FAMILY FINANCIAL SECURITY, MARION, KANSAS, AUGUST, 1960

by

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INTRODUCTION

The desire for family financial security finds expression in many forms such as private savings, acquisition of assets to provide income during prolonged illnesses or old-age, or life insurance for the protection of dependents in event of death or disability of the breadwinner. Financial security is not necessarily the ultimate goal of a family. However, the consideration of security does affect a family's pursuit of a satisfying life.

Factors which may contribute to or yield a certain degree of financial security for one family may not necessarily mean financial security to another. A family with a net worth of $10,000 might feel secure whereas another with a $100,000 net worth might not. Some families find risk taking adventures enjoyable and satisfying while others prefer the security of feeling they have the risks "covered". Actual provisions a family makes do not necessarily create security, but give the family a basis for feeling more secure than if such provisions had not been made.

Complete financial security for families is in fact unobtainable. When the level is approached, the definition or aspiration of security is redefined to a level of security above that just attained. Some of the personal risks of life can be met through long range remedies. Through education, a person might develop skills which will enable him to secure and hold a permanent job. Special skills will enable him to seek a variety of employments. An adequate income will enable families to acquire assets or accumulate savings to provide for unforeseen illnesses or old age. While families may have the means to provide for future contingencies it still does not mean that they will necessarily feel secure, but they may feel more secure than if they had made no provision.

While family financial security is difficult to define, it may be viewed as the absence of forces which create insecurity. Kyrk (1953) defines two types of risks which create insecurity: personal and economic. Economic risks are caused by fluctuations in the economy, resulting from such factors as change in prices, interest rates, or employment patterns. Such changes are controlled by the forces of the economy, not by individual families. However, families theoretically can minimize the impact of such endogenous variables through long range financial planning such as the more recent variable annuities which are designed to serve as a hedge against price fluctuations. Personal risks include such contingencies as disability or death of the breadwinner due to sickness, accident, or old age. Also included are such hazards as fire and theft. Personal risks are those for which a family may plan to meet through savings, credit, or insurance. It is the personal risks, those over which the individual has some influence, that are the focus of this study.

This study is limited to provisions and plans of families for future contingencies and personal risks. Risks arising out of unemployment, price stabilization, inflation, or technological advances are not treated in this study. Personal risks include certain unforeseen contingencies arising from loss of income through death, disability, or illness of a family member, from some unexpected event such as fire or theft, or from increased expenditures such as "clean-up expenses" or medical bills. Also included are provisions and plans made for future events which are predictable such as retirement needs and the education of dependents. Particular attention is given to the use of life insurance as a means for minimizing financial insecurity arising from these personal risks. Opinions held about insurance and the education of dependent children are also covered.

Objectives

The specific objectives of this study are:

1. To describe the opinions of rural families toward life insurance and education in relation to family financial security.
2. To describe the actual provisions made by families for future contingencies.

Some Previous Studies

In recent years increasing attention has been given to the study of factors and provisions affecting family financial security. Fitzsimmons (1950) reported retirement plans of Illinois farm families. The study was based on the assumption that families in general decide to retire only when they feel relatively secure, thus the plans people make can be taken as a measure of what they believe they require for security. The data for this study were obtained through personal interview surveys of families established 15 years or more in order to gain an idea of what requirements for security might be.

Most of the cooperating families had not made complete plans for retirement. Few had made wills and many estimated they would need a smaller retirement income than they were spending currently.

Early in the 1950's, in anticipation of the amendment to include farm families in the Social Security Act, four state agricultural experiment stations cooperated with the United States Department of Agriculture in surveys of the provisions made by rural families for economic security in old age. The study included assessments of retirement plans and estimates of attitudes toward the extension of the Old-Age and Survivors Insurance program to farm families. The results were published individually by the agricultural experiment stations of Connecticut, Wisconsin, Texas, and Kentucky, and summarized by the United States Department of Agriculture in "The Farmer and Old-Age Security: A Summary Analysis of Four Studies, 1951-54" (Baill, 1955).

These studies indicated the need for social security because few farm operators or farm workers had made adequate provision for economic security in old age. While farm operators were better prepared financially for old age than regular farm workers, less than one-fifth had made definite plans for their retirement needs. Most had not accumulated sufficient capital assets to provide for their economic security in old age.

Concurrent with the studies reported by Baill was the development of an interest by a group of states in the North Central region of the possibility of a regional project dealing with rural family financial security (Fitzsimmons, 1961). Two states, Indiana and Kansas, had already begun research in this area: Indiana A.E.S. Project No. 792, "Factors Affecting Farm Family Goals," and Kansas A.E.S. Purnell Project No. 196, "Survey of Financial Management Experiences as They Relate to Provisions for Financial Security of Farm Families." After a year of study by a temporary Technical Committee representing most of the Agricultural Experiment Stations in the North Central region, Project NC-32, "Factors Affecting the Financial Security of Rural Families," was approved as a North Central Regional Project for five years beginning in the fiscal year 1956-57. The overall objectives of the regional project were:

1. To obtain data for purposes of developing criteria which will serve in estimating the extent of present financial security among rural families.
2. To analyze the use of rural family resources for advancement of financial security and to identify conditions which influence levels of achievement.
3. To make information available which might be used in measuring degrees of farm family security and means by which it may be advanced.

Nine states, Indiana, Illinois, Iowa, Kansas, Michigan, Missouri, Nebraska, Ohio, and Wisconsin, in the North Central region, participated in the regional project by submitting contributing projects related to some phase of family financial security in which they were interested. An extensive review of each state study, and the major results are currently being summarized. This summary publication will include references to major publications. (Annual 1961 Report, 1962)

In this thesis only the major contributions of each state will be presented. Special emphasis is given to different aspects of family financial security and the procedures and methods of analysis each used (Fitzsimmons, 1961).

Illinois. Illinois' contribution was a sub-project of the longitudinal study in the state, "Consumption Studies of Farm Families," which was started in 1925. Farm family expenditure records had been kept by cooperating families and summarized for purposes of analysis.

Two contributions were made: one was a case study of the financial progress and methods used to obtain financial security of two farm families over a period of 23 years from 1933 to 1955; the second study was concerned with a factor analysis of farm families' expenditures. Financial records obtained from 59 farm families over a 12-year period, 1946 to 1957, provided data for the study. Six factors: family size, age of family, age of husband and wife and length of time of marriage, savings, education, and income, were examined for their relationship to farm families' economic behavior.

Iowa and Missouri. Iowa and Missouri worked jointly on consumer credit and its relation to family financial security.

The study was designed to determine practices and attitudes toward the use of consumption, production, and real estate credit. Data were obtained from interviews with families selected at random in counties which bordered the two states. Procedures developed in the first study are being tested in a second study begun in 1960: "Provisions for Short-term and Long-term Emergencies Arising Because of an Interruption of Family Income Flow."

Indiana. A pilot study, "Factors Affecting Farm Family Goals," was begun in 1955 with the following purposes: to learn the extent to which families recognize and can express their goals; to examine the relationship of such factors as stage of the family life cycle, income, and tenure to the nature of family goals; and to develop methods by which these relationships may be analyzed. A five point scale was developed for rating achievement in regard to goals in order to describe groups of related goals and to compare groups of families.

A second study was concerned with the advancement of rural family security through the use of family resources. Husband and wife farm families selected at random from eight counties of a grain and livestock type of farm area were interviewed. The belief of the cooperating family members as to whether or not the family would be able to meet emergencies or unusual need for money was taken to indicate whether or not a family was financially secure. On the basis of this division, attributes of families were compared for significant associations.

Michigan. Michigan investigated the decision-making process in its relation to the advancement of rural family financial security. The objectives of the study were: to obtain a realistic and detailed picture of how decisions on financial security were made; to determine the influence of selected socio-economic factors on selected decision-making practices; and to compare practices followed in making satisfactory and unsatisfactory financial decisions. Data were obtained from personal interviews with farm couples who were at a stage in the family cycle when expenses would be heavy. The interviewees were selected by area sampling in two Michigan counties.

Nebraska. "Use of Possessed Resources to Advance Rural Family Financial Security" was the subject of Nebraska's study. The purposes of tho study were: to inventory family resources and to examine practices and attitudes. Data were obtained in a low income rural county from middle-aged families who had participated previously in a Resources for the Future Study, entitled, "Adjustments Needed in Use of Resources in the Transitional Area."

Ohio. Ohio contributed two studies to the NC-32 regional project. The first study, "A Study of the Income and Money Disbursements of Farm Families in Terms of Inter-Farm-Household Operation, Management, Family Satisfactions, and Future Plans," already underway in 1956, was accepted as a contributing project to the regional study. The focus of this study was on the young farm family. Two groups of farm couples married less than ten years in different economic areas of the state provided data for the study.

The second study, begun in 1959, was "Farm Family Financial Situations and Procedures in Relation to Economic Progress Since Marriage." The major objective was to analyze families' economic progress, measured by changes in the net worth, since marriage and factors relating to it. Husband and wife farm families who met certain criteria and were living within three counties with similar agricultural conditions within central Ohio were interviewed.

Wisconsin. The rural aged population were selected for study in Wisconsin. Data were obtained in 1957-1958 by personal interview from a random sample of persons 65 years of age or older living in three counties of different economic areas. Secure families were defined as those who felt they could meet any unusual expenses that might occur as well as their present ordinary expenses. The late-middle-aged families (age 40-65) were studied beginning in 1961.

Kansas. A study of 60 selected Kansas farm families was made by Correll in 1954 (Correll, 1954). The survey was limited to those families with husbands 50 years and older who had cooperated in the Farm and Home Management Association Program and had made financial records available for research studies at least one year during the period 1934-51. The purposes were to pretest a schedule with a small pilot study, to determine the feasibility of a larger study, and to determine the economic status of these families, for whom questions of retirement and financial security for the remainder of their lives is an important issue.

In 1955, a larger statewide survey under Kansas Agricultural Experiment Station Project Number 427, "Economic Status and Plans for Future Security of Rural Families," was undertaken as a contributing project to NC-32 regional project. The objectives were to estimate the economic status of Kansas farm families and to give information as to provisions families are making to meet selected personal risks which might create major financial difficulty for family living.

The participating families were chosen through a statewide stratified random sample among the non-urban counties in the ten economic areas of the state. Data pertaining to 1955 were collected in 1956 by personal interview with 527 farm-operator husband and wife families.

Key socio-economic factors as age, income, net worth, and area were used to differentiate farm operators with respect to provisions for financial security. Special analyses were made on the use of credit, the extent of indebtedness and assets held by families, business management practices, farm home and its equipment, farm operations, years of schooling, and selected family characteristics.

Since age, education, net worth, income, and size of economic family do not adequately describe the families in terms of their position in the life cycle, the Morse-Johnston scale was developed to group families of similar family responsibilities. Johnston (1957) in her master's thesis, "The Relationship of Selected Economic Indices to the Family Life Cycle," tested this data with the above data.

Krebs (1961) also used the data obtained in the statewide 1956 survey to study the life insurance coverage of families and family members. Her objectives were: To determine the frequency and amount of life insurance coverage among Kansas farm-operator families and family members by type of family and to observe the relationship between insurance variables and the selected socio-economic factors: age and education of husband, size of family, family net worth, farm and total income, indebtedness, tenure and the degree of planning indicated for financial support in the event of death or disability of the husband or wife.

The Kansas 1956 statewide survey data were extensive enough to permit separate analyses of the data by the ten state economic areas, stage in the family life cycle, and credit and insurance experience. Kreb's analyses of life insurance coverage by Kansas farm-operator families stimulated further interest in the understanding of the relationship of life insurance coverage and family financial security. She reviewed recent surveys made specifically to determine the personal, financial, and family characteristics of life insurance holders and those surveys made in connection with financial security, social security, or related financial matters which included questions about insurance.

One of the more interesting studies, the recent nationwide survey of life insurance ownership conducted for the Institute of Life Insurance by the Survey Research Center of the University of Michigan, reviewed by Krebs, also dealt with opinions held toward life insurance. (Institute of Life Insurance, 1957)

Over 4,000 families in both rural and urban areas representing 13,000 individuals selected by a probability random sample of the United States were interviewed in 1955. The objectives of the national survey were: to determine the number of individuals in the United States who had life insurance, both those owning insurance issued by legal reserve insurance companies and those insured in other companies; to discover the personal, financial, and family characteristics of these policy holders; and to discover people's attitudes toward life insurance.

Other analyses of the 1956 Kansas data also pointed up the need for more knowledge about provisions and contingencies families are making for retirement, their opinions toward life insurance and education, and provision for these in the family as two important means for affording financial security. In addition, there was need for more information about the entire rural population of the state, specifically those who live in rural-nonfarm communities as well as rural farm families.

Thus, in the summer of 1960, another statewide survey of a random sample of rural husband and wife families was made. Marion City was one of the units selected at random to be surveyed. Because the data obtained from the Marion City schedules represented almost one-half of the information obtained in the repeat survey and because the author conducted over 90 per cent of the interviews, a separate analysis was made by the author for the purpose of this thesis.

Summary

The Master project outline for NC-32 was sufficiently broad that it allowed the various states to contribute to this broad area of family financial security in many ways. Below are summarized different aspects chosen by the respective states which reflect each state's concept of family financial security and the contribution each felt best able to make to further the understanding of family financial security.

Illinois utilized its unique longitudinal data and studied methods used to achieve financial security over an extended period of time. Indiana developed family goal concepts and used the inability to meet emergency expenses as criteria for insecurity. Factors related to the use of credit were jointly studied by Iowa and Missouri. Michigan investigated the decision-making process in its relation to the advancement of financial security of middle-aged families. The use of and attitudes toward "possessed" resources by middle-aged families were studied by Nebraska. Ohio investigated the problems of income and money disbursements of young farm families and in a second study dealt with the economic progress of farm families since marriage. Wisconsin concentrated on age levels: the rural aged family and in a second study on the late-middle-aged family. Kansas conducted a statewide survey taking sufficient schedules to permit analyses of credit and insurance. This was followed by a second statewide study, of rural families, with special emphasis on insurance and education. The city of Marion was included in the second survey and a sufficient number of schedules were obtained to justify a separate analysis which is presented herewith.

PROCEDURE

The data for the statewide survey, from which the Marion data were taken, were obtained in 1960 by personal interviews with 200 rural Kansas families. The population was selected at random by the use of probability sampling. The survey was a part of the Kansas Agricultural Experiment Station Project, Organized Research Project No. 427, "Economic Status and Plans for Future Security of Rural Families," a contributing project to North Central Regional Research Project NC-32, "Factors Affecting the Financial Security of Rural Families."

Selection of Sample

A list of all persons living in Kansas was available from the Commissioner of Agriculture, Topeka, Kansas, from which the sample was drawn. The list was compiled by townships or wards within cities and included the name, address, age, and sex, as of July, 1959. The compilation is made annually by a state census under the supervision of the county assessor and filed with the State Department of Agriculture.

The urban counties, Johnson, Sedgwick, Shawnee, and Wyandotte, as well as cities with 2,500 or more persons were eliminated from consideration, for by definition rural families did not reside there. The total number of rural persons in the remaining areas of the state was 739,644. The number of rural families was estimated to be 211,327, assuming 3.5 persons per family.

The survey plan was to take approximately 150 schedules in eight counties, with interviews concentrated in two rural areas per county. Eight of the 101 rural counties were selected at random, giving each county an equal chance of selection. Morton, Thomas, Labette, Greenwood, Norton, Republic, Wichita, and Marion counties were selected. From the total number of rural units (townships or "cities" under 2,500 population) within each county, two units were selected at random.

The sampling rates for selecting families within the rural units were computed on the basis of the number of rural units within the county. Each county had an 8/101 chance of being selected, and each township or "city" within each county had a $2/T_i$ chance of selection (where T_i equals the number of units in each county). Thus the chance of a unit being included in the sample was $8/101 \times 2/T_i$. The number of families desired (150) divided by the estimated number of families (211,327) yielded the overall sample fraction of .00071. The sampling rate of families (f_{ij}) within the units was computed:

$$8/101 \times 2/T_i \times f_{ij} = .00071$$

$$\text{therefore:} \quad f_{ij} = .00448\, T_i$$

Marion County, in which the city of Marion is located, had 36 rural units (T_i). So, the sampling rate for Marion County was .161 (which is .00448 times 36). Thus, a random sample of 16 per cent of the Marion families was desired.

The process of selecting families was complicated by the fact that persons (and not families) were listed in the census. Thus judgment had to be exercised in determining family units, using as a guide the age, sex, name, and address of persons listed in enumerator census books. Those names which did not appear to be husband and wife families were eliminated from consideration. The remaining names were grouped by what seemed to be families and were numbered sequentially, thus giving a total number of "families" in each of the sample units. The sampling rate multiplied by the total number of families in each previously selected unit gave the number of families to be included in the sample.

There were 2,247 persons listed in Marion City. If the average size family had been 3.5 persons, there would have been 642 families. However, the tabulation of persons grouped as families and numbered sequentially in the enumerator book yielded 600 husband-wife families in Marion. The sampling rate of .161 applied to the total of 600 families fixed a sample size of 96.8 husband and wife families.

Numbers between 1 and 600 were selected at random from a table of random numbers until 97 different numbers were drawn. The families bearing the selected number became the sample families to be interviewed. An additional 14 numbers (names) were drawn at random to provide a reserve from which names could be drawn as substitutes for the desired 97. This reserve proved to be inadequate. An additional 29 sample families, to be discussed later (see page 21), were picked in the field as a remedial measure to obtain the desired sample size.

Schedule

The interview was structured by a 12-page schedule on which the data were recorded (see Appendix A). The schedule was divided into ten sections. The questions and sections were arranged to give the schedule continuity of interest. For example, it launched immediately into questions about insurance and attitudes, so the respondent recognized the intent of the survey. Background information about the family income and socio-economic level of the family were placed toward the end of the interview.

The schedule cover sheet which was conspicuously labled "confidential" gave the name of the project and provided spaces for recording the schedule number (and not the name of the respondent), date, county, township or town, time begun, time ended, and name of the interviewer (see Appendix A). A brief introductory statement was presented on page one and was the basis of the interviewer's statement. In brief, the families were told that the purpose of the schedule was to learn something about the opinions of families toward life insurance and education as means of providing financial security for a family. It was explained that the best way to secure this information was to talk directly with the people themselves. They were told that their family was one of 220 families selected at random from eight counties in Kansas to be part of the survey.

The initial section in the survey asked general questions about the extent of planning the family had done in event of death or disability of the husband or wife. Immediately following, the families were asked to list the basic elements of their plans.

The second section provided families an opportunity to express their attitudes toward insurance, first spontaneously to open-end questions and then to a series of structured "reasons". They were asked to tell which reasons were of great importance, less importance, or not important at all. The form was taken from the survey used by the Institute of Life Insurance. These questions were then rephrased to enable expression of negative responses.

In the third section information was tabulated about the size and composition of the family, years married, occupational status, and responsibility for financial support. Questions were asked about social security and life insurance experience of each family member. This was followed in section four by a request for information about life insurance policies carried on the husband, wife, and children.

Additional opinion questions about insurance followed in the fifth section. Reasons for not insuring the uninsured family members, feelings toward the adequacy of the family's insurance coverage, opinions about insuring the wife and child, and opinions about term insurance were included.

Section six asked the families to list other forms of insurance currently held. Following the question, "Do you carry insurance on: . . .?" were listed 19 risk items to check. Those who said they did not carry insurance were asked "Why?".

Then, to get an estimate of the importance of these risks, the insurance carriers were asked if they had experienced in their married life any of these risks.

Section seven pertained to education plans and attitudes of the families toward education. Special questions were asked of families with children in college, of pre-college age, or with dependent children six years of age and over not in school. All were asked about the value of a college education, the relationship of education to financial security of a family, and kinds of educational preparation they felt were most important for a boy and girl.

Estimates of family net income and income received by husband, wife, and children from designated sources such as oil leases, interest, dividends, wages, and salaries were included in the eighth section. The family's financial status was estimated in section nine by asking for the resale value and indebtedness of a list of major items commonly held or owned by rural families.

The concluding section was designed to evaluate the family's insurance program. The families were asked to estimate the amount of money needed and to review the provisions made for retirement, burial expenses, and education of dependents, when applicable. Provisions made to cover medical and other expenses that might be left following death as well as actual provisions made for the care of the surviving husband, wife, or children were asked.

At the close of the survey, two simple and direct questions were asked: "In general do you feel you are as well covered by insurance and savings as you can afford to be?" and "Do you feel financially secure?"

Interview

In advance of the interview a personal letter of introduction was sent to each family giving the purpose of the study and requesting their cooperation (see Appendix B). The name of the interviewer and the approximate dates she might call were given. The letter was signed by Dr. Richard L. D. Morse, Professor and Head, Department of Family Economics, and written on Kansas State University, Department of Family Economics letterhead.

Interviewers were instructed to introduce themselves as a representative from Kansas State University, to give the general purpose of the study, and explain how the family had been chosen at random to participate in the survey. The families were assured that all responses were confidential and that the report would in no way identify any individual or family.

Often it was necessary to assure the family that the information would not be made available to tax authorities. Also it was often necessary to explain in further detail why they and not their neighbor had been selected. Whenever possible both the husband and wife were interviewed. Most of the refusals were by families who reacted negatively to the introductory letter. Those initially hesitant about being interviewed usually cooperated fully in answering the questions once the interview was begun.

All but nine per cent of the interviews were conducted by the author and were made over a 14-day period during August, 1960. From the 97 names furnished by the original sample list, 65 schedules were completed. Of the 14 names provided on the reserve lists, nine families were interviewed. An additional 15 schedules were obtained from the 29 names picked in the field.

Among the 51 families from which schedules were not obtained, 19 (13.6 per cent) were refusals. The others were not at home after four calls, were on vacation, or had moved out of town.

It became apparent from the outset of the interviewing that additional families would need to be contacted if the desired sample size was to be obtained. Accordingly, on August 17, 1960, an additional list was drawn from the city water commissioner's lists in the City Hall, Marion, Kansas, of 29 families. Every fifth family was selected from file drawers in the water commissioner's office to represent different areas of the city.

To test for possible sample bias, the Kolmogorov-Smirnov test (Siegel, 1956, p. 127-136) was used to make a comparison of the schedules obtained from the survey sample which was taken from the assessor's list (N=74) and the schedules which were obtained from the water commissioner's lists in Marion City (N=15). The greatest difference in the relative cumulative frequency of selected socio-economic factors from each sample were compared using this two-sample test.

There was no significant difference in the two samples at the .10 level of rejection with respect to the following socio-economic characteristics: number of years married; age of husband, wife, or youngest child; education of the youngest child; number with social security experience; and number of current or dropped life insurance policies. However, significant differences at the .01 region of rejection were noted for the following factors: education of the husband or wife; size of economic family; and number of dependents. The families, selected from the water commissioner's lists, tended to be better educated with respect to both the husband and wife, and to have fewer dependents. The schedules of the 15 families were grouped with the other Marion families to facilitate analysis of the data.

The average interview was completed in approximately 50 minutes. Interviewing time ranged from 20 to 105 minutes, but most of the interviews took 45 minutes. Interviews were generally conducted in the homes of the families, but some individuals were interviewed at their places of business, especially when both the husband and wife were gainfully employed.

Method of Analysis

As the schedules were completed each day, they were mailed to the office and numbered consecutively. Responses to structured reasons were tabulated for the 200 schedules, arranged in an ordered array, and placed into workable groups to facilitate analysis. Responses to open-end questions were typed verbatim on master sheets. Those responses which conveyed the same meaning were grouped, given letter codes, and tabulated by the coded groups.

Three questions, those determining net worth, net family income, and face value of family's life insurance, required classification into value groups to facilitate analyses. The values were tabulated and arranged in an ordered array and grouped into terciles or quartiles.

The McBee Key-Sort card system was used to enable hand operation and allow the researcher to gain a greater feel of the data (see Appendix C). Two separate decks of cards were made: one to record all the schedule information requiring extensive analysis; and a second deck for detailed life insurance policy information. The first deck consisted of 200 cards, each card representing one interview schedule. Space for the recording of absolute data was provided as well as the printed codes for each open-end and structured question. Selected socio-economic factors were placed at the bottom of the card. Insurance and other information were placed at the top of the card. The center provided space for the coded responses. Absolute data, such as the ages of the husband and wife, education of husband and wife, or net money income, were recorded on each respective card. Letter codes for each question were circled, where applicable, and the card borders were punched for data which were most frequently used.

Information about the individual life insurance policies was coded and placed on the second set of cards. A separate card was made for each insurance company and type of policy represented. Additional recorded data included age and year of purchase, face value, policy status, and whether the policy was held by the husband, wife, or child. This permitted further analysis of specific insurance information.

Many of the tercile and quartile classifications do not show an equal distribution for the Marion data. This resulted because the classifications established for the entire 200 schedules were used.

RESULTS AND DISCUSSION

The survey results are introduced with a factual presentation of the characteristics of the families and their financial status. Following is an analysis of the families' insurance coverage, including life insurance experience and other insurance coverage. Opinions about life insurance are presented in the next section. This is followed by a discussion of plans made for future contingencies. In the closing section attention is given to opinions about and provisions for the education of dependent children.

Family Characteristics

Economic Family Size. The family, for purposes of this study, included individuals who received one-half or more of their support from the family and who were living together. Average (mean) family size was 3.5 members per family. Fifty-nine families had dependent children. There were 2.3 dependents per family among families with dependent children, and 1.5 dependent children among all families.

Although an effort was made to restrict the population sampled to only husband and wife families, three of the families interviewed were broken families. Two were headed by widowers and one by a widow. The widow and one widower each supported two dependent children, the other widower supported none. The distribution of families by size and family type is given in Table 1.

Age of Husband and Wife. The average age of the wives (42.7 years) was 2.9 years less than the average age of the husbands (45.6 years). The ages for the deceased husbands and wives were not given. A distribution of the husbands and wives by age group is presented in Table 2. Although the usual pattern is for the wife to out-survive her husband, the data do not reflect this because the survey was essentially limited to husband-wife families. In fact, the wives tend to be younger than the husbands.

Table 1. Size of economic family by family type.

Family type	Size of family										Mean number dependents	
	1	2	3	4	5	6	7	8	All	Avg. size	Families with dependents	All families
Husband-wife	0	29	14	24	10	5	3	1	86	3.5	2.3	1.5
Widow-children	0	0	1	0	0	0	0	0	1	3.0	2.0	2.0
Widower	1	0	0	0	0	0	0	0	1	1.0	.0	.0
Widower-children	0	0	1	0	0	0	0	0	1	3.0	2.0	2.0
All	1	29	16	24	10	5	3	1	89	3.5	2.3	1.5

Table 2. Age of husband and wife.

Age years	Husband (N=88)	Wife (N=87)
20 - 24	4	6
25 - 29	7	8
30 - 34	11	13
35 - 39	14	12
40 - 44	11	12
45 - 49	4	11
50 - 54	14	7
55 - 59	4	6
60 - 64	8	7
65 - 69	7	2
70 - 74	2	3
75 and over	2	0
Mean age	45.6	42.7

Years Married. The husband and wife families had been married an average of 21 years. About one-fourth of the families had been married 10 years or less, almost two-fifths had been married for 11 to 25 years, and those families married more than 25 years acoounted for slightly over one-third of the families. Two of the couples had celebrated their Golden wedding anniversary. The data are presented in Table 3.

Table 3. Families by number of years married.

Years married	Families	
	Number	Per cent
5 or under	11	13
5 - 10	11	13
11 - 15	20	23
16 - 25	14	16
26 - 35	14	16
36 - 58	16	19
All	86	100

Years of Schooling. The average (mean) educational level for the husbands and wives was 12 years. The two major periods of drop-out noted were: following the eighth grade, and a larger drop following the twelfth grade. More of the husbands (30 per cent) than wives (21 per cent) terminated their education at or below grade school level. Seventy per cent of the husbands had attended high school, but only 59 per cent completed high school, a drop of 11 per cent. The drop rate for wives was much less, from 76 to 73 per cent.

More wives than husbands finished high school and attended college, yet more husbands finished college. Of the wives who attended college (32 per cent), one-fourth were college graduates. Among the husbands who attended college (29 per cent), almost two-thirds were college graduates, and almost one-half continued postgraduate training. Supporting data are on Table 4.

Years of Schooling and Age of Husband. The average years of schooling for the husbands and wives decreased with the age of the husband. Among husbands and wives, 65 years or older, an eighth grade education or less was average. Between the ages of 45 and 65, husbands averaged 11 years of schooling and wives were usually high school graduates.

Husbands under 45 years averaged one more year of schooling than their wives. Husbands between 35 and 44 had completed one year of college, on the average, and those under 35 had completed two years of college. In summary these data (see Table 5) indicate the tendency among younger rural families to have more education. Furthermore, these data reflect an earlier tendency to educate the girl (wife) rather than the boy, and a more recent tendency for the boy (or husband) to continue in school beyond the level attained by the girl (or wife).

Table 4. Highest grade of school completed by the husband and wife.

Highest education level obtained	Husbands		Wives	
	Number	Per cent	Number	Per cent
Grade school or less	26	30	18	21
Partial high school	10	11	3	3
High school graduate	26	30	38	44
Partial college	10	11	21	24
College graduate	4	4	7	8
Post graduate	12	14	0	0
All	88	100	87	100

Table 5. Average years of schooling by age of husband.

Age of husband	Number	Years of schooling (Mean)	
		Husband (N=88)	Wife (N=87)
34 and under	22*	14	13
35 - 44	25	13	12
45 - 64	30*	11	12
65 and over	11	8	8
All	88	12	12

* Includes one widower family.

Occupational Status. A variety of occupations was reported by both the husbands and wives as shown on Table 6. Eighty-two husbands and 37 wives were gainfully employed. Five husbands had reached retirement and one was unemployed. Nearly one-half of the husbands were employed as laborers (20) or operators (20). They were working as truck drivers, road maintenance workers, or in grocery stores, service stations, and similar pursuits. Sixteen were classified as managers and 15 were engaged in such professions as medicine, the ministry, law, banking, insurance, and small business. Others were employed as craftsmen or foremen (5), sales workers (4), or farmers (2).

Three-fifths of the wives were full time homemakers. Employed wives most frequently worked as secretarial or clerical workers (16), and as laborers (8), usually as domestic help. Others were employed as sales workers and clerks (5), as professional workers (5) such as teachers, and managers (2), and as operators (1).

Table 6. Occupation of husbands and wives.

Occupation (full or part time)	Husbands (N=88)	Wives (N=87)
Farmers	2	0
Operatives	20	1
Laborers	20	8
Managers	16	2
Professional workers	15	5
Craftsmen, foremen, clerical	5	16
Sales workers	4	5
Retired	5	0
Homemakers	0	50
Unemployed	1	0

Veteran Status. Slightly over one-half of the husbands were veterans and had participated in some service, as indicated in Table 7. Over one-half had served during World War II. Eight served in the Korean War, and an additional eight during World War I. One husband served in both World War II and the Korean War. Two did not specify when they had served.

Table 7. Veteran status of husbands.

Status		Number of husbands (N=88)
No service		43
Some service		45
World War I	8	
World War II	26	
Korean	8	
World War II and Korean	1	
Not specified	2	

Summary. The average family size was 3.5 members. This included all individuals who received one-half or more of their support from the family and who were living together. There were 87 husband and wife families, and three who were widow or widower families. Husbands were generally older than their wives by about three years. The husbands and wives had been married an average of 21 years.

The mean education level for husbands and wives was 12 years. Younger husbands had more years of schooling than their wives. Among the older families, however, this was not true, as older husbands reflected their time in which they had less schooling than their wives.

Ninety-three per cent of the husbands and 54 per cent of the wives were fully or partially gainfully employed. Husbands most frequently worked as operators, laborers, managers, or professional workers. Wives were most frequently employed in clerical occupations. Over one-half of the husbands were veterans.

Financial Status

Net Money Income. Data pertaining to family net income were obtained directly from the families. They were asked to check the income bracket that best represented their total net money income for the previous year (1959). Then the families were asked to list the sources of money income received by each family member for the previous year. Possible sources were given in the schedule to facilitate complete and correct responses. The distribution of families by total net money income for 1959 is given on Table 8.

Not all of the 89 families reported values which were usable, but 78 did. The values together with those from the other schedules of the statewide survey were ranked and then divided into terciles, that is, an equal number of low, middle, and high income. For those families who refused or were unable to give all or part of the information, a judgment was made after reviewing the rest of the schedule data whether these families would classify as low, medium, or high income families. A large proportion of the Marion families is in the middle and higher income "thirds" because the net money income of "city" families is higher than that of the rural-farm families.

Total net money income for 1959, ranged from $1,560 to

$30,000. The median income of these families was $5,000; the mean income, $6,320.

The expectations of these families was not in terms of higher incomes. Most (53) of the families said they could regularly count on the same amount of net money income as was earned in 1959. Fourteen indicated they generally expected less than their 1959 income, five said they could count on more, another five did not know. One family said their annual net money income varied each year. This question was not asked of those families who did not give usable net money income values.

Table 8. Families by total net money income, 1959.

Net money income	Families
Low: $3,500 or less	22
Middle: $3,501 - $5,500	34
High: $5,501 and over	33
All	89
Median, $5,000; mean, $6,320; range, $1,560 - $30,000	

<u>Net Worth.</u> To obtain a better understanding of the families' financial status, estimates of the value of all assets and liabilities were requested. Assets were estimated by asking about the value of the business or farm, if applicable, family home and other real estate, automobile and truck, household furnishings and appliances, savings and investments including

government bonds, corporate stocks and bonds, checking and savings account balance, cooperative shares, and the cash value of life insurance policies. Liabilities included: home and farm mortgages; installment credit balances; loan balances with banks, credit unions, or finance companies; hospital and medical bills; and other obligations. Seventy-seven families (87 per cent) furnished adequate and usable net worth data. The 12 remaining families supplied incomplete information or refused to cooperate. For purposes of some analyses, however, these families were classified on the basis of other information in the schedule as low or high net worth, and, if in doubt, as middle net worth families.

Net Worth Sources. The distribution of assets by types held, reported by the 77 families who gave usable net worths, is shown in Table 9. All of the families owned household furnishings and appliances; seven families (9 per cent) indicated indebtedness on part of their furnishings or appliances. Automobiles and/or trucks were owned by 74 families; 22 (30 per cent) were still paying for them. There were 56 home-owners, and 24 (43 per cent) reported home indebtedness. Thirty-nine families owned a business or farm and 17 owned other real estate. Sixteen per cent of the families who owned a business, farm, or other real estate reported indebtedness. Other assets included cash value of life insurance (63), money in banks or savings and loan corporations (49), government bonds and corporate stocks and bonds (40), and other savings and investments (8). Fourteen indicated they owed hospital, medical, and other bills. None had borrowed on the cash value of life insurance. Possibly this table reflects an under-reporting of bills and an over-reporting of awareness of cash value of life insurance.

Table 9. Types of assets and liabilities held by families.

Type of assets or liabilities	Number of families holding	
	Assets	Liabilities
	(N=77)	
Business or farm	39	8
Home	56	24
Other real estate	17	3
Automobile and/or truck	74	22
Household furnishings and appliances	77	7
Savings and investments		
Government bonds, corporate stocks and bonds	40	1*
Bank accounts, savings and loan	49	0
Other savings and investments	8	1*
Cash value of life insurance	63	0
Bills, including hospital and medical	0	14

* Investment purchase commitments.

Net Worth Values. The net worth values for all 200 families who reported net worth values were arranged in order of magnitude from the lowest to the highest. They were divided into three groups of equal size; low, middle, and high net worths. The families in the low and high net worth terciles were further divided into two groups to aid in the analysis of those families with very high or very low net worths. The 12 Marion families who had not given specific values were inserted into one of the previously determined net worth classifications:

two families were included in the low net worth group, four in the middle group, four in the high group, and the remaining two were grouped with those who had very high net worths. This indicated the non-cooperating families were, in the judgment of the office editors, in the higher net worth groups.

The median net worth for all families was $11,600 or about twice the median net income. The mean net worth was $25,496 or about four times the mean net income. The distribution of families by net worth classes and per cent is shown in Table 10. The classes were established to contain three equal size groups (with the low and high groups subdivided) for the statewide survey. The Marion families were less frequently in the higher net worth groups than the distribution of rural families throughout the state, because the net worth of "city" families is less than that of rural-farm families.

Social Security and Retirement Plan Experience. All but two of the families indicated some social security or retirement plan experience. The families with no experience were headed by professional men, one medical doctor and one dentist. Over four-fifths of the family heads were currently making contributions for social security. Eight of the family heads, including one widow, were currently receiving social security payments and three received additional income from other retirement plans. All beneficiaries except the widow were retired or semi-retired, and were 60 years of age or older. Six family heads were making payments toward various types of retirement plans, but not social security. These husbands worked for the federal government (post office and United States Department of Agriculture), the State of Kansas, or were in the ministry (Table 11).

Table 10. Distribution of families by net worth.

Net worth	Number of families: Number	Number of families: Per cent
Lowest: $-4,100 to $2,999	13	15
Low: $3,000 to $8,249	19	21
Middle: $8,250 to $27,999	32	36
High: $28,000 to $49,999	14	16
Very high: $50,000 to $179,780	11	12
All	89	100
Median, $11,600; mean, $25,496		

Table 11. Social security and retirement plan experience by family heads.*

Social security and retirement plan experience		Number of family heads
Contribution to social security		73
Contribution to retirement plans, other than social security		6
Receiving social security and/or retirement plan benefits		8
Receiving social security payments only**	5	
Receiving social security and retirement plan payments	3	
No social security or retirement plan experience		2
All		89

* Widow included as family head.
** No distinction is made between pensions and retirement plans.

<u>Summary.</u> Almost all of the Marion families were participating in a retirement plan. Their net income ranged from $1,500 to $30,000, with one-half receiving under $5,000. The average (mean) income was $6,300 and the mean net worth about four times this at $25,496. One-half the families had net worth values of over $11,600. The range in net worth values was from $-4,100 to $179,780. Most of the families owned their furniture debt free, and 70 per cent were free of debt on car or truck. Less than one-half (42 per cent) owned a home and 57 per cent of these owned their home outright. Over one-half also owned farm, business, or other real estate, mostly debt free.

Insurance Coverage

<u>Life Insurance Experience.</u> Marion families generally had experience with life insurance. Only four families had never insured at least one member. All family members were currently or formerly insured by over one-half of the families. The larger families, however, tended not to carry insurance on all family members. The number of families insuring specified number of members is given in Table 12.

Table 12. Families and family members currently or formerly insured classified by family size.

Family size	Number of families	Number of family members with insurance experience							
		0	1	2	3	4	5	6	7
1	1	0	1	*	*	*	*	*	*
2	29	2	10	17	*	*	*	*	*
3	16	1	2	5	8	*	*	*	*
4	24	0	2	4	4	14	*	*	*
5	10	0	4	1	1	0	4	*	*
6	5	1	0	2	0	1	0	1	*
7	3	0	0	0	0	0	0	2	1
8	1	0	0	0	1	0	0	0	0
All	89	4	19	29	14	15	4	3	1

<u>Family Members Insured.</u> Eighty-eight per cent of the families insured one or more of the family members. About one-third of the families had no dependent children. They were less frequently insured (73 per cent). Two-thirds of the families had dependent children and 95 per cent of these families had insurance. The number of families in each group and the per cent having life insurance are presented in Table 13.

Table 13. Families insured by child dependency.

Family type	All families		Families with life insurance	
	Number	Per cent	Number	Per cent
Without dependent children	30	34	22	73
With dependent children	59	66	56	95
All families	89	100	78	88

Husbands were more frequently insured than wives or dependent children among all of the families. But not all 89 families carried insurance. Among the insured families, nearly all carried insurance on the husband, two-thirds insurance on the wives, and one-half insured the children. Not all families had dependent children, and since families with dependent children were more likely to insure children and view need for insuring the husband and wife differently, those without dependent children were analyzed separately. The presence of dependent children altered the proportion of families insuring children, but not the disposition to insure the husband or wife. Supporting data are presented on Table 14.

Table 14. Family members insured by all and insured families, and by child dependency.

Family member insured	All families		Families with life insurance (N=78)		
			All (N=78)	With dependent children (N=56)	
	Number	Per cent (N=89)	Per cent insuring	Number insuring	Per cent insuring
None	11	12	0	0	0
Husband	77	86	99	56	100
Wife	50	56	64	36	64
Children	40	45	51	40	71

Insurance coverage by combination of insured family members among families with or without dependent children is presented on Table 15. Three-fourths of the families insured two or more members. Nineteen families concentrated their insurance on the husband only and one family insured only the wife.

Families with dependent children less frequently (20 per cent) insured only the husband than families without dependent children (36 per cent). Over one-half of the families with dependent children (55 per cent) covered the husband, wife, and one or more of the children.

Table 15. Insured families by family members and child dependency.

Family member upon whom insurance is carried	With dependent children: Number	With dependent children: Per cent	No dependent children: Number	No dependent children: Per cent	All: Number	All: Per cent
Husband only	11	20	8	36	19	24
Both husband and wife	5	9	13	59	18	23
Husband, wife, and one or more children	31	55	0	0	31	40
Husband and one or more children	9	16	0	0	9	12
Wife only	0	0	1	5	1	1
All	56	100	22	100	78	100

Number of Policies. The 78 insured Marion families owned a total of 342 policies. Over one-half were on the life of the husband with an average of 2.5 policies per husband. Insured wives averaged 1.3 policies. Families insuring dependent children carried an average of 2.2 policies on children per family. Insured individuals held an average of 2.0 policies; insured families averaged 4.4 policies per family (Table 16).

Value of Policies. Nearly one-half of all policies had a face value of $1,000 or less, and over two-thirds of the policies had values of $3,000 or less. Less than one policy in ten had values of $9,000 or more.

The distribution of policies by face value on the insured family member indicates that the husbands were not only more frequently insured and covered by more policies, but their policies were of a higher face value (see Table 17). Only one-fourth of the insurance policies on husbands were $1,000 or less, but over three-fourths of the policies on the wives and two-thirds on the children were valued at $1,000 or less. Families were unable to give the face value of 24 (7 per cent) of the policies.

Table 16. Policies held by insured family members.

Insured	Number of insured	Number of policies	Policies per insured member
Husband	77	190	2.5
Wife	50	63	1.3
Children	40	89	2.2*
All individuals	167	342	2.0
All families	78	342	4.4

* Number of policies per families insuring children.

Table 17. Life insurance policies by face value and family member insured.

Family member	Face value of policy						
	Do not know	$1,000 or less	$1,001-3,000	$3,001-6,000	$6,001-9,000	$9,001 and over	All
Husband	19	50	45	44	5	27	190
Wife	1	49	8	4	1	0	63
Children	3	67	16	1	0	2	89
All	24	166	69	49	6	29	342

<u>Face Value.</u> The Marion families surveyed held a total value of $921,542 of life insurance. Thus the total value of life insurance coverage in Marion would be approximately

$6 million. Over $700,000 of the insurance was on the lives of the husbands, and the remaining $296,563 was on wives and children. The face value of the children's policies was $118,035 compared to $88,528 for the wives. The lowest amount held per family was $500, the maximum held was $53,500 (Table 18).

Among insured family members, the average (mean) face value of life insurance was: $9,285 per husband; $1,771 per wife; and $2,951 per children. The mean value per policy was: $3,763 per husband; $1,405 per wife; and $1,326 per children. Husbands, the most frequently insured family member, averaged $9,166 of insurance among insured families and $8,033 among all families. Because the husbands averaged more than one policy, these values were higher than the average policy held ($3,763). Wives were more frequently insured than dependents, but their average policy values were 50 per cent less than the children's policies or $1,165 and $995 respectively.

Table 18. Face value of life insurance held by family members.

Family or family member	Face value of life insurance policies				
	Total value and number insured	Average (mean) value			
		Per insured	Per policy	Per insured family	All families
Husband	$714,979 (N=77)	$9,285 (N=77)	$3,763 (N=190)	$ 9,166 (N=78)	$ 8,033 (N=89)
Wife	88,528 (N=50)	1,771 (N=50)	1,405 (N=63)	1,165 (N=76)	995 (N=89)
Children	118,035 (N=40)	2,951 (N=40)	1,326 (N=89)	2,108 (N=56)*	2,001 (N=59)*
Family	921,542 (N=167)	5,518 (N=167)	2,695 (N=342)	11,815 (N=78)	10,354 (N=89)

* Families with dependent children.

The distribution of policies held by face value and member insured is presented in Table 19. Over one-half the families carried between $3,501 and $20,000 worth of insurance, with the median estimated to be $7,625. More than one-half of the total value of insurance was held by one-sixth of the families with insurance coverage of $20,001 or more. Seventy-five per cent of the total value of life insurance on husbands was held by one-third of the families with life insurance coverage of over $10,000 and values of $2,000 or less were held by one-third of the families. More than two-thirds of the wives and dependents carried $2,000 or less of life insurance. Wives and dependents were most frequently (mode) covered with $1,000 policies.

Table 19. Life insurance by face value and family member insured.

Family or family member	Face value of life insurance*						
	$2,000 or less	$2,001-3,500	$3,501-5,500	$5,501-10,000	$10,001-20,000	$20,001 or more	All
Husband	25	4	11	11	16	10	77
Wife	39	4	4	3	0	0	50
Children**	28	5	3	3	0	1	40
Family	18	4	11	11	18	16	78

* Total face value of all policies on member.
** Families with dependent children.

Family Combination Insured. Two-fifths of the families insured the husband, wife, and all or some of their children. These families held over one-half of the total value of life insurance, averaging $18,170 per family. Average family values were higher when both the husband and wife were insured ($9,544) than when the insurance was concentrated on the husband only ($6,158) or when only the husband and children were insured ($7,611). These data are presented in Table 20.

Table 20. Average value of insurance by family combination insured.

Family combination	Number of families	Average amount carried per family
Husband, wife, all or some children	31	$18,170
Husband only	19	6,158
Husband and wife only	18	9,544
Husband and children only	9	7,611
Wife only	1	1,000

<u>Types of Insurance Policies.</u> The distribution of life insurance policies by type of policy and the average face value are presented on Table 21. Limited pay-20 year, was the most popular policy held, while whole life policies ranked second in frequency. An equal number of term and limited pay-paid up at age 65 insurance policies was reported with limited use made of group and endowment insurance. A few families reported carrying other kinds of insurance, mostly accident, health, and disability policies. Over one-fourth of the families did not know the kind of policy they carried. Thus, over one-seventh of the policies were unclassified.

Average policy values were highest for term ($8,884) and group ($5,286) insurance. Average policy values of limited pay-paid up at 65 ($3,251) were higher than whole life ($2,703) or limited pay-20 year ($2,185). Lower values were also found for other policies ($2,039) and the policies which were unclassified ($1,565). The lowest average policy values were found for endowment insurance ($792).

The insurance policies were not inspected at the time of the interview, so these data reflect the ability of respondents to recall information about their insurance policies. This may explain why the values are at variance with what the reader may have expected.

Table 21. Types of life insurance policies held, frequency and average face value.

Type of policy	Policies held, number	Total face value	Average face value
Limited pay - 20 year	139	$303,696	$2,185
Whole life	72	194,643	2,703
Term	19	168,800	8,884
Limited pay - 65 year	19	61,778	3,251
Group	14	74,000	5,286
Endowment	12	9,500	792
Other	9	18,350	2,039
Do not know	58	90,775	1,565
All	342	$921,542	$2,694

Age at Issue. Fifteen per cent of the husbands' policies were taken out prior to age 21. Forty per cent of the wives' policies were acquired before age 21. Most of the children's policies (63 per cent) were purchased during the first year.

Contrary to family economic advice (Kyrk, 1953, pp. 189-193), the families insured the children at birth and delayed purchasing insurance on the husband. Nearly one-half of the husbands' policies were purchased between ages 21 and 35. It appears that most of the wives, however, purchased their policies shortly before or shortly after marriage, usually during their late teens or early twenties.

Few husbands (one per cent) or wives (five per cent) reported holding insurance policies purchased at one year of age. Evidently, the trend to insure children at an early age is new for the families, or such policies had lapsed or were among the unreported ages. The distribution of policies by age at issue is shown on Table 22.

Table 22. Insurance policies by age at issue.

Family member	Age at issue									
	1 year or less	2-15	16-20	21-25	26-30	31-35	36-40	41 and over	Do not know	All
Husband	2	3	24	28	40	25	20	12	36	190
Wife	3	5	17	12	8	6	4	5	3	63
Child	56	25	3	2	0	0	0	0	3	89
All	61	33	44	42	48	31	24	17	42	342

<u>Concentration on the Husband.</u> For each family the face value of coverage on the husband was figured as a per cent of the total coverage of the family. The distribution of these percentages is shown in Table 23. Nineteen families insured only the husband, over one-half of the families placed one-half or more of their insurance on the husband, whereas less than one-fourth of the families concentrated less than 50 per cent of their insurance on the husband.

Table 23. Per cent of family's insurance on husband.

Per cent of insurance on husband	Families with insurance on husband
100	19
90-99	8
80-89	10
70-79	14
60-69	8
50-59	8
40-49	6
30-39	2
20-29	2
10-19	0
0-9	0
All	77

<u>Credit Life Insurance.</u> A special effort was made in the schedule to ask about past or present experience with credit life insurance (question 16). This is insurance covering indebtedness when buying household appliances, automobiles, or in making a cash loan. Less than one-fifth of the families reported ever having such insurance.

<u>Other Life Insurance Experience.</u> Families expressed confidence in maintaining their present policies. Less than five per cent said they neither planned to drop nor thought they would be unable to continue their current life insurance policies. Thirteen indicated they had carried insurance at one time on individuals who were not presently a member of their economic family and 14 had actually received a payment as beneficiaries of a life insurance policy.

Detailed information about the size of the last premium, frequency of premium payments, the amount of dividends, cash or loan values of life insurance, and circumstances at time of purchase was too incomplete and fragmentary to be summarized meaningfully.

Life Insurance Policy Lapses. In order to gain a better understanding of the families' life insurance program, the families were asked to give the number of policies formerly held. A total of 82 policies was reported as having been dropped by 60 survey participants. This is a lapse rate of more than one policy per family. Husbands (61) more frequently reported previous life insurance experience than wives (15) or children (6). These data are presented on Table 24. Financial reasons were more often given by respondents for dropping the policies.

Table 24. Policy lapse experience by insured member.

Family member	Number of members who dropped policies	Number of policies dropped
Husband	43	61
Wife	13	15
Children	4	6
All	60	82

Future Insurance Plans. To the question, "Do you plan to add more insurance in the next five years?", about three-fourths of the families said they did not plan to increase life insurance coverage for any family member. About one in ten definitely planned to increase insurance coverage for the husbands, and less than one in ten indicated definite plans for additional coverage on the wife or dependents. The remaining families were uncertain as to their plans. These data are presented on Table 25.

Table 25. Insurance plans by family member.

Family member	Plan to add	Uncertain	Do not plan to add	No information	All
Husband	11	11	66	0	88
Wife	7	14	66	0	87
Children	8	11	39	1	59

<u>Other Insurance.</u> Insurance coverage, other than life, is summarized in Table 26. The table follows the form in which the questions were asked in the survey. Liability and collision auto accident insurance was most frequently held. So also was fire insurance and extended coverage on the family home. Loss of household goods, particularly theft, was less frequently covered. Less than one-fourth insured their personal property. About one-half carried personal liability for accidents on property, employees, or guests. All but 15 per cent carried some type of health insurance and about one-half carried more than one kind of policy. Blue Cross and Blue Shield was most frequently held (47 per cent). Other commercial health and accident policies were held by 37 per cent. Fifteen families listed other forms of health insurance, including three families who carried major medical insurance.

Table 26. Insurance, other than life insurance, carried by families.

Type of insurance	Number of families: Carrying insurance: Yes	No	Do not know	Do not own	Loss ever experienced by insurance carrier
Automobile or truck					
Liability	87	1	0	1	34
Collision	80	7	1	1	38
Home					
Fire	69	2	0	18	9
Extended coverage	69	2	0	18	21
Household goods					
Fire	75	13	1	0	10
Extended coverage	69	17	3	0	11
Theft	49	31	9	0	4
Farm - crops					
Hail damage	6	7	0	76	1
Theft	2	11	0	76	0
Farm buildings					
Fire	9	1	0	79	4
Extended coverage	8	2	0	79	5
Personal liability for accidents on property, of employees or guests	41	41	3	4	3
Health insurance					
Blue Cross (hospital)	43	46	0	0	40
Blue Shield (surgical)	42	47	0	0	39
Health & accident (commercial)	33	56	0	0	21
Major medical	3	86	0	0	0
Other	12	77	0	0	7
Personal property floater	21	67	1	0	6
Others					
Livestock	2	3	0	84	2
Farm equipment	1	0	0	0	1
Business office for fire	1	0	0	0	1

Almost all of the families associated with farming insured their farm buildings. Farm crops, especially theft, and livestock were less frequently insured.

The question, "Loss ever experienced?" (Section VI), was asked of only those families who were insurance carriers. Less than one-half had used their auto insurance for liability or collision, less than one-fifth for damage to home or household goods except extended coverage on the home which was used by one-third. Only slight losses from personal liability and personal property were reported. In contrast, most of the families who held Blue Cross and Blue Shield and two-thirds who held commercial health insurance policies had experienced a loss. Farm building losses were reported by one-half of the insurees. Supporting data are presented on Table 26.

Discussion. Marion families generally had experience with life insurance. Eighty-eight per cent carried insurance on one or more members. Among insured families, husbands were almost always insured, and the wife and children, if present, were insured by over three-fifths of the families. The families tended to concentrate their insurance on the husbands. He was most frequently insured, more policies were on his life, and the face value of policies on his life was almost three-fourths the average value of the family coverage.

Uninsured families were smaller in size (two-thirds were size two), headed by older husbands (one-half were over 65), with less education (over one-half terminated their education at eighth grade or before). Most had incomes under $3,500 and were in the middle or low net worth group.

The Marion families reported many types of life insurance policies. However the data tend to reflect either the facts about the policies or the facts people think they know about the policies. The tendency was to insure infants. But since the husbands and wives reported few policies purchased before the age twenty-one, the practice of insuring infants may be a recent innovation or policies purchased at an early age tend to lapse.

Whereas an average of one dropped policy per family was reported, most indicated plans to continue their present policies, and about ten per cent planned to increase their coverage within the next five years.

All but one family held some form of insurance, other than life insurance. Nearly all (99 per cent) of the families who owned automobiles or trucks carried liability insurance, and 90 per cent carried collision. Nearly all home-owners (97 per cent) carried fire and extended coverage, and two-thirds of all families covered household goods for fire and extended coverage. Health insurance was commonly held but in many different forms. Only major medical, a relatively new form of health insurance, was infrequently carried. Personal liability and personal property insurance was less frequently reported and most frequently misunderstood during the interview.

Opinions About Life Insurance

One objective of the survey was to find out how people felt about life insurance. To obtain an estimate of their subjective feelings several opinion questions were included in the survey. The questions included reasons for owning and not owning life insurance, the family's feelings toward adequacy of their insurance coverage, the importance of carrying insurance on the wife and child, and opinions about term insurance.

Reasons for Owning Life Insurance. Two methods were employed to elicit reasons for owning life insurance. The first involved questions which required spontaneous answers from the families interviewed (questions 6 and 7). The second consisted of a list of reasons and the families were asked to check whether they considered the reasons to be of great importance, less importance, or not important (question 8).

Spontaneous Reasons. Responses to question 6, "What would you say are the major reasons for carrying life insurance?" and question 7, "Can you think of any other reasons?", were grouped according to the emphasis conveyed and are presented in Table 27. Income replacement was most frequently (77) given as the major reason for carrying life insurance. Under income replacement were such replies as: "to provide for support of dependents", "protect dependents", "provide for family after death", or "security for the future". One-third desired funds for readjustment expenses including "clean-up" funds (23) to be used for burial, final medical, and other expenses in event of death of a family member, and emergencies (9) and mortgage (1), for protection against indebtedness. One-third considered savings as a major reason and believed life insurance facilitated forced savings and investment (21) or helped provide income for retirement (9). Life insurance for education (12) was deemed important by less than one-sixth.

Table 27. Major reasons for carrying life insurance.

Favorable attitudes toward insurance	Number of families*	
Income replacement		77
Readjustment		33
Clean-up	23	
Emergencies	9	
Mortgage	1	
Savings		30
Savings	21	
Retirement	9	
Believe in insurance		13
Education		12
None given		4

* Families could give more than one response

The spontaneous replies were also classified by whether they reflected the disposition to view insurance as a method of providing financial protection for the family or as a method of savings. Income replacement was excluded from this classification because the majority of the families cited this as a major reason (see Table 28). One-fourth of the families viewed life insurance only as a means of providing financial protection for a family. One-third viewed insurance as a method of savings. With the exception of four families who claimed not to believe in insurance, the remainder of the replies were classified as savings and protection.

Table 28. Reasons for carrying life insurance classified by protection or savings attitude.

Reasons classified*	Number of families
View insurance as protection	22
Use insurance only as:	
Clean-up funds, emergency funds, and/or mortgage funds	
View insurance as savings	30
Use insurance only as:	
Savings funds, educational funds, and/or retirement funds	
View insurance as savings and protection	33
Families believe in insurance and use it for protection funds and savings funds	
Do not believe in insurance	4
All	89

* Insurance as income replacement is not included in above classifications beoause nearly all families listed this as a reason.

Suggested Responses. The respondents were presented with a list of possible reasons why the head of the family should carry life insurance, and were asked to indicate which reasons they felt were of great importance, less importance, and not important (question 8). These questions were identical to those used by the Institute of Life Insurance survey (1957, p. 60). Table 29 presents the reasons in order of presentation and the frequency of responses.

Support for dependents (item 2) and insurance as a "clean-up" fund (item 1) were considered of great importance by over four-fifths of the families. Two-thirds or more considered item 5, "to provide funds for the education of children," item 6, "to pay off mortgage in case of death," and item 7, "to provide income for old age," as of great importance. Item 3, "to have a good method of saving money," was considered of great importance by one-half the families. There were minor differences between families' feelings toward possessing insurance as a source of emergency borrowing (item 4).

Table 29. Reasons for carrying life insurance on family head.

Reasons listed	Great importance	Less important	Not important
	Number of families		
1. To pay bills, debts, burial expenses in case of death.	77	12	0
2. To provide support for dependents in case of death.	81	8	0
3. To have a good method of saving money.	43	37	9
4. To enable you to borrow in an emergency.	29	36	24
5. To provide funds for the education of children.	65	17	7
6. To pay off mortgage in case of death.	61	15	13
7. To provide income for old age.*	60	25	3
8. Other reasons:			
To pay inheritance tax.	1	0	0
To pay income tax.	1	0	0

* One family listed "do not know" for a reason.

Tabulated in Table 27 are the spontaneous responses given in answer to question 6 and in Table 29 is the reaction to suggested reasons stated in question 8. Somewhat consistent replies were obtained from both the spontaneous responses and the suggested reasons.

Over four-fifths of the families viewed insurance as an important means of protection and considered income replacement, clean-up expenses, and support for dependents important reasons for carrying life insurance. However, carrying insurance for more specialized protection such as emergency or mortgage repayment was not as widely regarded. Twenty-four families felt using insurance for emergency funds as not important and 13 families considered using insurance for mortgage repayment as not important.

Insurance was viewed by a smaller proportion of the families as a means of savings. Less than one-half referred to it as a major reason for carrying life insurance and two-thirds or less considered the savings reasons, items 3, 5, and 7, in Table 29 as of great importance.

Reasons for Not Owning Life Insurance. Respondents were given an opportunity to express negative opinions about life insurance, when questions 9 and 11 were rephrased into negative forms of questions 6 and 8.

Spontaneous Reasons. The responses to question 9, "What would you say are the major reasons for not carrying life insurance?", were classified and grouped under several headings (see Table 30). Since most of the families in this study owned life insurance, their responses to this question were in effect "reasons why other people do not carry life insurance." The cost of insurance seemed to be the most frequently cited reason for families not to carry insurance. Nineteen just could not imagine anyone without insurance and in effect refused to answer the question by claiming insurance to be a necessity. Some (15) expressed the thought that not everyone believes in insurance. And another sizeable group said that they did not consider insurance the best way to save and invest or to meet financial obligations.

Table 30. Major reasons for not carrying life insurance.

Coded reasons	Number of families*
Financial, can't afford, costs too much	49
Insurance is a necessity	19
Don't believe in insurance	15
Prefer other investments	11
Lack foresight or poorly informed	10
Financially able to meet needs otherwise	6
Ineligible	4
No reason given	6

* Families could give more than one response.

Suggested Responses. The reasons for carrying life insurance listed on Table 31 were rephrased in negative form from positive reasons for carrying insurance listed in Table 29. The frequency of agreement, disagreement, or no opinion are shown in Table 31. The higher agreement with items 3, 4, and 7 indicates that insurance is not considered the best method of saving. Disagreement with reasons 1, 2, and 9 indicated a tendency to "believe" in insurance as a reason for providing protection for the family.

The answers to the positively phrased statements (Table 29) and the negatively worded statements (Table 31) are consistent in rank order. The frequency with which families answered "of great importance" to reasons 1 through 7 (question 8) on Table 29 ranked in order beginning with the most frequent response was: 2, 1, 5, 6, 7, 3, 4. A similarly contrasted rank order of frequency to answers of "disagree", items 1 through 7 (question 11), Table 31, was: 1, 2, 6, 7, 5, 4, 3. The rank order position of each item was similar, and differed by two positions only in one instance.

Table 31. Reasons for not owning life insurance.

Reasons listed	Agree	Dis-agree	No opinion
	Number of families		
1. Prefer other ways to take care of debts, bills, and burial expenses in case of death.	12	75	2
2. Prefer other ways to provide support of dependents in case of death.	11	72	6
3. Prefer other methods of saving money.	52	30	7
4. Prefer other types of savings and credit to meet emergencies.	47	33	9
5. Prefer other ways of providing for education of children.	39	40	10
6. Prefer other arrangements to pay off mortgage in case of death.	19	57	13
7. Prefer other ways of providing income for old age.	39	43	7
8. Premiums are too high.	35	50	4
9. Don't believe in life insurance	1	86	2

<u>Reasons for Not Insuring All Family Members.</u> The 48 families who did not insure all family members were asked, "Are there particular reasons why you do not carry life insurance on

members of your family who are not insured?" (question 23). This question followed a complete inventory of the family's insurance policies.

Over one-half gave as their reason they could not afford to insure all members. About one in five indicated they had neglected to purchase more life insurance as the family expanded, and nine preferred to concentrate their insurance on the breadwinner. Less frequently mentioned were reasons which reflected lack of enthusiasm for insurance. The data are summarized in Table 32.

Table 32. Reasons for not carrying life insurance on all family members.

Reason	Number of families*
Financial, all can afford	23
Plan to purchase more	11
Husband is the breadwinner	9
Ineligible	5
Dissatisfied with company	3
Prefer other ways of saving	2
Don't believe in insurance	1
No reason given	3

* Families could give more than one response.

Adequacy of Protection. To gain a better understanding of the families' feelings about their life insurance protection, a question regarding their opinion about the adequacy of their coverage was included. The families were asked: "Do you feel you people are carrying the 'right' amount of life insurance for you, or is it 'more' that you feel you need, or 'less'?" (question 24). This question was in the middle of the schedule and followed a full inventory of policies held by the family and a question of why not all members of the family were insured.

Fifty-four (61 per cent) felt they were carrying the right amount of insurance for their families and 35 (39 per cent) felt they carried more than they needed or less.

Adequacy of Protection and Child Dependency. About three-fifths of the families with dependent children felt they carried the right amount of life insurance as did about three-fifths of the families without dependent children. Thus, there appeared to be no relationship between a family's changing needs due to child dependency and their feeling toward the adequacy of their coverage (Table 33).

Table 33. Opinions about carrying the right amount of life insurance by child dependency.

Do you feel you have the right amount of insurance?	Families with dependents	Families without dependents	All
Yes	36	18	54
No	23	12	35
All	59	30	89

Families who said they had the right amount of insurance had 60 per cent more insurance per family than those who did not feel they had the right amount. The uninsured families were about equally divided with respect to their feelings toward the adequacy of their protection. These families were either uninsurable or financially unable to carry insurance (Table 34).

Table 34. Adequacy of coverage and face value of insurance.

Do you feel you have the right amount of insurance?	Face value of life insurance						
	None	$3,500 or less	$ 3,501 to 10,000	$10,001 or higher	All	Average value: All (N=89)	Average value: Insured (N=78)
Yes	5	9	15	25	54	$12,262	$13,513
No	6	13	7	9	35	7,412	8,945
All	11	22	22	34	89	$10,354	$11,815

Reasons for Feeling Adequately Protected. After asking how they felt about the adequacy of their insurance coverage, the families were asked to give the reasons why they felt that way. Of the 54, who felt adequately protected by insurance, about one-third (20) said they were well covered and had as much as they needed at the present time. Another one-third (19) felt they had as much as they could afford. Seven families said they could supplement their insurance with savings, and one had enough insurance for burial. Three of the families who felt adequately protected had no insurance but said they could provide for their own needs without the help of insurance. Four failed to give an explanation.

Of the 35, who said they felt inadequately insured, some responded by giving reasons why they felt they owned too little life insurance, and others indicated why they did not own more life insurance. Ten families felt they could not afford enough insurance. Seven were no longer eligible to purchase more insurance protection. Another six felt they did not have enough to protect the family in case of death, three had only enough for clean-up expenses, and two said the adequacy of their coverage was reduced by inflation. These data are presented in Table 35.

Table 35. Adequacy of insurance coverage and reasons why.

Reasons	Number of families
Carry the right amount (N=54)	
Well covered, have enough for present needs	20
Financial, have all we can afford	19
Supplement insurance with savings	7
Have no insurance but can provide for our needs	3
Have enough for burial, can handle all else	1
No reason given	4
All*	55
Do not carry the right amount (N=35)	
Can't afford enough	10
Ineligible	7
Not enough to protect family in case of death	6
Only enough for clean-up expenses	3
Adequacy of coverage reduced by inflation	2
Other reasons	8
No reason given	2
All*	37

* Families could give more than one response.

Opinions About Insuring Wives and Children. The next survey questions asked: "In some families the wife and children have life insurance and in some they do not. For a family with two young children, how important do you think it is to carry life insurance on the life of...the wife?...the children?...very important, somewhat important, not important, do not know."

(questions 26 and 27). About one-half said "very important" and over two-fifths said "somewhat important" to insuring the wife and children. Only three families did not consider insuring the wife to be important, and only seven felt insuring a child to be unimportant. Supporting data are presented in Table 36.

Table 36. Degree of importance of carrying life insurance on the wife and child, for a family with two young children.

Family member	Degree of importance: Very important	Somewhat important	Not important	Do not know	All
Wife	45	38	3	2	88*
Children	43	38	7	1	89

* One family did not reply to the question.

Note that the families did not insure wives and children as readily as the replies to the question might indicate. That is, while 90 per cent of the families felt insurance to be somewhat important, less than one-fourth of the face value of the families' insurance was held by the wives and children (see Table 18).

Opinions About Term Insurance. Questions 28 and 29 were designed to elicit opinions about term insurance. Question 28 asked if the families would consider carrying a life insurance policy which, like auto and fire insurance, would pay them nothing unless they suffered a loss. As additional explanation, the interviewer told the families that the question was referring to a type of policy in which they would get nothing, but their estate or dependents would be beneficiaries in case of their death. Suggested responses included yes, no, or don't know.

More than two-fifths (39) said they would consider carrying this type of insurance and two-fifths (36) said they would not. Fourteen families did not know.

Question 29 asked the families to give reasons for their answer. Families who answered "yes", said term insurance afforded protection for dependents and provided more insurance for less money. Some considered term insurance important to provide financial coverage if one were heavily in debt.

The chief reason why families answered "no" was that term insurance would provide no living benefits. These families preferred policies which would provide dividends, borrowing privileges, cash loan values, and interest on the money they invested. Few expressed negative feelings because premiums increased for term insurance as one gets older and it becomes too expensive. Others merely said they didn't believe in term insurance or that they would prefer the kinds of insurance they already carried.

Summary. Marion families considered life insurance important means for providing for future contingencies, particularly support for survivors arising from the death of the family breadwinner, and felt they carried the right amount of insurance for their needs. When asked to give, spontaneously, major reasons for carrying life insurance, support for dependents was the answer most often given. The spontaneous replies appeared to indicate that emphasis on carrying insurance was to minimize financial losses because of uncertain happenings. Most tended to view insurance as a means of protection, and as savings only when prompted.

Almost one-half insured all family members. Those who did not insure all members planned to purchase more insurance or preferred to concentrate their insurance on the husband as breadwinner. Financial reasons, or "all we can afford", were most frequently given for not carrying sufficient life insurance. Ineligibility was also frequently cited as a reason.

A comparison of current insurance practices with the families' opinions about life insurance was made. Families who said they carried the right amount of insurance were more heavily insured. Most viewed as important life insurance coverage for wives and children, but in actual practice many were not insured or when insured, total coverage was usually $2,500 or less and less than 25 per cent of the total face value of the family's insurance. Two-fifths said they would consider term insurance, but only 16 per cent of the families held term insurance policies.

Provisions for Future Contingencies

Two sections of the survey included questions concerning family financial support in the event of the death or disability of a family member. In the opening section of the schedule were questions about the extent of the family's plans. In the concluding section were questions prompting self-evaluation of the family's insurance program.

Degree of Planning. Questions 1 through 4 used the same stem: "Has there been discussion in your family as to what it would do for financial support in event of...?" This was applied to death or disability of husband or wife. The amount of planning for husbands was higher than for wives; and higher for death than for permanent disability. The frequency of responses and the percentage distribution of responses is shown in Table 37.

Table 37. Degree of planning in the event of death or disability of husband or wife.*

Family member and risk	Degree of planning: Little or no plans		Considered but no definite decision		Fairly definite plans	
	Number	Per cent	Number	Per cent	Number	Per cent
Husband's						
Death	15	17	17	19	57	64
Permanent disability	27	30	18	20	44	49
Wife's						
Death	48	54	9	10	32	36
Permanent disability	61	68	9	10	19	21
All	10	11	66	74	13	15

* Responses of two widower and one widow families included.

Basic Elements of Plans. Question 5, which followed the battery of questions about the extent of planning, asked what specific plans had been made. Life insurance was listed by two-thirds of the families as all or part of their plans in the event of a death or disability of the husband or wife. Additional insurance in the form of accident, health, or disability insurance was included by one-fifth. Social security, retirement plans, and property and savings were mentioned by more than one-fourth. Other elements were earnings of surviving family members, help from relatives, and wills. One fifth said they had no plans. Many listed two or more sources of financial support. These data are presented in Table 38.

Table 38. Basic elements of families' plans in the event of death or disability of the husband or wife.

Basic elements of plans	Number of families*
Life insurance	57
Social security and retirement plans	27
Property and savings	24
Accident, health, or disability insurance	18
Earnings of survivors	17
Wills	3
Family	2
No plans	18

* Families could give more than one reason.

<u>Retirement Provisions.</u> The last section of the schedule, prompted a self-evaluation by the family of its financial program. It began by asking question 74: "What provision is made for retirement?" All of the survey families were making provisions for retirement. Those who were covered by social security indicated this as one provision. Retirement plans, savings, or insurance were mentioned by about one-fourth of the families (Table 39).

<u>Retirement Estimates.</u> The next question asked the families to estimate the cost per month needed in retirement,

(question 75). Estimates of the 55 who did reply ranged from \$90 to \$500, with an average (mean) estimate of \$237 per month. More than half of the families estimated they would need \$200 or less per month and two-fifths between \$201 to \$300 per month. Four estimated they would need between \$300 and \$500 per month. These data are shown on Table 40.

The estimates are primarily subjective estimates of what the families feel they require for retirement. These may not, however, reflect the true financial needs of the families upon retirement. What is needed for families to give these estimates, taking into account the internal and external variables impinging on the families, is to quantify in monetary terms their actual needs. In this survey the families recognized some of these variables, such as changes in the price level, but had no basis for predicting future changes in these variables. Thus, the answers derived from the families involve a static concept, holding price level and other variables constant.

Table 39. Provisions made for retirement.

Provision	Number of families*
Social security	81
Savings	28
Retirement plans	25
Life insurance	24

* Families could give more than one provision.

Table 40. Estimated amount needed per month for retirement.

Estimated amount	Number of families
$100 or under	3
$101 - $200	26
$201 - $300	22
$301 - $500	4
All estimates	55
Do not know	34
All families	89

Range, $90 - $500 per month; mean, $237 per month (N = 55).

Education Provisions. Provisions made for the education of children were asked in question 76, of those who had children. Four-fifths of the families with dependent children had made provisions for the education of their children. These families were depending on four sources: insurance; children's savings and earnings from part-time work; parents' earnings and savings; and gifts, loans, or scholarships (see Table 41). Most frequently mentioned were parents' or children's earnings and savings, with more emphasis placed on children's or parents' earnings than on savings. Less frequently mentioned was the use of insurance. Only three families were counting on gifts, loans, or scholarships.

Education Cost Estimated. Almost one-half of the families were unable to give estimates in reply to question 77: "Estimated cost of attending college per year." But of those who did, the estimates ranged from $700 to $2,500, an average of $1,306 per year. The estimates of families without dependents was slightly higher than of those with dependents (see Table 42). In terms of present student expenditures, these estimates are quite realistic (Umberger, 1962).

Table 41. Provisions made for the education of dependent children.

Provision	Number of families (N=59)*
From parents	21
Parents' savings	11
Parents' earnings	22
From children	28
Children's savings	7
Children's earnings	21
Insurance	21
Gifts, loans, and scholarships	3
No provisions	12

* Families could give more than one provision.

Table 42. Estimated costs of education beyond high school.

Estimated cost to attend college per year	Families			Average (mean) estimated costs of responding families
	All	No response	Number responding	
Families with dependents	59	25	34	$1,290
Families without dependents	30	19	11	$1,357
All	89	44	45	$1,306

Question 78 asked for the: "Total estimated cost for educating your family beyond high school." The estimates ranged from $4,000 to $30,000 per family and on a per dependent basis the mean estimate was $5,089 per dependent. Assuming these families were thinking in terms of a college education, the above estimate divided by four yields a mean estimate of $1,272 per dependent per year, which is closely associated with the estimate given for the annual cost of college in this study (question 77).

Burial Provisions. Question 79 asked: "What provision is made to cover a burial expense?" Over four-fifths of the families were planning to use insurance to cover burial expenses. Only one-tenth were relying on savings and investments or social security. Another one-tenth said they had made no provisions. The replies are tabulated in Table 43.

Table 43. Provisions for burial expenses.

Provision	Number of families*
Insurance	76
Savings and investments	7
Social security	2
No provision	9

* Families could give more than one provision.

Burial Estimates. The following question (80) asked: "Estimated cost of a burial per burial." Burial costs estimates ranged from $100 to $4,500 with an average (mean) estimated cost of $940. Over one-half of the estimates were between $750 and $1,250, one-third were under $750, and less than one-tenth were over $1,250. One-fourth of the families were unable to give estimates. The frequency of cost estimates is shown in Table 44.

Provisions for Death and Related Expenses. The families were asked in question 81: "What provision is made to cover medical and other expenses that might be left following death?" Life insurance, accident, health, or disability insurance, and Blue Cross or other hospitalization insurance were most frequently given. Life insurance was mentioned by more than one-half (49) of the families. Accident, health, and disability insurance and Blue Cross and other hospitalization insurance was cited by more than one-third (34). Savings, social security, and other provisions were given by less than one-tenth of the respondents. Seven families had made no provision for medical and other expenses that might be left following death.

Table 44. Estimated cost per burial.

Estimated cost	Number of families
Under $750	24
$750 - $1,250	38
Over $1,250	5
All estimates	67
Do not know	22
All families	89

Range, $100 - $4,500 per burial; mean, $940 per burial (N=67).

Provisions for Surviving Family Members. Questions 82 through 84 asked the families to list the provisions made for the care of the surviving husband, wife, or children. Families were less likely to have provided for the husband than for the wife or children. In fact the most frequently cited provision for the husband is that he should earn his own living.

Insurance was relied upon for care of wife and children in nearly the same degree. Social security and retirement plans were not as likely to provide support for a surviving husband as for the surviving wife and children, because more husbands were engaged in social security covered employments.

Savings and investment normally would be equally available to all survivors, yet it was much more frequently cited as a provision for the surviving wife. One-fourth of the wives were expected to earn their own support in case of death or disability of the husband.

Reliance upon relatives is obviously not a part of the Marion family idea of family financial security. Supporting data for these statements are presented in Table 45.

Table 45. Provisions for care of surviving husband, wife, or children.

Provision*	Survivor		
	Husband (N=88)	Wife (N=87)	Children (N=59)
Insurance	24	60	47
Social security and retirement plans	17	32	14
Savings and investments	9	22	11
Earnings of survivors	52	21	4
Accident, health, and disability insurance	0	2	4
Relatives	0	2	2
Other provisions	0	1	1
No provisions	12	5	4

* Families could give more than one provision.

Evaluation Questions. To the question (85), "In general, do you feel you are as well covered by insurance and savings as you can afford to be?", 85 per cent answered "yes". To the concluding question, "Do you feel financially secure?", 76 per cent answered "yes".

If the families are compared with respect to their feelings toward the adequacy of insurance and financial security, then one would expect the families who felt financially secure to also feel adequately covered and the families who did not feel financially secure to also feel inadequately covered. This tendency is evident in Table 46. That is, 41 said they felt financially secure and adequately covered and 18 said they did not feel financially secure and were inadequately covered. The other families who felt financially secure but inadequately covered (17) or adequately covered but not financially secure (13) were given special study. These families were within the normal limits with respect to age of husband, insurance coverage, net worth, and income, and a little lower with respect to education of the husband. The 13 families more often felt as well covered by insurance and savings as they could afford to be.

Table 46. Financial security and adequacy of insurance.

Do you feel financially secure?	Adequacy of insurance: Carry the right amount of insurance	Adequacy of insurance: Do not carry the right amount of insurance	All
Yes	41	17	58
No	13	18	31
All	54	35	89

There is no known basis within the data upon which to rationalize or explain why 30 families deviate from the rest of the 89 survey families. There may be some other factors affecting their feelings such as personality characteristics which were not obtained. Also, as the desire for family financial security finds expression in many forms, the 30 families may differ with respect to their concept of family financial security.

Summary. More families had definite plans in the event of the husband's death or disability than for the wife's death or disability. Provisions cited for the death or disability of the husband and wife in the opening section of the survey were generally again listed as provisions for surviving family members in the closing evaluation section. The most frequently mentioned provisions in both sections were insurance, social security, and savings and investments. However, families were more likely to list these provisions for the surviving wife and child as over one-half of the husbands were expected to continue earning their own living. Accident, health, and disability insurance was given by one-fifth as a provision for the death or disability of the husband and wife but mentioned by less than five per cent as a provision for surviving family members.

Provisions for meeting other contingencies were: social security for retirement expenses, parents' and children's earnings and savings as well as insurance for the education of dependent children; and insurance for medical and other expenses left after death. The average retirement money needs were estimated to be $237 per month. Other estimates given by Marion families were: average burial costs, $940; and average annual college costs, $1,306.

Three-fourths or more of the families felt they were as well covered by insurance and savings as they could afford to be and said they felt financially secure. Those families who felt financially secure also tended to feel adequately covered by insurance. The families who felt financially secure but inadequately covered, or did not feel financially secure but felt adequately covered, were of average age of husband, insurance coverage, net worth, and income, and deviated only with respect to education of the husband, which was slightly less. There is no basis within the existing data to explain why these families deviated from the expected pattern. Furthur information is needed. For example, information about personality characteristics might help explain their apparent "inconsistency" of expressing a feeling of insecurity despite a feeling of adequacy of insurance coverage, or of expressing a feeling of security when they feel inadequately covered.

Education and Provisions for Dependents

This section summarizes the education plans of families with children in college, with children of pre-college age, and with dependent children six years of age and older who were not in school. Schedule questions about education plans included in parts A, B, and C in section VII are presented. Following this is a discussion of the opinions of all Marion families toward education, which were given in answer to the questions in part D of section VII.

<u>Families With Children in College.</u> Six of the Marion families had one dependent child in college. All grade levels, freshman through senior, were represented. Five were attending Kansas schools. Four were enrolled in state supported colleges or universities, one in a church supported school, and one in a church supported school located outside the state. Medicine, business, engineering, music, and religious education were among the major fields of study. One student was undecided about a major field. Family earnings, student earnings, including full or part time work, scholarships, and loans were the means used to finance the dependents' educations.

These families were asked whether they felt a college education should be encouraged as much for girls as for boys. Of the four families who said yes, three said a college education would protect the wife if she were widowed and would have to support the family. Two said the girl needed the education in order to obtain a job or secure a job that would pay more money. The two families who said no felt a married woman should stay home with the family, although one family did say that the education would be desirable if the family could afford it.

The families were then asked if it were equally important for girls to graduate from college. The responses given were the same as the preceding question, four said yes and two said no. The families who felt it was important, emphasized again the importance of a college degree in order to obtain a job or to obtain a better job. One family added that a college degree was protection for the girl; she would have more knowledge and could do more creative work. The families who disagreed indicated it was nice, but not important. If one could afford college it would be "all right".

The families gave a variety of reasons as to why a college education was worth the cost. The ability to obtain a job, better opportunities for advancement, and the ability to earn more money were stressed by all families. Two families said the dependent would have more knowledge and could do more creative work. The cultural benefits of a college education were also mentioned.

Families With Children of Pre-college Age. There were 26 families with children of pre-college age, seventh grade or above. All of these families felt high school graduates should be encouraged to continue their education beyond high school. Nearly three-fourths of the families were making college plans for their children. Prospects for a better job and increased earnings were the major reasons given. Major anticipated financial provisions for those with college plans were family earnings, student earnings, and savings. Two families were counting on a scholarship or loan as a potential financial source.

One family was making plans to give their child specialized training. Prospects for a better job was the major reason. Student earnings and savings were listed as anticipated means of financing the child's education. About one-fourth said they had no special education plans for their children.

One-fourth of the families with children of pre-college age felt that education beyond high school was more important for boys than for girls. The boy is the breadwinner, and education would enable him to obtain a better job. One family added that a college education was important for a girl, if the family could afford the cost, in order to protect the girl should her husband die. Two families answered this question in a different context. They said a boy could work his way through college but it was necessary to pay for a girl's education in order for her to get a job.

Seven families had dependents who expected to attend college within three years and one family was planning to send their boy to a trade school. Only half of the dependents had definitely selected a school. Church work, business, education, and astronomy were among the major fields of study being considered. All but one family indicated that family earnings would be a major method of financing. Six families were counting on student earnings, both summer work and full time. Insurance and savings were other means that were given.

Families With Dependent Children Six Years of Age and Over Not in School. There was only one family with a dependent child of school age not in school. She was a high school graduate and had attended one semester of college. She had lost interest in college and had no desire to continue her education. At present she was living at home, and working full time, but not self-supporting.

Opinions About Education. All of the families were asked to estimate opinions about education. All but two families felt that a college education would be of more value to a young person now than when they were going to school. All but one family felt education to be related to the financial security of a family.

The families felt that education and family financial security were related because a college or high school education provided increased job opportunities, including higher paying jobs and more earning power. Others felt that increased education provided more job protection through increased opportunities for steady employment. The cultural benefits of education as it broadens one's knowledge and viewpoint were deemed important by nine families. Families, who disagreed, felt financial security was dependent upon one's ability to earn, save, and manage, which evidently were unrelated to education.

In answer to question 56, "If yes, over the life of an individual, how much do you think a man with a college degree would make over one without one?", less than one in ten gave an actual estimate. These ranged from $40,000 to $250,000. Nearly one-third of the families said they did not know, about one-fourth answered that it depended on the individual or the job, and another one-fourth indicated a man with a college degree would make more money, sometimes as much as twice or more.

Families were asked to tell the type of educational preparation they felt best prepared a boy or girl for the future (see question 57). Suggested occupations were presented and they were asked to check one response for the boy and one response for the girl. When occupations such as bricklayer, beautician, barber, butcher, contractor, carpenter, and auto repair were mentioned they were classified as trades.

Actual choices revealed that the families felt the following types of educational preparation best prepared a boy for the future: medicine (20 per cent), engineering (17 per cent), basic science training (15 per cent), business (11 per cent), government and law (11 per cent), and other (11 per cent). Girls would be best prepared for the future by taking: nursing (34 per cent), home economics (28 per cent), business (11 per cent), education (10 per cent), and other (4 per cent). Other families felt the type of educational preparation should depend on the individual boy's (25 per cent) or girl's (17 per cent) own choice.

After the families had indicated the responses for the boy and girl, the husband and wife were asked to tell which suggested response they would pick, if they were to start over (see question 57 c and d). A greater variety of occupations were listed by the husbands and wives as their own choice in contrast to their choice for the girl or boy. Education, business, engineering, agriculture, and trades were more frequently listed as choices by the husbands or wives for themselves than for a boy or girl. Supporting data are presented in Table 47.

Over one-fourth of the husbands and wives said they made their choice because the occupation was rewarding or enjoyable. About one-fifth were influenced by a past or their present job. Others said they had a talent or interest in the occupation, or felt the chosen occupation would bring greater financial rewards.

Table 47. Types of education that families feel best prepared a boy or girl for the future.

Education*	Girl Per cent	Wife Per cent	Boy Per cent	Husband Per cent
Nursing	34	26	0	0
Business training, like salesmanship	11	26	11	18
Engineering	0	0	17	19
Home Economics	28	17	0	0
Basic training in mathematics, science, etc.	0	1	15	0
Education	10	16	3	3
Physics and chemistry	0	0	0	1
Government and law	0	1	11	8
Medicine	0	1	20	9
Literature and the fine arts	3	3	0	0
Economics and social science	1	2	3	6
Languages	0	0	0	1
Agricultural	0	1	3	10
Trades	0	2	0	10
Don't know	1	7	1	13
Depends on the individual	17	0	25	0

* Some indicated more than one type of education.

Summary. Most of the Marion families with children of pre-college age were making plans to send their children to college, while six families currently had children in college. The major reasons given for sending children to college were: to obtain a job and ability to earn more money. Major anticipated means of financing a college education were parents' or children's earnings and savings. Most of the families with children of pre-college age felt a college education was equally as important for girls as for boys. Only one family had a dependent child of school age not in school.

All of the families deemed a college education to be of more value to a young person now than when they were going to school, and also felt a college education had a direct bearing on the financial security of a family. However, most families were unable to estimate the amount of money a man with a college degree would make over one without one.

Nursing and home economics for the girl and medicine, engineering, and basic training in mathematics and science for the boy were most frequently mentioned by husbands and wives as the best educational preparation for the future of a boy or girl. One-fourth of the families said the type of educational preparation depends on the boy and almost one-fifth said it depends on the girl.

SUMMARY

Eighty-nine families in Marion, Kansas were interviewed in August, 1960. This survey was part of a statewide survey of rural Kansas families. The interview included questions about the provisions families were making for future contingencies and personal risks, the use of life insurance to provide for these risks, and their opinions about life insurance and the education of dependent children.

Interviewed were 86 husband and wife families, one widow, and two widower families. Length of marriage ranged from one to 58 years and averaged (mean) 21 years. The average (mean) age of the wives (42.7 years) was 2.9 years less than the average age of the husband (45.5 years). Fifty-nine of the families had dependents, for whom they were contributing more than one-half of their support. The average number of dependents was 1.5 so the family size was 3.5. More than one-half the husbands and wives had completed high school. Husbands under 45 years averaged one more year of schooling than the wives, whereas older husbands averaged one year less and were less frequently high school graduates.

Most husbands (92 per cent) and about one-half (46 per cent) of the wives were fully or partially gainfully employed. About one-half of the husbands were veterans.

Average (mean) net worth ($25,496) was four times the average income ($6,320). All but two of the families reported social security or retirement plan experience.

All but four families reported life insurance experience. Eighty-eight per cent presently insured one or more family members, and their average (mean) face value coverage was $11,872 per insured family. Family coverage was concentrated on the husband. He was most frequently insured, held more policies, and the face value of policies on his life was almost three-fourths the family coverage. Families with dependent children were more often insured than those without children because of the presence of children. However, the disposition to insure the husband or wife did not vary with the presence or absence of dependent children. Among the insured families, over four-fifths (86 per cent) insured the husband, over one-half (56 per cent) the wives, and three-fourths (71 per cent) with dependents insured their children.

About two-thirds (63 per cent) purchased their children's policies at birth. However, only 40 per cent of the wives' policies and 15 per cent of the husbands' policies were purchased between 21 and 35. Limited pay-20 year and whole life were the most popular types of policies.

An average of one lapsed policy per family was reported. However, most said they planned to continue their present policies, and about ten per cent planned to increase their coverage within the next five years.

All but one family carried some form of insurance other than life insurance. Most commonly held were liability and collision automobile insurance, fire and extended coverage for the family home, and hospitalization.

Marion families believed in life insurance and considered its most important use the support and protection of dependents in event of death or disability of the husband or wife. Using life insurance to save for anticipated events such as education of dependent children, income for old age, or savings, was agreed to only when suggested voluntarily.

Those who felt they carried the right amount of insurance for their needs (54 per cent) were also more heavily insured. Families who did not insure all family members (46 per cent) gave financial reasons or "all we can afford" as the major reason for not insuring all or part of the family. Insurance coverage for the wife and children was deemed important by over 90 per cent of the families.

Fairly definite plans had been made by 64 per cent of the families in the event of the husband's death; and by 49 per cent for the disability of the husband. Definite plans in the event of the death of the wife had been made by only 36 per cent of the families and only 21 per cent should the wife be permanently disabled. Insurance was the major component of most plans. Insurance was to provide for burial, medical, and other death related expenses. The average face value of policies ($2,695) was less than one-half the average annual income.

Major provisions for college education included parents' or children's earnings and savings; and social security was the major provision for retirement. The families estimated retirement income needed to be $236 per month; burial costs to be $940 per burial; and $1,306 per year for a college education.

Education was rated highly by the families. All but one family felt a college education was of more value to the young person of today than when they were young. All but two felt education to be related to the financial security of a family. Six families currently had children in college and over two-thirds of the families with children of pre-college age were making college plans.

Over three-fourths of the families said they carried as much insurance and savings as they could afford to carry and felt financially secure. Forty-one families who felt financially secure also felt they carried the right amount of insurance and 18 who did not feel financially secure felt they did not carry the right amount. Thirty families deviated from the expected replies; 13 carried the right amount, yet did not feel financially secure, and 17 felt secure, but did not feel they carried the right amount of insurance. These 30 families were very similar to the other 59 families with respect to age of husband, net worth, income, and insurance coverage.

The only other objective characteristic by which these groups of families could be compared is education. The educational level of husbands of the 30 families was one year below average. Thus the available objective data offer no basis for explaining the differences between the two groups of families.

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APPENDICES

CONFIDENTIAL

Family Schedule Number_______

Date______________________

County______________________

Township or Town____________

Time began_________________

Time ended_________________

Interviewer_________________

SURVEY OF FAMILY FINANCIAL SECURITY:
EDUCATION AND INSURANCE
Summer 1960

(CONFIDENTIAL)

KANSAS STATE UNIVERSITY
AGRICULTURAL EXPERIMENT STATION
Project 427*

*A contributing project to
North Central Regional Research
Project NC-32

Department of Family Economics
Justin Hall
Kansas State University
Manhattan, Kansas

INTRODUCTION

As an Experiment Station researcb project the Department of Family Economics at Kansas State University is conducting a survey to learn something about the attitudes of families toward life insurance and education as means of providing financial security for a family.

They feel that the best way to get this information is to talk directly with the people themselves.

Eight counties in Kansas have been chosen in which to make the survey, and your family is one of 220 families selected at random to be part of the survey.

I. ATTITUDE TOWARD PLANNING

I would like to ask first some general questions about your plans in the event of death or disability in your family:

1. Has there been discussion in your family as to what it would do for financial support in event of the death of the husband?
   a. Little or none?__________
   b. Considered the matter, but have not reached a definite decision?__________
   c. Have developed fairly definite plans?__________

2. Has there been discussion in your family as to what it would do for financial support in event of husband's permanent disability?
   a. Little or none?__________
   b. Considered the matter, but have not reached a definate decision?__________
   c. Have developed fairly definite plans?__________

3. Has there been discussion in your family as to what it would do for financial support in event of the death of the wife?
   a. Little or none?__________
   b. Considered the matter, but have not reached a definite decision?__________
   c. Have developed fairly definite plans?__________

4. Has there been discussion in your family as to what it would do for financial support in event of wife's permanent disability?
   a. Little or none?__________
   b. Considered the matter, but bave not reached a definite decision?__________
   c. Have developed fairly definite plans?__________

5. If you have indicated plans above, what are the basic elements of your plans? That is, what are you counting on in case of need?

   a. ____

   b. ____

   c. ____

II. ATTITUDE TOWARD INSURANCE

One of the things we want to find out is how people like yourself feel ahout life insurance.

6. What would you say are the major reasons for carrying life insurance?

   a. ____________________

   b. ____________________

   c. ____________________

7. Can you think of any other reasons?

   a. ____________________

   b. ____________________

8. Here are some of the reasons people have given when asked why the <u>head of a family should carry life insurance.</u> Please indicate which of these reasons are of <u>great importance</u> to <u>you</u>, which are <u>less important</u>, and which are <u>not important</u> at all to you.

	Great Importance	Less Important	Not Important
a. To pay bills, debts, burial expenses in case of death.	____	____	____
b. To provide support for dependents in case of death.	____	____	____
c. To have a good method of saving money.	____	____	____
d. To enahle you to horrow in an emergency.	____	____	____
e. To provide funds for the education of children.	____	____	____
f. To pay off mortgage in case of death.	____	____	____
g. To provide income for old age.	____	____	____
h. Others. ____________	____	____	____

9. What would you say are the major reasons for not carrying life insurance?

a. ____________________

b. ____________________

c. ____________________

10. Can you think of any other reasons?

a. ____________________

b. ____________________

11. Here are some reasons people have given when asked why the head of the family should not carry life insurance. Do you agree with them?

	Agree (yes)	Disagree (no)	No opinion
a. Prefer other ways to take care of debts, bills, and burial expenses in case of death.	____	____	____
b. Prefer other ways to provide support of dependents in case of death.	____	____	____
c. Prefer other methods of saving money.	____	____	____
d. Prefer other types of savings and credit to meet emergencies.	____	____	____
e. Prefer other ways of providing for education of children.	____	____	____
f. Prefer other arrangements to pay off mortgage in case of death.	____	____	____
g. Prefer other ways of providing income for old age.	____	____	____
h. Premiums are too high.	____	____	____
i. Don't believe in life insurance.	____	____	____
j. Others. ____________	____	____	____

12. We would like information about your family and its composition.										13. Insurance			
Number of years married ______	Sex M or F	Age last birth-day	d. Highest grade of school completed	e. continue	Marital status or relation-ship	Family Support ½ or more	War Vet-eran	What was each person doing most of last year? (Occupation)		Payments on SS or pension plan	Number of current policies	Number of policies formerly held	Do you plan to add more insurance in the next five years
a.	b.	c.	d.	e.	f.	g.	h.	i.		a.	b.	c.	d.
Husband													
Wife													
Dependents– children: 1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
others:													
1.													
2.													
3.													

14. Life insurance coverage on ____________ Schedule No. ________ H W C______ O__________

When purchased	Policy status	Type of Policy	Face Value	Last premium (Cur pol)	How often	Annual Premium	Dividends last year	Cash or loan valu	Type or Name of Company	Why was this policy purchased? What were the circumstances at the time you purchased it?
Year or age	Cur Lap Drp Mat	T WL LP__ END__ GR OTHER	$	$	A SA Q M	$	No Yes Amt. DK $	Est $	OR CL/SL ASST VA BUR FR	Circumstance: Sold / Considered / Shopped Why? Planned finances / Anticipated event ____ / Event prompted / Generally good idea
a.	b.	c.	d.	e.	f.	g.	h.	i.	j.	k.
1.										
2.										
3.										
4.										
5.										

Does this include all the insurance you have ever carried on this person? Does it include lapsed and matured policies?

15 a. Do you have additional life insurance to cover a specific debt or mortgage, such as installment credit, car purchase, home mortgage, credit union loan, other loans? Yes No b. If yes, include above.

16 a. Have you ever had such coverage? Yes No b. When? ____________

17. Do you think you will be able to continue these policies? Yes No 18. If no, which policies will you not continue? Nos. ________ Why not? ____________

19. Do you plan to continue these policies? Yes No

20. If no, why not? ____________

V. FAMILY LIFE INSURANCE COVERAGE

Complete a "policy sheet" for each dependent, currently or formerly insured. Number of sheets completed________________.

21. Are there persons other than those listed in question 12 on whom you have carried insurance? [Yes] [No]

22. Have you or members of your family ever been a beneficiary of a life insurance policy and actually received payment? [Yes] [No]

23. a. Are there particular reasons why you do not carry life insurance on members of your family who are <u>not</u> insured? [Yes] [No] [Not Apply]

    b. What are they?____

    ____

    ____

24. We are interested in knowing how people feel about their insurance protection. Do you feel you people are carrying the "right" amount of life insurance for you, or is it "more" than you feel you need, or "less"? [R] [M] [L]

25. Why do you feel that way?____

____

In some families the wife and children have life insurance and in some they do not. For a family with two young children, how important do you think it is to carry life insurance on the life of. . . . .

	Very important	Somewhat important	Not important	Do not know
26. The wife.	______	______	______	______
27. The children.	______	______	______	______

28. Would you consider carrying a life insurance policy which, like auto and fire insurance, pays nothing unless you suffer a loss? I am referring to a type of policy in which you get nothing—just your estate or dependents are beneficiaries in case of your death. [Yes] [No] [Don't know]

29. Why?____

____

____

VI. OTHER INSURANCE

We are also interested in other forms of insurance carried by your family:

Do you carry insurance on:	yes / no / don't own	If no, why not?	loss ever experienced? Yes	No
30. Your automobile or truck?				
a. Liability				
b. Collision				
31. Your home?				
a. Fire				
b. Extended coverage				
32. Your household goods?				
a. Fire				
b. Extended coverage				
c. Theft				
33. Farm—crops?				
a. Hail damage				
b. Theft				
34. Farm buildings?				
a. Fire				
b. Extended coverage				
35. Personal liability—for accidents on property, of employees or guests?				
36. Health insurance:				
a. Blue cross (hospital)				
b. Blue shield (surgical)				
c. Health and accident (commercial)				
d. Major medical				
e. Others				
37. Personal property floater?				
38. Others:				
a. Livestock				
b. ______				

VII. EDUCATION PLANS

A. For families with children in college full or part time? (If none, skip to B.)

Name	Month and year entered	Major fields of study	College or University	How is education being paid for? (l. s. w.p.g.)
39.	40.	41.	42.	43.

44. Do you feel that a college education should be encouraged as much for girls as for boys? [Yes] [No] [No opinion]

    b. Why? ______

45. a. Is it equally important for girls to graduate from college?
    [Yes] [No] [No opinion]

    b. Why? ______

46. In what different ways do you think a college education is worth the cost?

B. For families with children of pre-college age: (If none, skip to C.)
(If children have dropped out of school, rephrase to ask about high school rather than college.)

47. Do you feel high school graduates should be encouraged to continue their education beyond high school? [Yes] [No] [No opinion]

48. If no, why not? ______

49. a. If yes, what are the plans for education? ______

    b. Why? ______

    c. How would their education be financed? ______

50. a. Would your answer different for boys than for girls?
    [Yes] [No] [No opinion]

    b. If yes, in what way: ______

51. If any of the children expect to go to college in the next three years, when do they intend to go? (Enter information in Table A.)

C. For families with dependent children six years of age and over not in school: (If none, skip to D.)

Name __________ __________ __________

Last grade completed __________ __________ __________

When completed __________ __________ __________

52. Why didn't ________________ go on in school? (Major reason.)

a. Graduated __________ __________ __________

b. Needed at home __________ __________ __________

c. Lost interest __________ __________ __________

d. Military service __________ __________ __________

e. No desire __________ __________ __________

f. Illness __________ __________ __________

g. Temporarily out __________ __________ __________

D. Ask of all families:

53. Do you feel that a college education would be of more value to a young person now than when you were going to school?
Yes | No | No opinion

54. Do you feel that education has any relation to the financial security of a family? Yes | No | No opinion

55. In what ways? ______________________________

56. If yes, over the life of an individual, how much do you think a man with a college degree would make over one without one?
$________________

57. What type of education do you feel prepares a boy or a girl best for the future? (Check one.)

a. Boy		b. Girl
________	Nursing.	________
________	Business training, like salesmanship.	________
________	Engineering.	________
________	Home economics.	________
________	Basic training in mathematics, science, etc.	________
________	Education.	________
________	Physics and chemistry.	________
________	Government and law.	________
________	Medicine.	________
________	Literature and the fine arts.	________
________	Economics and social studies	________
________	Languages.	________
________	Agricultural.	________
________	Others.	________

c. If you were to start over, which would you pick?

Husband________________ Wife____________________

d. Why?________________________ ____________________________

________________________________ ____________________________

________________________________ ____________________________

VIII. ECONOMIC STATUS—INCOME AND SOURCES

Insurance is a contract to pay money in the event that the risk insured against occurs. Insurance premiums require sufficient regular income to continue payments.

58. So that we might relate your insurance program to income, would you check the income class which best represents your total net income last year?

Loss	a. - $5,501 or more	
Loss	b. - 4,501 to 5,500	
Loss	c. - 3,501 to 4,500	
Loss	d. - 2,501 to 3,500	
Loss	e. - 1,501 to 2,500	
Loss	f. - 501 to 1,500	
Even —	g. - $ 500 to + 500	
Gain	h. + $ 501 to 1,500	
Gain	i. + 1,501 to 2,500	
Gain	j. + 2,501 to 3,500	
Gain	k. + 3,501 to 4,500	
Gain	l. + 4,501 to 5,500	
Gain	m. + 5,501 to 6,500	
Gain	n. + 6,501 to 7,500	
Gain	o. + 7,501 to 8,500	
Gain	p. + 8,501 to 9,500	
Gain	q. + 9,501 to 10,500	
Gain	r. + 10,501 to 13,000	
Gain	s. + 13,001 to 15,500	
Gain	t. + 15,501 to 20,500	
Gain	u. + 20,501 and more	

Source	1959 income received by: Husband	Wife	Children
59. Farming: (Net income from operating farm)	$	$	$
60. Leases and rents: a. Oil and gas			
b. Rent farm			
c. Rooms and real estate			
61. Labor: a. Farm work			
b. Other			
62. Investments: a. Interest			
b. Dividends			
63. Business—self employed			
64. Government payments: a. VA			
b. Social security			
65. Teaching, nursing, and other professions			
66. Others			
TOTALS	67.	68.	69.

70. How much of this income can you count on regularly each year? $________

IX. FINANCIAL STATUS—NET WORTH

One's insurance program needs to be related to the value of his holdings as well as his income. That is, life insurance is income-replacement, but it is also a way of covering debts and obligations in case of death or disability. Also your investments are a form of self insurance.

With your assistance I should like to draw up a picture of your financial position which will help us evaluate your insurance program.

		What do you have? (dollars)		What do you owe? (dollars)
Business or farm?				
Land and improvements		$ ____		$ ____
Farm machinery		$ ____		$ ____
Livestock		$ ____		$ ____
Crops and grain in storage		$ ____		$ ____
Others		$ ____		$ ____
Home		$ ____		$ ____
Other real estate		$ ____		$ ____
Automobile and/or truck		$ ____		$ ____
Household furnishings and appliances		$ ____		$ ____
Savings and investments:				
Government bonds		$ ____		
Corporate stocks and bonds		$ ____		
Bank accounts (S & L)		$ ____		$ ____
Savings and Loans (S & L)		$ ____		$ ____
Co-op share		$ ____		
Producers Credit Administration		$ ____		$ ____
Cash value of life insurance policies		$ ____		$ ____
Others:				
Hospital and medical bills				$ ____
Other bills				$ ____
Small loans and Credit union		$ ____		$ ____
TOTAL	71.	$ ____	72.	$ ____
NET WORTH			73.	$ ____

X. EVALUATION

With this information before us, let us return to an evaluation of the insurance program.

74. What provision is made for retirement? ______________________________

75. Estimated cost $ ________ per mo. needed in retirement.

76. What provision is made for the education of children? ____________________

____

77. Estimated cost of attending college $ ________ per yr.

78. Total estimated cost for educating your family beyond high school $ ________.

79. What provision is made to cover a burial expense? ____________________

____

80. Estimated cost of a burial $ ________ per burial.

81. What provision is made to cover medical and other expenses that might be left following death?

____

82. What provision is made for the care of the surviving husband?

____

83. What provision is made for the care of the surviving wife?

____

84. What provision is made for the surviving children?

____

Few families can cover all the many possible losses that might occur. Fortunately, in only the more tragic situations do many of the losses occur at one time. So most of us are "safe" when we take chances in not covering with insurance all the possible losses.

85. In general do you feel you are as well covered by insurance and savings as you can afford to be? [Yes] [No] [No opinion]

86. Do you feel financially secure? [Yes] [No] [No opinion]

Thank you for your cooperation.

87. Would you like a copy of the results of this survey? [Yes] [No]

APPENDIX B

K A N S A S   S T A T E   U N I V E R S I T Y

Manhattan, Kansas

Department of Family Economics
Justin Hall

Dear

As an Experiment Station research project, the Department of Family Economics at Kansas State University is conducting a survey to learn something about the attitudes of families toward life insurance and education as a means of providing financial security for a family.

We feel that the best way to get this is to talk directly with the people themselves. Your family has turned up as one of those to be interviewed. The families were selected purely by chance and are an accurate cross-section of the state.

The results of all the interviews will be combined and published in a report which represents the state as a whole. The report will be entirely statistical and no person will ever be identified. Your interview would be held in strict confidence.

In order that this cross-section sample be accurate, we cannot make substitutions of families, but we ask our interviewer to be sure to talk with someone at each of the selected homes. One of our interviewers, Mrs. Marguerite Umberger, Miss Judy Rogers or Miss Joyce Laverentz, will call at your home sometime during the period of August 8 through 31.

If you have any questions, or would like additional information about this project, we will be glad to answer any inquiries. Thank you very much.

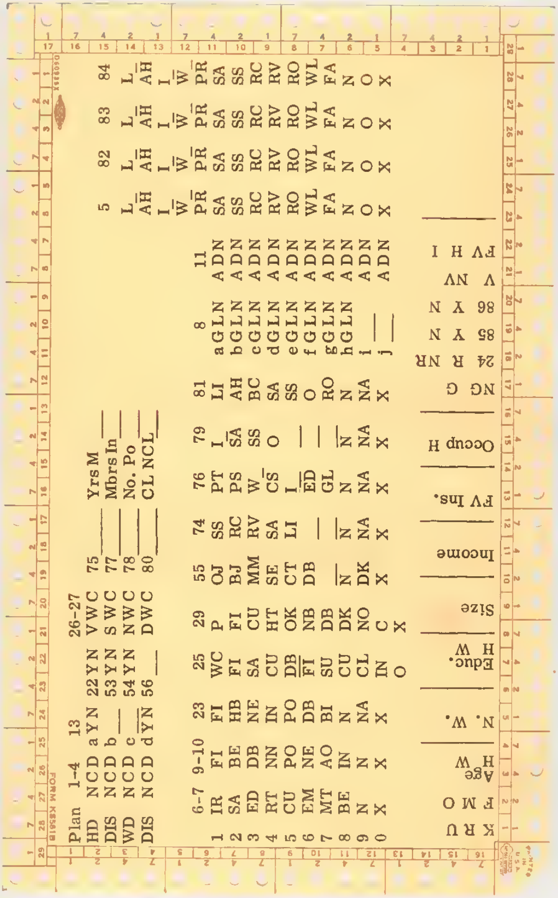
Sincerely yours,

Richard L. D. Morse
Professor and Head

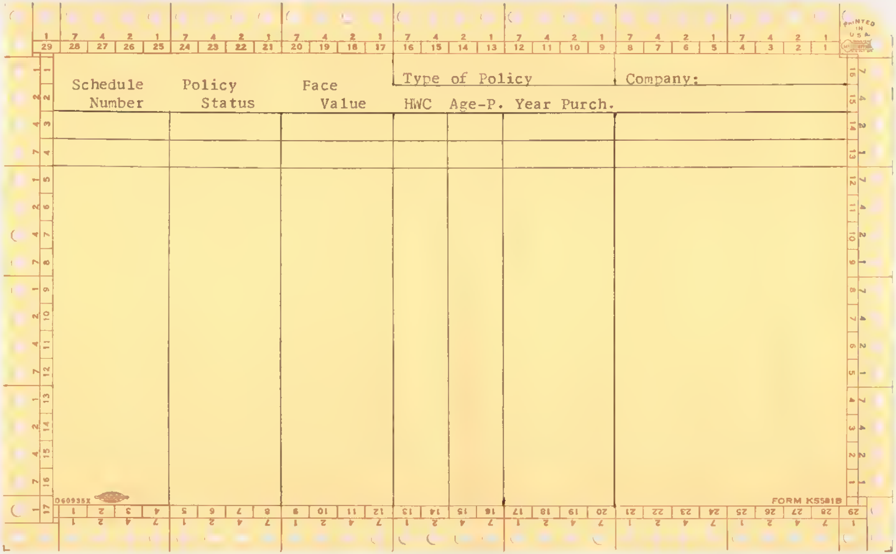
RLDM:pg

APPENDIX C

McBee Card



Life Insurance Card



Schedule Number	Policy Status	Face Value	Type of Policy: HWC	Age-P.	Year Purch.	Company:

FAMILY FINANCIAL SECURITY, MARION, KANSAS,
AUGUST, 1960

by

JUDITH DIAN ROGERS

B. S., Iowa State University, 1958

AN ABSTRACT OF A MASTER'S THESIS

submitted in partial fulfillment of the

requirements for the degree

MASTER OF SCIENCE

Department of Family Economics

KANSAS STATE UNIVERSITY
Manhattan, Kansas

1962

The desire for family financial security finds expression in many forms. The approach toward family financial security used in this research was to study the provisions and plans families were making for future contingencies and personal risks, particularly through life insurance and education.

This study was a part of the Kansas Agricultural Experiment Station Project, Organized Research Project No. 427, "Economic Status and Plans for Future Security of Rural Families," a contributing project to North Central Regional Project NC-32, "Financial Security of Rural Families." The data were obtained during the summer of 1960 as part of a statewide survey of 200 rural Kansas families selected at random by probability sampling. Of the 89 personal interviews conducted in Marion, Kansas during August, 1960, 91 per cent were made by the writer.

Eighty-six husband and wife, one widow, and two widower families, living together and receiving one-half or more support were interviewed. The average family had 3.5 members. The husband and wife were married 21 years. They had completed 12 years of schooling. Nearly all (93 per cent) husbands and 54 per cent of their wives were gainfully employed.

Average net money income ($6,320) was one-fourth the average net worth ($25,496). Only two families reported no experience with social security or retirement plans.

Marion families (96 per cent) generally had experience with life insurance. The average coverage was $10,354 per family. Insured families concentrated their life insurance on the husband. He was more often insured, carried more policies, and had more total coverage. Other kinds of insurance generally held were collision and liability automobile insurance, fire and extended coverage on the family home, and hospitalization.

Life insurance was more often viewed as a risk medium, particularly for support of dependents in event of the death of the husband, than as a savings medium. Most families said they believed in life insurance, favored coverage for wives and children, and felt their life insurance coverage was adequate. The tendency to insure the husband and wife did not vary with the presence or absence of dependent children.

More families had definite plans for the family in the event of the husband's death or disability than for the wife's death or disability. Provisions for meeting future contingencies included: insurance for the surviving wife and children, burial, medical and other related death expenses; social security for retiremont expenses; parents' and children's earnings and savings for the education of dependent children.

Mean estimated costs for selected contingencies were: retirement, $237; burial, $940; and $1,306 per year for college expenses. Three-fourths or more felt as well covered by insurance and savings as they could afford to be and said they felt financially secure. Those who felt financially secure also tended to feel adequately covered by insurance.

Education was considered to be related to the financial security of a family and deemed of more value to a young person of today. Most families with children of pre-college age were planning on college educations for their dependents.