

AN ECONOMIC ANALYSIS OF MAJOR APPLIANCE PURCHASES  
JUSTIFIED BY RELEASED-TIME EMPLOYMENT

by

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TABLE OF CONTENTS

	Page
INTRODUCTION . . . . .	1
OBJECTIVE. . . . .	3
REVIEW OF LITERATURE . . . . .	4
METHOD OF APPROACH . . . . .	5
RESULTS. . . . .	6
Factors on Cost of Owning and Operating Appliance . . . . .	6
Dishwashers . . . . .	6
Ownership costs. . . . .	7
Operational costs. . . . .	7
Electronic Oven . . . . .	10
Ownership costs. . . . .	12
Operational costs. . . . .	15
Job-Related Expenditures. . . . .	17
Pay roll deductions . . . . .	17
Job-holding expenses. . . . .	18
Application of the Formula. . . . .	22
Dishwasher. . . . .	22
Electronic Oven . . . . .	22
DISCUSSION . . . . .	25
SUMMARY. . . . .	28
RECOMMENDATIONS. . . . .	31
ACKNOWLEDGMENTS. . . . .	32
LITERATURE CITED . . . . .	33
APENDICES. . . . .	36

## INTRODUCTION

Women are one of the United States' greatest resources. Women's skills and abilities are being used more fully and more creatively than every before, not only in the home and in the community but on the job.

The growing contribution made by women to the economic life of the country has developed largely as a result of many social, cultural and economic changes over the last 25 years. Scientific and technological advances have simplified home chores, and have freed women for work outside the home. The growth of new industries, expanded activities in others, and an increase in commerce and trade have opened new doors for women in business, the professions and the production of goods and services.

The national economy has become dependent upon the work of women. In 1970, 87 million workers are needed, 13.5 million more workers than in 1960. Forty-four per cent of the new positions are for women, which is an increase of 25 per cent more women workers (Wood, 1962).

The current willingness and ability of women to enter the labor force has been increased by greater longevity of women, rise in the educational level of women, control over family planning, and a need for greater income in the home.

The median family income in 1966 in the husband-wife families where the wife worked was \$9,246. Where the wife did not work, the median family income was \$7,128 (Women's Bureau, 1968a). It is often the wife's earnings that raise the family income above the poverty levels. Only 5 per cent of all husband-wife families fell into this income group when the wife was in the paid labor force; 15 per cent, when she was not.

"The higher the annual family income (up to \$15,000), the greater likelihood the wife is in the labor force. The labor force participation of

wives in March, 1967, was lowest (13%) in families with 1966 incomes of less than \$2000 and highest (53%) in families with incomes of \$12,000 to \$14,000" (Working Wives--USDL, Nov. 1968).

Clerical workers comprised the nation's largest major occupational group of employed women in 1968 with 33.7 per cent. Of the employed women, 21.9 per cent were service workers, 14.6 per cent were professional and technical workers and 4.4 per cent were managers, officials and proprietors. Of the 4 million professional and technical workers 1.7 million were teachers (except college) and 1 million were medical and other health workers. Of the 6 million service workers, 1.7 million were private household workers (Women's Bureau, 1968b).

The median wage or salary of year-round full-time women workers in 1966 was \$3,973. Of the women with wage or salary income in 1966, 61 per cent received less than \$3,000. "Among women working year-round full-time in 1966, the highest median wage or salary income was received by professional and technical workers (\$5,826), followed by non-farm managers, officials, and proprietors (\$4,919), craftsmen and foremen (\$4,345), and clerical workers (\$4,316). The lowest paid were private household workers (\$1,297)" (Women's Bureau, 1968b). In December of 1969 the Kansas State Employment Service conducted a survey of salaries paid in Manhattan, Kansas. A clerical worker makes \$3318 per year which is lower than the national average. The private household worker averages \$3120 per year and the public school instructor averages \$6984 per year, which is lower than the national average of \$8621 per year for teachers.

Working wives and particularly working mothers have many expenses related to their work that reduce the income available to them from their earnings. The principal costs involved are for clothing, personal care,

food, transportation, child care, household help arrangements, taxes and professional expenses. Studies reveal these work-related expenses absorb between one-fourth and one-half of a wife's earnings. Her expenses will vary according to the number of children and their ages. A study by Caudle (1964) on clerical workers showed that one-third of their earnings was utilized for regular household expenses and to buy extra things for the family, another one-third was used for savings, bills and furnishings, with 24 per cent of take home pay going for job-related expenditures. Schlater and Fenar (1962) conducted a study on young employed wives with an annual average income of \$3,477. They found an average of 45 per cent of their earnings went for job-necessitated expenses, which left 55 per cent to use for the family budget. From a study conducted by Holmes, (1965) in Ohio, employed mothers showed three-fifths of the mother's income went for job-related expenses if the children were under 6 years of age.

There are benefits from working outside the home, in addition to the increase in family income. There would include employee pension plans, health insurance, paid sick leave and vacations, profit sharing plans and discount privileges as well as social security benefits and retirement income. There are intangible benefits, which are ~~equally~~<sup>equally</sup> or more important to the working wife. Many working wives feel they become more effective members of their own families and contribute more to their community and to society by combining paid employment with homemaking.

#### OBJECTIVE

The objective of this study was to develop a criterion for determining if a married woman can justify, economically, a major appliance purchase on the basis of the wages received from released-time employment.