 40%, well above the 15% in “advanced” economies. In other words, food prices are the single most important component of African inflation indices – by far. Yet a recent study by IMF observes that central banks and treasury usually strip out food and energy prices when defining “core” or “underlying” inflation and formulating monetary policy to contain it. Food and fuel are considered volatile commodities and are excluded so as not to distort the statistical trend. But in reality, for most people, these are core expenses.

While food price hikes (Africa Research Institute, 2017) caused by economic factors, drought, war, inefficient regional markets or agricultural policy are not uncommon, in time a measure of stabilization usually occurs. The problem for African consumers is that almost all over the trend is continuously rising. Kenya’s food price inflation has averaged about 12.5% a year for the past five years; Ghana’s averages 8% a year; even in Botswana, which has generally managed inflation better than most economies, the average is 5% a year. Only in the eight countries in the WAEMU countries, where the CFA franc (the basic monetary unit of Cameroon, Congo, Gabon, and the Central African Republic) is pegged to the Euro, is the five-year average closer to 5% a year than the double-digit inflation common elsewhere on the continent

The Economist Intelligence Unit Limited in the 2019 release, a currency factor is identified to affect the economies. Across geographic regions and countries, the survey observed a degree of convergence in 2018 among the most expensive

locations. Some of those economies with appreciating currencies, like the US, climbed up the ranking significantly. New York and Los Angeles were the only cities in the top 10 from North America. A stronger US dollar in 2018 had meant that cities in the US generally became more expensive globally, especially relative to 2018's ranking. New York moved up six places in the 2019 ranking, while Los Angeles moved up four spots. These movements represented a sharp increase in the relative cost of living compared with the past five years, when New York and Los Angeles tied in 39th position.

Much of 2018 was marked by continued strong US economic growth and steady monetary policy tightening by the US central bank, which led to a sharp appreciation of the US dollar. With the dollar strengthening against other currencies, all but two US cities rose up the ranking in 2018. The report identifies the highest climbers to be San Francisco (25th up from 37th previously), Houston (30th from 41st), Seattle (38th from 46th) and Detroit and Cleveland (joint 67th from joint 75th). New York (seventh), Los Angeles (tenth) and Minneapolis (20th) which were all ranked in the top 20.

Many currencies in the Middle East are pegged to the US dollar, which pushed cities up in the ranking, as well as steep increases for expatriate rental accommodations. Mercer et. al (2019) stated that the weakening value of the US dollar had caused significant changes in the rankings. Although the traditionally expensive cities of Western Europe and Asia still feature in the top 20, cities in Eastern Europe, Brazil and India are creeping up the list. Conversely, some locations such as Stockholm and New York now appear less costly by comparison. In the UK, as well as London slipping one place, Birmingham dropped from 41st to 66th, while Glasgow came down from 36th to 69th. In contrast to the strengthening euro and other European currencies, the British pound has remained relatively stable against the US dollar. As the cost of living in the Eurozone has risen relative to the US, UK cities have declined in the current rankings.

1.2 Statement of the problem

In Kenya, citizens have encountered various challenges in managing their cost of living especially in rural areas. The main purpose of this research study is to investigate the factors influencing the cost of living in Kajiado County. Families face many problems both at start up periods and also as they grow in numbers and needs in many developing countries. Lack of proper knowledge and the inability to access better incomes has led to a high cost of living. Homesteads in Africa lack consumption tactics, knowledge on how to caution themselves on inflation and taxes and management of utility costs which will all be critical for them to run their families smoothly. This has created a hindrance to effectively and manageably meeting their daily spending and consumption behaviors because they cannot maintain a steady cost of living time to time.

1.3 Objective of the study

1.3.1 General objective of the study

To determine the factors influencing the cost of living among the people living in Kajiado county

1.3.2 Specific objectives of the study

- i. To determine the influence of utilities on the cost of living of the Kajiado county residents
- ii. To establish the influence of the household income on the cost of living of the Kajiado county residents
- iii. To establish the influence of the inflation on the cost of living of the Kajiado county residents
- iv. To assess the influence of the taxes on the cost of living of the Kajiado county residents

1.4 Research questions

The study is sought to answer questions below:

- i. What is the influence of utilities on the cost of living of the Kajiado county residents?
- ii. What is the influence of the household income on the cost of living of the Kajiado county residents?
- iii. How does inflation affect the cost of living of the Kajiado county residents?
- iv. How do taxes influence the cost of living of the Kajiado county residents?

1.5 Significance of the study

The findings of this study will benefit four categories of persons:

One, specific households-The study will be important to the households in Kajiado North Subcounty. They will be able to understand as well as determine the trend of their consumption. This will enable them to formulate strategies to implement in the future and seek measures to overcome the challenges affecting their cost of living, both in the short-run and long-run.

Two, the government-in their role in effective formulation of regulations, policies and rules, the research study will provide a basis of understanding the determinants of the cost of living for the people living in the county and facilitates the search for solutions. It will also help to establish the current trend of consumption and seek for the ways to enhance their cost of living in achieving the vision 2030.

Three, Potential Investors-This study will be very significant to potential investors in the business sector. Since it would help provide a clear picture of the key areas they need to have knowledge on in developing of the welfare of the residents in Kajiado North Subcounty if they want to achieve a sustainable vision of economic growth. It will also be relevant in the evaluation of the trends of the lifestyles to capitalize on the loop holes and lead to growth enhancement.

And finally, the Students and Scholars-Scholars shall benefit from this study in that they will be in a position to use the findings of this study to try and develop concepts that can have a lasting effect in creating an environment that will sustain manageable cost of living. The findings about the trend of cost of living will help understand the current position and the scholars will have a bearing by concentrating their efforts to the future.

1.6 Scope of the study

The researcher, in this study, seeks to understand the factors influencing the cost of living of the people living in Kajiado County. The volume to be covered has four aspects as discussed below.

One, Institutional- a family will be the main focus for the researcher. This is because they have the lowest number of individuals living under the same house, contributing to the same wallet, consuming the same products and possess similar traits academically, traditionally and even socially.

Two, Geographical-Kajiado County is chosen because it's convenient to the researcher who also stays in that county hence could help reduce research costs such as transport costs; this constituency also has diverse and different residents from all over the country. These different types of residents possess different background traditions, customs and even education that will be the center for focus for the researcher.

Three, Time-the study will be relevant in a span of one year, from 2020 to 2021. This is so because the change of the consumption behavior is expected to change depending on the prevailing conditions in the economy. However, time for carrying out the proposed research is limited, as the researcher will work within strict timelines.

Four, subject/content- different variables will be used in this study. They include house hold-income, education level, information acquired and religious beliefs or traditions. The house-hold income will bring to light the capability of the residents obtaining the finance to spend. The education level will reflect the knowledge possessed by the different individuals. On the other hand, the religious beliefs will reflect what is to be consumed and the period

2. LITERATURE REVIEW

2.1 Theoretical Literature

In this section, several theories concerning the factors influencing the cost of living will be discussed.

2.1.1 The Utility Choice Theory

Utility refers to how much value a household will obtain from portfolio performance (Page, 2018), used to introduce the household's tastes. The exploration of consumer tastes is a crucial step in determining how a household maximizes satisfaction in spending income. While it may be intuitive to assume that all consumers would like to achieve very high returns, it is important to realize that such returns typically require the consumer to take on a lot of risks. Risk and return are trade-offs and follow a linear relationship. Any decision to be made can be recast, slightly more formally, in terms of three sorts of entities. First, there are outcomes—objects of non-instrumental preferences. Second, there are states—things outside the decision-maker's control which influence the outcome of the decision. Finally, there are acts—objects of the decision-maker's instrumental preferences, and in some sense, things that she can do. Expected utility theory provides a way of ranking the acts according to how choice worthy they are: the higher the expected utility, the better it is to choose the act.

Following general convention, Soufiani et. al (2012) make the four assumptions about the relationships between acts, states, and outcomes. First: states, acts, and outcomes are propositions, i.e., sets of possibilities. There is a maximal set of possibilities, $\Omega\Omega$, of which each state, act, or outcome is a subset. Secondly: The set of acts, the set of states, and the set of outcomes are all partitions on $\Omega\Omega$. In other words, acts and states are individuated so that every possibility in $\Omega\Omega$ is one where exactly one state obtains, the agent performs exactly one act, and exactly one outcome ensues. Thirdly: Acts and states are logically independent, so that no state rules out the performance of any act. Lastly: Soufiani assumes for a moment that, given a state of the world, each act has exactly one possible outcome. It is only since the theory itself is positive, after observing the choices that individuals make, we can draw inferences about their preferences. When we place certain restrictions on those preferences, we can represent them analytically using a utility function—a mathematical formulation that ranks the preferences of the individual in terms of satisfaction different consumption bundles provide. Thus, under the assumptions of utility theory, we can assume that people behaved as if they had a utility function and acted according to it. Therefore, the fact that a person does not know his/her utility function, or even denies its existence, does not contradict the theory.

Moscato (2016) from another angle, notes a number of assumptions on this theory. On completeness, individuals are able to rank order all possible bundles. This can be broken down to imply that no matter how many combinations of consumption bundles are placed in front of the individual, each individual can always rank them in some order based on preferences. This, in turn, means that individuals can somehow compare any bundle with any other bundle and rank them in order of the satisfaction each bundle provides. More-is-better assumption is stated that individuals prefer αX to X , which in turn is preferred to Y , but also X itself. Mathematically, the more-is-better assumption is called the monotonicity assumption on preferences. One can continually argue that this assumption breaks down frequently. It is not difficult to imagine that a person whose stomach is full would turn down extra food. However, this situation is easily resolved. Suppose the individual is given the option of disposing of the extra food to another person his or her choice. In this case, the person will still prefer more food even if he or she has eaten enough. Thus under the monotonicity assumption, a hidden property allows costless disposal of excess quantities of any bundle. The mix-is-better assumption is about preferences, that a mix of the two, say half-week of food mixed with half-week of clothing, will be preferred to both stand-alone choices. The mix-is-better assumption is called the “convexity” assumption on preferences, that is, preferences are convex. On rationality, Quiggin (2012) adds by indicating that this is the most important and controversial assumption that underlies all of utility theory. Under this assumption, individuals’ preferences avoid any kind of circularity; that is, if bundle X is preferred to Y , and bundle Y is preferred to Z , then X is also preferred to Z . Under no circumstances will the individual prefer Z to X .

2.1.2 The “cost-push” theory

Schwarzer (2018) urges that this approach in inflation assumes that prices of goods are basically determined by their costs, whereas supplies of money are responsive to demand. In these circumstances, increasing costs may create an inflationary pressure that becomes continuous through the operation of the “price-wage spiral.” Takami (2015) goes ahead to claim that this theory maintains that prices instead of being pulled-up by excess demand are also pushed-up as a result of a rise in the cost of production. This theory maintains that prices instead of being pulled-up by excess demand are also pushed-up as a result of a rise in the cost of production. Under cost-push inflation prices rise on account of a rise in the cost of raw materials, especially wages. The theory holds that the basic explanation for inflation is the fact that some producers, group of workers or both, succeed in raising the prices for either their product or services above the levels that would prevail under more competitive conditions.

The idea is that wage earners and profit receivers desire incomes that add up to more than the total value of their production at full employment. One or both groups must, therefore, be satisfied at any given time. The wage earners, if satisfied, demand wage increases. These are acknowledged by employers in the course of the bargaining process, initially at the expense of profits. Later, employers increase prices to reflect their higher costs, and, while this reinstates profits, it also reduces wage earners’ real incomes, leading to a further round of wage demands. If the supply of money were fixed, this process would lead to increasing financial inflexibility; it would become increasingly difficult to finance increases in wages and purchases of goods the prices of which had just been raised or, definitely, to finance production and distribution generally—though, as noted earlier, there are some circumstances in which the speed of circulation can rise radically and make a limited money stock go a long way. In practice, money supply responds to demand, partly because monetary authorities do not wish to see the dislocation of capital markets that would follow if monetary stringency produced very large rises in rates of interest.

Since inflation is due to the forces of cost and supply, it is not subject to easy treatment because fiscal and monetary measures may remedy a cost inflation only at the cost of increasing joblessness and slower growth. This in turn dictates how much the household income will be, becoming a major determinant affecting the consumption of the families in the economy

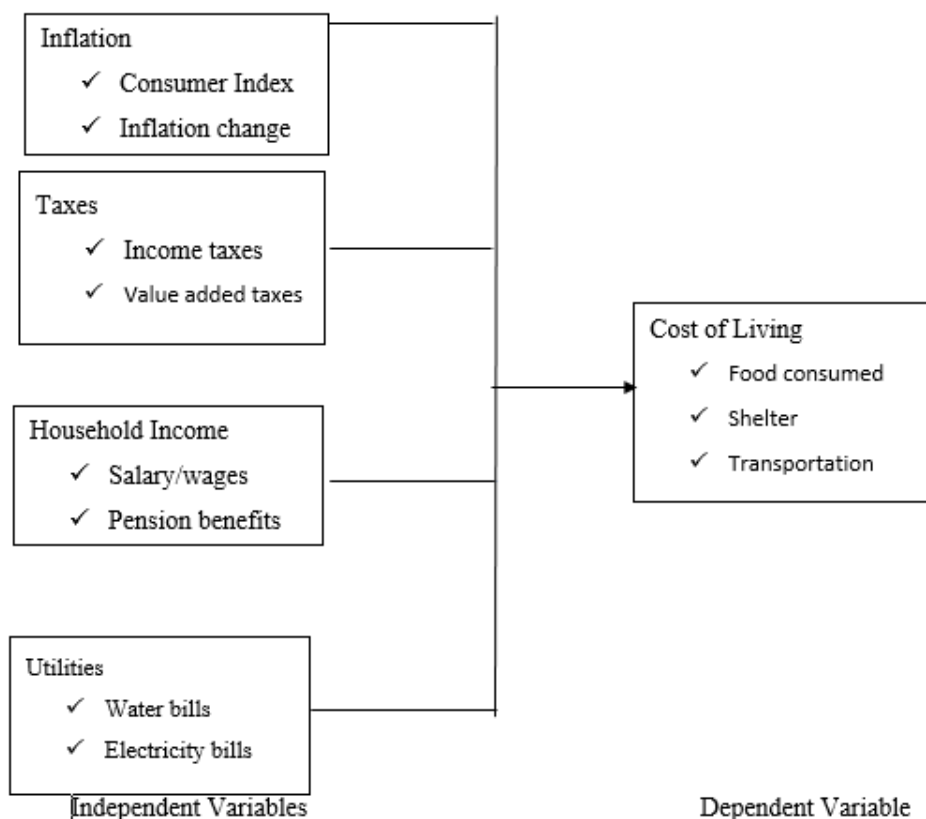
Javed et. al (2010) noted that the process of inflation is caused not by an excess of demand but by increase in cost, principally when factors of production try to increase their stake in the total product by levitation of their factor costs called cost-push inflation. It is caused by the domination elements either in the labour market when there is wage-push or in the merchandises market when there is profit-push but mostly it is due to wage-push which increases the cost of production and hence prices.

2.1.3 Market-Power Theory of Inflation

In an economy, when a single or a group of sellers together decide a new price that is different from the competitive price, then the price is termed as market-power price. Chen & Lee (2018) adds that such groups keep prices at the level at which they can earn maximum profit without any concern for the purchasing power of consumers. According to Bremus (2015), oligopolists can increase the price to any level even if the demand does not rise. This hike in price levels occurs due to increase in wages in the oligopolistic industry, probably because of trade unions. The increase in wages is compensated by the hike in prices of products which is incurred by the consumers. With increase in the income of individuals, their purchasing power also increases, which further results in inflation.

Apart from this, Chen & Lee (2018) indicate that some economists concluded that fiscal and monetary policies are not applicable in practical situations as these policies are not able to control rise in prices levels. These policies would work only when prices rise due to an increase in demand. Moreover, these policies cannot be applied to oligopolistic rise in prices, which is due to increase in the cost of production. Monetary policy can reduce the rate of inflation by raising the interest rate and regulating the credit flow in the market. However, it would have no effect on the oligopolistic price as the cost is transferred to the prices of goods and services

2.2 Conceptual framework



2.3 Empirical Literature

2.3.1 Impact of inflation on living standards among underclass single mothers by Bernadette Mutunge Mwanzia (2014)

The purpose of the study was to assess the impact of inflation/high cost of living among single low-income mothers in Githurai 44, Soweto slum for the 2010 and 2011). The study objectives were to assess how the single mothers' current economic status had been affected by inflation, to identify social economic challenges faced by single mothers in the study area and to assess the livelihood strategies among single mothers in the area. The target population was low-income single mothers in the slum. The study was based on a sample of 130 female headed households who were single mothers. Data was collected from 8 focused group discussions, interview and non-participation observation. Snowball technique was used to identify the underclass single mothers. Data collected was analyzed both qualitatively and quantitatively. The findings showed that majority of the single mothers had low education level and low paying jobs. A higher number of the single mothers did not purchase the basic commodities or mostly bought in small quantities with very few purchasing in bulk. They earned less than a dollar, had limited disposable income, struggled to purchase essential commodities and lived in abject poverty.

Centered on the study findings, the researcher suggested that an effort should be made by the government and Central Bank of Kenya to mitigate the single mothers against the harsh economic effects of inflation. Emphasis should be on enacting effective policies to tame the high inflation rate and strengthen the shilling against the dollar so as to improve the living standards of the underclass single mothers and other vulnerable groups. The researcher strongly recommended that similar studies should be carried out in other areas. Additionally, it was also noted that its important for other studies to be carried out targeting married women to get their views on the impact of inflation/high cost of living.

2.3.2 The Impact of Inflation on the Standard of Living by Naatu. F. et.al (2014)

The researchers claims that the inflation rate of Ghana still remains high in absolute terms and by comparison with many other countries in the sub-region and the world in general. They define Inflation to be simply the general increase in the level of prices of goods and services in an economy over a period of time. When the general price level grows; each unit of our currency buys less goods or services hence, the need for all to know the exact nature of the relationship that exists between inflation and living standards of people. In this paper, they dealt with the effects of inflation on standard of living in terms of expenses on food and non-food items, income, savings, loan and recreation from 2010 to 2013. A sample of 100 heads of families was taken from Navrongo community in Ghana using stratified sampling. Structured questionnaire and interview schedule were used as tools for collecting data. The data was examined using descriptive statistics and multiple regression model. From analysis of the data, inflation did highly affect the living standard of the people, compelling them to get loans and to do overtime work to meet their family expenditures. It was also discovered that the standard of living of the people worsened form year to year with 2013 been the lowest due to the high inflation

The then account deficit in Ghana was noted by the researchers to be overwhelming as a result of our trade imbalances. The Ghanaians economy was an import driven one and much change to an export driven if they wanted to reduce inflation and the rate at which their cedi was depreciation or better still to appreciate against other currencies. They therefore recommended that government to pay attention to the Agricultural sector of the economy in order to increase the supply of households' essentials. Fiscal discipline is necessary in attaining single digit inflation as current resources generated were channeled towards the payment of large-scale financing deficit. Lastly, it was also suggested that government should always use the expected annual inflation for the year to determine the minimum wage level and adjust it as and when it is necessary so as to have/maintain a good standard living for Ghanaians.

2.3.3 The Impact of Direct Taxes on the Cost of Living by Robert G. and John S. (1987)

The purpose of this research was to define and evaluation of a "tax and price" index that incorporated direct as well as indirect taxes. Current U.S. CPI methodology measured changes in the minimum expenditure necessary to consume a fixed set of consumption goods and services and consequently approximates an expenditure-based cost- of-living index. The indexes they defined and computed in this paper measured changes in the total cost, including direct taxes, of the same fixed set of goods and services. They approximated, in an analogous fashion, an income-based cost-of-living index. Their tax and price indexes were calculated at the individual house- hold level and used detailed procedures to add federal taxes, state and local taxes, and social security contributions to an expenditure- based "CPI." All these components

increased substantially faster over the sample period than the estimated CPI, with state and local taxes increasing at the fastest rate. While "bracket creep" is the primary explanation for divergence between the TPI and CPI, changes in tax policy were also shown to have important effects. Most obviously, as a result of the Economic Recovery Tax Act cuts, the rate of inflation as measured by the TPI fell from 12.4 percent in 1981 to 2.6 percent in 1983, while our CPI for the same population showed a decrease only from 9.5 to 4.0 percent. Partitioning their household sample by several demographic economic characteristics, they found that recognition of taxes tended to alter significantly the inflation rate differentials estimated on the basis of consumption prices alone. While their indexes are important and interesting in their own right, the data bases and computational techniques used for their construction will also facilitate useful analyses of changes in the structure of the U.S. tax system. Finally, the concept of gross consumption cost and the use of a fixed expenditure pattern make the TPI a valuable tool for the measurement of intertemporal changes in the progressivity of the tax system and its components (Magambo, & Omwenga, 2015)..

2.3.4 Effect of Fiscal Policy on the Cost of Living in Kenya by Mugambi, D. K. (2019).

The study aimed at determining the effect of fiscal policies on the cost of living in Kenya where it was taken around the aspects of government expenditure, government revenue and public debt. The study was done on the following research objectives: To find out the effect of government expenditure on the cost of living in Kenya, to determine the effect of government revenue on the cost of living in Kenya, and lastly to evaluate the effect of public debt on the cost of living in Kenya. The theories included the Keynesian theory, Debt Overhang theory Dual Gap Theory, and Distribution theory. Majority of previous studies proved to have much focus on the effect of fiscal policies on the economic growth of the country and therefore leaving the area under focus with scanty information that can be used in advance research (Baba, Omwenga, & Mung'atu, 2018). The study used descriptive research design which enhanced quantification of the desired research questions. The target was the Kenyan economy whose secondary data was gathered from the World Bank database. The scope of the research was macro data between the year 1963 and 2017. The results of the study showed that Government expenditure impacts positively cost of living is when the government increases money in circulation in the economy thus lowering the cost of doing business which automatically have an impact on the prices of goods. Government expenditure have however attracted attention from various scholars who in their undertaking found contradicting results regarding the relationship between government expenditure and the cost of living. Government revenue is directly proportional to the standards of living if prudently utilized. In this case, the government policies and the understanding of economics plays a critical role in the management of the cost of living. The need for tax revenue is undisputable due to the global significance it has attracted on the economic development irrespective of the national differences. This means that when the dependable variables increases the cost of living will decrease while the public debt has positive relationship with cost of living. This means that when the debt levels are increased within the economy over long-run, the cost of living will be high. It was evident that the variance decomposition of CPI at time period 10 was the most influential on government debt by 10.07% than the government revenue and government expenditure by 3.87% and 8.55% respectively. The main cause attributed to the findings is that the debt component comes with obligations to settle which drains the cash flows in the economy. Hence, the country ought to increase prices of goods and services to cater for the interest expense payment. As per the findings, the study recommends that the government through the finance ministry should embark on the reconstruction of stringent measures that stipulates the usage of the available resources in the various government entities, these measures should then be adopted in the budget policy statement so that every person is responsible on the way they use public resources (Makini, & Omwenga, 2022).

2.4 Critique of the existing literature

2.4.1 The Impact of Inflation on the Standard of Living by Naatu. F. et.al (2014)

The topic for the research has both the dependent and independent variable, inflation being the independent variable while the standard of living to be the dependent variable. The paper has stated the scope of the research too to be the Navrongo in the East Region of Ghana. The article abstract states the objective of the study as it dealt with the effects of inflation on standard of living in terms of expenses on food and non-food items, income, savings, loan and recreation over the period (2010-2013). The sample size of 100 heads of families is identified and the sampling method stated too. Data collection methods, analysis and presentation methods are also stated. The abstract ends with a conclusion from the research. However, the abstract doesn't state the research design used.

The recommendation that government should pay attention to the agriculture sector of the economy in order to increase the supply of households' essentials isn't the best way to meet the help reduce the cost of living of the households. Yes, by helping them obtain what they need to consume will reduce their expenses and reduce overdependence on their incomes, but 'how' is the question. Agriculture sector requires inputs which are exposed to high prices and other expenses like taxes and insurance that limit the residents' access. The government needs to do much in facilitating the agricultural activities. These steps will include reducing the prices on agricultural inputs in giving subsidies, promoting farmers in giving them veterinary services and providing platforms to sell their produce. Inflation cannot be managed by simply the government coming up with the policies that benefit the common resident. These include monetary policy as higher interest rates reduce the demand in the economy, leading to lower economic growth and lower inflation. Controlling money supply, supply-side policies, Fiscal policy and Wage controls also can be applied

2.4.2 The Impact of Direct Taxes on the Cost of Living by Robert G. and John S. (1987)

The topic has both the dependent and independent variables, direct taxes being the independent variable while the cost of living being the dependent variable, it however doesn't indicate the scope of the study. The abstract define the index which is an important factor in cost of living determination, indicates the research method but fails to capture the sampling and sample size. The researcher introduces inflation in the paper, deviating from the topic of the paper which was to concentrate on the direct taxes' impact on the cost of living. The researcher doesn't indicate the conclusion on the research.

2.4.3 Impact of inflation on living standards among underclass single mothers by Bernadette Mutunge Mwanzia (2014)

The article was meant to assess the impact of inflation/high cost of living among underclass single mothers in Githurai 44 (Soweto slum) for the last two years (2010-2011). The topic indicates the both the dependent and independent variables, inflation being the independent variable while living standards being the dependent variable. Githurai 44 is the scope of the research. The study population is stated and the sample of 130 female headed households are identified. Data collection methods, analysis methods and findings reporting methods are also identified. Based on the study findings, the researcher recommends that an effort should be made by the government and Central Bank of Kenya to cushion the single mothers against the harsh economic effects of inflation. This can be implemented by coming up with favourable policies. The researcher also proposes that focus should be on enacting effective policies to tame the high inflation rate and strengthen the shilling against the dollar so as to improve the living standards of the underclass single mothers and other vulnerable groups. This is just a step to try remedying what is already lost. How can the government focus in cushioning the vulnerable groups, instead of empowering them to be entrepreneurs? This recommendation isn't practical as it faces many challenges as these groups aren't that distinct from the rest of the population (Eshitemi, & Omwenga, 2016)..

2.5 Research gap

In terms of research on the factors determining the cost of living, very little has been done, especially management of the challenges in the identified factors. There is also the element of time gap, that is, a long time has elapsed since a study was done on the topic of study, and there is the content gap whereby previous study focused on factors affecting the cost of living. Finally the geographical gap, that is, majority of previous studies were done in other countries like in Ghana and other areas like Githurai, hence previous findings will not hold true due to the technological, economic, traditional and cultural differences in these areas.

3. RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This section described the research methodology and technique to be used to collect data for the research study. The methodology to be used was influenced by researcher objectives. As such this chapter will review the intentions of the study and will discuss the research design, the target population, sample and sample size, data collection and analysis.

3.2 Research design

This study was based on descriptive survey design, to depict the respondents in an accurate way. According to Mugenda & Mugenda (2012), descriptive research determines the way things are and/or reports answers to research questions with regards to current status of knowledge of the subjects in the study. More simply put, in this study, descriptive research

was all about describing the activities and the state of the respondents. The researcher used observation as a method of viewing and recording the respondents' reactions to the research and making relevant conclusions (Charles, & Omwenga, 2018).

The design was appropriate for the study because it facilitated collection of primary data from targeted respondents in a systematic manner, it was also facilitates free interaction with targeted respondents enabling comprehension of the dynamic factors in this study first hand. It also enabled minimum biasness in the collection and reduces errors in interpreting the data collected.

3.3 Target population

The population comprised of the Kajiado North sub-county 387,538 residents, 138, 561 households as per the 2019 Kenyan Census. The population of study was chosen because its respondents were easily accessible, within the limited project time frame. Also the population comprises of urban and rural residents which promised to give a good representation. Out of these, the researcher chose a sample to represent this entire population.

3.4 Sampling plan

The study used cluster sampling method to select a sample of residents in each cluster. The sampling method was used to sample households from the sub-county, selecting respondents randomly in the different categories be it as high-income earners, middle class earners or the low income earners. This was easy to implement and analyze. The sample consisted of 399 respondents who live in the sub-county, using the Slovin's Formula (Charles, & Omwenga, 2018) with a margin of error (e) being 5%. These was selected equally in the clusters in the sub-county namely Olkeri Ward, Ngong Ward, Oloolua Ward, Nkaimurunya Ward and Ongata Rongai Ward which formed the clusters.

Table 3.1 Sample Plan

Clusters	Households	e sqrd	1 + N(e sqrd)	N/(1 + N(e sqrd))
Olkeri Ward	10743	0.0025	27.8575	385.6412097
Ngong Ward	40724	0.0025	102.81	396.1093279
Oloolua Ward	7449	0.0025	19.6225	379.6152376
Nkaimurunya Ward	19461	0.0025	49.6525	391.9440109
Ongata Rongai Ward	60184	0.0025	151.46	397.3590387
TOTAL	138561	0.0025	351.4025	398.8485978

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n- Corrected Sample Size

N-Population Size

e- margin of error(0.05)

3.5 Data collection instruments and procedures

The study involved the use of various research tools to collect data. Thus the research entitled personal administration of questionnaires. The technique was critical to the study since it was enabled the researcher to get information first hand. The research questionnaires contained semi structured questions which were standard in nature. The survey instrument in this case; a questionnaire with both open and closed questions was distributed in the wards which forms the cluster, the instruments were distributed personally by the researcher.

In administering the research tools a flexible time was employed to ensure that respondents were at ease, appointments were made with respondents so as not to disturb their busy schedules and to obtain viable data.

3.6 Data analysis and presentation

The collected data was critically analyzed for easy evaluation and presentation, some of the data analysis and presentation tools which were utilized include; the mean score, as well as percentages and other statistical measures. Thereafter, the collected data was compared with already existing literature to obtain a comprehensive guidance on the chosen research topic. Also in presentation of reliable primary sources such as statistical graphs and tables were utilized to support the existing literature on the research topic. That is to say that, the research was majorly primary apparently because of the objectives nature of data to be involved in this study

4. RESULTS AND DISCUSSION

4.1 Introduction

This section covers data analysis, presentation, and interpretation of the overall information of the respondents which includes the study of the respondents' demographics. It also hundles the research questions where each of the questions is answered by the analysis of the obtained data and presented through tables. The chapter also gives a summary of the analysis.

4.2. Pilot Test results

In the previous chapter, the effectiveness of the questionnaire using the pre-test was discussed. Pretesting includes carefully examining the content of the questionnaire and preliminary analysis on representative pilot data Syakur (2019). In this study, the researcher took 40 households from the sample size to do a pilot test, this was 10% of the sample size as stated by El-Khuffash (2018). A few alterations were made to the wording to enhance clearness and to avoid complexity and ambiguity for the respondents.

4.2.1 Reliability Analysis

Table 4. 1 Reliability Analysis

Factors	No. of Items	Chronbach's Alpha	Comments
Inflation	5	0.747	Accepted
Taxes	5	0.705	Accepted
Household Income	5	0.719	Accepted
Utilities	5	0.758	Accepted
Cost of living	5	0.726	Accepted

4.2.2 Validity Results

Table 4. 2 Overall Kaiser-Mayor-Oklin Measures

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.865
Bartlett's Test of Sphericity	Approx. Chi-Square	671.156
	Df	34
	Sig.	0

4.3 Response Rate

Table 4. 3 Response Rate

Response rate	No. of Responses	Percentage
Yes	358	89.7
No	41	10.3

Source: Researcher (2022)

4.3.1 Background Information

The study required information about respondents' background on aspects that were measured to be descriptive with respect to the subject of the study. The completed questionnaires were usable, although few lacked some information.

4.3.2 Age of Household

This part of the questionnaire sought to find out the age of the Household

Table 4. 4 Age of Household

Category (years)	Frequency	Percentage
1 to 5	120	33.5
6 to 10	142	39.6
11 to 20	55	15.4
20 and above	41	11.5
Total	358	100

Source: Field data (2022)

Results indicates that household age which is the most respondents was the 6 to 10 years which was represented by 39.6%. The second oldest household was the 1 to 5 years represented by 39.6%, while the third oldest was the 11 to 20 years represented by 15.4% and finally the 20 and above years which was represented by 11.5% of the respondents.

4.3.3 Household origin

Table 4. 5 Household origin

AREA					
		Frequency	Percent	Valid Percent	Cumulative Percent
		2	.6	.6	.6
	Rural	138	38.5	38.5	39.1
	Urban	218	60.9	60.9	100.0
	Total	358	100.0	100.0	

Source: Field data (2022)

From that above findings, it is indicated that most of the respondents have their households from the Urban areas represented by 60.9% while the ones from the rural area was represented by 38.5%

4.3.4 Number of family members with income

Table 4. 6 Number of family members with income

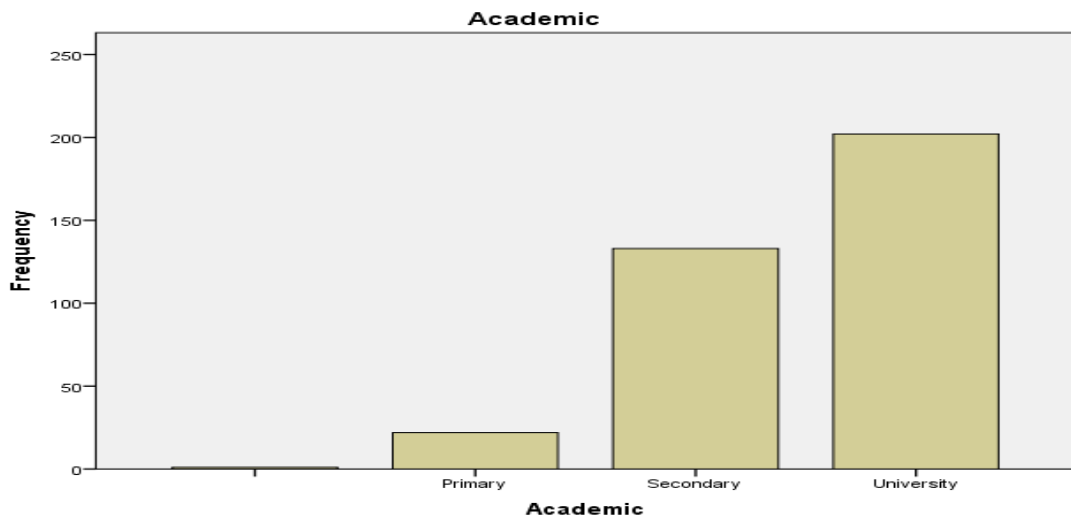
	Frequency	Percentage
1 Member	142	39.7
2 members	136	38
3 members	47	13.1
4 & above members	33	9.2
Total	358	100

Source: Field data (2022)

From that above findings, four and more members was found to be the lowest number of family members with income with 9.2%.

4.3.5 Academic background

The study showed that the academic background of the respondents were comprised of the following: **Figure 4. 1 Academic Background**



Source: Field data (2022)

4.3.6 Employment Status

Table 4.7 Employment status

Employment					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		21	5.9	5.9	5.9
	employed	210	58.7	58.7	64.5
	unemployed	127	35.5	35.5	100.0
	Total	358	100.0	100.0	

Source: Field data (2022)

The above findings indicates that majority of respondents are employed, this indicating further that the majority of the households are affected by the various taxes brackets they belong to e.g. income tax and VAT

4.4 Inflation Rate

Respondents were asked to tick appropriately to their level of Agreement or disagreement of each of the following statements to how inflation rate determines their cost of living. They used a scale of 1-5 where 1= Strongly Disagree; 2=Disagree; 3= Neither Agree nor Disagree; 4= Agree, and 5=Strongly Agree. Mean, variance and standard deviation were calculated as shown in the table 4.8 below

Table 4. 8 Inflation Rate

		N	Mean	Std. Dev	Var
1	There has been a steady rise of prices for goods and services	358	4.5140	0.7586	0.5754
2	Inflation exists when prices rise while the purchasing power of money declines	358	4.0810	0.9967	0.9934
3	Inflation reduces spending power	355	4.0587	0.9163	0.8397
4	Inflation often leads to higher prices for consumer products	358	4.3520	0.6812	0.4640
5	Rising commodities prices are a hallmark of inflation, and they translate to higher for goods and services	357	4.0251	0.7310	0.5344

Source: Field data (2022)

The findings in table 4.8 above show that majority of the variables presented to the respondents, were perceived to determine their cost of living. It is observed from the Findings that five of the variables that: there has been a steady rise of prices for goods and services greatly determining the cost of living having the highest mean of 4.51. Inflation existing when prices rise while the purchasing power of money declines and Inflation often leads to higher prices for consumer

products, having mean scores of above 4.00, while three (Inflation existing when prices rise while the purchasing power of money declines, inflation reducing spending power and rising commodity prices being a hallmark of inflation, and they translate to higher for goods and services) about 4.00.

4.5 Taxes

The second objective of the study was to assess the influence of the taxes on the cost of living of the Kajiado county households. To achieve the study objective, the respondents were asked to indicate the level to which they agree or disagree that taxes has an effect on the cost of living. They were asked to use a scale of 1 to 5 to rank in which 1-5 where 1= Strongly Disagree; 2= Disagree; 3= Neither Agree nor Disagree; 4= Agree, and 5=Strongly Agree. The same approach as was for inflation rate was adopted with the mean, variance and standard deviation indicated as shown in the table 4.9 below

Table 4. 9 Taxes

		N	Mean	Std. Dev	Var
1	Taxes on household incomes improves the cost of living	355	4.0642	0.8427	0.7101
2	Taxes on household incomes reduces the household investments	358	4.0978	0.9666	0.9344
3	Pay as You Earn tax has an effect on the cost of living of your household	358	4.0531	0.7295	0.5322
4	Tax policy directly affects the economy by shifting demand for goods and services of households	356	4.1229	0.8072	0.6515
5	High taxation alters the demand of goods and services	358	4.1453	0.6405	0.4102

Source: Field data (2022)

The outcomes in table 4.9 above shows that majority of the variables presented to the respondents were, to agreeably perceive to determine the cost of living. It is detected from the findings that three of the focus variables have mean scores of about 4.00 (Taxes on household incomes improving the cost of living, Taxes on household incomes reducing the household investments and Pay as You Earn tax having an effect on the cost of living of households) The other two (Tax policy directly affecting the economy by shifting demand for goods and services of households and High taxation altering the demand of goods and services) being the highest with a mean of about 4.1

4.6 Household Income

To accomplish the study's third objective, the respondents were requested to tick appropriately the number that best indicated the level of agreement to the statements. They were asked to use a scale of 1-5 where 1= Strongly Disagree; 2= Disagree; 3= Neither Agree nor Disagree; 4= Agree, and 5=Strongly Agree

Table 4. 10 Household income

		N	Mean	Std. Dev.	Var
1	The non-availability of finances highly affects the cost of living	357	4.3240	0.9907	0.9816
2	The household income is sufficient towards meeting the cost of living.	358	4.0782	0.5841	0.3412
3	There is sufficient income to cater for basic household amenities	358	4.0112	0.7333	0.5377
4	There is enough money to cover basic expenses such as housing, food, and healthcare	356	4.1760	0.5939	0.3527
5	Unemployment affects the cost of living by lowering living standards	355	4.1955	0.5757	0.3314

Source: Field data (2022)

In determining housing income, mean, standard deviation and variance were calculated as shown in the table 4.10 above. Each factor was rated autonomously to enable the researcher to identify how housing income determine the cost of living for the households in Kajiado North Sub-county. Therefore the mean, standard deviation and variance for each factor was concluded. The mean of the non-availability of finances affecting the cost of living is 4.32, the household income being sufficient towards meeting the cost of living is 4.08, there being sufficient income to cater for basic household amenities is 4.01, there being enough money to cover basic expenses such as housing, food, and healthcare is 4.18 while Unemployment affecting the cost of living by lowering living standards' mean of 4.20. It can therefore be interpreted that

household income determines the cost of living of households in Kajiado North Sub-county and should be taken into account.

4.7 Utilities

In the assessment on how utilities determine their cost of living, the respondents were asked to tick appropriately the number that best indicated the level of agreement to the statements. They were asked to use a scale of 1-5 where 1= Strongly Disagree; 2= Disagree; 3= Neither Agree nor Disagree; 4= Agree, and 5=Strongly Agree. The same approach as was for household income was employed with the mean, variance and standard deviation indicated as shown in the table 4.8

Table 4. 11 Utilities

		N	Mean	Std. Dev	Variance
1	There is satisfaction experienced when you consume a product	358	4.0168	0.6651	0.4423
2	People get value for the goods and services that are available	357	4.3101	0.6230	0.3882
3	Products and services are provided when needed	358	4.2123	0.5843	0.3414
4	Products and services are available in nearby locations	356	4.1229	0.6140	0.3770
5	Consumers get products and services in a timely manner	358	4.0587	1.0422	1.0862

Source: Field data (2022)

A mean score of above 4.0 shows that it was found to be agree or strongly agree to determine cost of living in the Kajiado North Sub-County. The findings as shown in the table 4.11 above shows that a mean score of all variables under utilities ranged between 4.00 and 4.40. This settles to the measure defined above. Utilities determine the cost of living of the households in Kajiado North Sub-County.

4.8 Cost of living

In the assessment on how cost of living determine their cost of living in Kajiado North Sub county, the respondents were asked to tick appropriately the number that best indicated the level of agreement to the statements. They were asked to use a scale of 1-5 where 1= Strongly Disagree; 2= Disagree; 3= Neither Agree nor Disagree; 4= Agree, and 5=Strongly Agree. The same approach as was for household income was employed with the mean, variance and standard deviation indicated

Table 4. 12 Cost of living

		N	Mean	Std. Dev	Variance
1	The amount of money obtained is enough to sustain a lifestyle in Kajiado North Sub county.	355	4.2	0.6	0.4
2	It is affordable to live in Kajiado North sub County	357	4.2	0.7	0.5
3	Rising prices on the basket of goods consumed leads to search for alternatives	358	4.1	0.7	0.5
4	Satisfaction is obtained from the alternative goods and services	352	4.0	0.8	0.7

Source: Field data (2022)

A mean score of above 4.0 shows that it was found to be agree or strongly agree to determine the cost of living in the Kajiado North Sub-County. The findings as shown in the table 4.12 above shows that a mean score of all variables under cost of living ranged between 4.00 and 4.20.

4.9 Regression Analysis Results

The study used a multivariate regression analysis to test the combined influence of all the independent variables on the dependent variables. The findings of the multivariate regression are presented in table 4.13 and 4.14

Table 4. 13 Multivariate Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
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Model Summary	0.771	0.6	0.578	0.40029
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Independent Variables: (constant) Taxes, Household Income, Utilities, Inflation rates

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.155 ^a	.024	.013	.40184
a. Predictors: (Constant), Household Income, Utilities, Inflation, Taxes				

The findings additionally indicated an $R^2=0.024$ which also implied that Taxes, Household Income, Utilities and Inflation rates accounted for 2.4% of the variation in cost of living when other factors are held constant

Table 4. 14 Multivariate Regression ANOVA Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.410	4	.352	2.182	.071 ^b
	Residual	57.000	353	.161		
	Total	58.410	357			
a. Dependent Variable: Cost of living						
b. Predictors: (Constant), Household Income, Utilities, Inflation, Taxes						

Analysis of variance (ANOVA) was employed to test the goodness of fit of the model used to fit the independent variables and dependent variable. The outcomes presented in Table 4.13 revealed F-statistic = 2.182, with $p=0.071$ which was more than 0.05. These findings implied that the model had a good fit which further confirmed that the four factors (Taxes, Household Income, Utilities, Inflation rates) were a good predictor of the cost of living in Kajiado North Subcounty.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.923	.482		8.140	.000
	Inflation	-.022	.061	-.019	-.355	.723
	Taxes	.055	.058	.050	.943	.346
	Utilities	-.103	.061	-.089	-1.681	.094
	Household Income	.140	.064	.115	2.183	.030
a. Dependent Variable: Cost of living						

In the multivariate analysis, the study established that all the independent variables (Taxes, Household Income, Utilities and Inflation rates) significantly influenced the cost of living. It is interesting to note that Utilities affects the most as it has the highest beta coefficient. The implication of these findings is that these variables will be among the main factors affecting the cost of living in the Kajiado North Subcounty.

5. DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a brief summary of the research, the findings followed by the conclusions and recommendations made from the study. The findings that have been acquired from the data collected have been used to verify the research questions. The summary of the findings were done based on the specific objectives of the study and relied on the results of inferential statistics.

5.2 Discussion

The current study sought to determine how various determinants of the cost of living of the households in the Kajiado North Subcounty. The study specifically sought to establish how taxes, household income, inflation rates and utilities

determine the cost of living of the households in the Kajiado North Subcounty. The study was based on the utility choice theory, the cost push theory and the market-power theory of inflation. The descriptive research design was embraced in this study while the population of interest consisted of 138,561 households that are of relevance to the study objectives under review in this research study. The population included households both from the rural and urban areas in the subcounty. Both inferential and descriptive methods were employed to analyse the relationship between study variables. Specifically the study used frequencies, mean, percentages and standard deviation. Also regression and correlation analysis was done, where the inferential statistics were conducted to test the relationship between dependent and independent variables. The findings agree with R^2 (0.600) which implied that independent variables accounted for 60% of the variation in cost of living when other factors are held constant.

5.2.1 Inflation Rates

The first objective of the study was to find out whether inflation rates determine the cost of living for the households in the Kajiado North Subcounty. The findings in table 4.7 above show that majority of the variables presented to the respondents were, to agreeably perceived to determine the cost of living in the Kajiado North Subcounty, as the means ranged between 4.00 and 4.55. In general, it depicts that inflation rates is a significant factor for the cost of living in the Kajiado North Subcounty. The findings concurs with Hasanudin's, (2021) argument that increase in inflation rates reduces the disposable income value, meaning that the households will not be able to obtain the goods and services in their preferred basket. Leeson (1999) theorized that the Inflation rate can drive down unemployment as earnings tend to be adhesive, as they change bit by bit in response to economic changes, this will immediately hurt their cost of living but may change in the long-run as the households may turn to be entrepreneurship opportunities in the attempt to make their ends meet.

5.2.2 Taxes

The second objective of the study was to investigate how taxes determine the cost of living for the households in the Kajiado North Subcounty. The findings in table 4.8 above show that majority of the variables presented to the respondents were perceived to determine the cost of living in the Kajiado North Subcounty. These findings are supported by Hong (2019) who insists that all taxes adversely affect ability to save, progressive rate of taxation reduces savings potentiality. This means that the low level of investment has a dampening effect on economic growth of a country. Thus, on the whole, taxes have the discouragement effect on the ability to work, save and invest, in-turn affecting the cost of living of the residents.

5.2.3 Household Income

The third objective of the study was to examine how household income determines the cost of living in the Kajiado North Subcounty. The findings as shown in the table 4.9 above shows that a mean score of all variables under of household income ranged between 4.00 and 4.40. This agrees to the measure defined above. These findings therefore agree with Jenkins' (2000) argument that the cost of living will be highly dependent on the amount of income at the disposal to a given household. This will inturn determine the basket of goods and services the household will consume at a given time as explained in the empirical review.

5.2.4 Utilities

In determining utilities, mean, standard deviation and variance were calculated as shown in the table 4.10 above. Each factor was rated independently to allow the researcher to identify how utilities determine the cost of living for the households of the Kajiado North SubCounty. Majority of the respondents indicated that utilities determine the cost of living in Kajiado North subcounty households, from agree to most agree as the findings show that most mean score were between 4.00 and 4.20. There is need for the consideration on how these utilities are to be availed and at affordable prices and costs to enable the households to maximise on the satisfaction obtained from each utility. This concurs with Dauglas & Meijer (2016) who states that its expected that the utilities are to be provided at reasonable rates, as public ones are also monopoly in nature barring the entrepreneurs in these fields are generally barred by the government.

5.2.5 Cost of living

Majority of the respondents indicated that the amount of money obtained either from the income of the households proceeds from trade were enough to cater for basic needs only. They also indicated being enough to sustain their lifestyle in the Kajiado North Subcounty. There is need to enhance the earnings of the households and strategies employed to reduce the cost associated with process of obtaining the goods and services needed by the households. The alternatives for

the offerer also needs to be available for the households to make a choice on what to consume. This is supported by Argente and Lee (2021), who adds that their quality needs to be enhanced to enable the households maintain their satisfaction

5.2.6 Regression Analysis

The study results indicated that all the independent variables were significant predictors of the cost of living of the households in the Kajiado North Subcounty. For the analysis of variance (ANOVA), the findings implied that the model had a good fit which further confirmed that independent variables were a good predictor of cost of living. In the multivariate analysis, the study established that all the independent variables significantly influenced the cost of living.

5.3 Conclusion

This study is a step towards understanding how various determinants of cost of living in Kajiado North Subcounty. Majority of the respondents indicated that inflation rate determines the cost of living from agree to most agree as the findings show that most mean scores were between 4.00 and 5.00. The findings revealed that respondents who participated in the research agreed to the mentioned variables of inflation rates determining the cost of living in Kajiado North Subcounty, since most had a mean score ranging between 4.00 and 4.50. Findings show that the household income is a significant factor in the cost of living in Kajiado North Subcounty. Findings illustrate that the utilities variables determined the cost of living in Kajiado North Subcounty therefore the variables should be considered to cost of living in Kajiado North Subcounty. This study concluded that with proper considerations of taxes, household income, inflation rates and utilities would determine the cost of living in Kajiado North Subcounty. Further the government should take the lead in ensuring that it lowers taxes and inflation rates to enable the households manage their needs at affordable rates.

5.4 Recommendations

High cost of living is felt by everybody but the ones who feel it the most are the middle and the low class people. The study recommends that county government ministry of planning should implement cost of living policies that can boost the cost of living. The government needs to adopt a “do-no-harm” principle whilst intervening in the market. Kenya being an agricultural country, the government needs to decide not to import food products and instead produce its own. It needs to encourage investors from other countries. But to facilitate this, the prices of utilities e.g. energy sources to be used in production need to be reduced. The government needs to encourage large scale farming, instead of subsistent farming. The others go to towns to manufacture what has been produced. Banks that specialize in agriculture should be established. Their job should be to give loans to farmers for them to buy the necessary farming equipment and inputs that they may need. They should also educate farmers on the best farming practices. The government should also take the responsibility and create the proper environment for its citizens to work and be fruitful. Vices like corruption only discourage taxpayers. People would get encouraged to see where their tax money is going, building the much needed infrastructures will help a lot. There are things that need to be done by a government and lack of integrity is what will fail the economy. The researcher recommends widening of the scope to include development of concepts that can have a lasting effect in creating an environment that will sustain manageable cost of living.

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