# THE FINANCIAL MANAGEMENT PRACTICES AND CONCERNS OF TEENAGE FAMILIES IN NORTHWEST OKLAHOMA


By

MICKEY SUZANNE PRESCOTT

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IN NORTHWEST OKLAHOMA

Thesis Approved:

Sharon Y. Nickols

Thesis Adviser

Leslie J. Griffen

David Fournier

Norman N. Durham

Dean of Graduate College

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CHAPTER I

# INTRODUCTION

Traditions of society in the United States govern that young people eventually marry. Marriage serves society in four ways: It is the economic union of two people; it satisfies the search for intimacy among individuals; it is a sexual union; and it is the bridge which spans the generation gap (Fullerton, 1972, p. ix). One function of marriage, then, is to take young people out of the youth culture and bring them into the larger society as responsible adults. While romance is a central theme of the youth culture, responsibility is the dominant theme of the adult world. Marriage is thus a major means of accomplishing the transformation from youth to adulthood, but if it comes too early, the young couple may not be able to play adult roles (Fullerton, 1972).

There has been an increasing frequency of youthful marriages since the turn of the century. Studies show that the median age at first marriage declined considerable between 1890 and 1960, and has been increasing slowly since then. "In 1890, the median age of marriage for men was 26.1 years and for females 22.0 years" (Moss, 1965, p. 231); ". . . in 1975, the median age for men was 23.5 years and for women 21.1 years" (U.S. Dept. of Commerce, 1976, p. 68). Although the percentage of both men and women marrying before age 20 have been declining, the incidence of teenage marriage is still high. "In 1970, girls aged 15-19 were involved in 43 percent of all first marriages and boys aged 15-19 were involved in 19 percent of all first marriages" (U.S. Department of Health, Education and Welfare, 1973, p. 9).

The occurence of youthful marriages is not foreign to Oklahoma. In a recent article in Oklahoma Monthly, Browning (1978, p. 37) says "Our state is second in average youth marriage, Arkansas being first," and cites this fact as being one of the major reasons for the high divorce rate in Oklahoma which is second highest in the United States.

All newlyweds are faced with problems of adjustment to married life, but for teenage couples, these problems may be greatly intensified. One of the major problems of early marriage is financial management. In a study of 40 couples and 18 wives (some husbands preferred not to participate) where at least one of the spouses was under 19, Inselberg (1961, p. 769) found that ". . . 52.5 percent of the husbands and 37.9 percent of the wives said finances were a problem, and that 15 percent of the husbands and 12.1 percent of the wives said they have had conflicting ideas on spending their income." In fact, these couples said resolving fianacial difficulties was the major problem in their marriage. A study of teenage marriages in Nebraska (moss and Gingles, 1959) supported this same conclusion; financial problems occupied first place among all the difficulites the couples faced. However, the primary concern most often mentioned was lack of money, rather than how the money was spent. In 1976, the mean income of families with ". . . heads age 14-19 was only $4,653 compared with the mean income of all families, which was $13,531" (U.S. Department of Commerce, 1978, p. 178). The implication is that teenage families face great financial pressures.

Kieren, Henton, and Marotz (1975, p. 20) state, "The underlying factors influencing money management are the values, goals and standards of a family." The values of teenagers tend to differ from those of their adult counterparts. Herrmann ("Economic Problems", 1965) says that attitudes and values of teenagers largely are those of a leisure class where great emphasis is placed on style, on ownership of exactly the right item, and on using that item in exactly the right way. Herrmann further adds that

> Unless there has been guidance or counseling on the financial problems of marriage, the consumption values and attitudes of the teenage culture are the ones which the teenager takes with him into marriage. These leisure class attitudes appear to be an almost certain source of problems for teenagers entering marriage (p. 96).

The above statement suggests a need in youthful marriages for setting financial goals and establishing a plan for financial management. Goals should be specific, continuing, and realistic based on available resources. Even though funds are generally limited, if teenage newlyweds can reach agreement regarding what is most important to them and can set their goals accordingly, finances--still a problem--will not become a source of extreme tension (Kieren et al., 1975).

The mission of Extension Home Economics is to assist people in identifying their needs and improving the quality of their homes and communities. Developing Extension Home Economics programs requires an understanding of the population to be served. Information about the people to be reached, their current situations and future trends are important determinations (Task Force of the Home Economics Subcommittee of ECOP, 1974). As an Extension Home Economist, the researcher must plan programs which meet the needs of the people in Harper County, Oklahoma. Through past experiences, the researcher has learned that one of the clientele groups hardest to reach are teenage families. Married teenagers represent a small but conspicuous segment of the married population. From 1976 to the present in Harper County, Oklahoma, there have been 31 marriages in which both partners were under 20 years of age and 46 additional marriages in which one partner was under 20 years of age. These figures together represent approximately 30 percent of the total number of marriages in Harper County, Oklahoma, since January 1, 1976 (Harper County Marriage Records, 1976-1979).

The problem dealt with in this study is the possible financial instability of teenage families. There is a need to understand the financial practices and concerns of teenage families so that programs can be provided to meet their needs.

## Purpose and Objectives

The purpose of the study was to identify the financial concerns of teenage families and to examine the factors related to these concerns. Several comparisons were made between teenage families who had established financial management practices and teenage families who had not established financial management practices. This information will be used in planning educational programs which will benefit young families.

The following objectives guided the research study:

1. Assess the differences in selected personal variables and the adoption or non-adoption of financial management practices by teenage families.
2. Identify the major financial concerns of selected teenage families who have established financial management practices and those of teenage families who have not established financial management practices.
3. Make recommendations for program development and research in the area of financial management for teenage families.

## Hypotheses

The following hypotheses were postulated for the plan of analysis of this study:

$H_1$: There will be no significant difference in the personal variables of teenage families who have established financial management practices and teenage families who have not established financial management practices.

$H_2$: There will be no significant difference in the difficulty of the various financial concerns of teenage families who have established financial management practices and those teenage families who have not established financial management practices.

## Assumptions and Limitations

There were certain assumptions which existed for this study:

1. It will be possible to obtain reliable information about financial management practices and concerns through personal interviews with the couples.
2. Participants will have experienced financial concerns.
3. Family characteristics such as number of children and unexpected emergencies will influence the financial situation of the participants.

The following limitations existed for this study:

1. The sample was limited to teenage families in northwest Oklahoma.
2. The sample was taken from teenage families who live primarily in rural areas where no town has a population greater than 15,000 persons.

3. Fluctuations in the stability of the national economy may have had an impact in the financial situation of the participants, thus indirectly influencing results of the study.

## Definitions

The following definitions were used in this study:

1. Teenage Family - For the purpose of this study, a family in which the average age of the husband and wife is under 20 years of age.
2. Financial Concerns - "Problems or difficulties directly related to the spending, earning, or managing of money" (Folkman and Clatworthy, 1970, p. 282).
3. Financial Management - According to Troelstrup (1974), financial management is

   > The solution of family problems, primarily money use, for the purposes of attaining family goals. Financial management involves financial planning, record-keeping, savings, insurance, investments, social welfare, security and consumer credit, as well as major financial decisions (p. 128).

   For the purpose of this study, established financial management practices were determined by extent of record-keeping, development of financial plans, and budget-making.
4. Financial Goals - "Aims and ambitions that a person wants for himself and for his family that relate to future income or that require money to attain" (Bailard, Biehl, and Kaiser, 1973, p. 4).
5. Budgeting - "The allocation of income to cover expenses in a given time" (Bailard et al., 1973, p. 153).

6. Credit - "The money or purchasing power extended by lending agencies to consumers" (Troelstrup, 1970, p. 141).
7. Records - Fitzsimmons and Williams (1973, p. 451) define records as ". . . written accounts or written proof kept in some permanent form."
8. Insurance - "A large group of people undertaking similar risk contributing to a common cause to compensate for those who suffer loss" (Donaldson and Pfahl, 1971, p. 233).

## Summary

This study investigated various financial concerns and financial management practices of teenage families in Northwest Oklahoma. It was believed that through this study, it would be possible to: (1) examine the financial profile of teenage families, (2) assess the differences in selected personal variables in relation to the adoption of financial management practices by teenage families, (3) identify the major financial concerns of teenage families, and (4) make recommendations for program development and research in the area of financial management for teenage families.

# CHAPTER II

## REVIEW OF LITERATURE

There are numerous texts and other publications devoted to helping individuals and families manage their finances and confront financial problems. Herrmann ("Expectations and Attitudes", 1965, p. 89) states that ". . . teenagers undertaking marriage have certain special financial difficulties." Unfortunately, research related to financial problems and money management practices of teenage families is limited. Romino (1970, p. 6) observes that ". . . recent research into financial management of young married couples has been done predominately by noting family expenditures and observing social and psychological aspects of the marriage."

The research considered meaningful to this study was analyzed and is summarized in this review in four parts:

1. Characteristics of young families;
2. Money management practices of young families;
3. Financial problems of young families; and
4. Implications for educators.

### Characteristics of Young Families

Research studies reveal that characteristics of young marriages are in general related to four areas:

1. Family Background.

2. Early dating experiences.
3. Financial preparation for marriage.
4. Parental assistance.

## Family Background

Burchinal (1965, 1959) undertook several descriptive studies designed to identify factors associated with young marriages. The 1965 study questioned young families involving at least one partner under 19 years of age, the 1959 study was concerned solely with high school aged families. Instrumentation in these studies measured socioeconomic factors such as fathers' occupations and parents' educational levels. Results showed that lower family socioeconomic levels were related to youthful marriage.

Moss (1965) made a comparative analysis of demographic data on teenage marriage trends in the United States and selected countries. Teenage marriage in this study referred to husband or wife or both being under 20 years of age at the time of marriage. Moss associated the following societal variables with teenage marriage:

1. It was high among groups with ethnic tradition.
2. It was associated with the type of economic structure.
3. It was associated with the type of occupational structure.
4. It increased with earlier independence from the family.
5. It was associated with social mobility.
6. It increased with increased emphasis to leisure status and leisure roles in society.
7. It was associated with increased employment of women (p. 237).

## Early Dating Experiences

Females have predominately been involved in young marriages rather than males (Burchinal, 1965). Percentages for marriage among males 17 and 18 years of age ranged from about two to slightly over five percent

(Burchinal, 1965, p. 244). Early dating pattern by many females was one factor associated with youthful marriages.

The major hypothesis for Burchinal's 1959 study was: "Role change is directly related to role deprivation" (p. 378). The theory behind this hypothesis was that girls marrying before high school graduation, in effect rejected adolescent role behavior. Little data was found to support the major hypothesis; but in an analysis of personality needs, Burchinal found that girls who married prior to high school graduation, on the average, started dating and going steady at an early age, had more steady boyfriends, and felt they had been in love more times than the control group who married after high school graduation.

One of the limitations of research on early marriage has been the relatively small sample size. Hoping to overcome this limitation, Bayer (1968) attempted a study focusing on the relationship between early dating and early marriage. The study employed data taken from a large national sample and incorporated a longitudinal design. A random sampling included approximately 73,000 12th-grade students throughout the United States. Findings showed a definite relationship between early dating and early marriage. Also, ". . . those who have experienced early marriage are considerably more likely to experience greater marital discord...than those who marry at a later age" (Bayer, 1968, p. 63).

Moss (1965) found evidence that those who married as teenagers showed less emotional stability than those who married later.

> Their urge for marriage is often expressed as a search for an escape from other relationships through the courtship involvement which, in the romantically oriented United States, leads youth to idealize marriage and seek its pleasures (p. 241).

"Approximately one-third to one-half of all young marriages involve a premarital pregnancy" (Burchinal, 1965, p. 248). Other studies drew similar conclusions. Inselberg (1961) investigated circumstances conducive to high school marriages. The following conditions were found to contribute to early marriage: broken families, strained parent-child relationships, early romantic and sexual involvement, and premarital pregnancy.

Financial Preparation for Marriage

Moss and Gingles' (1959) research project in rural Nebraska studied the relationship of personality to the incidence of early marriage. Standardized questionnaires and personality tests were administered to high school girls. Additionally, interviews were conducted with all the married girls and their mothers. Responses from the interviews indicated marriage was the basic goal in the girls' lives and they expected to follow the traditional role of mother and wife. Moss and Gingles observed that ". . . if judged by indices from marriage success studies, they were not ready for marriage; by their own criteria for readiness, 95 percent were very ready" (p. 376). The future plans of these girls and their husbands revealed little concern for formal or vocational education. The girls felt that the husband should be the sole breadwinner.

Teenage marriages could have serious economic results (Hanson, 1961). "According to NEA's Research Division, the average boy who leaves school before he graduates will earn $46,364 less in his lifetime than will his graduating classmates" (p. 27). Hanson further stressed that only 10 percent of youngsters who drop out of high school because of marriage ever return (p. 28).

Both Christensen (1965) and Burchinal (1965) studied economic risk and youthful marriage. One reason cited for the early rush to the altar was that the economic risk was smaller than in earlier generations. In the 1960's the United States was a prosperous country, with a constantly rising standard of living; most young people found it easy to get jobs that paid well. Among many young couples, it has been customary for both husband and wife to work until they get established; hence, lack of financial preparation has been less a deterrent to early marriage.

> Historically, marriage rates in general, including young marriage rates, have risen with prosperity and have declined in periods of depression or recession. Assurance of employment, often recently obtained, is a common factor cited in marriage decisions of young families (Burchinal, 1965, p. 245).

### Parental Assistance

The importance of parental aid to the finances of teenage marriages has been observed (Sussman and Burchinal, 1962; Inselberg, 1961; Burchinal, 1965). Parental aid was more frequent among marriages involving brides who were premaritally pregnant (Sussman and Burchinal, 1962). Parental aid took three forms: (1) providing housing and sharing of meals and groceries, (2) providing income, and (3) providing all of these forms of assistance.

## Money Management Practices of Young Families

Romino (1970) undertook a descriptive study of the financial management practices of married couples with a teenage wife which resulted in several significant findings. More than one-half of the families reported that husbands and wives handled the income jointly. Discussion between husband and wife about income use was considered a family policy. In the case of emergencies, 50 percent reported having received aid from parents, 30 percent turned to other sources for aid, and 20 percent had not faced emergency situations. Almost all of the families reported using some type of credit since they had been married. Fifty percent said they kept records mainly through payment books; 30 percent of the families reported using a checking account. Savings practices increased as educational level increased; wives who had graduated from high school kept significantly more records. Approximately one-third of the couples experienced disagreement on management practices in spending income with disagreement greater among those families with lower incomes.

Schomp (1962) investigated the financial practices of young married women majoring in home economics at Oklahoma State University to ascertain information about their financial status, financial practices and opinions related to their financial situation. The major hypothesis that married students attending college face the same financial problems as other sectors of the population, but to a more serious degree was refuted. Findings included: a very small number reported having any serious financial problems; a large majority expressed satisfaction with their ability to manage money. The majority of respondents and their husbands shared the responsibility of financial management, had joint checking accounts, cooperated in planning and record-keeping, and believed in the value of saving.

A study by Blackwell (1967) was concerned with exploring the financial practices and values of employed and non-employed college wives. Such factors as wife's employment, age, extent of home economics training, length of marriage, income, and number of children appeared to be associated to some degree with financial practices.

A study of financial management practices of 60 young rural families in New York obtained information concerning assets and liabilities at the time of marriage, current income and its use, and financial management practices followed since marriage (Wells, 1959). Results showed that: (1) over 50 percent of the families went into debt the first year of marriage, chiefly for furnishings and automobiles; (2) 50 percent had sources of income other than regular salaries; (3) 50 percent stated that they budgeted their income, but the number of families budgeting decreased with the number of years married; (4) 33 percent kept itemized accounts; but cancelled checks, check stubs, and receipts were kept by about 85 percent of the families; (5) 33 percent worked on accounts together; and (6) 85 percent had unexpected expenses ranging from $50 to $6,000.

## Financial Concerns of Young Families

Goodrich, Ryder and Raush's (1968) study of patterns in 50 newlywed marriages with couples between 18 and 27 years of age, showed that newlywed families faced many marital problems--one of the greatest was economic constraints. A study of high school marriages found approximately one-half of the husbands listing "financial difficulties" as the major problem in their marriage, while approximately two-thirds of the wives listed "financial difficulties" as a major problem (Inselberg, 1961).

Repeated presence of tensions in the area of financial resources was found in DeLissovoy's (1973) study of marital adjustment of boys and girls who married while still in high school. Couples noted having had few problems in terms of spending family income; their problems were lack of adequate income and management of income. A follow-up study 30 months later indicated lack of financial resources was still a major concern.

Schomp (1962) found some inconsistencies in responses to questions on financial problems. Less than 10 percent reported having had any "very serious" financial problems; 40 percent reported having had "somewhat serious" financial problems, but few expressed any need for help with these problems. Schomp stated that ". . . although some aspects of financial management were not considered problems, the respondents expressed the need for help in these same problems" (p. 81).

Herrmann ("Economic Problems", 1965, p. 93) suggested that economic problems confronting teenage newlyweds arise from two sources: "The first is the meager financial resources with which teenage marriages are undertaken and the second is the naively optimistic expectations and adolescent attitudes which teenagers take with them into marriage." Numerous reasons were cited for these financial difficulties. Teenagers had a high unemployment rate because they had no special job training and they engaged in occupations where employment tended to be irregular. Many teenage wives were not employed due to pregnancy soon after marriage. Teenage couples found it difficult to obtain credit because they were still considered to be minors and were poor credit risks. Few young couples had any significant savings. Teenagers had over-optimistic expectations going into marriage. "Teenagers expect to be able to purchase immediately many of the items which probably had taken their parents years to acquire" (Herrmann, "Economic Problems," 1965, p. 96). Teenagers tended to have impulsive shopping patterns; they made up their minds before engaging in comparative shopping. Even the smallest amount of unexpected expense could become a disaster for teenage couples because of their small incomes, almost nonexistent savings, and fixed installment payments.

Money was a resource which could assist in the achievement of marriage goals. Yet money often was not a resource at all, but a source of irritation. If partners could not recognize their basic value differences, goals, and standards in the management of money, financial problems could take an undesirable proportion of their marital interaction (Kieren, Henton, and Marotz, 1965).

## Implications for Educators

Bailey (1966) examined policies of high schools in southwest Kansas toward married students. One of the objectives was to study the effects of courses in personal and family life education on marriage relations. Bailey made the following recommendations:

1. Every school should offer an elective course or courses in family life education as part of the high school curriculum.
2. Education for personal and family relations should be made available to both boys and girls (p. 48).

Because so many young wives dropped out of school during or before the tenth grade, Romino (1970) suggested a need for education in money management in junior high schools. Romino challenged educators ". . . to plan an effective, functional curricula for personal money management for married and unmarried young people--in both formal and informal teaching situations" (p. 83).

Burchinal (1965) and Gladden and Whitt (1966) were in agreement that programs to help youth should assist them in developing their personalities, interests, and potentials so they will aspire to attain middle-class norms and values, one of which is to defer marriage until they are older. Vocational training for some may be the best answer to encouraging deferment of marriage (Gladden and Whitt, 1966).

Herrmann ("Expectations and Attitudes," 1965) noted several educational implications in a study of "Expectations and Attitudes as a Source of Financial Problems in Teenage Marriages." Without adequate financial counseling, the high expectations and attitudes of teenagers would almost certainly be carried over into marriage and would become a source of consternation. Herrmann suggested that ". . . discussion of these expectations and attitudes as a source of problems should be a useful addition to the information now being presented to students on the financial problems of marriage" (p. 91).

In order to meet the needs in financial management of the married students in institutions of higher education, Schomp (1962) recommended that preparation for financial management for most married students must be offered in high school courses. "Since financial management is a cooperative affair between wife and husband, both need preparation for solving their financial problems effectively" (p. 83).

Brown (1976) researched the financial management practices of married students. Included in the questionnaire were questions concerning satisfaction with the financial management courses offered at Oklahoma State University. Results indicated that students completing the course had a more factual knowledge of financial management and planning. Conclusions drawn implied that the course teaches facts useful and applicable to everyday life. The majority of the respondents indicated that the course increased their satisfaction with financial management.

One objective of Blackwell's study (1967) was to develop proposals for Cooperative Extension programs designed to assist young homemakers in solving some of their financial management problems. Slightly under

85 percent of the wives participating in the study indicated there were areas in financial management in which they needed help. Forty-five percent indicated they would prefer programs involving lectures and demonstrations. The majority said that evening would be the most convenient time for them to participate and they indicated that they would not be willing to pay for the help.

Romino (1970) included two recommendations for further study in the area of financial management.

> In that only wives were interviewed in this study, an investigation where both husbands and wives were interviewed might produce more accurate information about family decision-making in relation to financial management by families.
>
> A large sample covering a larger geographical area might include information from other types of families including both farm and rural non-farm families (p. 86).

## Summary

The review of literature was an examination of other studies dealing with four areas related to teenage families: (1) characteristics of young families, (2) money management practices of young families, (3) financial problems of young families, and (4) implications for educators. Based on the review of literature, a questionnaire was developed which included key issues seen to be relevant in earlier studies. Examination of these studies also aided in setting up the type of research, determining the sample, collecting data, and analyzing the data.

# CHAPTER III

# RESEARCH DESIGN

The problem dealt with in this study is the financial instability of teenage marriages. "How to match income to outgo is one of the major personal problems for today's generation. The teenage couple lives constantly on the brink of failure as far as money is concerned" (Romino, 1970, p. 5). The study plan was to investigate money management practices of teenage families and identify some of their financial concerns. This chapter deals with the research design. Included is information on these topics: Type of Research, Population and Sample, Instrumentation, Data Collection, and Analysis of Data.

## Type of Research

The study was designed to yield descriptive data comparing the financial concerns of teenage families with established financial management practices and teenage families with no established financial management practices. A second objective of the study was to determine if there were a statistically significant difference in certain personal variables of teenage families with financial management practices and teenage families with no financial management practices. These personal variables included the age of husband and wife at the time of marriage, educational level of husband and wife, sources of income, occupations of husband and wife, money management experiences prior to marriage, parental support, and financial goals of the couple.

## Population and Sample

The study was conducted in a four-county area of northwest Oklahoma, These counties are Harper, Ellis, Woods and Woodward. In 1976, the total estimated population for this area was 39,000 (Harper County Statistical Records File, 1977, p. 28P). There is no data available on the number of teenage families in this area.

The populace of the four counties are similar in that they are primarily rural with farming and ranching backgrounds. However, there are differences which provided variety in the sample. Woodward is the largest county with a 1976 estimated population of 17,600 (Harper County Statistical Records File, 1977, p. 28P). The Woodward vicinity is a progressive and rapidly growing area. Woods is the second largest county in the sampling area and had a 1976 estimated population of 10,700 (Harper County Statistical Records File, 1977, p. 28P). Alva, the county seat of Woods County, is the home of Northwestern Oklahoma State University and has a young and diversified population. Ellis and Harper Counties had a combined total population of 10,500 (Harper County Statistical Records File, 1977, p. 28P); homes are widespread and the average population density is 4.5 persons per square mile (Harper County Statistical Records File, 1977, p. 23P).

Considering the sparseness of the population and the personal nature of the information needed to conduct the study, it was decided to use personal interviews with both husband and wife as participants in the collection of data. This procedure enabled the interviewer to record all information in like manner and permitted indepth questioning about financial concerns and financial management practices.

Names of possible participants were obtained from these sources: Harper County Court Clerk; Northwestern Oklahoma State University Financial Aids Department; Harper County and Woodward County Welfare Departments; Harper, Woods, Woodward and Ellis Counties OSU Extension Centers; Alva, Buffalo, Laverne, Woodward, Mooreland, Fargo, Ft. Supply, Gage, Shattuck and Arnett High Schools; and through personal contacts. Names of 71 possible teenage families were obtained. The names of the couples were alphabetized and numbered; then names, addresses, and phone numbers were recorded on individual note cards and filed according to the number each was assigned. The 71 names with their assigned number were typed on separate pieces of paper, placed together in a box, and thoroughly mixed. From this box, the names of 40 couples were randomly drawn. Their cards were pulled from the file and marked. Of the 40 originally selected couples, two refused to participate, two could not be reached, and one was marked off because of a change in marital status.

## Instrumentation

The instrument (see Appendix) used for data collection was a questionnaire designed to provide reliable and valid information. It was an adaptation of three questionnaires used in previous theses (Blackwell, 1967; Brown, 1976; Romino, 1970). Questions U, V, W, Y, and BJ through CC were adapted from Romino's questionnaire; questions AA, AB, AH, AI, AK through AN, and BH and AI were adapted from Brown's questionnaire; and questions AQ through BA were adapted from Blackwell's questionnaire. The questionnaire contained questions designed to collect four types of data: (1) personal characteristics, (2 ) financial management practices,

(3) financial problems, and (4) financial goals and values (see Appendix for questions).

Questions A through W collected information on personal characteristics pertaining to age of husband and wife, length of time married, number of children, housing arrangements, educational background, occupations, and monthly and annual income.

Financial management practices were examined in questions X through AN, and BD through BI. Information asked for included record-keeping, debts, use of credit, savings, insurance, type of financial planning, and financial management experiences prior to marriage.

The third type of question dealt with financial problems faced by the family. Questions AO through BC explored these problems and probed avenues for help used by the family.

Questions BJ through CC pertained to the financial goals and values of the family. These questions were included because they examined important personal variables which indirectly affect family management.

Two final questions gave the couples an opportunity to discuss any financial worries not previously mentioned and allowed space for comments from the interviewer.

The format of the questionnaire consisted of questions asking for a simple "yes" or "no" answer and open-ended completion questions which were designed for short concise answers. Questions which contained a long list of possible answers were typed on cards to be handed to the couple during the interview; the couple could then refer to the card for possible answers, thus greatly facilitating the interview process.

The questionnaire was pretested before being printed in its final form. Five teenage married couples in Payne County were interviewed to determine the average length of the interviews and to observe the reaction of the couples to the questions. These couples were asked if the questions were understandable and also if they had any ideas for further questions. Necessary revisions were made in the instrument.

## Data Collection

The 40 initially selected couples were contacted by telephone. At this time, the purpose of the study was explained and they were asked to participate. It was stressed that the data collected would be used anonymously. Three attempts were made to reach each couple by phone; if they could not be contacted on one of these three attempts or if they refused to participate, they were marked off the list and another name was randomly selected. An interview schedule was set up and data collection began.

Interviews were conducted by the researcher over a three-week period of time in January and February, 1980. They lasted 25 to 55 minutes in length. Answers were recorded directly on the questionnaire. Rather than using the names of the couples for identification purposes, their assigned numbers were recorded on the questionnaire. Each couple interviewed was asked the same questions in the order numbered on the questionnaire.

Couples participating were given a packet of information from the OSU Extension Center on financial management. A total of 40 wives and 34 husbands were interviewed. Each couple was interviewed together except in the six cases where the husband was absent.

## Analysis of Data

The sample was divided into two groups--those having a financial plan and those who did not. The personal variables and financial concerns were then compared. The data collected was analyzed by descriptive statistics including frequency distributions.

Chi-square analysis was used to test both hypotheses. Hypothesis one determined if there were a statistically significant difference in the personal variables of teenage families who had established financial management practices and teenage families who had not established financial management practices. Hypothesis two determined if there was a significant difference in the difficulty of financial concerns of those teenage families who had and those who had not established financial management practices.

The Chi-square ($\chi^2$) statistic was used because "the variables were expressed in nominal form (classified in categories and represented by frequency counts)" (Best, 1977, p. 289). The .05 level of significance was chosen to accept or not accept the null hypotheses. A significant Chi-square value indicated that variables were not independent and that the relationship was a result of something other than what would have been observed by chance or a sampling error.

# CHAPTER IV

## ANALYSIS OF THE DATA

This study was designed to examine money management practices of teenage families and identify their financial concerns. The data presented in this chapter compares the financial concerns of teenage families with established financial management practices and those with no established financial management practices. The data also explore whether there is a significant difference in the relationship of certain personal variables to the establishment of financial management practices. For the purpose of this study, financial management is defined as the establishment of record-keeping, development of financial plans, and budget-making.

The first section in Chapter IV deals with background characteristics of the respondents and includes personal information, income characteristics, and educational data. The second section contains a financial profile of teenage families in northwest Oklahoma. The remaining two sections summarize the tests of each hypothesis.

### Background Characteristics of the Respondents

Questions A through W dealt with personal information and background characteristics of the respondents. These were further subdivided into three categories: personal information, income of the respondents and educational background of the respondents. This data is summarized in Tables I, II, and III.

Table I reports certain personal characteristics of the respondents. The 40 couples interviewed reside in four northwest Oklahoma counties: Ellis, Harper, Woods and Woodward. The majority (50 percent) are from Woods County, four (10 percent) are from Ellis County, nine (22.5 percent) are from Harper County, and seven (17.5 percent) are from Woodward County. The large number of participants from Woods County and the smaller numbers from the other counties can be attributed to the large number of teenage married students at Northwest Oklahoma State University in Woods County; the cooperation of NWOSU in helping the researcher contact potential couples and setting up interview appointments; and the difficulty encountered in obtaining names of potential interviewees from Woodward County.

Ages of the spouses ranged from 16 through 21 years of age. The youngest wives, age 16 and 17, represented 12.5 percent of the total. There was only one wife whose age was above 20. Eighty-five percent of the wives were in the 18-19 year old age range. The husbands' ages ranged from 18 to 21 with 82.5 percent 19 to 20 years of age.

All couples interviewed had been married less than three years. Forty-five percent had been married nine months or less, 35 percent had been married 10 to 20 months, and 20 percent had been married 20 months or longer. Twenty-five couples had no children, five couples were expecting their first child, and 10 couples had one child each whose age ranged from newborn through 15 months.

There was some variability shown in the couples' housing arrangements. The three most common types of housing arrangements were rented

TABLE I

CHARACTERISTICS OF THE RESPONDENTS

| Characteristics | Number Responding | Percent |
|---|---|---|
| County of Residence | | |
| Ellis | 4 | 10.0 |
| Harper | 9 | 22.5 |
| Woods | 20 | 50.0 |
| Woodward | 7 | 17.5 |
| | 40 | 100.0 |
| Age of Wife | | |
| 16 | 1 | 2.5 |
| 17 | 4 | 10.0 |
| 18 | 16 | 40.0 |
| 19 | 18 | 45.0 |
| 20 | 1 | 2.5 |
| | 40 | 100.0 |
| Age of Husband | | |
| 18 | 3 | 7.5 |
| 19 | 17 | 42.5 |
| 20 | 16 | 40.0 |
| 21 | 4 | 10.0 |
| | 40 | 100.0 |
| Months Married | | |
| 6 or less | 9 | 22.5 |
| 7 through 9 | 9 | 22.5 |
| 10 through 12 | 7 | 17.5 |
| 13 through 19 | 7 | 17.5 |
| 20 through 24 | 6 | 15.0 |
| 25 and over | 2 | 5.0 |
| | 40 | 100.0 |
| Number and Age of Children | | |
| No children | 25 | 62.5 |
| Expecting first child | 5 | 12.5 |
| 1 child, age 6 months or less | 3 | 7.5 |
| 1 child, age 7 through 12 mos. | 5 | 12.5 |
| 1 child, age 13 through 15 mos. | 2 | 5.0 |
| | 40 | 100.0 |

TABLE I (Continued)

| Characteristics | Number Responding | Percent |
|---|---|---|
| Housing Arrangements | | |
| Buying a house | 1 | 2.5 |
| Renting a house | 9 | 22.5 |
| Renting a furnished apartment | 11 | 27.5 |
| Renting an unfurnished apartment | 3 | 7.5 |
| Mobile home | 11 | 27.5 |
| Living with husband's parents | 2 | 5.0 |
| Living with wife's parents | 0 | 0.0 |
| Other | 3 | 7.5 |
| | 40 | 100.0 |
| Husband's Occupation | | |
| Not employed | 2 | 5.0 |
| Service worker | 3 | 7.5 |
| Farm laborer | 9 | 22.5 |
| Laborer (not farm) | 8 | 20.0 |
| Transport equipment operator | 1 | 2.5 |
| Operator (not transport) | 6 | 15.0 |
| Craft worker | 6 | 15.0 |
| Sale's worker | 2 | 5.0 |
| Manager | 3 | 7.5 |
| | 40 | 100.0 |
| Wife's Occupation | | |
| Not employed | 14 | 35.0 |
| Private household worker | 2 | 5.0 |
| Service worker | 6 | 15.0 |
| Clerical worker | 9 | 22.5 |
| Sale's worker | 9 | 22.5 |
| | 40 | 100.0 |

houses (22.5 percent), rented furnished apartments (27.5 percent), and mobile homes (27.5 percent). The remaining couples (24.5 percent) were buying homes, living with parents, renting an unfurnished apartment, or had other arrangements.

Thirty-eight husbands and 26 wives were gainfully employed. Both husbands' and wives' occupations were concentrated in blue-collar or less prestigious types of jobs. About 23 percent of the husbands worked as farm laborers, the majority of whom farmed with fathers or other relatives. Twenty percent were non-farm laborers. Non-transport operatives and craft workers comprised 30 percent of the total number of the husbands' occupations. The primary types of jobs held by the wives were clerical (22.5 percent) and sales (22.5 percent). Fifteen percent were employed as service workers.

Table II summarizes income characteristics of the respondents. Both monthly and annual incomes are presented in this table. Couples reporting making over $600 a month income made up 62.5 percent of the sample with 35 percent earning over $800 per month. There was a greater variance shown in the amount of annual income and there are some discrepencies when comparisons are made between the two types of reported income. It is believed that these discrepencies result from the erratic and varied job patterns of the couples, causing them to be unsure of their actual monthly incomes.

Eighty percent of the couples received their income on a regular basis. The greatest source of income for most (82.5 percent) of the couples was the husband's wages; other sources were wife's wages, parents, scholarships, loans, savings and friends. About two-thirds of the couples reported jointly managing their finances.

TABLE II

INCOME OF THE RESPONDENTS

| Characteristics | Number Responding | Percent |
|---|---|---|
| Monthly Income | | |
| None | 1 | 2.5 |
| $200-$300 | 3 | 7.5 |
| $300-$400 | 3 | 7.5 |
| $400-$500 | 2 | 5.0 |
| $500-$600 | 4 | 10.0 |
| $600-$700 | 6 | 15.0 |
| $700-$800 | 5 | 12.5 |
| over $800 | 14 | 35.0 |
| don't know | 2 | 5.0 |
| | 40 | 100.0 |
| Annual Income | | |
| None | 1 | 2.5 |
| less than $3000 | 3 | 7.5 |
| $3000-$5000 | 1 | 2.5 |
| $5000-$7000 | 7 | 17.5 |
| $7000-$9000 | 9 | 22.5 |
| $9000-$11,000 | 7 | 17.5 |
| $11,000-$13,000 | 8 | 20.0 |
| $13,000-$15,000 | 4 | 10.0 |
| | 40 | 100.0 |
| Regularity of Income | | |
| Income regular each month | 32 | 80.0 |
| Income irregular | 9 | 20.0 |
| | 40 | 100.0 |
| Greatest Source of Income | | |
| Husband's wages | 33 | 82.5 |
| Wife's wages | 5 | 12.5 |
| Scholarships | 2 | 5.0 |
| | 40 | 100.0 |
| 2nd Source of Income | | |
| Husband's wages | 3 | 7.5 |
| Wife's wages | 21 | 52.5 |
| Husband's parents | 6 | 15.0 |
| Wife's parents | 4 | 10.0 |
| Loans | 1 | 2.5 |
| None | 5 | 12.5 |
| | 40 | 100.0 |

TABLE II (Continued)

| Characteristics | Number Responding | Percent |
|---|---|---|
| Other Sources of Income | | |
| Husband's wages | 7 | 17.5 |
| Scholarships | 3 | 7.5 |
| Husband's parents | 5 | 12.5 |
| Wife's parents | 9 | 22.5 |
| Loans | 8 | 20.0 |
| Savings | 1 | 2.5 |
| Friends | 2 | 5.0 |
| None | 5 | 12.5 |
| | 40 | 100.0 |
| Financial Manager | | |
| Both spouses handle money | 26 | 65.0 |
| Husband alone | 8 | 20.0 |
| Wife alone | 6 | 15.0 |
| | 40 | 100.0 |

The educational background of the respondents is summarized in Table III. About 38 percent of the husbands were currently enrolled in college; 22.5 percent of the wives were attending high school; and 57.5 percent of the wives were in college. One husband and one wife had dropped out of high school before graduation.

## Financial Management Profile of Teenage Families

Certain questions were included in the interviews which were designed to obtain a financial profile of the sample. These questions were not discussed above in the section on background characteristics and not used to test the hypotheses, but they give a more complete picture of teenage families' financial management practices. This profile is subdivided into four areas of financial management practices: (1) Experiences in Financial Management, (2) Credit and Debt, (3) Savings and Insurance, and (4) Money Worries.

### Experiences in Financial Management

Husbands and wives were asked two questions related to pre-marriage financial management experiences. One dealt with the study of financial management in subjects they had taken in school. Table IV summarizes their responses. About 18 percent of the husbands and 60 percent of the wives had taken at least one course in school which dealt with financial management. The higher percentage of wives in this category was due to mandatory Home Economics requirements in some high schools.

The second question dealing with financial management experiences concerns types of financial management practices experienced by the couples prior to marriage. Possible experiences included an allowance,

TABLE III

EDUCATIONAL BACKGROUND OF THE RESPONDENTS

| Characteristics | Number Respondents | Percent |
|---|---|---|
| Husband's Educational Background | | |
| Not currently in school | 25 | 62.5 |
| Currently in high school | 0 | 0.0 |
| Currently a college freshman | 4 | 10.0 |
| Currently a college sophomore | 7 | 17.5 |
| Currently a college junior | 4 | 10.0 |
| | 40 | 100.0 |
| If not in school, highest grade completed: | | |
| 10th grade | 1 | 2.5 |
| 11th grade | 0 | 0.0 |
| 12th grade | 15 | 37.5 |
| College freshman | 8 | 20.0 |
| College sophomore | 1 | 2.5 |
| | 25 | 62.5 |
| Wife's Educational Background | | |
| Not currently in school | 16 | 40.0 |
| Currently in 11th grade | 1 | 2.5 |
| Currently in 12th grade | 8 | 20.0 |
| Currently a college freshman | 10 | 25.0 |
| Currently a college sophomore | 5 | 12.5 |
| | 40 | 100.0 |
| If not in school, highest grade completed: | | |
| 10th grade | 0 | 0.0 |
| 11th grade | 1 | 2.5 |
| 12th grade | 13 | 32.5 |
| College freshman | 2 | 5.0 |
| | 16 | 40.0 |

a job, or involvement in money making projects. A majority of both husbands and wives had some type of financial management practice before marriage (Table V). Of the husbands, 90 percent had held a job prior to marriage, as had 40 percent of the wives.

TABLE IV

SCHOOL SUBJECTS RELATED TO FINANCIAL MANAGEMENT

| | Number Respondents | Percent |
|---|---|---|
| Those who took subjects: | | |
| Husbands | 7 | 17.5 |
| Wives | 24 | 60.0 |
| Those who did not take subjects: | | |
| Husbands | 33 | 82.5 |
| Wives | 16 | 40.0 |

TABLE V

FINANCIAL MANAGEMENT EXPERIENCES PRIOR TO MARRIAGE

| | Number of Husbands | Number of Wives |
|---|---|---|
| Financial Management: | | |
| Yes | 39 | 27 |
| No | 1 | 13 |
| | 40 | 40 |
| Type of Financial Management: | | |
| Allowance | 5 | 13 |
| Job | 36 | 16 |
| Money making projects | 11 | 4 |
| | 52 | 33 |

## Credit and Debt

There are many types of credit available; credit management can be a difficult accomplishment, particularly for young couples. Five questions on credit were included in the study.

One was an open-ended question asking the couples what reasons they had for using credit. The answers were catagorized and are presented in Table VI. The most frequent answer (35 percent) was that credit makes it possible to buy items which otherwise would be unaffordable. The concept of "buy now, pay later" to stretch monthly income was mentioned by 20 percent of the respondents. Only five couples had never used credit. One couple stated that "We don't believe in credit; that's what is messing up our economy today. People buy things on credit and never get them paid for." This viewpoint was not shared by other respondents. Another couple said, "We think credit is great--we plan to use more as our marriage continues."

Couples were also asked what kinds of credit they had experienced since their marriage. Possible responses were charge accounts, installment plans, credit cards, term bank loans, and no credit. The most frequently used type of credit was term bank loan (65 percent). The least used type of credit was credit cards (12.5 percent). Refer to Table VII for further observations.

Because such a high percentage of the respondents had experienced credit use, it was interesting to note whose name was on their credit accounts (Table VIII). The majority (57.5 percent) had joint accounts and 30 percent had accounts in the husband's name only. No couple had accounts only in the wife's name.

TABLE VI

REASONS FOR USING CREDIT

| Reasons | Number Respondents | Percent |
|---|---|---|
| Buy items could not otherwise presently afford | 14 | 35.0 |
| Establish a credit rating | 4 | 10.0 |
| Buy a home | 2 | 5.0 |
| Baby expenses | 4 | 10.0 |
| Stretch monthly income | 8 | 20.0 |
| Other | 6 | 15.0 |
| No response | 2 | 5.0 |
| | 40 | 100.0 |

TABLE VII

TYPES OF CREDIT USED BY RESPONDENTS

| | Yes | | No | |
|---|---|---|---|---|
| Type of Credit | Number | Percent | Number | Percent |
| Charge accounts | 14 | 35.0 | 26 | 65.0 |
| Installment plans | 21 | 52.5 | 19 | 47.5 |
| Credit cards | 5 | 12.5 | 35 | 87.5 |
| Term bank loans | 26 | 65.0 | 14 | 35.0 |
| None | 5 | 12.5 | 35 | 87.5 |

TABLE VIII

NAME ON CREDIT ACCOUNTS

| Name on Accounts | Number Respondents | Percent |
|---|---|---|
| Both husband and wife | 23 | 57.5 |
| Husband only | 12 | 30.0 |
| Wife only | 0 | 0.0 |
| No credit | 5 | 12.5 |
| | 40 | 100.0 |

Couples were asked what types of goods and services they had purchased using credit. Debts were divided into short-term (less than one year to repay) and long-term (more than one year to repay). Areas listed were education, medical expenses, housing, furniture and home appliances, automobile, clothing, and vacations. Furniture and household appliances was the area cited most often (45 percent) as a short-term debt. The most often mentioned area for long-term debts was automobile, which was a debt for 42 percent of the couples. Table IX summarizes these findings.

Savings and Insurance

Savings and insurance are other important aspects to consider in financial management. Respondents were asked if they saved any of their income on a regular basis. A total of 47 percent did save regularly, while 53 percent did not save on a regular basis. During the interviews, several of the couples mentioned that saving was important to them and that they tried to save regularly, but it was difficult. One couple said, "It helps to set goals and then save money to achieve these goals--that's the only way we can save."

TABLE IX

SHORT-TERM AND LONG-TERM DEBTS

| Area of Debt | Short-term Number | Short-term Percent | Long-term Number | Long-term Percent |
|---|---|---|---|---|
| Education | 0 | 0.0 | 9 | 22.5 |
| Medical expenses | 6 | 15.0 | 0 | 0.0 |
| Housing | 0 | 0.0 | 7 | 17.5 |
| Furniture and home appliances | 18 | 45.0 | 16 | 40.0 |
| Automobile | 7 | 17.5 | 17 | 42.5 |
| Clothing | 8 | 20.0 | 0 | 0.0 |
| Vacation | 2 | 5.0 | 0 | 0.0 |

Table X lists the types of insurance the couples had. Only two couples had no insurance of any kind. Others had various combinations of health and/or hospital, automobile, life, homeowners, or personal possessions. The two most frequently mentioned types were health (70 percent) and automobile (87.5 percent). Even though most of the couples had some kind of insurance, several interesting observations of the researcher during the interviews raise the question, "Do these teenage couples fully understand their insurance policies?" One couple had no income at the time of the interview, but they had a life insurance policy (and no other kinds of insurance). Another couple was very proud of the fact that although they had no other type of insurance, they had a cancer insurance policy.

TABLE X

TYPES OF INSURANCE

| Types of Insurance | Number Respondents | Percent |
|---|---|---|
| Health and/or hospital | 28 | 70.0 |
| Homeowners | 8 | 20.0 |
| Automobile | 35 | 87.5 |
| Life | 9 | 22.5 |
| Personal Possessions | 7 | 17.5 |
| None | 2 | 5.0 |

Money Worries

During the interviews, many of the couples stated that financial management had been a problem at some time during their marriage. Three specific questions were asked which gave them an opportunity to tell about their money worries. One question was, "When you get in a 'tight fix' financially, where do you turn to for help?" Possible responses were parents, friends, employer, credit, loan company, bank, pawn shop, or nowhere. The two most frequent answers were parental help and bank loans (Table XI). Most (82.5 percent) said their parents helped them out and 57.5 percent had received bank loans.

TABLE XI

WHERE COUPLES TURNED TO FOR FINANCIAL HELP

| Source of Help | Number Respondents | Percent |
|---|---|---|
| Parents | 33 | 82.5 |
| Friends | 7 | 17.5 |
| Employer | 5 | 12.5 |
| Credit | 14 | 35.0 |
| Loan Company | 2 | 5.0 |
| Bank | 23 | 57.5 |
| Pawn shop | 1 | 2.5 |
| Nowhere | 0 | 0.0 |

One open-ended question gave the couples a chance to discuss what happened when they disagreed over financial management. The most frequent answers were categorized and are presented in Table XII. Generally, couples either talked out the problem and compromised (20 percent), argued until someone gave in (15 percent), or either the husband (22.5 percent) or wife (17.5) percent) made the final decision. Nearly 13 percent of the couples claimed they seldom disagreed over the use of money. Several interesting comments were made by the respondents which could not be categorized. One couple said, "We have World War III."

Another stated, "We usually don't have differing ideas—there's not enough money to fight over." Still another said, "We ask our parents for their opinion." A wife related the story of the couple's latest money disagreement and said, "We try to talk things out, but my husband sits there and pouts until I give in." And a husband made the comment that, "Since I'm not working and my wife is, she can decide how to spend the money--after all, it's hers."

TABLE XII

SOLUTIONS TO MONEY DISAGREEMENTS

| Solutions | Number Respondents | Percent |
|---|---|---|
| Husband decides | 9 | 22.5 |
| Wife decides | 7 | 17.5 |
| Argue until one gives in | 6 | 15.0 |
| Compromise | 8 | 20.0 |
| Ask parents or friends | 1 | 2.5 |
| Very few differences | 5 | 12.5 |
| None of the above | 4 | 10.0 |
| | 40 | 100.0 |

The final question asked, "Do you have any other money worries?" Some answers were very typical and related back to questions already discussed. Three couples said one problem was parental interference, and three others said their major problem was medical expenses due to babies. Several couples who lived in small towns stated that they had a problem buying needed items where they lived, and frequently had to go out-of-town. One husband's greatest worry was keeping up his grades in college so he could maintain his athletic scholarship. One wife felt that the past Christmas season had been particularly difficult financially. Another husband who had just been released from his job said, "I just want to find another job that pays as well as the one I had." One couple commented, "With inflation and the high cost of food, housing and gas, we'll never be able to get ahead or advance in life." This thought was prevalent in the minds of many of the couples. None were without some type of money worries. But many were interested in learning more about financial management. One husband summed up the situation quite well. He said, "I don't understand a lot about finances; we don't keep a budget, but the way the future looks, we're gonna have to learn."

## The Relationship of Personal Variables to Established Financial Management Practices

Hypothesis one explores if there is a relationship between the personal variables of teenage families who have established financial management practices and teenage families who have not established financial management practices. This hypothesis will be explored through three dimensions: (1) record-keeping, (2) types and use of financial plans, and (3) development of a budget.

To test this hypothesis, selected variables were compared to the three different dimensions of financial management by Chi-square analysis.

The personal variables analyzed were ages of husband and wife, educational background of husband and wife, county of residence, presence of children, length of time married, occupation of husband and wife, and annual income.

Record-Keeping Practices

One criteria for determining if the respondents had established financial management practices was to examine whether or not they were keeping financial records. Couples were asked to answer if they kept records for the following expenditures: food, clothing, housing, furniture and home appliances, housekeeping, automobile, medical, education, recreation, insurance, and taxes. The respondents were placed into one of four categories: high record-keepers, medium-high record-keepers, medium low record-keepers, and low record-keepers (Table XIII). These categories were determined by the number of total "yes" responses given by each couple to the various types of record-keeping. The absence of "yes" responses placed a couple in the category of low record-keeper, one through three "yeses" were rated as medium-low record-keepers, four to five were rated as medium-high record-keepers, and six through 11 "yeses" were rated as high record-keepers. Most of the respondents were in the medium-low and medium-high categories, 32.5 percent and 27.5 percent, respectively.

Following the determination of record-keeping ratings, the selected personal variables (listed above) were compared to these ratings using Chi-square analysis. These personal variables were county of residence, age of wife, age of husband, months married, presence of children, housing arrangements, highest grade of schooling completed by both husband and wife, occupations of husband and wife, and annual income. The cross-tabulations provided more detailed exploration of the relationship of personal variables to the frequency of occurrence of established financial management practices of teenage families. Table XIV summarizes the analysis for these variables. There were no significant differences shown for 13 of the 14 variables tested; the chosen level of significance was .05.

TABLE XIII

RECORD-KEEPING RATINGS

| Category | Number Respondents | Percent |
|---|---|---|
| Low (0 responses) | 9 | 22.5 |
| Medium-low (1-3) | 13 | 32.5 |
| Medium-high (4-5) | 11 | 27.5 |
| High (6-11) | 7 | 17.5 |
| | 40 | 100.0 |

The age of the husband proved to be the only variable which was significant in its relationship to record-keeping practices. The Chi-square value equals 10.56 which is significant at the .05 level. Table XV shows the cross-tabulations of this relationship. The husbands were divided into two age groups for the analysis: 18-19 and 20-21. Those in the 20-21 age bracket exhibited a greater tendency to practice more extensive financial record-keeping. The older the husband, the greater the incidence of financial record-keeping among teenage married couples.

TABLE XIV

PERSONAL VARIABLES AND RECORD-KEEPING

| Variables | Chi-square Value | Degrees of Freedom | Significance Level |
|---|---|---|---|
| County of residence | 11.23 | 9 | NS* |
| Age of wife | 7.31 | 6 | NS |
| Age of husband | 10.56 | 3 | .01** |
| Months married | 17.04 | 12 | NS |
| Presence of children | 2.50 | 3 | NS |
| Housing arrangements | 11.77 | 9 | NS |
| Husband in school | 1.28 | 3 | NS |
| Highest grade completed by husband | 8.55 | 6 | NS |
| Wife in school | 1.62 | 3 | NS |
| Highest grade completed by wife | 6.59 | 9 | NS |
| Husband's occupation | 14.38 | 9 | NS |
| Wife's occupation | 12.92 | 9 | NS |
| Annual income | 7.53 | 6 | NS |

*Not significant.

**Significant at the level of .01.

No significant relationships existed for 13 of the 14 variables tested; however, close examination of the data does indicate certain interesting factors. Couples living in Woods County which contains a large college population and those living in Harper County which contains a wealthier population were more likely to keep financial records than those living in Woodward County or in Ellis County.

TABLE XV

HUSBAND'S AGE AND RECORD-KEEPING

| Age | Low | | Medium-low | | Medium-high | | High | |
|---|---|---|---|---|---|---|---|---|
| | No. | % | No. | % | No. | % | No. | % |
| 18-19 | 7 | 33 | 8 | 40 | 5 | 25 | 0 | 0 |
| 20-21 | 2 | 10 | 5 | 25 | 6 | 30 | 7 | 35 |

Record-keeping Ratings (column group heading)

$\chi^2 = 10.56$

$p = < .01$

While not statistically significant, the age of the wives may have had some bearing on the types of financial records kept by the families. There were only five wives under age 18 and these couples exhibited fewer types of records, while those age 18 through 21 reported considerably more record-keeping.

The presence of children did not appear to affect the couples' record-keeping practices. Percentage-wise, more (26.7 percent) of the couples with one child fit into the low rating, while only 10 percent of the childless couples were at the low rating.

Only 6.3 percent of the couples in which husbands were in high school, or had no post high school education, were in the high record-keeping group, but 33.3 percent of those in their sophomore or junior year in college rated high in record-keeping. The extent of record-keeping of the wives tended to be the same in all educational levels.

Several interesting observations can be made by examining the relationship of occupation to extent of record-keeping. Neither husband's nor wife's occupation reached the .05 significance level, but husbands working as farm or non-farm laborers comprised the largest percentage of high record-keepers (23.5 percent). Husbands who were craftsmen had the highest percentage (71.4 percent) in the medium-high category. One possible explanation for the finding that more laborers fell into the "high" category is the fact that many of them lived on farms or had farm backgrounds where accurate records are essential. Overall, wives who were homemakers or held clerical jobs tended to keep better records than did service workers or retail salesclerks.

Examination of the cross-tabulation tables of the relationship between total annual income and record-keeping practices lends some support to the notion that persons in higher income brackets tend to keep more extensive financial records. Of those couples whose annual income was above $11,000, 76.7 percent fit into the categories of medium-high or high record-keepers. Of those making $7000 to $9000, 43.8 percent fell into these two highest categories, as did 35 percent of those making less than $7000.

## Financial Planning Practices

A second aspect of financial management is financial planning.

Respondents were asked if they made financial plans and if these plans were completely mental, written, or combined mental and written. Only one couple responded that they kept totally written financial plans, so for the purposes of data analysis, the category "completely written" was included with the category "combined mental and written." Couples were also asked if they frequently, sometimes, or never made short-term (under six months), intermediate (6 to 12 months), and long-term (over 12 months) plans. Their responses are summarized by percentages in Table XVI.

TABLE XVI

LENGTH OF FINANCIAL PLANNING

| Category | Short-term (under 6 mos.) | Intermediate (6 to 12 mos.) | Long-term (over 12 mos.) |
|---|---|---|---|
| Frequently | 62.5 | 20.0 | 2.5 |
| Sometimes | 30.0 | 60.0 | 42.5 |
| Never | 7.5 | 20.0 | 55.0 |
| | 100.0 | 100.0 | 100.0 |

An interesting note is that the percentages reverse as the table moves from frequently to never and from short-term to long-term. Short-term planning was likely to happen frequently, while long-term planning did not occur in over one-half the families.

Couples in the study were asked if they normally practice financial planning. Four responded that they never planned their financial expenditures. The remaining 36 were asked to state if the plans they made were only mental or written. A Chi-square analysis was used to determine the relationship of selected personal variables and whether the couple's financial plans were mental or written. The personal variables were county of residence, age of wife, age of husband, months married, presence of children, housing arrangements, highest grade of schooling completed by husband and wife, occupations of husband and wife, and annual income. Table XVII summarizes the findings of these comparisons. One variable approached significance. This was the relationship of the wife's occupation and the type of financial planning practiced by the respondents. Table XVIII reports the percentage distributions of this relationship. The Chi-square value equals 7.50. Written and mental financial plans were developed most frequently by homemakers (69 percent) and clerical workers (66.7 percent). Service workers and sales' workers tended to develop mental plans rather than incorporating written ones.

Study of each of the non-significant variables lends insight into factors which influence teenage couples and their financial planning. Age of both husband and wife reflects findings from previous research citings that the older couples tend to work harder at managing their finances. Nearly 63 percent of the older wives and 57.9 percent of the older husbands made both mental and written financial plans. Sixty percent of the younger wives and 58.8 percent of the younger husbands made only mental financial plans.

There appeared to be very little connection between education level of both husbands and wives and their financial planning practices. The husbands were distributed almost equally among all educational

TABLE XVII

PERSONAL VARIABLES AND FINANCIAL PLANNING PRACTICES

| Variables | Chi-square Value | Degrees of Freedom | Significance Level |
|---|---|---|---|
| County of residence | 1.31 | 3 | NS* |
| Age of wife | 1.80 | 2 | NS |
| Age of husband | .45 | 1 | NS |
| Months married | 4.79 | 4 | NS |
| Presence of children | 0.00 | 1 | NS |
| Housing arrangements | 1.86 | 3 | NS |
| Husband in school | 0.00 | 1 | NS |
| Highest grade completed by husband | .47 | 2 | NS |
| Wife in school | .12 | 1 | NS |
| Highest grade completed by wife | 5.36 | 3 | NS |
| Husband's occupation | 1.43 | 3 | NS |
| Wife's occupation | 7.50 | 3 | .06** |
| Annual income | .73 | 2 | NS |

*Not significant

**Approaching the significance level of .05

levels. Wives who had completed at least one year of college seemed more likely to have made both mental and written financial plans.

TABLE XVIII

WIFE'S OCCUPATION AND FINANCIAL PLANNING PRACTICES

| Occupation | Type of Plan | | | |
|---|---|---|---|---|
| | Mental | | Written | |
| | No. | % | No. | % |
| Homemakers | 4 | 30.8 | 9 | 69.2 |
| Personal Household and Service Workers | 4 | 80.0 | 1 | 20.0 |
| Clerical Workers | 3 | 33.3 | 6 | 66.7 |
| Sales' Workers | 7 | 77.8 | 2 | 22.2 |

$\chi^2 = 7.50$

$p = < .06$

## Budget-Making

A question was included in the interviews to find out if the couples had or had not developed any type of budget to aid them in financial planning. Once again, Chi-square analysis was used to determine if there was a relationship between selected personal variables and the development of a budget. The personal variables were county of residence, age of wife, age of husband, months married, presence of children, housing arrangements, highest grade of schooling of husband and wife, occupations of husband and wife, and annual income. Table XIX reports the results of this analysis.

TABLE XIX

PERSONAL VARIABLES AND DEVELOPMENT OF A BUDGET

| Variables | Chi-Square Value | Degrees of Freedom | Significance Level |
|---|---|---|---|
| County of residence | .94 | 3 | NS* |
| Age of wife | 2.75 | 2 | NS |
| Age of husband | 0.00 | 1 | NS |
| Months married | 6.00 | 4 | NS |
| Presence of children | 0.00 | 1 | NS |
| Housing arrangements | .57 | 3 | NS |
| Husband in school | .19 | 1 | NS |
| Highest grade completed by husband | 3.46 | 4 | NS |
| Wife in school | .04 | 1 | NS |
| Highest grade completed by wife | 3.49 | 3 | NS |
| Husband's occupation | 1.80 | 3 | NS |
| Wife's occupation | 7.43 | 3 | .06** |
| Annual income | .82 | 3 | NS |

*Not significant

**Approaching the significance level of .05

There was one variable approaching significance, that of wife's occupation. The families in which wives were homemakers or clerical workers were more likely to develop a budget. Nearly 86 percent of the homemakers had developed some type of budget, as had 77.8 percent of the clerical workers. It is interesting to note that 62.5 percent of the service workers used a budget, while only 33.2 percent of the sales workers did so. These findings are summarized in Table XX.

TABLE XX

WIFE'S OCCUPATION AND DEVELOPMENT OF A BUDGET

| Occupation | Development of a Budget | | | |
|---|---|---|---|---|
| | Yes | | No | |
| | No. | % | No. | % |
| Homemaker | 12 | 85.7 | 2 | 14.3 |
| Personal Household of Service Worker | 5 | 62.5 | 3 | 37.5 |
| Clerical Worker | 7 | 77.8 | 2 | 22.2 |
| Sales Worker | 3 | 33.3 | 6 | 66.7 |

$\chi^2 = 7.43$

p = < .06

A comparison of Tables XVII and XIX indicate certain similarities in these two components of financial management. Among the non-significant variables, three similarities exist in the relationships of the personal variables related to financial planning and the personal variables related to development of a budget. These are county of residence, age of wife, and occupation of husband.

Length of time married had no bearing on whether the respondents developed a budget. Most of the couples (67.5 percent) in all variable categories had experimented with budget development at one time or another.

It seems evident that most of the respondents had, at some time in their marriage, developed a budget. However, responses to questions about record-keeping and financial planning tend to show that few of the couples regularly utilized their budget to establish financial management practices.

Summary of Hypothesis One

Summation of the testing of hypothesis one indicated one significant finding and two approaching significance. First of all, the age of the husband is related to the extent of record-keeping of the teenage couples. The older the husband, the more likely the couple to maintain financial records.

The occupation of the wife is related to the type of financial planning practiced by the couples. Wives who were homemakers or clerical workers were more likely to develop mental and written financial plans rather than just mental plans. A similarity exists between this finding and the relationship of the occupation of the wife to the development of a budget. Families in which wives were homemakers or clerical workers were more apt to develop a budget.

TABLE XXI

FINANCIAL CONCERNS OF TEENAGE FAMILIES

| Concerns | Degree of Difficulty | | | | | |
|---|---|---|---|---|---|---|
| | Very Serious | | Somewhat Serious | | Not Serious | |
| | No. | % | No. | % | No. | % |
| Inadequate income | 12 | 30.0 | 22 | 55.0 | 6 | 15.0 |
| Unexpected expenses | 12 | 30.0 | 17 | 42.5 | 11 | 27.5 |
| Obtaining credit | 0 | 0.0 | 17 | 42.5 | 23 | 57.5 |
| Money disagreements | 5 | 12.5 | 19 | 47.5 | 16 | 40.0 |
| Impulsive buying | 11 | 27.5 | 21 | 52.5 | 8 | 20.0 |
| Planning the use of money | 4 | 10.0 | 29 | 72.5 | 7 | 17.5 |
| Irregular income | 7 | 17.5 | 4 | 10.0 | 29 | 72.5 |
| Record-keeping | 4 | 10.0 | 19 | 47.5 | 17 | 42.5 |
| Use of credit | 1 | 2.5 | 16 | 40.0 | 23 | 57.5 |
| Inadequate savings | 16 | 40.0 | 23 | 57.5 | 1 | 2.5 |
| High cost of living | 27 | 67.5 | 11 | 27.5 | 2 | 5.0 |
| Management of bank accounts | 14 | 35.0 | 20 | 50.0 | 6 | 15.0 |
| Luxuries | 5 | 12.5 | 25 | 62.5 | 10 | 25.0 |

No significant differences were found in this analysis, however, two concerns did approach the significance level of .05. These were planning the use of money, and keeping records.

The significance level for planning the use of money was .10. Fifty percent of those rating this concern as very serious were high record-keepers and 57.1 percent of those rating the concern as not serious were low record-keepers. One possible conclusion could be that majority of the respondents. This concern, which was rated very serious by 67.5 percent, was the high cost of living. This finding is not surprising when the current high inflation rate is taken into consideration.

Across all financial concern areas, high percentages were found in the "somewhat serious" range. Concerns with over 50 percent in this difficulty range were inadequate income, impulsive buying, planning the use of money, inadequate savings, management of bank accounts, and absence of luxuries.

Three concerns most often listed as "not serious" were obtaining credit, irregularity of income, and use of credit. Only five couples had never used credit, so it was somewhat surprising to discover that very few couples cited credit management as a serious financial concern. One possible explanation for this was that many of the couples may have obtained credit from local businesses in their home towns and tended to utilize bank loans and installment plans more frequently than charge accounts and credit cards.

### Extent of Record-Keeping

The record-keeping ratings as established in Table XIII were compared by Chi-square analysis to three degrees of difficulty for 13 financial concerns. These financial concerns are inadequate income, unexpected expenses, obtaining credit, disagreement over the use of money, impulsive buying, planning the use of money, irregular income, keeping records, use of credit, inadequate savings, increased cost of living, management of bank accounts, and absence of luxuries. Results of this analysis are summarized in Table XXII.

TABLE XXI

FINANCIAL CONCERNS OF TEENAGE FAMILIES

| Concerns | Degree of Difficulty | | | | | |
|---|---|---|---|---|---|---|
| | Very Serious | | Somewhat Serious | | Not Serious | |
| | No. | % | No. | % | No. | % |
| Inadequate income | 12 | 30.0 | 22 | 55.0 | 6 | 15.0 |
| Unexpected expenses | 12 | 30.0 | 17 | 42.5 | 11 | 27.5 |
| Obtaining credit | 0 | 0.0 | 17 | 42.5 | 23 | 57.5 |
| Money disagreements | 5 | 12.5 | 19 | 47.5 | 16 | 40.0 |
| Impulsive buying | 11 | 27.5 | 21 | 52.5 | 8 | 20.0 |
| Planning the use of money | 4 | 10.0 | 29 | 72.5 | 7 | 17.5 |
| Irregular income | 7 | 17.5 | 4 | 10.0 | 29 | 72.5 |
| Record-keeping | 4 | 10.0 | 19 | 47.5 | 17 | 42.5 |
| Use of credit | 1 | 2.5 | 16 | 40.0 | 23 | 57.5 |
| Inadequate savings | 16 | 40.0 | 23 | 57.5 | 1 | 2.5 |
| High cost of living | 27 | 67.5 | 11 | 27.5 | 2 | 5.0 |
| Management of bank accounts | 14 | 35.0 | 20 | 50.0 | 6 | 15.0 |
| Luxuries | 5 | 12.5 | 25 | 62.5 | 10 | 25.0 |

No significant differences were found in this analysis, however, two concerns did approach the significance level of .05. These were planning the use of money, and keeping records.

The significance level for planning the use of money was .10. Fifty percent of those rating this concern as very serious were high record-keepers and 57.1 percent of those rating the concern as not serious were low record-keepers. One possible conclusion could be that the more serious the problem of planning the use of money, the more likely the couple to keep financial records. Numbers and percentages for this analysis are listed in Table XXIII.

TABLE XXII

RECORD-KEEPING RATINGS AND DIFFICULTY OF FINANCIAL CONCERNS

| Concerns | Chi-square Value | Degrees of Freedom | Significance Level |
|---|---|---|---|
| Inadequate income | 2.50 | 6 | NS* |
| Unexpected expenses | 2.32 | 6 | NS |
| Obtaining credit | 3.29 | 3 | NS |
| Money disagreements | 6.79 | 6 | NS |
| Impulsive buying | 5.75 | 6 | NS |
| Planning the use of money | 10.71 | 6 | .10** |
| Irregular income | 3.29 | 6 | NS |
| Record-keeping | 12.06 | 6 | .06** |
| Use of credit | 8.77 | 6 | NS |
| Inadequate savings | 5.18 | 6 | NS |
| High cost of living | 1.61 | 6 | NS |
| Management of bank accounts | 5.72 | 6 | NS |
| Luxuries | 3.23 | 6 | NS |

*Not significant

**Approaching the significance level of .05

TABLE XXIII

PLANNING THE USE OF MONEY AND RECORD-KEEPING

| Difficulty of Concerns | Record-keeping Ratings | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Low | | Medium Low | | Medium High | | High | |
| | No. | % | No. | % | No. | % | No. | % |
| Very serious | 1 | 25.0 | 0 | 0.0 | 1 | 25.0 | 2 | 50.0 |
| Somewhat serious | 4 | 13.8 | 12 | 41.4 | 9 | 31.0 | 4 | 13.8 |
| Not serious | 4 | 57.4 | 1 | 14.3 | 1 | 14.3 | 1 | 14.3 |

$\chi^2 = 10.71$

P = < .10

The significance level for keeping records as a financial concern was .06. About 41 percent of the couples who rated this concern as not serious were low record-keepers and 41.2 percent of the couples who rated it as not serious were medium-low record-keepers. Those who rated record-keeping as a somewhat serious concern (94.8 percent) were couples who kept some kind of financial records. It seems reasonable to assume, then, that couples who keep no or very few financial records would not report having a problem with record-keeping. This cross-tabulation comparison is presented in Table XXIV.

Careful examination of the cross-tabulation tables in other comparisons yield several interesting observations. The problem of unexpected expenses was a financial concern for a majority of the respondents (72.5 percent), and particularly for those whose extent of record-keeping was high.

TABLE XXIV

THE PROBLEM OF RECORD-KEEPING BY RECORD-KEEPING RATINGS

| Difficulty of Concerns | Record-keeping Ratings | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Low | | Medium Low | | Medium High | | High | |
| | No. | % | No. | % | No. | % | No. | % |
| Very serious | 1 | 25.0 | 1 | 25.0 | 1 | 25.0 | 1 | 25.0 |
| Somewhat serious | 1 | 5.3 | 5 | 26.3 | 9 | 47.4 | 4 | 21.1 |
| Not serious | 7 | 41.2 | 7 | 41.2 | 1 | 5.9 | 2 | 11.8 |

$\chi^2 = 12.06$

$p = < .06$

Impulsive buying seemed to be a more difficult problem for high record-keepers. All of the high record-keepers rated impulsive buying as either very serious (57.1 percent) or somewhat serious (42.9 percent).

## Financial Planning Practices

Another dimension of hypothesis two was to compare the relationship of the difficulty of financial concerns to type of financial planning practiced by the respondents. The financial concerns were inadequate income, unexpected expenses, obtaining credit, disagreement over the use of money, irregular income, keeping records, use of credit, inadequate savings, increased cost of living, management of bank accounts, and absence of luxuries. Again, the degrees of difficulty were measured as very serious, somewhat serious and not serious. Two types of financial planning were used in the analysis: completely mental plans and combined mental and written plans. The comparisons were made by Chi-square analysis. Table XXV summarizes these data.

TABLE XXV

TYPE OF FINANCIAL PLANS AND DIFFICULTY OF FINANCIAL CONCERNS

| Concerns | Chi-square Value | Degrees of Freedom | Significance Level |
|---|---|---|---|
| Inadequate income | 1.17 | 4 | NS* |
| Unexpected expenses | 4.74 | 4 | NS |
| Obtaining credit | 1.01 | 2 | NS |
| Money disagreements | 3.79 | 4 | NS |
| Impulsive buying | 3.27 | 4 | NS |
| Planning the use of money | 13.38 | 4 | .01** |
| Irregular income | 9.32 | 4 | .05** |
| Keeping records | 7.82 | 4 | .10*** |
| Use of credit | 1.97 | 4 | NS |
| Inadequate savings | 1.79 | 4 | NS |
| High cost of living | 1.38 | 4 | NS |
| Management of bank accounts | 9.57 | 4 | .05** |
| Luxuries | 2.07 | 4 | NS |

*Not significant

**Significant

***Approaching the significance level of .05

As shown in Table XXV, analysis indicated three statistically significant financial concerns. These were planning the use of money, irregularity of income and management of bank accounts.

The significance level for planning the use of money equaled .01 which was significant at the .05 level. Only 10 percent of all couples rated this concern as very serious, however, 72.5 percent rated it as somewhat serious. All of the couples who had both written and mental financial plans rated this concern as either somewhat serious (88.9 percent) or very serious (11.1 percent). Nearly 67 percent of the couples who had only mental plans rated this concern as somewhat serious. At the other extreme, of the couples who did not have a financial plan, none rated planning the use of money as very serious, and 75 percent rated it as not serious. This finding can be summarized as follows: Couples who normally utilized financial plans reported experiencing a greater problem when planning the use of their money. This finding seems to be somewhat contradictory in that it is more reasonable to assume that those couples who develop financial plans should have less difficulty when planning the use of their money. It is questionable, then, whether the couples really utilize their financial plans. Complete comparisons are listed in Table XXVI.

The Chi-square value for the relationship of income and type of financial planning was significant at .05. The majority (72.5 percent) of all couples rated this concern as not serious. However, the couples who rated it as somewhat serious (50 percent) or very serious (85.7 percent) were more likely to have a combined mental and written financial plan. Since irregularity of income was a major concern for only 27.5 percent of the respondents, it is difficult to make generalizations from this finding. For further comparisons, see Table XXVII.

TABLE XXVI

PLANNING THE USE OF MONEY AND TYPE OF FINANCIAL PLANNING

| Difficulty of Concerns | Type of Financial Plan: None No. | None % | Mental Only No. | Mental Only % | Mental and Written No. | Mental and Written % |
|---|---|---|---|---|---|---|
| Very serious | 0 | 0.0 | 2 | 11.1 | 2 | 11.1 |
| Somewhat serious | 1 | 25.0 | 12 | 66.7 | 16 | 88.9 |
| Not serious | 3 | 75.0 | 4 | 22.2 | 0 | 0.0 |

$\chi^2 = 13.38$

$p = < .01$

TABLE XXVII

IRREGULARITY OF INCOME AND DIFFICULTY OF FINANCIAL CONCERNS

| Difficulty of Concerns | Type of Financial Plan: None No. | None % | Mental Only No. | Mental Only % | Mental and Written No. | Mental and Written % |
|---|---|---|---|---|---|---|
| Very serious | 1 | 14.3 | 0 | 0.0 | 6 | 85.7 |
| Somewhat serious | 1 | 25.0 | 1 | 25.0 | 2 | 50.0 |
| Not serious | 2 | 6.9 | 17 | 58.6 | 10 | 34.5 |

$\chi^2 = 9.32$

$p = < .05$

Management of bank accounts was also found to be significantly related to type of financial planning, with a Chi-square value of 9.57. The majority of couples who maintained a financial plan had experienced this concern. A total of 83.3 percent of those who had a mental plan only rated the problem as somewhat serious (61.1 percent) or very serious (55.6 percent), while only 5.6 percent rated it as not serious. The inferred meaning here is that couples with a financial plan tended to recognize a greater problem with managing their bank accounts. Table XXVIII summarizes this information.

TABLE XXVIII

MANAGING BANK ACCOUNTS AND DIFFICULTY OF FINANCIAL CONCERNS

| Difficulty of Concerns | Type of Financial Plan | | | | | |
|---|---|---|---|---|---|---|
| | None | | Mental Only | | Mental and Written | |
| | No. | % | No. | % | No. | % |
| Very serious | 0 | 0.0 | 4 | 22.2 | 10 | 55.6 |
| Somewhat serious | 2 | 50.0 | 11 | 61.1 | 7 | 38.9 |
| Not serious | 2 | 50.0 | 3 | 16.7 | 1 | 5.6 |

$\chi^2 = 9.57$

$p = < .05$

Further examination of the Chi-square testing leads to interesting percentages distributions for several concerns. One other financial concern approached the level of significance. This was the problem of keeping records. Only four couples cited record-keeping as a very serious problem; however, of these four couples, 73 percent kept both mental and written financial plans. Overall, the couples who had financial plans showed greater tendency to be concerned with record-keeping.

The problems of impulsive buying and cost of living tended to be more serious to those couples who had a financial plan. About 83 percent of those with a written and mental plan believed that impulsive buying was either somewhat serious (50 percent) or very serious (33.3 percent). About 83 percent of those with only a mental plan felt it was either somewhat serious (61.1 percent) or very serious (22.2 percent). Cost of living was a problem which concerned almost all couples (95.8 percent). Couples with a mental and written plan (72.2 percent) and those with a mental plan (66.7 percent thought this concern was very serious. Those couples with no financial plan were equally distributed in their belief that cost of living was somewhat serious or very serious.

Inadequate savings was a problem common to all but one couple. The greater tendency was for all couples to rate this problem as somewhat serious (57.5 percent) over very serious (40 percent). More couples (50 percent) in the "mental planners" category rated this problem as very serious.

## Budget-Making Practices

The final dimension of hypothesis two compared the difficulty of financial concerns with utilization of a budget. The concerns were inadequate income, unexpected expenses, obtaining credit, disagreement over the use of money, impulsive buying, planning the use of money, irregular income, keeping records, use of credit, inadequate savings, increased cost of living, management of bank accounts, and absence of luxuries. The degrees of difficulty were very serious, somewhat serious, and not serious. Chi-square analysis was utilized to test these comparisons. Table XXIX summarizes the findings.

TABLE XXIX

BUDGET-MAKING AND DIFFICULTY OF FINANCIAL CONCERNS

| Concerns | Chi-square Value | Degrees of Freedom | Significance Level |
|---|---|---|---|
| Inadequate income | 2.36 | 2 | NS* |
| Unexpected expenses | 3.01 | 2 | NS |
| Obtaining credit | 0.49 | 1 | NS |
| Money disagreements | 5.06 | 2 | .08** |
| Impulsive buying | 0.31 | 2 | NS |
| Planning the use of money | 2.32 | 2 | NS |
| Irregular income | 1.55 | 2 | NS |
| Record-keeping | 3.90 | 2 | NS |
| Use of credit | 0.71 | 2 | NS |
| Inadequate savings | 0.55 | 2 | NS |
| High cost of living | 4.76 | 2 | .09** |
| Management of bank accounts | 3.80 | 2 | NS |
| Luxuries | 0.62 | 2 | NS |

*Not significant

**Approaching the significance level of .05

In this analysis, there were no concerns which were significant at the .05 level. However, the significance of two concerns approached this level. These were disagreement over the use of money and the high cost of living.

The significance level for disagreement over the use of money was .08. Sixty percent of the couples cited this as a concern. Of the couples' citing it as a very serious, 60 percent did not keep budgets. Of the couples' citing it as somewhat serious, 84.2 percent kept budgets. Thus, of those couples who had disagreement over the use of money as a concern, the non-budget-keepers found these money disagreements to be a greater problem than did the budget-keepers. Cross-tabulations of these data are presented in Table XXX.

TABLE XXX

MONEY DISAGREEMENTS AND BUDGET-MAKING

| Difficulty of Concerns | Budget-making | | | |
|---|---|---|---|---|
| | Yes | | No | |
| | No. | % | No. | % |
| Very serious | 2 | 40.0 | 3 | 60.0 |
| Somewhat serious | 16 | 84.2 | 3 | 15.8 |
| Not serious | 9 | 54.3 | 7 | 43.8 |

$\chi^2 = 5.06$

$p = < .08$

The significance level for high cost of living was .09. Ninty-five percent of the couples reported this as a financial concern for them. Of the couples rating it as very serious, 74.1 percent kept budgets. A relationship does appear to exist between cost of living as a problem and the maintenance of a budget. Couples who kept budgets were more likely to cite cost of living as a financial concern (Table XXXI).

TABLE XXXI

COST OF LIVING AND BUDGET-MAKING

| Difficulty of Concerns | Budget-making | | | |
|---|---|---|---|---|
| | Yes | | No | |
| | No. | % | No. | % |
| Very serious | 20 | 74.1 | 7 | 25.9 |
| Somewhat serious | 7 | 63.6 | 4 | 36.4 |
| Not serious | 0 | 0.0 | 2 | 100.0 |

$\chi^2 = 4.76$

$p = < .09$

Overall, planning the use of money was a more serious problem for couples who kept a budget. Only four couples listed this problem as very serious, but all four kept a budget. Also, of the total number who kept a budget, 85.2 percent felt the problem was either somewhat serious (70.4 percent) or very serious (14.8 percent).

A larger percentage of the couples who kept a budget had a problem managing bank accounts than those who did not have a budget. Ninty-two percent of those who maintained a budget rated this problem as either somewhat serious (55.6 percent) or very serious (37 percent). Of those who did not maintain a budget, 69.3 percent rated the problem as either somewhat serious (38.5 percent) or very serious (30.8 percent). Overall, this concern was somewhat serious for the majority (50 percent) of the respondents.

Summary of Hypothesis Two

The testing of hypothesis two found that the high cost of living was most often reported as a serious financial concern for the total sample. Somewhat serious concerns were inadequate income, impulsive buying, planning the use of money, inadequate savings, management of bank accounts, and luxuries. Concerns which were most frequently rated as not serious were obtaining credit, irregularity of income, and use of credit.

Chi-square analysis indicated three statistically significant findings and five findings approaching significance. Significant at the .05 level were the relationship of the type of financial planning to the concerns of planning the use of money, irregularity of income, and management of bank accounts. In general, couples who planned through written plans the use of their finances, reported that planning the use of their money was a serious problem. Couples with a financial plan tended to report a greater problem in management of their bank accounts.

There were five findings approaching significance in all three dimensions of the hypothesis. Planning the use of money appeared to have some bearing on the couples' extent of record-keeping. The more serious the problem of planning the use of money, the more likely the couple to keep financial records.

The problem of keeping records was related to the record-keeping ratings. Couples who kept no or very few financial records did not have a problem with record-keeping. This finding occurred due to a rewording of the question in separate sections of the questionnaire.

The problem of keeping records also had a relationship to the financial planning practices of the couples. The couples who had financial plans of any type exhibited a greater tendency to be concerned with record-keeping.

Disagreement over the use of money was related to the budget-keeping practices of the couples. Of the couples who experienced the problem of money disagreements, the non-budget-keepers found these money disagreements to be a greater problem than did the budget-keepers.

The high cost of living also related to the budget-making practices of the couples. Couples who kept budgets were more likely to cite cost of living as a financial concern. The fact the 95 percent of all couples rated this problem as serious is an indication that the current high inflation rate may be causing these couples to take a closer look at their financial management practices.

## Summary

This chapter presented results from the analysis of data. Frequency distributions provided analysis of data for two areas: (1) Background Characteristics of the Respondents, and (2) Financial

Profile of Teenage Families. The two hypotheses were tested by Chi-square analysis. The first dealt with the relationship of certain personal variables to the establishment of financial management practices. The second compared the extent of various financial concerns of teenage families with established financial management practices and those with no established financial management practices. Financial management practices were determined by extent of record-keeping, development of financial plans, and budget-making.

# CHAPTER V

## SUMMARY

This study investigated the financial concerns and financial management practices of teenage married couples in Northwest Oklahoma. These couples were categorized as: (1) those who had established financial management practices, and (2) those who had not established financial management practices. Three criteria were utilized in determining the financial management practice experienced by the couples: (1) financial record-keeping, (2) development of financial plans, and (3) budgeting.

It was believed that through this study, it would be possible to: (1) examine the financial profile of teenage families, (2) assess the differences in selected personal variables in relation to the adoption of financial management practices by teenage families, (3) identify the major financial concerns of teenage families, and (4) make recommendations for program development and further research in the area of financial management for teenage families.

Data were obtained by a questionnaire administered by personal interviews to 40 teenage couples whose average age was under 20 years. The questionnaire was designed to collect three types of information: (1) background information, (2) financial management experiences of the couple, and (3) financial concerns faced by the couple. The format of the questionnaire consisted of questions asking for a simple "yes" or "no" answer and open-ended completion questions designed for short, concise answers.

All data were first analyzed by frequency distributions. This information was used in examining the background characteristics and financial profile of the respondents. The hypotheses were tested using Chi-square analysis, with a significance level of .05.

## Major Findings

Hypothesis one examined the relationship among the personal variables of teenage families who had established financial management practices and teenage families who had not established financial management practices. Testing of the hypothesis resulted in one significant finding. Age of the husband did appear to be related to the extent of record-keeping practiced by the couples; the older the husband, the more likely the couple to maintain financial records. One other variable approached significance. This was the occupation of the wife.

Hypothesis two examined the relationship between the degree of difficulty of various financial concerns of teenage families who had established financial management practices and teenage families who had not established financial management practices. The most serious concern cited by the couples was the high cost of living. Somewhat serious concerns were inadequate income, impulsive buying, planning the use of money, inadequate savings, management of bank accounts, and absence of luxuries. Concerns rated as not serious were obtaining credit, irregular income, and using credit.

Chi-square analysis indicated three significant relationships:

planning the use of money, irregularity of income, and management of bank accounts were financial concerns which had a direct relationship to the financial plans developed by the couple.

In general, couples who normally utilized financial plans reported greater problems when planning the use of their money. Irregularity of income posed a problem because couples experiencing this problem could not be certain of how much money they would have to plan for each payday. Couples who had financial plans reported having greater problem managing their bank accounts.

Five variables approached significance. These were: (1) the problem of keeping records as related to record-keeping practices, (2) planning the use of money as related to record-keeping, (3) the problem of record-keeping as related to financial planning, (4) disagreement over the use of money as related to budgeting, and (5) the high cost of living as related to budgeting.

## Conclusions

Conclusions drawn from examination of the financial management profile can be divided into four areas: (1) experiences in financial management, (2) credit and debt, (3) savings and insurance, and (4) money worries.

A majority of both husbands and wives had some type of financial management experience prior to marriage. These experiences were more often jobs and allowances, with some reporting money-making projects.

Most of the couples had used credit since their marriage. Term bank loans and installment plans were frequently used to purchase automobiles and home furnishings. These couples used credit primarily because it enabled them to buy items they would not otherwise be able to afford.

Although saving money was important to the couples, a majority did not save on a regular basis. All but two couples had some type of insurance, with automobile and health/hospital being the most popular.

In general, couples turned to their parents for financial help. The prevaling money worry was coping with inflation.

An assessment of the differences in personal variables and the adoption of financial management practices by teenage families yields two conclusions: (1) the older the husband, the more likely the couple to maintain financial records, and (2) wives who are fulltime homemakers or clerical workers are more likely to develop financial plans, including a budget.

Certain financial concerns are serious to teenage couples and are related to whether they have established financial management practices. Conclusions which can be drawn are: (1) teenage couples have a problem in planning the use of their money, (2) maintaining financial records is particularly difficult for teenage couples who have irregular income, (3) managing bank accounts is difficult, especially for couples who do develop financial plans, (4) the high cost of living is a very serious problem and will have an effect on future financial management practices of teenage couples.

## Program Implications

Teenage married couples reside in every county in Oklahoma and some have special financial needs. Educators in Cooperative Extension are in a position to help these young people. Programs designed specifically for young couples should include these subject areas: (1) financial needs assessment, (2) financial record-keeping, (3) development of spending plans, (4) management of bank accounts, and (5) dealing with inflation.

Teenage married couples are very busy. In most cases, either both husband and wife are employed, or they are raising a family. Time and money for transportation are scarce, and many couples will not make a special effort to attend programs. Educators need to evaluate possible program methods and be creative when approaching this special audience. Program directions could include the following:

1. Increased emphasis on family financial management in high school home economics classes. This could easily be incorporated into non-traditional home economics classes with both male and female students.
2. Adult education classes, seminars, or shortcourses offered by the Oklahoma Cooperative Extension Service, high school Vocational Home Economics instructors, or local colleges.
3. Use of mass media to provide information on short subjects dealing with financial management.
4. Use of displays and/or demonstrations in local businesses or at events where teenage families will be present.
5. Include information on financial management at programs where other, more popular topics, are being taught. For example, include information about buying practices at food or craft demonstrations.

## Recommendations

Economic problems are increasing for all age groups, but one age group who will have difficulty solving these problems is teenage families. The scope and methods of this study were limited; further study will be necessary to more completely assess the financial needs and problems of teenage families. Therefore, the author recommends that:

1. Other studies be designed and implemented to investigate the financial management problems of teenage families in urban and low-income areas.
2. Studies be designed to compare the responses of rural couples to an urban sample to help educators better interpret applicability of present programs to specific audiences.
3. Studies be designed to evaluate the effect of specific programs on the establishment of financial management practices by teenage families.

In summary, the current trend is for teenage marriages to be more infrequent. However, regardless of trends, there will always be teenage families in all areas of the country. These families have special education needs and educators should understand and provide programs to meet these needs. Teenage couples will not always seek out assistance; educators may find it necessary to reach out to them. By reaching out to teenage couples, educators can help provide for them a more promising future.

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## APPENDIX

## QUESTIONNAIRE

FINANCIAL CONCERNS AND MONEY MANAGEMENT

PRACTICES OF TEENAGE FAMILIES

COUPLE NUMBER ________

COUNTY IN WHICH COUPLE HAS RESIDENCE ________

These are questions which pertain to your financial situation, money management practices, financial problems, and financial goals. Answer all questions as carefully and honestly as you can. There are no right or wrong answers.

A. Wife's birthdate (month/day/year) ___/___/___

B. Husband's birthdate (month/day/year) ___/___/___

C. Couple's wedding date (month/day/year) ___/___/___

D. Do you have children (1) yes ________(1)
(2) no ________(2)

E. If yes, how many children? ________

F. Ages of children (in years and months) ___/___
___/___
___/___

G. What are your current housing arrangements?
(1) buying a house ________(1)
(2) renting a house ________(2)
(3) renting a furnished apartment ________(3)
(4) renting an unfurnished apartment ________(4)
(5) mobile home ________(5)
(6) living with wife's parents ________(6)
(7) living with husband's parents ________(7)
(8) living with other relatives ________(8)
(9) other (specify) ________(9)

H. Is husband currently attending school? (1) yes ________(1)
(2) no ________(2)

I. If yes, what type? (1) high school, what grade? ________(1)
(2) college, what year? ________(2)

J. If no, what was the highest grade completed in school? ________

K. Is wife currently attending school? (1) yes ________(1)
(2) no ________(2)

L. If yes, what type? (1) high school, what grade? ________(1)
(2) college, what year? ________(2)

M. If no, what was the highest grade completed in school? ________

N. Is husband employed? (1) yes ________(1)
(2) no ________(2)

O. If employed, what is his specific occupation? ________________

P. Is wife employed? (1) yes ________(1)
(2) no ________(2)

Q. If employed, what is her specific occupation? ________________

R. What is your monthly income?
(1) no income ________(1)
(2) less than $100 ________(2)
(3) $100 to $200 ________(3)
(4) $200 to $300 ________(4)
(5) $300 to $400 ________(5)
(6) $400 to $500 ________(6)
(7) $500 to $600 ________(7)
(8) $600 to $700 ________(8)
(9) $700 to $800 ________(9)
(10) over $800 ________(10)
(11) don't know ________(11)

S. What is your yearly income? ________

T. Do you receive your income regularly so that you are sure of the amount you can plan to spend each pay day?
(1) yes ________(1)
(2) no ________(2)

U. Who usually handles the money in your home?
(1) both of you together ________(1)
(2) husband alone ________(2)

(3) wife alone ________(3)

(4) someone else (specify) ________(4)

V. Whose income is responsible for paying the rent or house payment?

(1) combined income ________(1)

(2) husband's income only ________(2)

(3) wife's income only ________(3)

(4) someone else (specify) ________(4)

W. From which of the following sources do you receive income? Rank them from the greatest source to the least.

(1) husband's wages ________(1)

(2) wife's wages ________(2)

(3) husband's parents ________(3)

(4) wife's parents ________(4)

(5) friends ________(5)

(6) scholarships ________(6)

(7) loans ________(7)

(8) savings ________(8)

(9) other (specify) ________(9)

X. Do you keep a record of any of your expenses?

(1) yes ________(1)

(2) no ________(2)

Y. Check areas of expense for which you keep records.

(1) food ________(1)

(2) clothing ________(2)

(3) housing (rent, mortgage, repairs) ________(3)

(4) furnishings (buying or repairs) ________(4)

(5) housekeeping expenses (telephone, utilities, etc.) ________(5)

(6) automobile and other transportation costs ________(6)

(7) medical costs ________(7)

(8) education ________(8)

(9) recreation ________(9)

(10) insurance (life, personal possessions, etc.) ________(10)

(11) taxes ________(11)

Z. There are many kinds of credit available. What kinds of credit have you had experience with since you have been married?

(1) charge accounts ________(1)

(2) installments plans ________(2)

(3) credit cards (gasoline, bank cards, etc.) ________(3)

(4) term bank loans ________(4)

(5) none ________(5)

AA. Check the areas in which you have debts that will be repaid within one year?

(1) education ________(1)

(2) medical expenses ________(2)

(3) housing ________(3)

(4) furniture and househould appliances ________(4)

(5) automobile ________(5)

(6) clothing ________(6)

(7) vacation or travel ________(7)

(8) other (specify) ________(8)

AB. Check the areas in which you have debts that will take longer than one year to repay.

(1) education ________(1)

(2) medical expenses ________(2)

(3) housing ________(3)

(4) furniture and household appliances ________(4)

(5) automobile ________(5)

(6) clothing ________(6)

(7) vacation or travel ________(7)

(8) other (specify) ________(8)

AC. What reasons do you have for using credit to buy things?

________________________________________________________________

________________________________________________________________

AD. Whose name is on your credit accounts?

(1) joint account (both husband and wife) ________(1)

(2) husband only ________(2)

(3) wife only ________(3)

AE. Do you save some of your income on a regular basis?

(1) yes ________(1)

(2) no ________(2)

AF. What types of insurance do you have?

(1) health and/or hospital ________(1)

(2) homeowners ________(2)

(3) automobile ________(3)

(4) life ________(4)

(5) personal possessions ________(5)

(6) other (specify) ________(6)

(7) none ________(7)

AG. Do you do any financial planning?

(1) yes ________(1)

(2) no ________(2)

AH. Are the financial plans you make

(1) only mental ________(1)

(2) completely written ________(2)

(3) partly written and mental ________(3)

AI. How are these financial plans developed?

(1) jointly ________(1)

(2) husband only ________(2)

(3) wife only ________(3)

AJ. What do you do when your ideas differ?

________________________________________

________________________________________

What period of time do your financial plans cover and do you make them frequently, sometimes, or never?

AK. Short-term plans (0-6 months): (1) frequently ________(1)

(2) sometimes ________(2)

(3) never ________(3)

AL. Intermediate plans (6-12 months): (1) frequently ________(1)

(2) sometimes ________(2)

(3) never ________(3)

AM. Long-term plans (over 12 months): (1) frequently ________(1)
(2) sometimes ________(2)
(3) never ________(3)

AN. Budget (allocation of money for regular living expenses):
(1) frequently ________(1)
(2) sometimes ________(2)
(3) never ________(3)

How serious are the following financial problems to you family?

AO. Inadequate income: (1) very serious ________(1)
(2) somewhat serious ________(2)
(3) not serious ________(3)

AP. Unexpected expenses: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

AQ. Getting credit: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

AR. Disagreement on the use of money: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

AS. Impulsive buying: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

AT. Planning the use of money: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

AU. Irregularity of income: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

AV. Keeping records: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

AW. Use of credit: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

AX. Inadequate savings: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

AY. Increases in the cost of living: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

AZ. Managing bank accounts: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

BA. No luxuries: (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

BB. Others (specify): (1) very ________(1)
(2) somewhat ________(2)
(3) not ________(3)

BC. When you get in a "tight fix" financially, where do you turn to for help?

(1) parents ________(1)
(2) friends ________(2)
(3) employer ________(3)
(4) credit ________(4)
(5) loan company ________(5)
(6) bank ________(6)
(7) pawn shop ________(7)
(8) nowhere ________(8)
(9) other (specify) ________(9)

BD. Did husband have any financial management practice before marriage?

(1) yes ________(1)
(2) no ________(2)

BE. If yes, was it (1) allowance ________(1)

(2) job ________(2)

(3) money-making projects ________(3)

BF. Did wife have any financial management practice before marriage?

(1) yes ________(1)

(2) no ________(2)

BG. If yes, was it (1) allowance ________(1)

(2) job ________(2)

(3) money-making projects ________(3)

BH. Did husband take any subjects in school where he learned about financial management?

(1) yes ________(1)

(2) no ________(2)

BI. Did wife take any subjects in school where she learned about financial management?

(1) yes ________(1)

(2) no ________(2)

Goals are important determiners for family life. Do you have these goals and how important are they to you?

BJ. Husband: Financial security; Yes _____ No _____

(1) very important ________(1)

(2) important ________(2)

(3) somewhat important ________(3)

BK. Husband: Spiritual development; Yes _____ No _____

(1) very ________(1)

(2) important ________(2)

(3) somewhat ________(3)

BL. Husband: Family cooperation; Yes _____ No _____

(1) very ________(1)

(2) important ________(2)

(3) somewhat ________(3)

BM. Husband: Education; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BN. Husband: Health; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BO. Husband: Comfort; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BP. Husband: Prestige; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BQ. Husband: Home ownership; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BR. Husband: Savings; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BS. Husband: Recreation or leisure; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BT. Wife: Financial security; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BU. Wife: Spiritual development; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BV. Wife: Family cooperation; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BW. Wife: Education; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BX. Wife: Health; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BY. Wife: Comfort; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

BZ. Wife: Prestige; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

CA. Wife: Home ownership; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

CB. Wife: Savings; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

CC. Wife: Recreation or leisure; Yes____ No____

(1) very ____________(1)

(2) important ____________(2)

(3) somewhat ____________(3)

CD. Do you have any other money worries?

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________

Interviewer's Comments:

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________

VITA

Mickey Suzanne Prescott

Candidate for the Degree of

Master of Science

Thesis: THE FINANCIAL MANAGEMENT PRACTICES AND CONCERNS OF TEENAGE FAMILIES IN NORTHWEST OKLAHOMA

Major Field: Housing, Design, and Consumer Resources

Biographical:

Personal Data: Born in Frederick, Oklahoma, April 25, 1953, the daughter of James G. and Margie M. Prescott.

Education: Graduated from Frederick High School, Frederick, Oklahoma, in May, 1971; received the Bachelor of Science degree in Home Economics from Cameron University, Lawton, Oklahoma, in May, 1975; completed the requirements for the Master of Science degree at Oklahoma State University, Stillwater, Oklahoma, in July, 1980.

Professional Experience: Home Economics instructor, Davidson Public Schools, Davidson, Oklahoma, August, 1976 to January, 1977; Extension Home Economist, Harper County, Oklahoma Cooperative Extension Service, January, 1977 to present.

Professional Organizations: National Association of Extension Home Economists, National Association of Extension 4-H Agents.