INCOME AND EXPENDITURES OF 10 SELECTED FAMILIES IN ST. CHARLES, MISSOURI

by

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B. S. in Education, Central Missouri
State Teachers College, 1937

A THESIS

submitted in partial fulfillment of the

requirements for the degree of

MASTER OF SCIENCE

DEPARTMENT OF HOUSEHOLD ECONOMICS
KANSAS STATE COLLEGE
OF AGRICULTURE AND APPLIED SCIENCE

1945

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INTRODUCTION

The economic conditions in many families have changed radically during the past few years. Some families have higher incomes than ever before. Large and expensive items of household equipment are not available for civilian purchase, and priorities have limited material improvements in homes and other buildings. Restricted travel has reduced the expenditures for long trips and vacations. Household assistance has been difficult to obtain, and commercial agencies have been forced to limit their services because of labor shortages. Ceiling prices have curbed inflation, while rationing has distributed scarce items so that all families may have their share regardless of the ability to pay. Today's opportunity to accumulate savings has offered many families their first chance to raise their level of living.

A better standard of living due to increased income during the period of the war may result in greater effort to maintain a satisfactory standard of living in the postwar period. By following a carefully made plan for spending and saving families may hope to gain certain general goals, such as better balanced living, and faster financial progress. Family members must also help to carry out policies designed to change our economy to meet peacetime needs.

The purposes of this study were to help a small group of families recognize the importance of keeping accurate records of income and expenditure, and to analyze these data and compare them with more extensive studies. Such factual information may be useful to home economics teachers and other educators in St. Charles, Missouri in planning their teaching programs.

REVIEW OF LITERATURE

Many studies of family income and expenditures have been made including city, small town and rural families. These studies vary in the number of families included, the location of the families, and the occupations of members of the families. It was impossible to review all the data published on this subject; therefore, the investigator limited her review to recent studies which are related to the present study.

The National Resources Planning Board (1941) in its third report on its 1935-36 Consumer Purchases Study showed the average income and expenditure patterns of American families. More than 60,000 families living in cities of different sizes, in villages, and on farms in 30 different states cooperated. It was reported in this study that on the average about the same proportion of the income was spent for shelter as was spent for food. One-third of the expenditure for all consumption items was spent for food, and likewise, about one-third was spent for shelter. Clothing expenditures were 10 per cent of the cost of all consumption items; transportation was about nine per cent; and other items were approximately 14 per cent of the cost of all consumption items.

The imputed value of home produced food was more than four per cent of the total income, five per cent of the total expenditure for consumption items, and 15 per cent of the total cost of food. Food eaten away from home included meals, board at school, beverages and other items, and averaged slightly more than eight per cent of the total cost of food.

Twenty-one per cent of all of the families had incomes less than $1,000; 14 per cent had incomes between $1,500 and $2,000; slightly more than 12 per cent had incomes between $2,000 and $3,000; four per cent had incomes between $3,000 and $4,000; and only four per cent had incomes more than $4,000. The average annual income for all families for 1935-36 was $1,622, and the average cost of current consumption was $1,389. The average outlay per family for gifts and personal taxes was $69, and the amount set aside for savings was $164. An average of 85.6 per cent of all income was spent for current consumption.

Coles and Heiser (1940) interpreted incomes and expenditures of the families of 279 wage earners and 157 clerical workers in two small cities in Missouri. The expenditure patterns of the families in the two cities were similar. The wage-earning families received a smaller income than the clerical families but spent about the same proportion of their incomes for the various items as the clerical families did, with the exception of food and shelter. The wage-earning families spent the higher proportion for food, but the clerical families spent the higher proportion for shelter. Both groups of families saved about the same percentage of their average income although the clerical families saved a greater amount in dollars. Factors found to influence the proportion of the income saved were the size of the income and the size and composition of the family. The size of income rather than the location of residence or the occupation had the greatest influence on the patterns of expenditure and savings of the families.

In California, the Heller Committee for Research in Social Economics (1943) presented an estimate of the cost of a "health and decency" standard of living for the families of an executive, a white collar worker, and a wage earner. The budget for a white collar worker's family of four with an annual income of $3,600 allows approximately 26 per cent of the total cost of living for food, nearly 10 per cent for clothing, 19 per cent for shelter, 21 per cent for miscellaneous items, 13 per cent for taxes, and 10 per cent for war bonds. The budget for the family of four of a wage earner with an annual income of $2,800 allowed approximately 31 per cent for food, eight per cent for clothing, 18 per cent for shelter, slightly more than 21 per cent for miscellaneous items, 11 per cent for taxes and 10 per cent for war bonds. The income for the executive with a family of four was $8,100. Expenditures were proportionally higher than the budgets for the lower income groups.

Huntington (1937) found that the spending patterns of the families of 102 street-car workers, and 98 clerks were similar. The clerks had higher average income and tended to spend larger sums for most of the items in the budgets. The greatest difference in the spending patterns of these two groups was in the amount spent for household help. More of the clerks' wives employed paid help in the home and made use of commercial laundries. The average carman's family spent 30 per cent of its total expenditure for food, slightly more than eight per cent for clothing, 28 per cent for shelter, and 33 per cent for miscellaneous items; while the average clerk's family spent 26 per cent for food, nearly 10 per cent for clothing, 29 per cent for shelter, and 35 per cent for miscellaneous items. The difference in the standard of living of these two groups was so small that it would be hard to distinguish one group from the other, either in their homes or in social gatherings.

Data concerning the incomes and expenditures of 346 (802 annual records) Kansas farm families during the period from 1934 to 1940 were reported by Gunselman (1945). The average annual net farm income was $1,727. The average annual disbursements for those families in the lower and middle income groups showed little variation. However, there was a marked increase for all of the items of expenditure in the upper income group. One-third of the average value of living for the seven year period was the value of food used. Over half of this amount was supplied by the farm. The cost of clothing purchased was nine per cent of the total cost of family living.

Farm family living costs tended to increase from 1934 to 1937, to decrease slightly in 1938 and 1939, and to rise again in 1940. Farm family incomes and expenditures were affected by droughts and changes in the business cycle.

PROCEDURE

The plans for this study limited the number of families to 10. The families who cooperated were selected from a group of homemakers who had attended adult homemaking classes, or had daughters in home economics classes, or were friends of the investigator. To assure a more or less homogeneous group, only families who had both husband and wife, at least one child, and lived in St. Charles, Missouri were chosen.

These families were visited by the investigator twice in August, 1944, and monthly during the period from September, 1944 through May, 1945. In all, 10 visits were made to each family. On the first visit, the advantages of keeping complete records of income and expenditure were discussed, and a home account book was left with each family. On the second visit, it was found that the 10 families were willing to cooperate by keeping complete financial records for the next eight months, and to make the data available for analyses at the end of that period. An inventory of the furnishings, equipment, canned and stored food, and clothing was taken on the next visit, and the records for the month, checked. On each succeeding visit the account books were checked and the necessary help given.

The final visit was made early in May, 1945. At that time inventories were rechecked to find the changes in the net worth of these families, and the account books were collected as the investigator needed the data to begin analyses the last week in May. A number of the families were interested in keeping the records for the rest of the year.

DISCUSSION

Occupations and Size of Families

The occupations of the husbands in these families varied. Four husbands held professional positions, four were employed in clerical, sales, or distributive positions, and two were skilled laborers. All of the husbands had been employed in their present positions at least two years, and they were responsible for most of the money incomes of the families. Three of the wives were school teachers and contributed substantial amounts to the families' incomes. The wives in two other families contributed small amounts to the money incomes. If any of the children earned money, it was not recorded in the home account books.

All of the wives did the major portion of the housework in their homes. Three families had paid workers a part of the time the records were kept. In two instances the paid help was used preceding and following childbirth. One of the homemakers who was teaching, employed household help for the weekly cleaning in addition to a family laundress. Six of the families did the family washing; two employed laundresses to come to the home; and two families sent the washing out.

The families ranged in size from three to six members. The median size of families was four. Four of the 10 families had only one child, three families had two children, two families had three children, and one family had four children. There were 13 girls and seven boys in these 10 families. The average age of the girls was 7.4, and the average age of the boys was 8.7. The average of all the children was 7.9 years. Seventy per cent of the children were less than 12 years of age, and 35 per cent of them were less than six years of age (Table 1).

Table 1. Composition of families and ages of children.

Family members	Family designated by number										Total
	1	2	3	4	5	6	7	8	9	10	
Husbands	1	1	1	1	1	1	1	1	1	1	10
Wives	1	1	1	1	1	1	1	1	1	1	10
Children											
under 6											
Boys	-	-	1	1	-	1	-	-	-	-	3
Girls	1	1	-	1	-	-	1	-	-	-	4
6 to 12											
Boys	-	1	-	-	-	-	1	-	-	-	2
Girls	-	1	-	-	-	1	1	2	-	-	5
12 to 16											
Boys	-	-	-	-	-	-	-	1	-	-	1
Girls	-	-	-	-	1	-	-	-	1	1	3
Over 16											
Boys	-	-	-	-	-	-	-	-	-	1	1
Girls	-	-	-	-	-	-	-	1	-	-	1
Number of persons in families	3	5	3	4	3	4	5	6	3	4	40

Income

Income as used in this study includes the cash earned and the value of home produced food. Although the gardens were no longer productive when the families started keeping their records in September, nine of the families supplemented the money income with home produced foods. The average value of the home produced food was $87 for the eight months the records were kept (Table 2).

The average money income for the 10 families during the period was \$2,329. The two incomes combined make a total income of \$2,416 per family. The lowest income was \$1,577 and the highest was \$3,307 for this period. Four families had incomes less than \$2,000, three families had incomes between \$2,000 and \$3,000, and three families had incomes between \$3,000 and \$4,000. The monthly income ranged from \$197 to \$413, and the average for the 10 families was \$302 (Table 3).

Table 2. The value of food produced at home and used by 10 Missouri families, September 1, 1944 to May 1, 1945.

Families designated by number	Value of food produced at home: Milk	Meat, poultry, eggs	Canned fruits and vegetables	Total
1	\$--	\$2	\$14	\$16
2	--	--	64	64
3	--	--	32	32
4	--	--	38	38
5	--	--	112	112
6	--	--	--	--
7	--	--	42	42
8	18	318	150	486
9	--	--	71	71
10	--	4	--	4
Average for all	\$2	\$32	\$64	\$87

Table 3. Income of 10 Missouri families during an eight month period, September 1, 1944 to May 1, 1945.

Families designated by number	Money income	Value of home supplied food	Total income	Average income per month
1	$1,561	$ 16	$1,577	$197
2	1,744	64	1,808	226
3	1,882	32	1,914	239
4	1,959	38	1,997	250
5	2,192	112	2,304	288
6	2,320	--	2,320	290
7	2,358	42	2,400	300
8	2,768	486	3,254	407
9	3,204	71	3,275	409
10	3,303	4	3,307	413
Average	$2,329	$ 87	$2,416	$302

Expenditures

These families classified their expenditures as food, home improvement, housing, household operation, clothing and personal care, transportation, health, recreation, education, contributions, gifts, taxes, and savings. Nine families reported membership dues in organizations, and six families reported money allowances.

The total expenditures of these families for consumption items during the eight months ranged from $1,048 to $1,940. The average for the period was $1,483, and the average per month was $185. This was 61 per cent of the income and does not include gifts and contributions, which averaged $82; taxes, which averaged $209; and savings, which averaged $342 (Tables 4 and 5). An average of $300 was unaccounted for in these records. It is assumed that this amount was in cash or on deposit in the bank at the end of the eight month period.

Table 4. Classified expenditures of 10 Missouri families for a period of eight months (September 1, 1944 to May 1, 1945)

Families designated by numbers:	1	2	3	4	5	6	7	8	9	10	Average for Eight months	Average for One month
Income for eight months[1]	$1,577	$1,808	$1,914	$1,997	$2,304	$2,320	$2,400	$3,254	$3,275	$3,307	$2,416	$ --
Average income for one month	197	226	239	250	288	290	300	407	409	413	302	302.00
Size of families	3	5	3	4	3	4	5	6	3	4	4	4
Consumption items												
Food:												
Home produced	16	64	32	38	112	--	42	486	71	4	87	10.88
Purchased	511	457	290	401	312	403	485	372	313	481	402	50.25
All food	527	521	322	439	424	403	527	858	384	485	489	61.13
Shelter:												
Home improvement	112	98	266	189	10	76	43	75	59	48	98	12.25
Rent and insurance	57	27	85	280	13	329	58	40	111	320	132	16.50
Household operation	166	125	109	210	198	120	333	133	344	309	205	25.63
All shelter	335	250	460	679	221	525	434	248	514	677	435	54.38
Clothing and personal care[2]	112	233	200	87	287	228	332	197	443	226	234	29.25
Transportation	116	101	13	189	127	48	171	343	118	240	147	18.38
Health	38	64	11	115	31	41	24	106	91	102	62	7.75
Recreation	58	35	35	54	33	66	12	30	83	78	48	6.00
Education	16	8	7	27	100	40	17	13	60	59	35	4.38
Money allowance[3]	12	100	--	1	36	5	2	145	12	14	33	4.13
All consumption items	1,214	1,312	1,048	1,591	1,259	1,356	1,519	1,940	1,705	1,881	1,483	185.38
Gifts and contributions	20	97	28	178	119	62	50	77	114	72	82	10.25
Taxes	116	79	195	37	440	236	95	194	342	352	209	26.13
Savings[4]	91	329	434	103	289	226	159	209	1,249	335	342	42.75
Sum of all items	$1,441	$1,817	$1,705	$1,909	$2,107	$1,880	$1,823	$2,420	$3,410	$2,640	$2,116	$264.50

1. Includes all income.
2. Includes sewing supplies, clothing repair and clothing care.
3. Includes organization dues.
4. Includes investments and life insurance.

Table 5. Average percentage of income for the main categories of consumption items, gifts, taxes, and savings.

Items	Percent of income
Consumption items	
Food	
Home produced	4
Purchased	17
All food	21
Shelter	
Home improvement	4
Rent and insurance	5
Household operation	8
All shelter	17
Clothing and personal care[1]	10
Transportation	6
Health	3
Recreation	2
Education	1
Money allowance[2]	1
All consumption items	61
Gifts and contributions	3
Taxes	9
Savings	14
Difference between income and disbursements	13
All income	100

1. Includes sewing supplies, clothing repair and clothing care.
2. Includes organization dues.

Food. In every instance, food was the most expensive item in the budget, 33 percent of the cost of all consumption items having been used for food (Table 6). The average value of the food consumed by the 10 families per month was \$61 and the per capita cost of food per day was \$0.51 (Table 7).

Table 6. Average percentage of all consumption items for the main items consumed.

Items	Percent of income
Consumed items	
Food	
Home produced	6
Purchased	27
All food	33
Shelter	
Home improvement	7
Rent and insurance	9
Household operation	14
All shelter	30
Clothing and personal care[1]	16
Transportation	10
Health	4
Recreation	3
Education	2
Money allowance[2]	2
All consumption items	100

1. Includes sewing supplies, clothing repair and clothing care.
2. Includes organization dues.

Table 7. Average value of food used by 10 Missouri families from September 1, 1944 to May 1, 1945.

Families designated by number	Size of family	Per capita cost of food per Month	Day
1	3	$21.96	$ .73
2	5	13.03	.43
3	3	13.42	.45
4	3[1]	18.29	.61
5	3	17.67	.59
6	4	12.59	.42
7	5	13.18	.44
8	6	17.88	.60
9	3	16.00	.53
10	4	15.16	.51
Average for all	4	$15.28	$ .51

1. Child born in March was omitted in considering per capita cost of food.

Included in the cost of food was the cost of meals eaten outside the home. Two of the husbands traveled a part of the time, and the cost of their meals away from home tended to increase the per capita cost of food. Fourteen percent of the cash spent for food was for meals eaten outside the home (Table 8).

As was shown in Table 2, only one family produced meat, poultry, and eggs valued at more than $4. This family produced $318 worth of these foods. The average cash expenditures for

Table 8. Average cash expenditure for various groups of food by 10 families during the period September 1, 1944 to May 1, 1945.

Families designated by number	Meat fish, eggs poultry	Milk, butter, cheese, cream	Bread, flour, cereals	Fruits, vege- tables	Fats, sweets, miscellaneous	Meals outside homes	Total
1	$100	$ 43	$16	$ 65	$37	$249	$511
2	151	87	51	54	70	44	457
3	74	58	20	75	51	12	290
4	89	95	15	106	41	55	401
5	72	60	18	37	52	73	312
6	129	61	55	86	34	38	403
7	114	107	30	168	36	30	485
8	162	26	18	92	70	4	372
9	159	42	24	44	27	17	313
10	108	150	54	70	55	44	481
Average for eight months	116	73	30	80	47	56	402
Average per month	15	9	4	10	6	7	50
Percent of total cash for food	29	18	7	20	12	14	100

these items was $116. This was 29 percent of the cash spent for food. One-fifth of the cash spent for food was for fruits and vegetables. In addition to this, eight families used home canned fruits and vegetables valued at $64 per family. Eighteen percent of the cash for food was used for milk, butter, cheese, and cream. Only one family produced any milk, and this was goat milk. Twelve percent of the cash used for food was allocated to fats, sweets, and miscellaneous items, while only seven percent was spent for breads, flour, and cereals.

Clothing. There was a wide variation among the families in the amount spent for clothing. Factors that seemed to affect this expenditure were the clothing inventories, the occupations and social positions of family members, and the ages of the children. The expenditures for clothing and personal care were classified according to clothing purchased, care and repair of clothing, sewing supplies, and personal care and toilet articles. These families did not classify clothing purchased by type of garments. The average expense for these items for the eight months was $234, and the average per month was $29. This amount was 10 percent of the total income and 16 percent of the amount spent for all consumption items (Tables 5 and 6).

A study of the cost of clothing purchased for members of the families showed that the average expenditure for clothing for the husbands was 59 percent of the amount spent for clothing for the wives. The average expenditure for clothing for the sons was approximately the same as that for daughters. The per capita cost of clothing was $46 (Table 9).

Table 9. Per capita expenditure for clothing[1] by 10 Missouri families from September 1, 1944 to May 1, 1945.

Families designated by number	Number in family	Family members: Husbands	Wives	Sons	Daughters	Total clothing
1	3	$ 26	$ 22	$--	$ 25	$ 73
2	5	39	77	44	31	191
3	3	22	65	50	--	137
4	4	4	12	14	5	35
5	3	20	100	--	101	221
6	4	30	49	51	49	179
7	5	58	154	16	41	269
8	6	32	31	17	74	154
9	3	152	162	--	85	399
10	4	31	29	72	58	190
Average for all		$ 41	$ 70	$38	$ 36	$ 46

1. Includes sewing supplies, clothing repair and clothing care.

The 10 families spent an average of three dollars per family per month for sewing supplies. In some instances this amount included purchases that were not used during the eight month period. The cost of personal care and toilet articles averaged two dollars per family per month.

Shelter. All of the families lived in unfurnished, single-family detached dwellings. Every home had electric lights and a bathroom. Eight homes were equipped with gas for cooking, and two used kerosene. Nine homes had mechanical refrigeration. An oil circulating heater was used to heat one home; all the other homes had furnace heat. Three of the furnaces were oil burners, two furnaces were equipped with stokers, and four furnaces had regular coal burning units.

Four of the families owned their homes free from indebtedness. Three others were buying their homes. One of these paid \$10.50 a month, a part of which reduced the mortgage. The average value of the seven homes owned was \$5,864 in September, 1944. The average rental paid for the three rented homes was \$38 (Table 10). The families owning or buying their homes included expense for property insurance in their accounts.

Table 10. Value of homes owned and monthly rental on homes rented, classified by income.

Families designated by number	Income	Homes owned: Present value	Homes owned: Indebtedness[1]	Homes rented: Monthly rental
1	\$1,577	\$2,850	\$ --	\$ --
2	1,808	4,000	--	--
3	1,914	5,500	4,200	--
4	1,997	--	--	35
5	2,304	7,500	--	--
6	2,320	--	--	40
7	2,400	6,200	740	--
8	3,254	4,000	--	--
9	3,275	11,000	3,252	--
10	3,307	--	--	40
Average[2]	\$2,416	\$5,864	\$2,730	\$ 38

1. As of September 1, 1944.
2. Average for those reporting.

All of the families had expense for home improvement including house repairs and remodeling, paint and wall paper, furnishings and equipment. The average expenditure for these improvements during the eight month period was \$98. Three of the 10 families bought used pianos at an average cost of \$35 (Table 11). Two of the families purchased used washing machines at an average cost of $28. Three families purchased children's beds. The purchase of curtains and textiles, including slip covers, accounted for 10 percent of the total expenditure for home improvement. The average cost of home improvement was $12 per family per month.

Household operating expenses included fuel, light, household labor, laundry, cleaning supplies, postage, and a daily paper at an average expenditure for all of $26 per family per month.

Fuel was an important item of expense for these families during the winter months costing an average of $72 for the period. Coal was used by six families and oil by four families for heating. The three families hiring household labor averaged $70 for the period.

Transportation. The expense for automobile and other forms of transportation ranged from $13 to $343 per family for the eight months. The family with the expenditure of $13 was the only family that did not own an automobile. The next smallest amount spent for transportation was $48. This family used the automobile for shopping and pleasure driving only. The family with a transportation expense of $343 owned two automobiles. One was used by the husband to go back and forth to work in St. Louis, a distance of 16 miles each way, and the other, an older model, was used by other members of the family. The average cost of transportation per family per month was $18. This amount was 10 percent of the cost of all consumption items and six percent of the total money income.

Table 11. Classified expenditures for home improvement by 10 Missouri families during an eight month period.

Families designated by number	1	2	3	4	5	6	7	8	9	10	Total
Kitchen equipment	$--	$--	$ 6	$ 25	$--	$--	$--	$--	$--	$--	$31
Laundry equipment	--	--	--	40	--	--	16	--	--	--	56
Bedroom furniture	--	28	--	10	--	--	27	--	--	--	65
Living room furniture	30	--	50	--	--	22	--	--	20	--	122
Piano	--	--	--	40	--	45	--	--	--	20	105
Floor covering	--	--	7	45	--	--	--	--	--	2	54
Curtains & textiles	1	4	40	11	--	--	--	35	--	6	97
Furniture repair	--	13	--	--	--	--	--	--	10	15	38
House repairs and remodeling	54	19	152	--	--	8	--	--	5	5	243
Paint and wall paper	22	33	--	--	10	--	--	33	19	--	117
Unclassified	5	1	11	18	--	1	--	7	5	--	48
Total per family	$112	$98	$266	$189	$10	$76	$43	$75	$59	$48	$976

Health. These families spent a total of $62, or an average of nearly $8 per month for health. This amount was four percent of the total cost of consumption items and three percent of the total income. The range in expense for health was from $11 to $115 per family. The family with an expenditure of $115 had a baby born in March. Hospitalization insurance materially reduced the expense of confinement in this instance. Dental care was responsible for the large expenses for health in three other families.

Recreation. Entertainment, recreation, and tobacco cost $48 per family for the eight months. These families indicated that they enjoyed many inexpensive forms of recreation, such as picnics, base ball games, and family and neighborhood gatherings. Every family reported that attending the picture show was the preferred recreational activity. As a general rule, several members of the family attended the movies together. One family reported attending a symphony concert in St. Louis in celebration of the mother's birthday.

Education. The average expenditure for education was slightly more than $4 per family per month. The expense for education included books and magazines for the family as well as school expense and music lessons for the children. The cost of the daily paper was included in household operation. The children in three families were pre-school age, and the expense for education in these families was less than in families with older children. St. Charles schools do not provide free textbooks. The daughter in one family was studying violin from an instructor in St. Louis, and the children in two other families were taking piano lessons from a local teacher.

Money Allowance. Money allowances were reported by six of the families. Three of them gave allowances to some member of the family regularly. In the other three families the allowances were given for special activities. The lowest amount given as an allowance was $2 for the eight month period. The family with six members reported $106, the highest allowance given by any one of the 10 families.

Organization Dues. Membership dues in organizations were included as an expenditure by nine of the families. Three of the husbands were union members. Professional dues were paid by four of the husbands and by four of the wives. Club membership dues were paid by two of the husbands and by one of the wives. The average cost of dues was $9 per family.

Gifts and Contributions. Personal gifts to members of the family were classified according to the item purchased and were not classified as gifts. All of the families reported money spent for gifts to people outside the family. Expenses for expressions of sympathy and greeting cards were classified as gifts. Five dollars was the average amount spent for gifts per family per month.

The amount reported for church, charity, and community welfare ranged from $6 to $115. The average expense per family per month was $5. Contributions were reported for Red Cross, War Chest, and private organization funds.

<u>Taxes.</u> The expense for taxes in these records included payroll deductions, federal and state income taxes, and sales taxes. The amount paid in taxes ranged from $37 to $440. The average taxes paid per family per month was $26. This amount was nine percent of the total income. The family with the fifth highest income paid the highest taxes.

<u>Savings.</u> The savings of these families were classified as life insurance and investments, bonds, payment on homes, and savings accounts. Twenty percent of the savings was allocated to life insurance premiums during this period. Two families increased the equity in their homes as a part of their plan for future security. All of the families increased their investments in bonds. It is interesting to note that no bonds were cashed in by these families during this period. The lowest amount set aside as savings by any one family was $91 and the highest amount by any one family was $1,249. The average amount added to family savings was $342. This amount was 14 percent of the total income.

In comparing the average income with the total disbursements, it should be noted that there is a difference of $300. Since these families did not balance their accounts at the end of the eight month period, it is not known whether this amount is cash or bank deposit, or whether it was spent for items not recorded.

Net Worth

The amount of savings needed for the financial security of families in later life varies. Some of the factors determining the needs in later life are: number of family members, the condition of health, managing ability, location of the home, standard of living, and economic conditions in general. Long time financial plans should include yearly budgets, expenditure records, inventories, and a comparison of the family's net worth at the end of the year with net worth at the beginning of the year to see the progress being made toward meeting the long time financial goal.

These families were interested in giving the information needed for the investigator to determine their net worth. The value of the accumulated savings and investments, the value of the property, equipment, furnishings, clothing, and personal goods of these families was higher than they had anticipated. The money value of the food canned and stored for the winter convinced the homemakers that they had made a contribution to the family living. Previously they had thought of such a supply as a convenience only.

The net worth of these families ranged from $2,201 to $17,244. The average net worth was $8,705. The families that had been established longer than 10 years, with one exception, had amassed the highest net worth (Table 12). The family with the lowest net worth had been repaying a loan for the husband's education.

The net worth of each of the 10 families shows the progress they have made to date. The average for all is almost $9,000.

Table 12. The relationship of the net worth of 10 families to the number of years the homes have been established and the size of the families.

Families designated by number	Net worth	Years home has been established	Size of family
1	$ 5,183	5	3
2	12,362	15	5
3	5,644	3	3
4	2,201	6	4
5	12,550	18	3
6	8,189	11	4
7	10,620	11	5
8	8,222	22	6
9	17,244	19	3
10	4,834	20	4
Average	$ 8,705	13	4

DESCRIPTION OF FAMILIES

Certain facts concerning each of these families seem worthy of mention. All of the families stand in high esteem in the community. They are identified with organizations and church groups, and they support community enterprises.

Family number one established its home five years ago. A daughter was born three years later. The husband has been employed in his present position for the last seven years and has had two promotions during that time. The wife taught in a rural school for two years after marriage but has not worked outside the home since that time. The wife's incentive for working was to have some of the larger and more expensive pieces of equipment sooner than she could have had them otherwise.

The husband inherited an interest in a piece of property before marriage. The fourth year after marriage this property was sold and the money invested in a small modern home. This comfortable, attractive home is furnished with new furniture supplemented by some reconditioned pieces. This young couple is free from debt and its savings are valued at $5,183. To date the husband has not been able to secure a life insurance policy.

Family number two established its home 15 years ago. The husband holds a position with the same company he started to work for when he finished high school. The wife held a position as a stenographer when she was married and continued to work until the home they bought the first year of marriage was paid for. When the home was free from debt, she became a full-time homemaker, and the couple started to have a family. Now there are three children, two in grade school and one who will start to kindergarten next year.

There have been times when financial problems were great, but by careful management a happy and economically secure family has been maintained. Improvements have been made in the property, and additions have been made to the furnishings. Savings include investments in bonds, life insurance, and savings accounts, in addition to owning the home. The net worth of this family is $12,362.

This couple is active in organizations. The husband has been a leader in the union organization in the company in which he works. The wife has taken an active part in girl scout leadership, parent-teacher groups, and in church groups. Her home activities are not neglected for community activities. She manages to make most of the clothing for the little girls, and preserves food from the garden for family use.

Family number three established its home in 1942. The husband is still working for the company he was with at the time of his marriage. He has been successful in his work and has been rewarded with promotions each year. The wife has not worked outside the home, since a son was born near the end of the first year of their marriage.

The home was started in a furnished apartment, but at the end of six months a new modern home was purchased. In order to finance the purchase of a home, this family sold its automobile, borrowed money from the husband's father, and invested its savings. The house is furnished throughout with a good quality of new furniture. Family expenditures have been conditioned by this heavy initial expense. Wartime salaries have helped to reduce the indebtedness, however, and in September, 1944, the net worth of this family was $5,644.

Family number four established its home in 1939, as soon as the husband had completed his professional education. This family rented a home in St. Charles the first year of marriage and has continued to live in the same house. Two years after marriage, the first child was born, and the second child was born in March, 1945.

Repaying the loan for the husband's education has been uppermost in the financial plan since marriage. Other expenses have been kept at a minimum. The expenditure for clothing during the period the records were kept, was below the average for this family because of the anticipated child and other heavy expenses. Little new clothing was needed for the baby, since the first child had been supplied with more clothing than he needed.

During the year the records were kept, the husband received a promotion which carried an advance in salary. To date life insurance and investment in bonds account for the savings of this family.

Family number five established its home 18 years ago, the year before coming to St. Charles to live. Both husband and wife have a college education. The husband has been a successful teacher since graduation and the wife has been teaching since 1943. A daughter, 15 years of age is now in high school.

This family planned and built a home the fifth year after marriage, and the mortgage has been retired. The valuation of this home has increased as a result of wartime inflation in property values. Collecting and refinishing antique walnut furniture has been a hobby of both husband and wife. As a result, several rooms in the home have been furnished with choice pieces at a low cost.

A steady income since marriage, has enabled this family to accumulate a net worth of $12,550, which included the home, savings, and life insurance.

The home of family number six has been established 11 years. The husband is a teacher by profession and because of his promotions the family has moved several times. The last four years the family has lived in St. Charles. The older child is in grade school, and the younger one is preschool age.

Due to the mobility of the family, it has seemed wise to rent a house rather than to invest in property. The home is furnished modestly, but comfortably. Investments in stocks, bonds, and life insurance make up the greater part of the $8,189, net worth of this family.

The husband in this family has been active in city and county politics and in community drives. The wife, also a college graduate, is active in church groups and in the parent-teacher association.

Family number seven moved to St. Charles three years ago, eight years after marriage. Two of the three children are grade school age, and the baby was born in July, 1944.

The professional position which the husband holds offers a high degree of security, and the family has felt safe in buying a new, six-room, modern home. Much of the furniture was purchased at the time of marriage, and additions have been made as needed. In addition to the home this family is providing for the future with savings, life insurance, and bonds. It is the plan to retire the mortgage on the home within the next two years.

The husband's chief interest, outside his home and family, is in his profession, and he spends many evenings in his work. The wife enjoys social contacts and belongs to several clubs.

Family number eight established its home 22 years ago. The oldest son of this family is serving with the armed forces and the four younger children are living at home and attending school. The husband is a skilled laborer and has had periods of high income alternated with low income and unemployment. The home is located on a five acre plot at the edge of town. During periods of unemployment in industry, the family has operated a truck farm. Tourist rental of two small cabins, located near the home and fees paid for fishing privileges in the artificial lake on the property, have been a source of income when the husband has been out of work. The wife served meals to tourists during two summers. The improvements in the home and in the property have been made by the husband and the sons working together.

The expressions of affection and cooperation among the members of this family show how happy they are to have worked out their problems together. They have accumulated a net worth of $8,222, and are out of debt.

Family number nine established its home 17 years ago. The first child died when she was six years of age. The second child is now 12 years old.

The husband was operating his own business at the time of marriage, and the enterprise continued to be profitable until the early 1930's when he closed his business. However, he was able to find employment very soon and is now a partner in a distributive business. In order to supplement money income after the close of his business the wife accepted a position outside the home. Except for three years since that time, she has continued to be employed. The past year she has taught in the public schools.

In the more prosperous years shortly after marriage, the family built a large, modern home in an exclusive residential section. The furnishings are durable, attractive, and appropriate.

In spite of financial reverses, this family has succeeded in meeting the payments on its home and in providing savings for the future. The net worth of the family is $17,244. Major savings, in addition to the home, are in life insurance, stocks, bonds, and a savings account.

Family number 10 established its home in St. Louis 22 years ago. When the husband's business territory was extended four years ago, the family moved to St. Charles. The two children are in high school.

Before marriage, the wife was a school teacher, and for the past two years, she has taught in St. Charles. This was the first time since marriage that she has been employed outside the home. The additional income during the past two years has provided money for some of the luxuries this family had been unable to enjoy previously. In addition to contributing to the money income, the mother and the daughter make most of their clothing.

The family has not purchased a home because of the nature of the husband's work. Their savings include life insurance and bonds. The net worth of this family is $4,834.

SUMMARY

This study included data from income and expenditure records of 10 selected families living in St. Charles, Missouri. The records were kept from September 1, 1944 to May 1, 1945. The families varied in size from three to six members. Four of the families had three members; three families had four members; two families had five members; and one family had six members. In all there were 20 children, seven boys and 13 girls. The average size of the families was four. Seventy-five percent of them were less than 12 years of age, and 35 percent were less than six years of age. The average age of the children was 7.9 years.

On the average these homes had been established 13 years. The net worth of these 10 families ranged from $2,200, for a family established in 1939, to slightly more than $17,000, for a family established in 1927. The average for all was almost $9,000.

Four of the families owned their homes free from indebtedness and three families were buying their homes. The average value of the seven homes owned was $5,864.

The incomes of these families averaged $302 per month. The money income ranged from $195 to $413 per month and averaged $291. The value of home produced food averaged nearly $11 per month.

The expenditures for consumption items for eight months averaged $1,483. This was an average of $185 per month and was 61 percent of the average income. In every instance food was the most expensive item in the cost of family living. One-third of the cost of all consumption items was for food. On the average $50 in cash was spent each month and in addition $11 worth of canned and stored food was used. Twenty-nine percent of the cost of food purchased was for meat, fish, eggs, or poultry; 20 percent was for fruits and vegetables; and 18 percent was for dairy products. The average cost of food used per person per day was $0.51.

The per capita cost of clothing was $46 for the eight month period. The wives spent 41 percent more for clothing than the husbands spent. The cost of clothing for the sons and daughters was about equal.

The three families renting paid an average of $38 per month for their homes. All of the families had expenses for home improvements at an average of $98 each for the eight months. The expense for fuel averaged $72 per family for the period. There was a wide range in the cost of fuel due to the type of heating system used and the kind of fuel.

All families reported expenses for transportation at an average cost of $18 per month. Nine of these families drove their own cars. An average of $62 was spent for health for the eight month period. Four of the families had large expenditures for health averaging $104 each. One of the four families had a baby born in March, and in three other families dental care was a large item of expense. Expenses for education included music lessons for the children in three of the families. These 10 families enjoyed many inexpensive forms of recreation, and the average monthly expenditure for recreation was $6 per family.

Thirty-nine percent of the average income was allocated for gifts and contributions, taxes, and savings. The 10 families spent an average of \$10 per month for gifts and contributions, and \$26 per month for taxes. Payroll deductions, federal and state income taxes, and sales taxes were reported. Savings were reported in the form of life insurance premiums, war bonds, deposits in savings accounts, and investments in homes and averaged \$342 for the eight months.

The number of families included in this study was too small to draw any conclusions regarding the influence such factors as income, occupation, and family composition have upon family patterns of expenditure. However, a comparison with recent studies indicates that the proportions of the average income spent for the main categories of family living agree with those in more extensive studies.

All of the families were interested in keeping their income and expenditure records and thought the experience had been of value to them. Five families are continuing to keep their records the rest of the year.

USES AND LIMITATIONS

The use of this study will be limited primarily to those persons engaged in educational work and to families making plans for financial management. However, other groups interested in budgets may find this study of actual incomes and expenditures valuable.

ACKNOWLEDGEMENTS

The writer wishes to express her sincere appreciation to Miss Myrtle A. Gunselman, Associate Professor of Household Economics, under whose guidance this investigation was planned and carried out. She also wishes to thank the 10 families in St. Charles, Missouri, who cooperated by keeping detailed records of income and expenditures for a period of eight months and making their records available for analyses.

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