FINANCIAL MANAGEMENT PRACTICES OF SELECTED LOW-INCOME FAMILIES IN AN URBAN COMMUNITY IN OKLAHOMA

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PREFACE

The study explored the financial situation and practices of low-income families in an urban Oklahoma community in the belief that the information would be helpful for developing educational programs for such families.

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TABLE OF CONTENTS

Chapter		Page
I.	INTRODUCTION	1
II.	REVIEW OF LITERATURE	11
III.	ANALYSIS OF DATA	24
	Information About the Families	24
	Use of Consumer Credit	39
	Family Financial Security	57
	Financial Planning Practices	65
IV.	SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	73
	Summary	73
	Conclusions and Recommendations	78
BIBLIOGRAPHY		81
APPENDIX		85

CHAPTER I

INTRODUCTION

Low-income is recognized as one of the major domestic problems in the United States. The fact that a large number of families are living in poverty and deprivation in the midst of general affluence is acknowledged by individuals in various positions of leadership in this country.

President Kennedy (2) in his first State of the Union message indicated that 32 million individuals in the United States lived in poverty. Harrington (18) in his book The Other America expressed the opinion that between 40 and 50 million people are poverty stricken. Leon Keyserling (33), former chief of the Conference on Economic Progress, stated that 38 million people are living in poverty and 39 million are deprived; this total comprises two-fifths of the national population.

There is a diversity of opinion with regard to the amount of income the average family needs for a reasonable or desirable standard of living and the amount that would mean deprivation as well as the amount that would mean poverty. It seems that widely held opinions would designate families with annual incomes of less than $4,000 to $6,000 as being deprived and those of less than $2,000 to $3,000 as poverty stricken. In discussing the problem of poverty in the United States the President's Council of Economic Advisers (37) selected the figure of $3,000 (before taxes and expressed in 1962 prices) as the minimum income for a decent life for a non-farm family of four.

Income is not the only factor which determines whether people live in poverty, deprivation, comfort, affluence or wealth. With any given income, other factors include the size of the family, the ages of family members, the place of residence, how wisely or unwisely income is spent, and the extent and quality of home production. Nonetheless, income is by far the most important determinant of the level of living.

Home economists know that improvement of family living requires the ability to manage as well as to earn money. Leaders in home economics are placing greater emphasis on financial management and consumer education as shown by the fact that four of the twelve competences listed in the statement of philosophy and objectives proposed by the American Home Economics Association (20) in 1959 are concerned with this aspect of family living. These competences are:

> Make and carry out intelligent decisions regarding the use of personal, family, and community resources
>
> Establish long-range goals for financial security and work toward their achievement
>
> Plan consumption of goods and services -- including food, clothing, and housing -- in ways that will promote values and goals established by the family
>
> Purchase consumer goods and services appropriate to an overall consumption plan and wise use of economic resources

President Johnson supported the idea of the importance of financial management and consumer buying to family well-being in his War Against Poverty message (36). He said:

> Very often a lack of jobs and money is not the cause of poverty but the symptom. The cause is lack of skills, and one of the most important is the skill of getting fair value for dollars spent.

Early in 1963 the American Home Economics Association (28) recognized the need to identify the services home economists were providing for low-income families. A sub-committee of the public relations committee of the Health and Welfare Section was appointed and given the responsibility to prepare a statement for the association interpreting the current role of the home economist in providing services to low-income individuals and families. Nutrition and improvement of food habits in using surplus commodities were found to have received the most emphasis. Few educational programs have been planned specifically for low-income families.

It is apparent that the role and responsibility of the home economist in working with low-income families has not been clearly defined. However, the profession believes that it can be of significant service to the low-income segment of the population. The Resources for Low-Income Families Committee of the American Home Economics Association (1) recommended at the 1964 annual meeting that the association sponsor a national workshop for people in key policy-making positions in relation to the needs and resources of and for low-income families.

The Cooperative Extension Service acknowledges that people must be reached where they are; that is, at their present stage of development and experience and at their present level of interest and understanding. It is the function of extension personnel to teach people how to assess their own needs and how to solve their own problems. The extension agent serves people by teaching them how to help themselves.

Dr. Lloyd H. Davis, Administrator, Federal Extension Service (8), placed educational work with the low-income audience high on the priority list in a speech to extension home economists. He stated:

> There is increasing awareness of the disadvantaged. The social costs, particularly to youth, are tremendous. My first suggestion would be that you explore ways to reach the disadvantaged families in your area with good, basic home economics education -- the kind that helps raise the standard of living, improves health, assures better family relations, and raises the

> aspirations of family members. . . When we are faced with the fact that in our affluent society one-fifth of the people live in poverty -- and that nearly one-half of these disadvantaged families live in rural areas -- then, it seems to me, we must make every effort humanly possible to solve the problem, even though this means curtailing -- but not eliminating -- some of our more traditional work. So, high on the priority list I hope you will put Work With Disadvantaged Families.

At the time of the U. S. Census in 1960 (38), 43.5 per cent of Oklahoma families had incomes of less than $3,000. Nineteen of the 77 counties had a median income of less than $3,000.

In its effort to help families with limited income the home economics profession needs to find ways of developing effective educational programs that are based on the needs and wants of individuals for whom they are designed. This study was concerned with identifying financial management practices of low-income families within one urban community in Oklahoma.

STATEMENT OF THE PROBLEM

The problem selected for the study was to learn more about the financial management practices and opinions of low-income families with emphasis on use of consumer credit.

This investigation, being exploratory in nature, was based on the following assumptions that were considered important to the development of the study:

1. Information about the financial situation and consumer credit practices of low-income families can be obtained through the use of an interview schedule constructed by the writer and the interviews conducted with the assistance of county extension agents.
2. A study of the financial situation and practices of

low-income families will give some direction to the Cooperative Extension Service in developing educational programs on financial management.

PURPOSE OF THE STUDY

The over-all purpose of this study was to learn more about the financial situation and practices of low-income families.

Sub-purposes that contributed to attaining the over-all purpose were:

1. To identify characteristics and needs of low-income families as presented in current literature and research.
2. To ascertain the amount, source, and regularity of income.
3. To identify some of the financial management practices of a group of low-income families.
4. To determine to what extent consumer credit is used and the problems encountered in the use of credit.
5. To determine if there may be some relationships between the following:
    a. Financial management practices and educational levels attained by husband and wife.
    b. Financial management practices and age of husband and wife.
    c. The employment of the wife as a second income earner and the amount of income and use of credit.

d. The number of children per family and the use of credit.

DEFINITION OF TERMS

The following definitions were established for purposes of clarification in this study:

1. Poverty: Harrington (18) in The Other America indicated that poverty should be defined in terms of those who are denied the minimal level of health, housing, food, and education that our present stage of scientific knowledge specifies as necessary for life as it is now lived in the United States. It should be defined psychologically in terms of those whose place in society is such that they are internal exiles, who, almost inevitably, develop attitudes of defeat and pessimism and who are therefore excluded from taking advantage of new opportunities.
2. Deprivation: At the Conference on Economic Progress (33) in April, 1962, deprivation was defined as a condition quite distinguishable from living in stark poverty, but it nonetheless means genuine denial of the goods and services which most Americans have come to regard as "essentials," and in most cases imposes a continuing sense of insecurity.
3. Low-Income: "Low" means in relation to the distribution and level of income of all families. "Income" means money before taxes as defined by the Census Bureau. Low-income is one that is not adequate to cover minimum necessities of life; namely, food, shelter, clothing, and health services.

4. Family Income: Family income represents the income of all the people living in one household whether one, two or more persons, and spending their income as a unit. In this study it included the earnings of only husband and wife.
5. Family Financial Management: Family financial management is concerned with the solution of family financial problems, primarily money use, for the purpose of attaining family goals. Financial management involves financial planning, records, savings, insurance, investments, social welfare, security, and consumer credit buying principles as well as major financial decisions.
6. Consumer Credit: Consumer credit is the credit used by individuals and families to facilitate the process of consumption for family living.

PROCEDURE

In order to carry out the study of determing the financial management practices of low-income families within one urban community in Oklahoma the subsequent procedure was used:

1. A review of literature and research related to the study was made and summarized under the following four aspects:
   (a) Characteristics of low-income families.
   (b) Need for financial management.
   (c) Methods and findings of research in this area.
   (d) Educational implications.
2. Possibilities for the study were discussed with Oklahoma State University faculty members serving as consultants in research methods and in the subject matter area of Family Economics.
3. The problem was clarified, limited, and justified.

4. A method for selecting the sample was determined with the assistance of the Director of the Statistical Laboratory at Oklahoma State University.
5. A tentative interview schedule was prepared and pretested and a final one developed.
6. Tables were planned along with the interview schedule.
7. The survey was made in Hugo, Oklahoma with the assistance of the Choctaw County Extension Agents.
8. The data were machine tabulated and percentages were figured as applicable to the study.
9. The data were analyzed and summarized.
10. Conclusions were drawn and recommendations made.

A family situation as near to the expanding-life cycle as possible was selected as this is one of the stages when financial expenditures are the greatest (16). The family was to include husband, wife and two or more children under eighteen years of age. The wife was designated as the person to be interviewed.

The personal interview was selected as a method for collecting data because it permits the study of people with low educational attainment for whom the written questionnaire may not be very suitable and it tends to give a higher percentage of respondents in the sample than a mailed questionnaire. The interview schedule was organized around four types of information: namely, (a) personal data and incomes of the families, (b) financial practices, (c) practices and problems in use of credit, and (d) opinions regarding financial management. A copy of the interview schedule is in the appendix. The closed-form was used for the majority of the questions. Checklists for each question included the answers that a respondent would give, though provisions were made for writing in additional answers if necessary. Four open-end questions regarding occupations and opinions about credit were used.

The instrument was pretested with three families in Stillwater, Oklahoma and five families in Holdenville, Oklahoma. As a result of the pretest some revisions were made in the interview schedule and in the procedure for securing interviews. Following the pretest the schedule was mailed to the Choctaw County Extension Agents. Each agent checked the instrument for clarity and reported no difficulty in interpreting the content. A meeting was held later for the purpose of discussing the interview schedule and to give instructions for conducting the interview. The instructions are included in the appendix.

Hugo, Oklahoma was selected after considering the following factors: (a) the city is urban in population; (b) the median family income was $2,878 in 1960 and 52.2 per cent of the families had incomes under $3,000 (2); (c) the county extension agents were interested in participating in the study; and (d) the appropriate state extension office personnel approved the selection.

The entire city of Hugo was canvassed for the sample due to several factors. The population (6,287) was small enough to permit a complete survey. According to the 1960 U. S. Census of population, 577 housing units had four or more persons per occupied unit (2). Also, it was known that a large percentage of these homes would not have a complete family unit. On the basis of these facts it was estimated that approximately 125 interviews could be made.

The total population of 6,287 in Hugo included 4,908 whites, 1,101 Negroes, and 278 of other races (38). All races are included in this sample and were not considered as a variable. The analysis was made on the total number of interviews

Hugo was divided into 7 areas using highways, main streets, and railroads as boundaries. Seven agents assisted in making the survey. They included the County Agent, the Home Demonstration Agent, three Associate County Agents, and two Associate Home Demonstration Agents. The writer made some interviews in each area of the city.

The survey was started on November 9, 1964 and was completed November 23, 1964 with a total of 111 interviews being made. Two families refused to be interviewed and three other families were not contacted because the interviewers could not find them at home after several attempts. As a result of the personal interview method, 98 per cent of those identified as being eligible responded.

The purposes, assumptions, procedure and other information relating to the development of the problem have been presented in this chapter. A study of related literature and research is summarized in Chapter II. The findings of the study and the writer's interpretations of these findings are presented in Chapter III. Chapter IV includes the summary of the study, conclusions and recommendations.

CHAPTER II

REVIEW OF LITERATURE

Numerous books, magazines, and newspaper articles have been written in regard to the plight of low-income families. Various agencies have released bulletins and pamphlets designed to help educators in their efforts to aid these families in improving their home and family living. However, research about family financial management seems limited, and few studies have been made of the financial management practices of low-income families, particularly in Oklahoma.

A review of literature and research that was considered pertinent to this study was made and summarized under the following four aspects:

(1) Characteristics of low-income families.

(2) Need for financial management.

(3) Methods and findings of research in this area.

(4) Educational implications.

Characteristics of Low-Income Families.

Understanding the cultural characteristics of low-income families is an important step in the development of effective educational programs for helping them. Extreme poverty is often more than economics. It is a way of life. Mrs. Helen Lamale of the Bureau of Labor Statistics (28) told home economists at a conference early in 1964,

> All the poor have low incomes, but all with low incomes aren't poor. Poverty is not the level of income, but the level of living.

Thus, a distinction must be made between those families whose aspirations are high but incomes low, and those whose income and aspirations are both low. Low-income families may have all the social characteristics of middle-income families but for economic reasons are not able to utilize their talents and resources to the best advantage.

Although much poverty is found among people from various ethnic and minority groups, it is not confined to these groups. Neither is it confined to the areas of highest geographic concentration of low-income rural areas. According to the Annual Report of the Council of Economic Advisers (37), objective evidence indicates that poverty is pervasive, as illustrated in the following statement taken from the Monthly Labor Review summary of the report, March, 1964:

> The poor are found among all major groups in the population and in all parts of the country. Using the income measure of poverty described (earlier) we find that 78 per cent of poor families are white. Although one-third of the poor families are headed by a person 65 years old and over, two-fifths are headed by persons 25 to 54. Although it is true that a great deal of poverty is associated with lack of education almost 4 million poor families (39 percent) are headed by a person with at least some education beyond grade school. Less than half the poor live in the South. And the urban poor are somewhat more numerous than the rural poor.

Low-income groups include farm labor families, the aged, the disabled, the unskilled minority worker and non-white families. Many are characterized by meager education, large families, sub-standard housing, and limited job skills. The majority do not belong to organized groups and social relationships are often confined to relatives. Many dwell in areas that have become economically obsolete and their horizons are limited to their immediate geographic environment. They make few plans for the future. Studies indicate that inadequate diets, poor clothing, and little or no preventive medical care are closely related to inadequate income.

Low educational attainment is largely responsible for incomes which fall below a minimum standard of adequacy. But there is no simple way of defining cause and consequence; it seems to be a reciprocal relationship. Deficient education is partly a consequence of poverty.

The Conference on Economic Progress (33) cited the following information regarding education and low-income.

> In 1958, among the almost 8 million multiple-person families whose heads had less than 8 years of elementary education, almost two-thirds were under $2,000, and more than one-seventh under $1,000. Above the poverty level, another one-fifth lived in deprivation (4,000 to $5,999), so that only about one-seventh were above the deprivation level.
>
> Moving upward in the education scale, among the almost 11 million whose heads had completed four years of high school education, more than one-fifth lived in poverty, and less than half were above the deprivation level. But among the more than 4 million families whose heads had completed four or more years of college or university education, less than one-tenth lived in poverty and about three-fourths were above the deprivation level.

Writers have suggested that low-income families perpetuate their problems by rearing children who cannot support themselves. Harrington (18) contends,

> With the children of the poor, there is another grim process at work: it is likely that they will become the parents of the next generation of the culture of poverty.

Need for Financial Management.

Financial management is clearly one of the primary responsibilities of all families. It is important to the development of individuals and to the nation. Wells (40) made a study of the financial management practices and attitudes of sixty young rural families in Tompkins County, New York, during the summer of 1957 and concluded: As the American economy becomes more complex the task of financial management becomes more complex for individual families, and the need for successful financial management becomes more imperative. This need is particularly great for low-income families.

Much of the educational work in financial management and home management has been geared mainly to middle-income families, but Wolgamot (42) asserted that the concern is for all families:

> Our subject matter applies to all. Moreover, the home management practices we recommend are vital to the welfare of low-income people. There is no group that needs more urgently to make a maximum use of available resources, to manage their homes more efficiently, to purchase wisely, to plan and manage food with knowledge and skill, and to improve their housing. The contribution of family economics-home management ranges from conserving family funds to building family morale.

In a workshop on money management for low-income homemakers in Milwaukee, Wisconsin (32), home economists discovered that members of the group were carrying a tremendous insurance load. Moreover, they did not understand their policies or what the insurance would do for them.

A discussion of family financial management is incomplete without some mention of the use of consumer credit. In recent years there has been a tremendous increase in the number of consumers using credit, and in the size of their debt. Cohen and Hanson (7) gave specific information regarding consumer credit in the 1964 edition of Personal Finance. The use of consumer credit predominates in the purchase of durable goods. Of the total of $65 billion of consumer credit, some $50 billion is in installment debt. Automobiles account for about 40 percent of all consumer installment debt. During the past few years 60 percent of all new cars have been sold on credit. Furniture stores reported that 63 percent of total sales were made on an installment basis, 19 percent on charge accounts, and 18 percent for cash. About 45 percent of television purchasers reported the use of credit, and about 30 percent borrowed more than three-quarters of the net price. For household appliance stores, 49 percent of sales were on an installment basis, and 24 percent on charge accounts.

Consumer credit in recent years has become easier and easier to obtain. The consumer's problem is more how to resist it than how to obtain it. Families use credit to meet financial emergencies, to buy goods and services before they have the cash available, and to make shopping more convenient. Feldman (12) pointed out, "Debt is a part of the pattern of living for most American families." She also explained that in 1957 about one-third of the spending units earning less than $3,000 a year are committed to installment purchases.

These data emphasize the fact that credit is a resource that must be taken into account in making family spending plans. In terms of outstanding debts many middle and upper income families have a more substantial total debt, although many low-income families have a large amount of debt relative to their income. The difference is that people with higher incomes have more resources to do something about the debt if it gets beyond their control.

Caplovitz (6) in his study of urban low-income people in their roles as consumers of major durable goods found that the majority consider buying on time a bad idea, but do so anyway. He stated:

> Credit is of special importance to low-income families. The need for credit and its extensive use colors many facets of their consumer practices. It facilitates the accumulation of goods, affects their decisions about where to shop, and, perhaps most importantly, has a pronounced effect on the cost of what they buy.

Conspicuous consumption, the use of consumer goods as a means of demonstrating wealth or status, is prevalent in this society. Americans in all walks of life are trained to consume in order to win prestige among others and to maintain their self-respect. These social pressures to consume are perhaps inevitable in a society characterized by a rising standard of living. Caplovitz (6) expressed the following opinion:

> In view of the powerful social forces creating their wants, it is doubtful whether low-income consumers will derive much satisfaction from the pious injunction: 'do without.' Consumer aspirations may be moderated but not obliterated. Nor is there any necessity for these low-income families to abandon the hope of having the major durables now standard in American households. Even so, this still leaves considerable room for an educational campaign directed toward the where and how of shopping. Low-income families are vulnerable to exploitation not only because they are poor risks but also because they lack sophistication in shopping.

Installment purchases commonly result in raising the standard of living of the individual or family. Many high-priced, durable consumer goods could never be obtained by many people if they had to save enough money to make the entire purchase price in cash. Selling on credit usually means larger sales and greater profits for the seller. Thus, credit can benefit both the buyer and the seller.

It should be realized, however, that the unwise use and overextension of credit works to the disadvantage of the consumer and the seller. Despite the ease with which goods may be purchased on credit, a person may find it a wise practice not to incur a debt unless he can see his way clear to pay off that debt or make payments.

The exact relationship between income and indebtedness of a person or family cannot be stated definitely. This varies according to the number in the family, its income and expenses, the age, health, and type of employment of the head of the family. Donaldson (9) suggested:

> For families in the lowest income groups it would be advisable not to spend more for current consumption goods than the amount which will be received at the end of the week. In other words, one week's income should be the maximum noninstallment debt. As the family

> income increases, perhaps a current consumption debt equivalent to one and one-half or two times the weekly wages should be the maximum noninstallment debt. When the debt is incurred for the purpose of durable consumers' goods which are acquired on the installment plan, higher debt limits could be established.

The fact that credit is misused is no reason for eliminating its use. The solution lies in the effective use of credit. Perhaps one of the functions of the educator is to help families to determine when it is wise to use credit, to understand how much they pay for the privilege of using it, and to shop for credit on satisfactory terms.

Methods and Findings of Research.

The book, The Poor Pay More, by Caplovitz (6) is based on research conducted with residents from four low-income housing projects in New York City. The study was concerned with their role as consumers of major durable goods. All single-person households were eliminated and the sample reflected composition of families in terms of race, income, and size. The technique of stratified sampling was used to select an initial sample of 500 households; equal to one in every 15 families. Interviews were obtained with 85 per cent of those initially selected. Fifty-five substitutes were added to minimize bias of those refusing to be interviewed.

Only 25 percent of the families were white and most of these were Italian and Jewish. Negroes made up 29 percent of the sample and 46 percent were Spanish-speaking people. The educational level of the household heads was in keeping with their low-income and their places of origin. As expected in a low-income group many received assistance from welfare, that is, 15 percent received welfare, 13 percent lived on pensions, and the remaining 72 percent obtained their income from earnings.

The researchers found that these families are surfeited with highpowered advertising, exploitative salesmen, and debt-entanglement. They are vulnerable because they are poor risks and lack shopping ability.

A total of 81 percent had used consumer credit in some form and 75 percent had used credit for major durables. The majority had used installment credit at stores and from peddlers. Forty percent had borrowed at some time from a lending institution. Higher-income families and those whose income is based on earnings were more apt to have obtained loans.

Families using both cash and credit owned more appliances. Those who always buy on credit managed to own more than those who pay cash. Apparently credit facilitated the acquisition of major durables, but relying exclusively on credit narrowed the shopping scope of the family. Those who bought outside their own neighborhood paid less. Neighborhood merchants compensated for extending credit to poor risks by high markups.

Not all of the families included in Caplovitz's study were equally active as consumers of major durables. The highly active tended to be the large families, the young families, the higher-income families, and the non-white families. Family income, where the goods are purchased, the method of payment, and race are associated with variability in total cost of durable goods. The poorer families tended to pay more even though they may be getting lower-quality merchandise.

In 1962 Pesquera-Busquets (29) tested a series of hypotheses regarding the probable relationship between a set of six recommended financial management practices and personal and family characteristics of her respondents in Puerto Rico. The practices were:

1. Homemakers can make an estimate of household expenses;
2. Homemakers make a marketing list;

3. The purchase of major home equipment is decided by either husband and wife together or by the family;
4. The selection of major home equipment is decided by either husband and wife together or by the family;
5. The housewife knows major equipment bought for the farm;
6. The husband discusses with wife the purchase of major farm equipment.

She found significant, positive relationships between the adoption score of these practices and education of husband, education of homemaker, employment of homemaker, and family income. The lack of relationship between adoption and the various aspirations lead the author to conclude that her respondents are more strongly influenced by the realities of their situations than by what they might desire their situation to be.

Bevins, Ball, Liston and Miller (3) studied the extent to which farm families in Southern Iowa and Northern Missouri used production, consumption, and real estate credit. Data were collected in a field survey during the summer of 1957. The study involved 203 families. Both the husband and wife were interviewed. Different schedules were used with each, but the schedule had some parts in common. The one used with the wives included most of the information about use of consumer credit and family characteristics.

Consumer credit had been used most frequently to purchase an automobile. Other purposes, in order of descending frequency of use, were: to pay doctor and hospital bills, purchase television sets, remodel the house, and buy furniture.

Banks and dealers were the sources from which credit was obtained most frequently to purchase an automobole. Individuals were the most frequent source of credit for payment of doctor or hospital bills. Dealers most frequently were the source of credit for all other purposes except remodeling of the house. Banks were the predominant source of credit for house remodeling.

Relatively more families headed by young men (39 or under) used consumer credit than families headed by men of other ages. Also, there was a tendency for families of younger men to use larger amounts of credit. Although these tendencies appeared, the association between age of husbands and use of consumer credit was not considered significant. Similar tendencies were observed when families were classified on the basis of the age of the homemaker.

Examinations of educational levels and use and nonuse of credit, as well as the extent of use, revealed few apparent or consistent associations. A larger proportion of farm families with children were using credit and tended to use larger amounts than families with no children. When families were grouped on the basis of the ages of the children differences were nonsignificant.

Possession or nonpossession of consumer durable items was used as an indicator of socio-economic status. Use or nonuse of consumer credit differed very little among families of low, middle or high-economic levels. However, among those who did use consumer credit, families with high socio-economic status tended to use relatively large amounts.

Educational Implications.

Education is the most effective tool in assisting people to rise on the socio-economic scale. However, adults at the lower levels are not likely to enroll in formal classes, even if such classes are available.

A way must first be found to reach them where they are (30). Home economists have long promoted the idea that educational programs directed toward more effective personal, family, and community living should be planned on the basis of values, needs, and problems of those participating. Hurt's (14) study showed when teaching units are based on lower-class values there was carry-over into the home situation.

Since formal organizations occupy a very small part of the social life of under-privileged families the beginning of educational programs must usually be made with individuals, rather than with groups. Schwarzweller and Brown (34) pointed out that the Extension Service must implement programs with individual contacts rather than relying on communication through formal organizations. They further pointed out that an important linkage between the isolated rural communities in Eastern Kentucky and the "Great Society" were "transfer payments" such as social security, pensions and unemployment insurance. They believed that these people are more likely to be reached through these channels and government agencies than through religious groups. Religion tends not to be an effective linkage because of its nature and structure.

Parsons (43) made these suggestions concerning a program with low-income families:

> First, it should be carefully planned, and it should have enough financial support to carry it over a relatively long time (8 to 10 years). Second, the more agencies or disciplines that can be involved, the richer the program for all. Third, as with little children, these adults work or perform much better with approval than disapproval. Fourth, it is a most rewarding program with many opportunities for service.

It is apparent that meeting the needs of lower-income groups requires new approaches and highly intensive work on an individual basis. Caplovitz (6) concluded in his report it would be necessary to personalize efforts to help urban consumers and face-to-face contacts are an important adjunct to mass media. He also expressed the opinion:

> The chief problem of an education program for low-income consumers is not so much breaking down resistance to messages, but finding the appropriate media for communicating to these consumers. One obvious approach would be the dissemination of easy-to-read literature.

Ewing (11) expressed the belief that most of the low-income groups are impatient with verbal or written instructions. Learning by doing is preferred and requires use of a variety of teaching techniques.

Educational materials for these families should be adapted to their level of learning and aimed at helping them meet their immediate needs. Since most of these families are not accustomed to self-study, educational materials will usually be most effective when used in direct learning situations involving the "teacher" and learner. (30).

All humans have the same basic physical needs for food, clothing, and shelter, and the psychological need to achieve, to be recognized, appreciated, and accepted. These needs must be met in order for people to have ambition, enthusiasm, and a desire to move ahead. Extension home economists (3) have found that very simple things can have profound effects on low-income families, as shown in this quotation:

> For example, (1) there is a close relationship between clothing, cleanliness, and self-respect; (2) families who are given an opportunity to succeed in very small things get courage enough to try something bigger; and (3) the sincere interest of someone who is not a threat to their limited security can rekindle the desire for a better way of life, particularly for their children.

Houle (22) reiterated the fact that the Extension Service has been more successful in reaching women than the whole family with family living programs. He believes that the Extension Service needs to help family members to learn together.

Honey and Britton (21) whose study was concerned with 252 Pennsylvania rural families and was carried out in 1955, suggested:

> An effective educational program to meet the needs of these families will not be one in family finance alone. The program will need to include family relationships, business methods, development of personal and family resources not yet put into use, and a genuine understanding and appreciation of the democratic process as applied in the lives of those in each family unit.

Teaching family financial management at a level realistic to low-income groups means knowing their patterns of living and knowing where they live. Extension work with these families must be done largely through personal contacts, small neighborhood groups, and through their own social structure and leadership.

CHAPTER III

ANALYSIS OF DATA

An analysis and summary of the data obtained in this study are presented in this chapter. For the study an effort was made to interview all the families with annual incomes of $3,000 or less living within one urban community. This community, located in southeastern Oklahoma, had a 1960 census population of 6,287. In addition to the minimum income requirements families included in the study had husband and wife and two or more children 18 years of age or under living at home. The over-all objective of the study was to learn more about the money management practices and opinions with emphasis on the use of consumer credit by these families. It was believed that this information would be helpful in planning effective educational programs to aid families like these to raise their level of living.

The interview schedule was organized around four types of information; namely, (1) personal data and incomes of the families; (2) financial management practices; (3) practices and problems in use of credit; and (4) opinions regarding financial management. The survey was carried out in November, 1964. Of the total number of 113 families contacted for the study, 111 were interviewed. Two families refused to be interviewed and three other families could not be located.

Information About the Families

Eight questions of the interview schedule dealt with some of the personal characteristics of these families with regard to income, educational attainment, age of husband and wife, employment of wife, and the number of children at home under 18. These data are reported in Tables I through XII. Later in the chapter, the other data will be analyzed according to the following variables: (1) annual income; (2) regularity of income; and (3) educational level of the husband and wife. Employment of the wife and number of children in the family were also considered in relation to some of the consumer credit practices.

The income situation of the families is presented in Table I. The amount of income was determined on the three levels of (1) under $1,000; (2) $1,000 to $1,999; and (3) $2,000 to $3,000. Of the 111 families in the study, two-thirds were in the higher income level, slightly more than 30 per cent in the middle level, and only three families (2.7 per cent) had an income of less than $1,000. This was to be expected as a family of four or more in an urban area could probably not exist very long on $1,000 a year without outside assistance.

Sources of income were organized under five categories. Earnings were the predominant source of income with 87 families (78.4 per cent) receiving all or part of their income from wages. Welfare payments were the second largest source of income.

Regularity of income was determined through an analysis of the last question on the schedule following the completion of the survey. The income was considered regular under the following conditions: (1) the husband or wife or both were employed regularly; (2) the family was a recipient of income from welfare, social security, or both of these sources; (3) the income came from a pension; (4) a combination of any of these three. In contrast, income was considered seasonal under these conditions: (1) the only source of income was earnings and neither the husband nor wife were employed full-time; (2) the only source of income was an unemployment benefit payment.

TABLE I

INCOME SITUATION AS REPORTED
BY 111 FAMILIES

Income	Total Number	Total Per cent
Annual Income		
Under $1,000	3	2.7
$1,000 to $1,999	34	30.6
$2,000 to $3,000	74	66.7
Source of Income (More than one source per family)		
Earnings	87	78.4
Unemployment Benefit	3	2.7
Welfare	22	19.8
Social Security	9	8.1
Pensions	4	3.6
Regularity		
Regular	91	82.0
Seasonal	20	18.0

A summary of the regularity of income reveals that 91 (82.0 per cent) of the families had a regular income and 20 (18.0 per cent) had a seasonal income.

Table II presents a comparison of the amount of income with its source and its regularity. This comparison shows that the majority of families who received their income from earnings were in the $2,000 to $3,000 income range. Families with a regular income tended to have a larger income than those with a seasonal income.

Table III shows the educational levels attained by both the husband and the wife. Low educational attainment seemed consistent with the low income. The largest number of the husbands (25 or 22.9 per cent) had only from one to four years of elementary school whereas the largest number of wives (37 or 33.3 per cent) had from one to three years of high school

TABLE II

AMOUNT OF ANNUAL INCOME ACCORDING TO SOURCE OF INCOME AND REGULARITY OF INCOME AS REPORTED BY 111 FAMILIES

			Annual Income of Families					
	Total	Families	Under $1,000		$1,000 to $1,999		$2,000 to $3,000	
Category of Income	No.	%	No.	%*	No.	%*	No.	%*
Source of Income (More than one source per family)								
Earnings	87	78.4	3	3.5	23	26.4	61	70.1
Unemployment Benefit	3	2.7	1	33.3	2	66.7	0	0.0
Welfare	22	19.8	0	0.0	11	50.0	11	50.0
Social Security	9	8.1	0	0.0	4	44.4	5	55.6
Pensions	4	3.6	0	0.0	1	25.0	3	75.0
Regularity of Income								
Regular	91	82.0	2	2.2	25	27.5	62	68.1
Seasonal	20	18.0	1	5.0	9	42.0	10	50.0

*Percentage is based on the total number in each category of source of income or regularity of income.

education. More than 60 per cent of the men had no schooling beyond the elementary grades. Only 21 (19.6 per cent) of the men and 22 (20.6 per cent) of the women had completed high school. In using educational attainment as a variable in the remainder of the tables the first three levels, which included one to four years, five to six years, and seven years, of elementary education were combined in the belief that those who had not completed elementary school would give a more meaningful percentage distribution because the numbers of the separate groups were small.

TABLE III

EDUCATIONAL LEVEL OF HUSBANDS AND WIVES
AS REPORTED BY 111 FAMILIES

Years of School Finished		Husband No.	Husband Per cent	Wife No.	Wife Per cent
None		2	1.8	0	0.0
Elementary :	1-4 years	25	22.5	11	9.9
	5-6 years	14	12.6	10	9.0
	7 years	7	6.3	9	8.1
	8 years	19	17.1	22	19.8
High School :	1-3 years	23	20.7	37	33.3
	4 years	17	15.3	20	18.0
College :	1-3 years	4	3.6	2	1.8

Information regarding the age of husbands and wives is summarized in Table IV. The age distribution of the men and the women revealed that the men tended to be older than the women. Only 8 (7.2 per cent) of the women were in the 51 and over age level, while approximately one-third of the men were included in this group. The 31 to 40 year age group of the women was the largest, with 41.5 per cent being in this category. For later analyses some of the age levels were combined because the numbers were too small to give a meaningful percentage distribution. The 20 and under and 21 to 30 age levels were combined to give a younger level, likewise the levels of 31 to 40 and 41 to 50 were combined to form the middle age level and the 51 and over age level was treated as the older age level.

TABLE IV

AGE OF HUSBANDS AND WIVES AS REPORTED BY 111 FAMILIES

	Husband		Wife	
Age Group	No.	Per cent	No.	Per cent
20 and Under	1	.9	3	2.7
21 - 30	21	18.9	27	24.3
31 - 40	27	24.3	46	41.5
41 - 50	26	23.4	27	24.3
51 and Over	36	32.5	8	7.2

In comparing educational attainment with the age of husbands and wives (Table V) no definite trend was observed. The younger wives did not necessarily have a higher educational attainment level than the older ones or vice versa. However, more of the younger than older husbands were high school graduates, though the numbers in the different age categories are too small to draw any definite conclusions.

More than a third (34.2 per cent) of the women were employed with an equal number working regularly and part-time (Table VI). This is consistent with Van Bartel and Gross's (39) study made in 1951 in which one-third of the women in the lower socio-economic level families were employed.

The information in Table VII shows that a large percentage (43.2 per cent) of the families had from three to four children under 18 years of age at home. Less than a third (28.8 per cent) of the families had only two children while 31 (27.9 per cent had more than four children. A larger family puts more pressure on a limited income. Only families who

TABLE V

EDUCATIONAL ATTAINMENT LEVEL ACCORDING TO THE AGE OF THE HUSBAND AND THE WIFE AS REPORTED BY 111 FAMILIES

	Total		Age					
			30 & Under		31 - 40		51 & Over	
Educational Attainment	No.	%	No.	%*	No.	%*	No.	%*
Husband								
None	2	1.8	0	0.0	0	0.0	2	100.0
Elementary : 1 - 7 years	46	41.4	3	6.5	25	54.3	18	39.1
8 years	19	17.1	1	5.3	11	57.9	7	36.8
High School: 1 - 3 years	23	21.1	6	26.1	9	39.1	8	34.8
4 years	17	15.6	12	70.6	4	23.5	1	5.9
College : 1 - 3 years	4	3.7	0	0.0	4	100.0	0	0.0
Wife								
Elementary : 1 - 7 years	30	27.0	1	3.3	26	86.7	3	10.0
8 years	22	19.8	0	0.0	21	95.5	1	4.5
High School: 1 - 3 years	37	33.3	19	51.4	15	40.5	3	8.1
4 years	20	18.0	9	45.0	10	50.0	1	5.0
College : 1 - 3 years	2	1.8	1	50.0	1	50.0	0	0.0

*Percentage is based on the total number in each educational attainment level.

had two or more children under 18 years of age were included in this study.

TABLE VI

EXTENT OF EMPLOYMENT OF WIVES
AS REPORTED BY 111 FAMILIES

Employment Status	Total No.	Families %
Employed Regularly	19	17.1
Part-Time	19	17.1
Not Employed	73	65.8

TABLE VII

NUMBER OF CHILDREN PER FAMILY LIVING IN THE HOME
AS REPORTED BY 111 FAMILIES

Number of Children	Total No.	Families %
2 Children	32	28.8
3 to 4 Children	48	43.2
5 to 6 Children	15	13.5
7 to 8 Children	15	13.5
9 or More Children	1	.9

The data in Table VIII indicated that the amount of education attained by the husband seems to influence the amount of income earned. The percentage of families in the $2,000 to $3,000 category increased as the educational level of the husbands increased. In the one to seven years of elementary school level more than half of the families were in the $2,000 to $3,000 range of the study, while among high school graduates more than 76 per cent were in this bracket. The four who had some college education were also in the $2,000 to $3,000 annual income category. In the $1,000 to $1,999 income range the largest number of men had only from one to seven years of elementary school while few attended high school. The two husbands who had

TABLE VIII

AMOUNT OF ANNUAL INCOME ACCORDING TO EDUCATIONAL LEVELS OF HUSBAND AS REPORTED BY 111 FAMILIES

Years of School Completed		Total Families No.	Total Families %*	Under $1,000 No.	Under $1,000 %*	$1,000 to $1,999 No.	$1,000 to $1,999 %*	$2,000 to $3,000 No.	$2,000 to $3,000 %*
Husband									
None		2	1.8	0	0.0	2	100.0	0	0.0
Elementary :	1 to 7 years	46	41.4	3	6.5	16	34.8	27	58.7
	8 years	19	17.1	0	0.0	6	31.6	13	68.4
High School:	1 to 3 years	23	21.1	0	0.0	6	26.0	17	73.9
	4 years	17	15.6	0	0.0	4	23.5	13	76.5
College :	1 to 3 years	4	3.7	0	0.0	0	0.0	4	100.0

*Percentage is based on the total number in each educational attainment level.

no formal education were in the middle income level of the study. All three husbands making less than $1,000 annually had 7 years or less of elementary school. Table IX shows the relationship of the age of the husband and annual income. There was a tendency for the amount of income to decrease with an increase in the age of the husband. The percentage of families in the $1,000 to $1,999 income category increased with an increase in the age level, with the percentage decreasing with age in the $2,000 to $3,000 income group. Among the three who made under $1,000 annually two were over 51 years of age and one was in the 21 to 30 age group. It should be noted that annual income includes the total income of husband and wife as information regarding the amount of the wife's earnings was not obtained.

Higher educational attainment is believed to increase the possibility for employment of women, but in this study a larger percentage of women who had completed from one to seven years of elementary school were gainfully employed than those who had more education (Table X). Possibly family needs affected employment of the homemaker more than educational level, since more than 65 per cent of the women working outside the home were private household workers. Table X also gives a comparison of the wife's employment with her age. This comparison indicated a percentage increase of wives working as their age increased.

In Table XI the relation of annual income to whether or not the wife is employed is illustrated. A larger proportion of wives in the $1,000 to $1,999 range than the above $2,000 level were working outside the home. This showed that in spite of the efforts of both husband and wife income could not be raised above the subsistence level.

In comparing the amount of annual income with the number of children living at home there was a tendency for the percentage of families in

TABLE IX

AMOUNT OF ANNUAL INCOME ACCORDING TO AGE OF HUSBAND
AS REPORTED BY 111 FAMILIES

Age	Total No.	Families %	Under $1,000 No.	Under $1,000 %*	$1,000 to $1,999 No.	$1,000 to $1,999 %*	$2,000 to $3,000 No.	$2,000 to $3,000 %*
Husband								
30 and Under	22	19.8	1	4.5	5	22.7	16	72.7
31 to 50	53	47.7	0	0.0	14	26.4	39	73.6
51 and Over	36	32.4	2	5.6	15	41.7	19	52.8

*Percentage is based on the total number in each age level.

TABLE X

EMPLOYMENT OF WIFE ACCORDING TO HER EDUCATIONAL ATTAINMENT AND AGE
AS REPORTED BY 111 FAMILIES

Selected Characteristic	Total No.	Families %*	Employed (Regular and Part-time) No.	Employed (Regular and Part-time) %*	Not Employed No.	Not Employed %*
Years of School Completed						
Elmentary : 1 - 7 years	30	27.0	12	40.0	18	60.0
8 years	22	19.8	9	40.9	13	59.0
High School: 1 - 3 years	37	33.3	12	32.4	25	67.6
4 years	20	18.0	5	25.0	15	75.0
College : 1 - 3 years	2	1.8	0	0.0	2	100.0
Age						
30 and Under	30	27.0	9	30.0	21	70.0
31 - 50	73	65.8	26	35.6	47	64.4
51 and Over	8	7.2	3	37.5	5	61.5

*Percentage is based on the total number in each educational attainment level and age level.

TABLE XI

AMOUNT OF ANNUAL INCOME ACCORDING TO EMPLOYMENT OF THE WIFE
AS REPORTED BY 111 FAMILIES

Amount of Income	Total Families No.	Total Families %*	Employed (Regularly or Part-Time) No.	Employed (Regularly or Part-Time) %*	Not Employed No.	Not Employed %*
Under $1,000	3	2.7	1	33.3	2	66.7
$1,000 to $1,999	34	30.6	14	41.2	20	58.8
$2,000 to $3,000	74	66.7	23	31.1	51	68.9

*Percentage is based on the total number of families in each level of income.

the upper income level of the study to increase as the number of children per family increased (Table XII). Eighty per cent of the families with seven to eight children and more than 86 per cent of those with five to six children were in the upper income level of the study, while 60 per cent of those with only two children were included in this category.

Tables XIII and XIV present a summary of the occupational classification of husband and wives. Occupations were obtained for all the men in the families interviewed. If the respondent indicated that her husband was disabled, retired, or unemployed, she was then asked what his occupation had been previously. Likewise, the type of occupation was secured for all the women who were employed regularly or part-time. Twenty husbands (18 per cent) were disabled which supports the opinion of several writers that poor health and disabilities are numerous among the low-income group.

Occupations were organized according to the <u>1961 Census of Population Classified Index of Occupations and Industries</u>. "Craftsmen, foremen, and kindred" workers was the predominant occupation for the men with slightly more than 30 per cent being in this group. The second largest group was, "laborers, except farm and mine," with "operative and kindred workers" forming the third largest occupational grouping. More than 76 per cent of the men's occupations were included in these three groupings.

Thirty-eight of the women were employed. Of this number more than 65 per cent were "private household workers" with the second largest group being "service workers, except private households". These two classes of occupations included slightly more than 92 per cent of all the employed women.

TABLE XII

AMOUNT OF ANNUAL INCOME ACCORDING TO THE NUMBER OF CHILDREN
LIVING AT HOME AS REPORTED BY 111 FAMILIES

Number of Children	Total No.	Families %	Under $1,000 No.	Under $1,000 %*	$1,000 to $1,999 No.	$1,000 to $1,999 %*	$2,000 to $3,000 No.	$2,000 to $3,000 %*
2 Children	32	28.8	2	6.3	11	34.4	19	59.4
3 - 4 Children	48	43.2	1	2.1	18	37.5	29	60.4
5 - 6 Children	15	13.5	0	0.0	2	13.3	13	86.7
7 - 8 Children	15	13.5	0	0.0	3	20.0	12	80.0
1 or More Children	1	.9	0	0.0	0	0.0	1	100.0

*Percentage is based on the total number of families having a certain number of children living at home.

TABLE XIII

OCCUPATIONAL STATUS OF HUSBANDS AS REPORTED BY 111 FAMILIES

Occupational Status	Total No.	Total %
Occupational Classification		
Professional, Technical, and Kindred Workers	2	1.8
Clerical and Kindred Workers	1	.9
Sales Workers	5	4.5
Craftsmen, Foremen, and Kindred Workers	34	30.6
Operatives and Kindred Workers	20	18.0
Service Workers, Except Private Household	8	7.2
Farm Laborers and Foremen	9	8.1
Laborers, Except Farm and Mine	31	27.9
Occupation of one disabled husband not obtained	1	.9
Status of Husbands Not Working		
Disabled	20	18.0
Retired	6	5.4
Unemployed	5	4.5

TABLE XIV

OCCUPATIONAL CLASSIFICATION OF EMPLOYED WIVES AS REPORTED BY 38 FAMILIES

Occupational Classification	Total No.	Total %
Operative and Kindred Workers	2	5.3
Private Household Workers	25	65.8
Service Workers, Except Private Household	10	26.3
Farm Laborers and Foremen	1	2.6

Use of Consumer Credit

In order to determine a trend in the use of credit the last five years were used as the time period for soliciting information with regard to the use of credit for medical expenses, major durables, and home improvements. Table XV summarizes the use of credit for some of the major consumer items. More families (60.4 per cent) had used credit for doctor and medicine bills than for any other purpose. Food purchases were the second major use of credit with 58.6 per cent of the families using a charge account at the grocery store to some extent. Credit for the purchase of an automobile and of clothing followed as a close third and fourth, respectively. A relatively large number of families had used credit for the purchase of furniture, household appliances and television.

Several respondents reported they had some trouble in meeting credit obligations. Of those expressing difficulties more than a third missed payments. Ten (9.0 per cent) had renewed a loan and nine (8.1 per cent) had secured a loan in order to consolidate other payments. An equal number (eight or 7.2 per cent) of families had merchandise repossessed and had not obtained merchandise placed on lay-a-way, for which they probably had made some payments (Table XVI).

Medical Services.

Tables XVII through XXI present a summary of the use of credit for medical expenses by the families interviewed in the survey. More than 60 per cent of the families had used credit for medicine and doctor bills and a large majority (91.0 per cent) had paid as they were able to the individual extending the service (Table XVII). Twenty-one families (18.9 per cent) had found it necessary to make a loan to pay a hospital

TABLE XV

USE OF CONSUMER CREDIT AS REPORTED
BY 111 FAMILIES

Purpose	Families Using Credit No.	Families Using Credit Per cent
Medical Services		
Doctors and Medicine	67	60.4
Hospital	21	18.9
Clothing	62	55.9
Food	65	58.6
Major Durables		
Car	63	56.8
Furniture	59	53.2
Television	42	37.8
Household Appliances	50	45.0
Other	9	8.1
Housing		
Remodeling and Repair	20	18.0
Plumbing	9	8.1

TABLE XVI

PROBLEMS ENCOUNTERED IN USE OF CREDIT
AS REPORTED BY 111 FAMILIES

Difficulty Experienced	Total No.	Families Per cent
Missed payments	40	36.0
Had merchandise repossessed	8	7.2
Made a loan to consolidate payments	9	8.1
Had a loan renewed	10	9.0
Let merchandise placed on lay-a-way go back	8	7.2

bill. The largest percentage of the families obtained credit for this purpose from a bank and the second largest percentage obtained it from relatives and friends. (Table XVIII).

Those in the $1,000 to $1,999 annual income category had used credit more for doctor and medicine bills than the other two income ranges, while those in the $2,000 to $3,000 income level had made more cash loans to pay hospital bills (Table XIX). A larger percentage of families who had a regular income had used credit for medical expenses than those who had a seasonal income.

Table XX shows the use of credit for medical expenses in comparison with the ages of the husband and the wife. The use of credit for doctor's services and medicine had a tendency to decrease with the age of both the men and the women. A larger percentage in the younger age than in the middle and older age groups had borrowed money to pay a hospital account.

It was believed that the number of children at home may influence the use of credit for medical expenses. Table XXI discloses that this seemed to make no major difference for families in this study. More families who had five to eight children had borrowed cash for a hospital bill than those with smaller families.

TABLE XVII

USE OF CREDIT FOR MEDICAL EXPENSES
AS REPORTED BY 111 FAMILIES

Purpose	Total No.	Families Per cent	Families That Borrowed Cash No.	% *	Families That Paid as Able No.	% *
Doctor and Medicine Bills	67	60.4	6	9.0	61	91.0

*Percentage is based on the total number using credit for medical expenses.

TABLE XVIII

USE OF LOANS FOR HOSPITAL EXPENSES AS REPORTED BY 111 FAMILIES

			Source of Credit							
	Total	Families	Bank		Finance Company		Relative or Friend		Other	
	No.	Per cent	No.	%*	No.	%*	No.	%*	No.	%*
Families Making a Loan	21	18.9	10	47.6	3	14.3	7	33.3	1	4.8

*Percentage is based on the total number borrowing cash to pay hospital bills.

TABLE XIX

USE OF CREDIT FOR MEDICAL EXPENSES ACCORDING TO AMOUNT AND REGULARITY OF INCOME AS REPORTED BY 111 FAMILIES

	Total	Families	Families Using Credit For Medical Bills		Families Borrowing Cash For Hospital Bills	
Category of Income	No.	%	No.	%*	No.	%*
Amount of Income						
Under $1,000	3	2.7	0	0.0	1	33.3
$1,000 to $1,999	34	30.6	22	64.7	4	11.8
$2,000 to $3,000	74	66.7	45	60.8	16	21.6
Regularity of Income						
Regular	91	82.0	56	61.5	19	20.9
Seasonal	20	18.0	11	55.0	2	10.0

*Percentage is based on the total number in each category of income.

TABLE XX

USE OF CREDIT FOR MEDICAL EXPENSES ACCORDING TO AGE OF HUSBAND AND WIFE AS REPORTED BY 111 FAMILIES

Age	Total Families No.	%*	Doctor and Medicine Bills No.	%*	Hospital Bills No.	%*
Husband						
30 and Under	22	19.8	14	63.6	5	22.7
31 - 50	53	47.7	32	60.4	9	17.0
51 and Over	36	32.4	21	58.3	7	19.4
Wife						
30 and Under	30	27.0	19	63.3	6	20.0
31 - 50	73	65.8	44	60.3	14	19.2
51 and Over	8	7.2	4	50.0	1	12.5

*Percentage is based on the total number in each age level.

TABLE XXI

USE OF CREDIT FOR MEDICAL EXPENSES ACCORDING TO THE NUMBER OF CHILDREN UNDER 18 LIVING AT HOME AS REPORTED BY 111 FAMILIES

No. of Children	Total Families No.	%*	Doctor and Medicine Bills No.	%*	Hospital Bills No.	%*
2 Children	32	28.8	22	68.8	6	18.8
3 to 4 Children	48	43.2	26	54.2	7	14.6
5 to 6 Children	15	13.5	9	60.0	4	26.7
7 to 8 Children	15	13.5	10	66.7	4	26.7
9 or More Children	1	.9	0	00.0	0	00.0

*Percentage is based on the total number of families having a certain number of children living at home.

Clothing.

Credit seemed to be widely used in buying clothing. Twenty per cent of the families used a charge account for all clothing purchases. Over 36 of the others had used a charge account part of the time and 34 per cent had used the lay-a-way plan of buying clothing (Table XXII).

In comparing the methods of purchasing clothing with annual income it was noted that a larger percentage of the families in the lowest and highest income levels of the study had paid cash and used the lay-a-way than those in the middle income bracket. More families in the $1,000 to $1,999 income level than the other income levels had used charge accounts for all clothing purchases. A larger percentage of families having a regular income had paid cash for clothing than those who had a seasonal income (Table XXII). A larger percentage of those who had a seasonal income than those who had a regular income used a charge account and lay-a-way for all clothing purchases. More families with a regular income used a combination of the charge account and cash than those with a seasonal income to purchase clothing.

Table XXIII summarizes the method of purchasing clothing according to the number of children at home. The number of children did not seem to make a noticeable difference in the practice of using credit for clothing purchases. It may be that the numbers were too small to establish a definite trend.

Food.

In taking care of the food needs for the family the largest percentage (41.4 per cent) of families had paid cash for all food purchases whereas the next largest percentage (34.2 per cent) used a charge account for all groceries and 24.3 per cent used a charge account part of the time. A total of 65 families (58.6 per cent) used credit to take care of

TABLE XXII

METHOD OF PAYING FOR CLOTHING PURCHASES ACCORDING TO AMOUNT OF ANNUAL INCOME AND REGULARITY OF INCOME AS REPORTED BY 111 FAMILIES

			Amount of Annual Income						Regularity of Income			
	Total		Under $1,000 N=3		$1,000 to $1,999 N=34		$2,000 to $3,000 N-74		Regular N=91		Seasonal N-20	
Method	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Cash Only	41	37.3	2	66.7	10	29.4	29	39.7	40	44.0	1	5.0
Charge Account	22	20.0	0	0.0	10	29.4	12	16.4	17	18.7	5	25.0
Charge Account and Cash	40	36.4	0	0.0	12	35.3	28	38.4	34	37.4	6	30.0
Lay-a-Way	38	34.2	2	66.7	11	32.4	25	33.8	30	33.0	8	40.0

TABLE XXIII

METHOD OF PAYING FOR CLOTHING PURCHASES ACCORDING TO NUMBER OF CHILDREN LIVING AT HOME AS REPORTED BY 111 FAMILIES

	Total Families		Cash		Charge Account		Charge Account & Cash		Lay-A-Way	
No. of Children	No.	%	No.	%*	No.	%*	No.	%*	No.	%*
2 Children	32	28.8	13	40.6	4	12.5	12	37.5	13	40.6
3-4 Children	48	43.2	15	31.9	11	23.4	18	38.3	16	33.3
5-6 Children	15	13.5	7	46.7	4	26.7	4	26.7	4	26.7
7-8 Children	15	13.5	5	32.3	3	20.0	6	40.0	5	33.3
9 or More Children	1	.9	1	100.0	0	0.0	0	0.0	0	0.0

*Percentage is based on the total number of families having a certain number of children living at home.

an immediate survival need. These data may be found in Table XXIV.

Data in Table XXIV also represent a comparison of food purchasing practices with the amount of annual income and with the regularity of income. More families in the $1,000 to $1,999 category had used a charge account for all food purchases than those in the lowest and the highest income levels of the study. More of these paid cash only or used a combination of the two methods than families in the middle income level. In comparing regularity of income with food purchasing practices regularity did not seem to make a difference. A larger percentage (45 per cent) of seasonal income families than those with a regular income (31.9 per cent) had paid cash all the time. Likewise more families with seasonal incomes than those with regular incomes used a charge account for all food purchases. On the other hand more families with regular incomes used a combination of the two methods.

Table XXV illustrates the relation between food purchasing practices and the number of children per family at home. The percentage using a charge account for all food purchases increased as the number of children in the family increased. There was no noticeable difference in the percentages paying cash for all food purchases with regard to the number of children in the family.

Major Durable Goods.

Table XXVI gives a summary of the methods used to purchase major durables for the home. One question on the interview schedule dealt with methods of purchasing an automobile, furniture, television, household appliances, and other miscellaneous goods. Of the families buying durable goods the majority used some form of credit to obtain them. In addition to the four durable goods listed on the interview schedule nine families had used credit to buy fans, lawnmowers, and sewing machines. The

TABLE XXIV

METHOD OF PAYING FOR FOOD PURCHASES ACCORDING TO AMOUNT OF ANNUAL INCOME AND REGULARITY OF INCOME AS REPORTED BY 111 FAMILIES

			Amount of Annual Income						Regularity of Income			
	Total		Under $1,000 N=3		$1,000 to $1,999 N=34		$2,000 to $3,000 N=74		Regular N=91		Seasonal N=20	
Method of Purchasing Food	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Paid Cash	46	41.4	2	66.7	13	38.3	31	41.9	29	31.9	9	45.0
Charge Account	38	34.3	0	0.0	15	44.1	23	31.1	37	40.7	9	45.0
Charge Account and Cash	27	24.3	1	33.3	6	17.6	20	27.0	25	27.5	2	10.0

TABLE XXV

METHOD OF PAYING FOR FOOD PURCHASES ACCORDING TO NUMBER OF CHILDREN LIVING AT HOME AS REPORTED BY 111 FAMILIES

	Total	Families	Charge Account		Cash		Charge Account and Cash	
No. of Children	No.	%	No.	%*	No.	%*	No.	%*
2 Children	32	28.8	10	31.3	13	40.6	9	28.1
3 - 4 Children	48	43.2	15	31.3	19	39.6	14	29.2
5 - 6 Children	15	13.5	6	40.0	7	46.7	2	13.3
7 - 8 Children	15	13.5	7	46.7	6	40.0	2	13.3
9 or More Children	1	.9	0	0.0	1	100.0	0	0.0

*Percentage is based on the total number of families having a certain number of children living at home.

TABLE XXVI

METHODS OF PAYING FOR MAJOR DURABLES
AS REPORTED BY 111 FAMILIES

Durable Goods	Families Buying Items No.	%	Families Paying Cash No.	%	Families Using Credit No.	%
Car	69	62.7	6	5.4	63	56.8
Furniture	66	59.5	7	6.3	59	59.5
Television	48	43.6	6	5.4	42	37.8
Household Appliances	55	49.9	5	4.5	50	45.0
Other	9	8.1	0	0.0	9	8.1

majority of the families who had paid cash had a $2,000 to $3,000 annual income (Table XXVII). The information was not obtained specifically but several respondents informed the interviewers that they had purchased used durables. Table XXVII also gives a comparison of regularity of income with methods of purchasing major durables. The majority of those paying cash had a regular income.

According to the amount of annual income the $2,000 to $3,000 income level were the predominant users of credit for the four major types of durable goods. A larger percentage of families with a seasonal income than those with a regular income had used credit to purchase an automobile and household appliances than families with a regular income, more of whom had used credit for furniture, television, and miscellaneous items. Apparently, the needs or wants of these families determined whether or not credit was used for durable goods rather than a regular income with which to make payments.

Educational attainment compared with use of credit for major durables (Table XXVIII) did not give evidence that the education of either

TABLE XXVII

METHODS OF PAYING FOR MAJOR DURABLES ACCORDING TO AMOUNT OF INCOME AND REGULARITY OF INCOME AS REPORTED BY 111 FAMILIES

	Amount of Income						Regularity of Income			
	Under $1,000 N=3		$1,000 to $1,999 N=34		$2,000 to $3,000 N=74		Regular N=91		Seasonal N=20	
Method	No.	%	No.	%	No.	%	No.	%	No.	%
Paid Cash										
Automobile	0	0.0	1	2.9	5	6.8	4	4.4	2	10.0
Furniture	0	0.0	1	2.9	6	8.1	6	6.6	1	5.0
Television	0	0.0	0	0.0	6	8.1	5	5.5	1	5.0
Household Appliance	0	0.0	2	5.9	3	5.4	5	5.5	0	5.0
Other	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Used Credit										
Automobile	1	33.3	18	52.9	44	59.5	50	54.9	13	65.0
Furniture	0	0.0	16	47.1	43	58.1	50	54.9	9	45.0
Television	1	33.3	9	26.5	32	43.2	37	40.7	5	25.0
Household Appliance	0	0.0	13	38.2	37	50.0	40	44.0	10	50.0
Other	1	33.3	4	11.8	4	5.4	8	8.8	1	5.0

TABLE XXVIII

USE OF CREDIT FOR MAJOR DURABLES ACCORDING TO EDUCATIONAL LEVEL
OF HUSBAND AND WIFE AS REPORTED BY 111 FAMILIES

Years of School Completed	Total Families No.	Total Families %	Car No.	Car %*	Furniture No.	Furniture %*	Television No.	Television %*	Household Appliances No.	Household Appliances %*	Other No.	Other %*
Husband												
None	2	1.8	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0
Elementary : 1 to 7 yrs.	46	41.4	20	43.5	17	15.2	13	28.3	15	32.6	4	8.7
8 yrs.	19	17.4	14	73.7	14	73.7	9	47.5	12	63.2	0	0.0
High School: 1 to 3 yrs.	23	21.1	14	60.9	12	52.2	8	34.8	8	34.8	4	17.4
4 yrs.	17	15.6	11	64.7	13	76.5	8	47.1	11	64.7	1	5.9
College : 1 to 3 yrs.	4	3.7	2	50.0	3	75.0	4	100.0	4	100.0	0	0.0
Wife												
Elementary : 1 to 7 yrs.	30	27.0	14	46.7	13	43.3	8	26.7	8	26.7	3	10.0
8 yrs.	22	19.8	15	68.2	13	59.1	10	45.5	7	31.8	2	9.1
High School: 1 to 3 yrs.	37	33.3	20	54.1	20	54.1	16	43.2	20	54.1	2	5.4
4 yrs.	20	18.0	12	60.0	11	55.0	8	40.0	14	70.0	1	5.0
College : 1 to 4 yrs.	2	1.8	2	100.0	2	100.0	0	0.0	1	50.0	0	0.0

*Percentage is based on the total number in each educational attainment level.

the husband or the wife made any difference in their use of credit to obtain major durable goods.

Young married people are at a stage of heavy financial demands as they attempt to accumulate household possessions and finance an increasing family. Table XXIX shows that more families with younger husbands and wives than the middle and older age levels had a tendency to use credit for major durables. In most instances a larger percentage of the families in the middle age level of the study than those in the older age level had used credit for major durables.

Table XXX compares use of credit for major durables according to whether or not the wife earned part of the family income. More families in which the wife was gainfully employed had used credit for all the durable goods with the exception of television sets than families where the wife was not employed.

Table XXXI gives the sources of credit for major durables. Finance companies and dealers were the major source of credit for an automobile. Dealers were the predominant source of credit for furniture, television, household appliances and other miscellaneous items.

Home Improvement.

More than 35 per cent of the families who owned a home had made a loan for remodeling and repair of the home and 15.8 per cent had financed plumbing facilities in this manner. These data are presented in Table XXXII. Some of the respondents indicated they had made loans to remodel and repair the home and also to install plumbing facilities. They had used the same credit source to make both improvements which accounts for the total number of sources of credit being smaller than the total number of families making improvements. Banks were the most used source for home improvement loans with dealers the second most frequently used source of credit for this purpose.

TABLE XXIX

USE OF CREDIT FOR MAJOR DURABLES ACCORDING TO AGE OF HUSBAND AND WIFE AS REPORTED BY 111 FAMILIES

Age	Total Families		Car		Furniture		Television		Household Appliances		Other	
	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*
Husband												
30 and Under	22	19.8	15	68.2	15	68.2	9	40.9	11	50.0	0	0.0
31 - 50	53	47.7	28	52.8	28	52.8	23	43.4	24	45.3	5	9.4
51 and Over	36	32.4	20	55.6	16	44.4	10	27.8	14	38.9	4	11.1
Wife												
30 and Under	30	27.0	20	66.7	18	60.0	14	46.7	17	56.7	2	6.7
31 - 50	73	65.8	37	50.7	40	54.8	27	37.0	29	39.7	4	5.5
51 and Over	8	7.2	6	75.0	1	12.5	1	12.5	4	50.0	3	37.5

*Percentage is based on the total number in each age level.

TABLE XXX

USE OF CREDIT FOR MAJOR DURABLES ACCORDING TO EMPLOYMENT OF THE WIFE AS REPORTED BY 111 FAMILIES

Employment Status	Total Families No.	%	Car No.	%*	Furniture No.	%*	Television No.	%*	Household Appliances No.	%*	Other No.	%*
Employed	38	34.2	25	65.8	21	55.3	12	31.6	19	50.0	4	10.5
Not Employed	73	65.8	38	52.1	38	52.1	30	41.1	31	42.5	5	6.8

*Percentage is based on percentage of wives employed and not employed.

TABLE XXXI

SOURCES OF CREDIT FOR MAJOR DURABLES AS REPORTED BY FAMILIES USING CREDIT

Durable Good	Families Using Credit No.	%*	Dealer Installment Credit No.	%*	Bank No.	%*	Finance Company No.	%*	Other No.	%*
Car	63	56.8	25	39.7	9	14.3	28	44.4	1	1.6
Furniture	59	53.2	56	94.9	1	1.7	1	1.7	1	1.7
Television	42	37.8	36	85.7	3	7.1	2	4.8	1	2.4
Household Appliance	50	45.0	46	92.0	2	4.0	2	4.0	0	0.0
Other	9	8.1	9	100.0	0	0.0	0	0.0	0	0.0

*Percentage is based on the total number using credit for each major durable.

TABLE XXXII

USE OF CREDIT FOR IMPROVEMENT OF HOME AS REPORTED BY 57 FAMILIES OWNING A HOME

Purpose or Source	Total No.	Per cent
Purpose of Loan		
Remodel and Repair	20	35.1
Plumbing Facilities	9	15.8
Source of Loan		
Bank	8	14.0
Finance Company	5	8.8
Friend or Relative	3	5.3
Other (Dealers)	6	10.5

More families in the $1,000 to $1,999 income level had secured loans to improve the home than those in the other income levels (Table XXXIII). This is understandable when it is noted this level included the largest percentage of home owners as is indicated later in this report. A larger percentage of families having a regular income than those having a seasonal income had used credit for home improvements. All of those who had financed plumbing facilities had a regular income.

Credit Outstanding.

Information was obtained regarding the total number of credit outstanding as estimated by the wife who served as the respondent (Table XXXIV). The category of $251 to $500 was the one checked most frequently for total debt. The second largest group owed from $101 to $250. The majority (77 or 69.4 per cent) owed less than $500. Nine (8.1 per cent) families had a debt of more than $1,000. Seven of these nine were in the $2,000 to $3,000 income range. Only 7 (6.3 per cent) families were debt free at the time of the interview. There was a tendency for more families in the upper income level to have a larger amount of credit outstanding.

TABLE XXXIII

USE OF LOANS FOR HOME IMPROVEMENT ACCORDING TO THE AMOUNT OF ANNUAL INCOME AS REPORTED BY THE 57 FAMILIES OWNING A HOME

Income	Total Families		Families Owning Home		Remodeling & Repair		Plumbing Facilities	
	No.	%	No.	%*	No.	%**	No.	%**
Amount of Income								
Under $1,000	3	2.7	0	0.0	0	0.0	0	0.0
$1,000 to $1,999	34	30.6	22	64.7	6	27.3	4	18.2
$2,000 to $3,000	74	66.7	35	47.3	14	18.9	5	6.8
Regularity of Income								
Regular	91	82.0	49	53.8	17	34.7	9	18.4
Seasonal	20	18.0	8	40.0	3	15.0	0	0.0

*Percentage is based on the total number of families in each category of amount of income and regularity of income.

**Percentage is based on the total number of families owning home in each category of annual income and regularity of income.

TABLE XXXIV

AMOUNT OF CREDIT OUTSTANDING ACCORDING TO AMOUNT OF ANNUAL INCOME AS REPORTED BY 111 FAMILIES

			Amount of Annual Income					
			Under $1,000 N=3		$1,000 to $1,999 N=34		$2,000 to $3,000 N-74	
	Total							
Credit Outstanding	No.	%	No.	%	No.	%	No.	%
None	7	6.3	1	33.3	2	8.8	4	5.4
$1 to $100	18	16.2	1	33.3	5	14.7	12	16.2
$101 to $250	25	22.5	1	33.3	7	20.6	17	22.9
$251 to $500	27	24.3	0	0.0	2	32.4	15	20.3
$501 to $750	11	9.9	0	0.0	3	8.8	8	10.8
$751 to $1,000	14	12.6	0	0.0	3	8.8	11	14.9
Over $1,000	9	8.1	0	0.0	2	5.9	7	9.5

Practices and Opinions Related to the Use of Consumer Credit.

In Table XXXV a summary of the families' practices and opinions related to the use of credit is presented. Two-thirds of the respondents answered that they considered the difference between the cash price and credit costs. In other words they knew installment buying was a more expensive method of buying but the majority used it anyway. More than 64 per cent reported that they shopped around to find the best source of credit.

When respondents were asked what they thought of the practice of buying on the installment plan more than 69 per cent thought it was a good idea, 12.6 per cent indicated they thought it was not a good practice and 18 per cent expressed no opinion. Most of those giving a postive answer qualified the statement. They took into account future income or ability to pay, the need for the commodity, and the fact that installment purchases involved a cost beyond that of the original price. Several believed that they would have to do without necessities if they waited to save the cash. The respondents who thought the practice was bad indicated that credit got them into trouble financially or that they had to use it at times regardless of whether it was a good or bad practice. Only three (2.7 per cent) of the families had not used credit. Their reasons for not using credit are listed in Table XXXV.

Family Financial Security

Tables XXXVI through XLI represent some of the provisions that the families included in this study had made for the future. These include savings, ownership of insurance, social security coverage, and home ownership.

Savings Practices.

Table XXVI gives evidence that very few low-income families can accumulate savings. Only 11 (9.9 per cent) families had a regular form of savings. All of these families were in the \$2,000 to \$3,000 income bracket and ten of

TABLE XXXV

PRACTICES AND OPINIONS REGARDING USE OF CONSUMER CREDIT
AS REPORTED BY 111 FAMILIES

Practice or Opinion	Total No.	Total %
Practice		
Consider the cost of credit before making purchases	74	66.7
Shopped around to find the best source of credit	72	64.9
Had not used credit in the last five years	3	2.7
Reasons for not using credit:		
We don't have the money to go in debt.	1	.9
You buy more than you need when you use credit.	1	.9
No reason as it is a good thing if you have to.	1	.9
Opinions on Installment Credit and Comments		
Buying on the installment plan is a good idea.	77	69.4
If you have a regular income and can make the payments.	7	6.3
It is the only way we can buy the things we need.	30	27.0
When it is absolutely necessary.	24	21.6
As long as you use it right and don't buy too much.	6	5.4
It makes it easier to get major items.	4	3.6
It helps to build your credit rating in the event you have to use credit.	3	2.7
We had rather pay cash if we could.	3	2.7
Buying on the installment plan is not a good idea.	14	12.6
It is too hard to make payments, but sometimes we have to.	9	8.1
Credit gets you into trouble.	5	4.5
No Opinion Expressed Regarding Installment Credit	20	18.0

TABLE XXXVI

SAVINGS OF FAMILIES ACCORDING TO AMOUNT OF INCOME AND REGULARITY OF INCOME AS REPORTED BY 111 FAMILIES

			Amount of Income						Regularity of Income			
	Total Families		Under $1,000 N=3		$1,000 to $1,999 N=34		$2,000 to $3,000 N=74		Regular N=91		Seasonal N=20	
Form of Savings	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Savings Account	6	5.4	0	0.0	0	0.0	6	8.1	5	5.5	1	5.0
Government Bonds	2	1.8	0	0.0	0	0.0	2	2.7	2	2.2	0	0.0
Other (At Home)	3	2.7	0	0.0	0	0.0	3	4.1	3	3.3	0	0.0
No Savings	100	90.1	3	100.0	34	100.0	63	85.1	81	89.0	19	95.0

these families had a regular income. Three of these indicated they kept the money saved at home.

Ownership of Insurance.

Each respondent was asked to designate the type of insurance which the family carried. From a study of Table XXXVII it can be observed that more of the families carried life insurance and health insurance than other types, with the number of families having these two being almost equal. The third largest percentage carried automobile insurance. Thirty-one (27.9 per cent) of the families carried no insurance.

Table XXXVII illustrates the relation between ownership of insurance and the amount of annual income and the regularity of income. A larger proportion of the $2,000 to $3,000 income families than of the other income levels carried automobile, health, and burial insurance. The percentage of those in the $1,000 to $1,999 income bracket carrying property insurance was somewhat larger than the higher income level and a slightly larger percentage of this income level carried life insurance. Of the three families receiving less than $1,000 a year two had car insurance and one carried health insurance. In comparing ownership of insurance with regularity of income a larger percentage of the families with a regular income than with a seasonal income carried all the types of insurance.

Table XXXVIII also shows a comparison of the ownership of insurance with educational level and age of the husbands and the wives. The educational level of the husbands and the wives did not appear to make any difference as to whether or not families carried insurance. A study of this table reveals that a larger percentage of families with younger husbands and wives than those in the middle age and older levels carried health insurance. In constrast more of the families with older husbands and wives than the younger level carried property insurance. Perhaps

TABLE XXXVII

OWNERSHIP OF INSURANCE ACCORDING TO AMOUNT OF ANNUAL INCOME
AND REGULARITY OF INCOME AS REPORTED
BY 111 FAMILIES

			Amount of Income						Regularity of Income			
			Under $1,000 N=3		$1,000 to $1,999 N=34		$2,000 to $3,000 N=74		Regular N=91		Seasonal N=20	
	Total Families											
Type of Insurance	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Automobile	46	41.8	2	66.7	8	23.5	36	48.6	39	42.9	7	35.0
Life	53	48.2	0	0.0	17	50.0	36	48.6	48	52.7	5	25.0
Health	52	47.3	1	33.3	13	38.2	38	51.4	44	48.4	8	40.0
Property	40	36.4	0	0.0	17	50.0	23	31.1	36	39.6	4	20.0
Burial	6	5.5	0	0.0	1	2.9	5	6.8	5	5.5	1	5.0
None	31	27.9	1	33.3	11	32.4	19	25.7	23	25.3	8	40.0

TABLE XXXVIII

OWNERSHIP OF INSURANCE ACCORDING TO EDUCATIONAL LEVEL AND AGE
OF HUSBAND AND WIFE AS REPORTED BY 111 FAMILIES

			Type of Insurance										
	Total Families		Automobile		Life		Health		Property		Burial		
Category	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*	
Years of School Completed													
Husband													
None	2	1.8	1	33.3	1	33.3	0	0.0	1	33.3	0	0.0	
Elementary : 1 to 7 years	46	41.4	11	23.9	16	34.8	15	32.6	13	28.3	3	6.5	
8 years	19	17.4	11	57.9	11	57.9	11	57.9	9	47.4	0	0.0	
High School: 1 to 3 years	23	21.1	9	38.1	13	56.5	11	47.8	10	43.5	1	4.4	
4 years	17	15.6	10	58.8	8	47.1	11	66.7	5	29.4	1	4.4	
College : 1 to 3 years	4	3.7	4	100.0	4	100.0	4	100.0	2	50.0	0	0.0	
Wife													
Elementary : 1 to 7 years	30	27.0	8	26.7	12	40.0	9	30.0	10	33.3	2	6.7	
8 years	22	19.8	12	54.6	11	50.0	9	40.9	11	50.0	1	4.6	
High School: 1 to 3 years	37	33.3	13	35.1	17	45.9	19	51.4	11	29.7	3	8.1	
4 years	20	18.0	11	55.0	12	60.0	13	65.0	8	40.0	0	0.0	
College : 1 to 4 years	2	1.8	2	100.0	1	50.0	2	100.0	0	00.0	0	0.0	
Age													
Husband													
30 and Under	22	19.8	9	40.9	10	45.5	12	54.5	4	18.2	1	4.5	
31 to 50	53	47.7	24	45.3	26	49.1	27	50.9	20	37.7	2	3.8	
51 and Over	36	32.4	13	36.1	17	47.2	13	36.1	16	44.4	3	8.3	
Wife													
30 and Under	30	27.0	16	53.3	16	53.3	19	63.3	9	30.0	1	3.3	
31 to 50	73	65.8	39	53.4	31	42.5	32	43.8	27	37.0	4	5.5	
51 and Over	8	7.2	1	12.5	6	75.0	1	12.5	4	50.0	0	0.0	

*Percentage is based on the total number in each category of educational attainment and age level.

this is due to the fact that over the years they have accumulated more property than have younger families. More of the middle age level of men carried life insurance, but when the wive's ages were analyzed more of the families with older wives carried life insurance. A larger percentage of the younger and middle age levels than the older age levels of both husbands and wives carried automobile insurance.

Social Security Coverage.

The majority (87.5 per cent) of the husbands who were employed were covered by social security, while more than 52 per cent of the employed wives did not have social security coverage. Possibly this was due to the fact that 65 per cent of the women were "private household workers." This information may be found in Table XXXIX.

TABLE XXXIX

SOCIAL SECURITY COVERAGE FOR EMPLOYED HUSBANDS AND WIVES AS REPORTED BY 111 FAMILIES

	Total Husbands Employed N=80		Total Wives Employed N=38	
Coverage	No.	%	No.	%
Covered	70	87.5	17	44.7
Not Covered	6	7.5	20	52.6
Not Sure	4	5.0	1	2.6

Home Ownership.

Slightly more than half of the families owned their home (Table XL). Families included in the $1,000 to $1,999 income bracket included a larger percentage of home owners than those in the higher and the lower income levels of the study. A larger percentage of the families who had a regular income than those who had a seasonal income owned their home.

The data in Table XLI illustrate that the percentage owning their

TABLE XL

HOUSE OWNERSHIP OF FAMILIES ACCORDING TO AMOUNT OF INCOME AND REGULARITY OF INCOME AS REPORTED BY 111 FAMILIES

	Total Families		Under $1,000 N=3		$1,000 to $1,999 N=34		$2,000 to $3,000 N=74		Regularity of Income: Regular N=91		Regularity of Income: Seasonal N=20	
Type of Possession	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Own House	57	51.4	0	0.0	22	64.7	35	47.3	49	53.8	8	40.0
Rent	54	48.6	3	100.0	12	35.3	39	52.7	42	46.2	12	60.0

TABLE XLI

HOUSE OWNERSHIP ACCORDING TO AGE OF HUSBAND AND WIFE AS REPORTED BY 111 FAMILIES

	Total Families		Own Homes		Rent Homes	
Age	No.	%	No.	%*	No.	%*
Husband						
30 and Under	22	19.8	4	18.2	18	81.8
31 - 50	53	47.7	29	54.7	24	45.3
51 and Over	36	32.4	24	66.7	12	33.3
Wife						
30 and Under	30	27.0	11	36.7	19	63.3
31 - 50	73	65.8	40	54.8	33	45.2
51 and Over	8	7.2	6	75.0	2	25.0

*Percentage is based on the total number in each age level.

homes increased with an increase in the age of both husbands and wives. This may mean that they have been married for a longer time therefore had greater opportunity to obtain their own homes.

Financial Planning Practices

In analyzing financial planning practices the families' use of a checking account, record keeping practices, and budgeting practices was considered. Data related to these practices are presented in Tables XLII through XLVIII.

Use of Checking Accounts

The data in Table XLII reveal that a small percentage of the families interviewed had a checking account. Of the 23 (20.7 per cent) having a checking account 20 had an annual income of $2,000 to $3,000 (Table XLIII). The majority (65.2 per cent) of the accounts were joint accounts.

Table XLIV shows a comparison of the use of checking accounts with the educational level of both the husband and the wife. The proportion of families having a checking account increased almost steadily with the increasing educational level of the husband and there was also a tendency for the practice to increase with an increase in the educational level of the wife.

TABLE XLII

USE OF CHECKING ACCOUNTS AS REPORTED BY 111 FAMILIES

Account	Total Families N=111 No.	Total Families N=111 Per cent
All Accounts	23	20.7
Joint Account	15	13.5
Account in Husband's Name	6	5.4
Account in Wife's Name	2	1.8
No Account	88	79.3

TABLE XLIII

THE USE OF CHECKING ACCOUNTS ACCORDING TO THE AMOUNT OF ANNUAL INCOME AS REPORTED BY 111 FAMILIES

Amount of Income	Total Families No.	Total Families %	Families Having Checking Account No.	Families Having Checking Account %*	Families Not Having Checking Acct. No.	Families Not Having Checking Acct. %*
Under $1,000	3	2.7	1	33.3	2	66.7
$1,000 to $1,999	34	30.6	2	5.9	32	94.1
$2,000 to $3,000	74	66.7	20	27.0	54	73.0

*Percentage is based on the total number in each income category.

TABLE XLIV

USE OF CHECKING ACCOUNTS ACCORDING TO EDUCATIONAL ATTAINMENT LEVEL AS REPORTED BY 111 FAMILIES

Years of School Compared	Total Families No.	Total Families %	Have Account No.	Have Account %*	No Account No.	No Account %*
Husband						
None	2	1.8	0	0.0	2	100.0
Elementary : 1 to 7 yrs.	46	41.4	4	8.7	42	91.3
8 yrs.	19	17.4	4	21.1	15	78.9
High School: 1 to 3 yrs.	23	21.1	6	26.1	17	73.9
8 yrs.	17	15.6	6	35.3	11	64.7
College : 1 to 3 yrs.	4	3.7	3	75.0	1	25.0
Wife						
Elementary : 1 to 3 yrs.	30	27.0	3	10.0	27	90.0
8 yrs.	22	19.8	3	13.6	19	86.4
High School: 1 to 3 yrs.	37	33.3	8	21.6	29	78.4
8 yrs.	20	18.0	8	40.0	12	60.0
College : 1 to 3 yrs.	2	1.8	1	50.0	1	50.0

*Percentage is based on the total number in each level of educational attainment.

Record Keeping Practices.

The data in Table XLV disclose the number of families keeping records of financial expenditures, the way the records are kept and purposes for keeping records. Sixty families (54.1 per cent) did not keep records. Of the 51 (45.9 per cent) who reported that they kept records, only two made a written record. Sales slips were used the most for expenditure records (39.9 per cent). The purposes for which records were kept in decreasing order of frequency are as follows: making future plans (30.6 per cent), income tax records (12.6 per cent), and for checking expenses (8.1 per cent).

TABLE XLV

RECORD KEEPING PRACTICES AS REPORTED BY 111 FAMILIES

	Total Families	
Practice	No.	%
Keep Records	51	45.9
Kind of Record		
Sales Slips	41	36.9
Written Records	2	1.8
Check Stubs	11	9.9
Mental Reports	14	12.6
Purpose of Record		
Making Future Plans	34	30.6
Income Tax Purpose	14	12.6
Other (To Check Expenses)	9	8.1
No records	60	54.1

It was believed that educational attainment might determine whether or not a family kept records. There was not a major increase in percentage of families keeping records as the level of education for either the husband or the wife increased (Table XLVI). However, the husbands and the wives who had completed high school and had some college included the largest percentage keeping records.

TABLE XLVI

RECORD KEEPING PRACRICES ACCORDING TO EDUCATIONAL ATTAINMENT AS REPORTED BY 111 FAMILIES

Years of School Completed	Total No.	Families %	Families Keeping Records Yes No.	Yes %*	No No.	No %*
Husband						
None	2	1.8	2	100.0	0	0.0
Elementary : 1 to 7 yrs.	46	41.4	18	39.1	28	60.9
8 yrs.	19	17.4	8	42.1	11	57.9
High School: 1 to 3 yrs.	23	21.1	10	43.5	13	56.5
4 yrs.	17	15.6	10	58.8	7	41.2
College : 1 to 3 yrs.	4	3.7	3	75.0	1	25.0
Wife						
Elementary : 1 to 7 yrs.	30	27.0	13	43.3	17	56.7
8 yrs.	22	19.8	6	27.3	16	72.7
High School: 1 to 3 yrs.	37	33.3	17	45.9	20	54.1
4 yrs.	20	18.0	13	65.0	7	35.0
College : 1 to 3 yrs.	2	1.8	2	100.0	0	0.0

*Percentage is based on the total number in each level of educational attainment.

Budgeting Practices.

From a study of Table XLVII, it appears that the majority of families practiced some financial planning by various methods. However, only a few (8.1 per cent) made written plans. The majority planned mentally without writing. The findings indicated that in 70.3 per cent of the families financial planning was done by the husband and wife together with more than 10 per cent including the entire family. More wives than husbands had the responsibility of financial planning.

Increase in educational attainment for neither the husband nor the wife seemed to make a difference as far as financial planning practices are concerned (Table XLVIII).

TABLE XLVII

FINANCIAL PLANNING PRACTICES AS REPORTED
BY 111 FAMILIES

Financial Planning Practice	Total Families No.	%
Budget	17	15.3
Partial Budget	48	43.2
No Planning	46	46.4
Method of Planning		
Mentally (Not Written)	34	30.6
Written Plans	9	8.1
Combination of These	27	24.3
Family Member Who Did Planning		
Husband Only	6	5.4
Wife Only	15	13.5
Husband and Wife	78	70.3
Family Group	12	10.8

Interest in Educational Information for Financial Management as Expressed By Respondents.

Table XLIX gives evidence to support the opinion that low-income families belong to few formal organizations. Only seven (6.3 per cent) of the women belonged to a study club and 21 (18.9 per cent) of the families did not participate in any community activities. However, a large percentage (73.9 per cent) of the families participated in church activities and a considerable number (40.5 per cent) belong to school organizations, such as the Parent-Teacher Association.

A large percentage (90.1 per cent) of the respondents indicated that they thought budgeting of money is beneficial (Table L). Nevertheless, data presented earlier in this study showed that very few did budgeting or systematic planning for use of money (Table XLVII).

The writer considered it important in program planning to know whether the respondents would be interested in educational programs on financial management. More than 35 per cent said they would not be

TABLE XLVIII

FINANCIAL PLANNING PRACTICES ACCORDING TO EDUCATIONAL LEVEL OF HUSBAND AND WIFE
AS REPORTED BY 111 FAMILIES

	Total Families		Type of Planning						Methods of Planning					
			Make Budget		Make Partial Budget		No Planning		Mentally		Written		Combination of These	
Years of School Completed	No.	%	No.	%	No.	%*	No.	%*	No.	%*	No.	%*	No.	%*
Husband														
None	2	1.8	1	50.0	0	0.0	0	0.0	1	50.0	1	50.0	0	0.0
Elementary : 1 - 4 yrs.	46	41.4	5	10.9	19	41.3	22	47.8	17	37.0	1	2.2	0	0.0
8 yrs.	19	17.4	6	31.6	7	36.8	6	31.6	4	21.1	4	21.1	5	26.3
High School: 1 - 3 yrs.	23	21.1	3	13.0	10	43.5	10	43.5	5	21.7	1	4.3	8	34.8
4 yrs.	17	15.6	1	5.9	8	47.0	8	47.0	5	29.4	2	11.8	4	23.5
College : 1 - 3 yrs.	4	3.7	1	25.0	3	75.0	0	0.0	2	50.0	0	0.0	2	50.0
Wife														
Elementary : 1 - 7 yrs.	30	27.0	4	13.3	12	40.0	14	46.7	11	36.7	0	0.0	7	23.3
8 yrs.	22	19.8	4	18.2	6	27.3	12	54.5	5	22.7	4	18.2	2	13.6
High School: 1 - 3 yrs.	37	33.3	6	16.2	16	43.3	15	40.5	13	35.1	4	10.8	6	16.2
4 yrs.	20	18.0	3	15.0	12	60.0	5	25.0	5	25.0	1	5.0	10	50.0
College : 1 - 4 yrs.	2	1.8	0	0.0	2	100.0	0	0.0	0	0.0	0	0.0	2	100.0

*Percentage is based on the total number in each level of educational attainment.

TABLE XLIX

PARTICIPATION IN COMMUNITY ACTIVITIES AS REPORTED BY 111 FAMILIES

Activity	Total Families No.	Per cent
Church	82	73.9
School Organization	45	40.5
Study Club	7	6.3
No Participation	21	18.9

TABLE L

INTERESTS IN FINANCIAL MANAGEMENT PRACTICES AND EDUCATIONAL PROGRAMS AS REPORTED BY 111 RESPONDENTS

	Total Respondents			
	Yes		No	
Practice	No.	%	No.	%
Budgeting is beneficial	100	90.1	11	9.9
Interested in receiving information and attending meetings regarding financial management	72	64.9	39	35.1

interested, while nearly 65 per cent indicated that they would be. Response to this question is presented in Table L.

CHAPTER IV

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study was concerned with financial management practices of a selected group of urban low-income families in Hugo, Oklahoma in November, 1964. Following a study of related literature including research and a series of consultations with faculty members at Oklahoma State University, the study was developed. The sample included families in Hugo who had the following characteristics: (1) an annual income of $3,000 or less, (2) husband and wife living in the home, and (3) two or more children under 18 years of age living at home. Of the total number of 113 families identified as eligible for the study 111 were interviewed with the assistance of the Choctaw County Extension Agents.

An interview schedule was used in making personal interviews to collect the data. The data were tabulated and analyzed and some comparisons were made.

The findings of this study tended to accomplish the purposes outlined in the first chapter, as given below. The over-all purpose was to learn more about the financial management practices of low-income families. Sub-purposes that contributed to attaining the over-all purposes were:

1. To identify characteristics and needs of low-income families as presented in current literature and research.

2. To ascertain the amount, source, and regularity of income.
3. To identify some of the present financial management practices.
4. To determine to what extent they use consumer credit, and the problems encountered in the use of credit.
5. To determine if there may be some relationships between the following:
    a. Financial management practices and educational levels attained by the husband and the wife.
    b. Financial management practices and the age of the husband and the wife.
    c. The employment of the wife as a second income earner and the amount of income and use of credit.
    d. The number of children at home per family and the use of credit.

Of the 111 families interviewed two-thirds had incomes in the $2,000 to $3,000 range with more than three-fourths receiving all or part of their income from earnings. Almost one-fifth received their income from welfare. More than four-fifths of the families had a regular income. Families with a regular income tended to have a larger income than those who had a seasonal income.

A great deal of poverty is associated with lack of education. For the majority of these families income seemed consistent with their low-educational attainment. More than three-fifths of the men had no schooling beyond the elementary grades. Only about one-fifth of both the men and the women had completed high school.

The men tended to be somewhat older than the women. Almost one-third of the husbands were 51 years of age and over while less than one-tenth of the women were in this age range. The largest percentage of the women were 31 to 40 years of age.

Almost all of the men were employed or had been previously employed in unskilled and semi-skilled jobs. More than a third of the wives were employed, with almost two-thirds of them working as "private household workers." The educational attainment level of one to seven years of elementary education included the largest percentage of women working.

The number of children living at home under 18 years of age ranged from two to nine with more than two-fifths of the families having three to four children and well over a fourth had five to eight children.

The families used credit extensively and the amounts of credit outstanding were relatively high; the largest percentage owed from $251 to $500. More families had used credit for doctor and medicine bills than for any other purpose. Food purchases were the second major use of credit and the purchase of an automobile was the third largest use of credit.

Individuals providing the service were the largest source of credit for doctor and medicine bills. Banks were the major source for loans to pay hospital expenses. Friends and relatives were the second major source of credit for this purpose. Finance companies and dealers were the major sources of credit for an automobile. Dealers were the predominant source of credit for furniture, television, and household appliances. Banks were used more for home improvement loans and dealers were the second largest source of credit used by those making a loan for this purpose.

More than a third of the families had missed some payments on installment credit. The majority thought that the practice of buying on the installment plan was a good idea. More than three-fifths reported that they shopped around to find the best source of credit. More than a fourth indicated they believed they had to use credit or do without necessities.

A small percentage of the families had a regular form of savings. A large proportion of the families carried insurance -- automobile, life, health, and property. The majority of the husbands who were employed were covered by social security, while over half of the employed wives did not have social security coverage. More than half of the families owned their own home.

Only one-fifth of the families had a checking account. The majority of the accounts were joint accounts. Less than half of the families kept records of expenditures. Sales slips were the predominant method of record keeping. Less than a third reported that they kept records for making future plans. In more than two-thirds of the families financial planning was done by the husband and the wife together. More than four-fifths of the respondents thought that budgeting was beneficial and almost two-thirds said they would be interested in attending programs related to financial management.

The amount of annual income seemed to influence financial management practices and financial security. More families in the $1,000 to $1,999 income range than in the upper income level used credit for all purposes other than major durable goods and hospital expenses, thus the amount of income seemed to influence the necessity of using credit for survival needs and the acquisition of durable goods. This income level also included the largest percentage who owned their own home, possibly because there was a tendency for the amount of income to decrease with the age of the husband and more of the families with older husbands and wives owned their home. This income category also had the largest percentage carrying property insurance and life insurance.

In addition to being the predominant users of credit for the four major types of durable goods the $2,000 to $3,000 income level included all of the families that had a regular form of savings. The majority of the families who had paid cash for major durables were in this income bracket. A larger proportion of the upper income level also carried automobile and health insurance.

Families with a regular income tended to have a larger income than those who had a seasonal income. A consistent trend could not be established in comparing regularity of income with some of the consumer credit practices. A larger percentage of families who had a regular income had used credit for medical expenses. More of the families having a seasonal income used a charge account for all clothing purchases and also the lay-a-way plan than those who had a regular income, more of whom had paid cash for all clothing purchases. A larger percentage of families with seasonal incomes paid cash as well as used a charge account for all food purchases. On the other hand more families with regular incomes used a combination of the two methods. The majority of those paying cash for major durables had a regular income. More of the families with a seasonal income had used credit to purchase an automobile and household appliances than those with a regular income, more of whom had used credit for television sets, furniture and miscellaneous items. A larger percentage of families having a seasonal income made loans to make home improvements.

The majority of the families having a regular form of savings also had a regular income. A larger percentage of the families with a regular income carried all the types of insurance.

Educational attainment of the husbands and the wives did not seem to make a major difference when compared to some of the financial management practices. However, the percentage of families in the $2,000 to $3,000 income level increased as the amount of education obtained by the husband increased. More women with an eighth grade education or less were employed than those who had more education.

In comparing age with some of the other data a few possible trends were established. There was a tendency for the amount of income to decrease with the age of the husband. The families with younger husbands and wives had a tendency to use credit more for major durables and medical expenses. More families with older husbands and wives used credit for housing improvements. There was a percentage increase of wives working as their age increased. The percentage owning their homes increased with an increase in the age of both the husbands and the wives.

The employment of the wife seemed to have some influence on the acquisition of major durables. A larger percentage of the families in which the wife was employed had used credit for this purpose. A larger proportion of wives in the $1,000 to $1,999 range than the $2,000 to $3,000 level were working outside the home.

There was a tendency for the amount of income to increase as the number of children living at home per family increased. The percentage of families using a charge account for all food purchases increased as the number of children in the family increased.

Conclusions and Recommendations

On the basis of the findings of this study the following conclusions and recommendations seem reasonable:

1. According to the data it seemed remarkable that the families included in the study get along as well as they do with their very limited income and education. Follow-up

studies would include a more thorough investigation of financial management, such as the amount of credit in relation to ability to pay, knowledge of credit facts, the scope of shopping ability, and the adequacy of housing, insurance, and medical and dental care.

2. It is obvious that these families had to use credit extensively for four to five major purposes, thus credit is a resource that should be taken into account in making family-spending plans and must be considered in planning educational programs on financial management.

3. Since few of the women, who served as the respondents, reported belonging to an educational organization their leaders should be found and their help solicited in forming groups. Experimentation may be carried out on how to reach them most effectively and how to get each one personally involved.

4. Limited educational information on financial management is available for use with people who have a low educational attainment. Educational materials should be adapted to the level of learning. Action research programs to raise the level of education as well as test the suitability of educational materials should be carried out.

5. The majority of the families in this study had one of the basic requirements for successful financial management, that is, cooperation of the husbands and wives in making financial plans. Educational programs need to be planned for both husbands and wives, and offered preferably to both at a time convenient for working people to attend.

6. The respondents were friendly and cooperative with the interviewers which indicates the majority may be easily reached with educational information, especially if efforts are personalized.

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APPENDIX

INSTRUCTIONS FOR CONDUCTING INTERVIEWS

The interviewer should make the following explanation: I am representing the County Extension Office in making a survey of financial management practices of families in this area. In making this study we are interested in getting information from a certain group of families, that is, those who have both husband and wife and two or more children under eighteen years of age living in the home, and who have an income of $3,000 or less a year.

The interviewer should explain briefly the purpose and procedure of the interview including the fact there will be a few questions regarding planning of money expenditures, use of credit, and their opinions about money management. However, it should be emphasized that we want to know only practices and that questions will not be asked about the amount of money expenditures. The respondent must be assured that the information is confidential and will not be used adversely to their interest. It should be pointed out that the respondent's name will not be attached to the form.

If possible, the wife is the person to be interviewed. If the husband is also present an attempt should be made to record only the wife's response.

INTERVIEW SCHEDULE ON FINANCIAL MANAGEMENT FOR SELECTED FAMILIES

1. Among other things, we would like to know to what extent you participate in the activities of your community, such as a church, school activities like the P.T.A. and study clubs like the Home Demonstration Club and Garden Club. Do you participate in the activities of a church? Do you belong to any school organizations? Do you belong to a study club? (More than one may apply.)

   1. Church ______ 4. Other (What ______
   2. School Organizations ______
   3. Study Club ______

2. How many children do you have living at home?

   1. 2 children ______ 4. 7 to 8 children ______
   2. 3 to 4 children ______ 5. 9 or more children ______
   3. 5 to 6 children ______

3. What type of work does your husband do? (If retired, disabled, or unemployed, what did he do?)

   A. Occupation (write in)
   If respondent indicates that he is disabled, retired, or unemployed fill in B.
   B. 1. Disabled ______
   2. Retired ______
   3. Unemployed ______

4. We recognize that some work is seasonal in that it is done at certain times of the year and some work is steady the year around. Is your husband's work seasonal or is he steadily employed?

   1. Steady ______ 2. Seasonal ______

   If husband is employed ask 5.

5. Is your husband covered by Social Security on his job?

   1. Yes ______ 2. No ______ 3. Not sure ______

6. Do you (wife) work outside the home on a regular basis or perhpas a part-time basis?

   1. Regular ______ 3. No ______
   2. Part-time ______

   If yes to 6 ask 7 and 8.

7. What type of work do you do? ______

8. Are you covered by Social Security on your job?

   1. Yes ______ 2. No ______ 3. Not sure ______

9. We have listed several sources of income; as I name them would you indicate from where your family income comes? (More than one may apply)

1. Earnings ______________
2. Unemployment benefit ____
3. Welfare ______________
4. Social Security ________
5. Pensions ______________
6. Other (what) ___________

10. What grade did your husband finish in school:

Elementary:
1. 1 to 4 years ____
2. 5 to 6 years ____
3. 7 years ________
4. 8 years ________

High school:
5. 1 to 3 yrs. ____
6. 4 years ____

College:
7. 1 to 3 years ____
8. 4 years or more ____

11. What grade did you finish in school?

Elementary:
1. 1 to 4 years ____
2. 5 to 6 years ____
3. 7 years ________
4. 8 years ________

High school:
5. 1 to 3 yrs. ____
6. 4 years ____

College:
7. 1 to 3 yrs. ____
8. 4 years or more ____

Now we have a few basic items related to money management practices. This material is confidential as your name will not be attached to the form. The answer you give will be used only to add in with the answers given by other people who are being interviewed in this county.

12. Families use various ways of keeping records of expenses such as keeping sales slips, itemized records, keeping check stubs, and sometimes by memory.

A. Do you have a system for keeping track of how you spend your money?

1. Yes ________
2. No ________

(If yes to A ask B & C)

B. How do you keep your records?

1. Keeping sales slips ________
2. Itemized written records ____
3. Keeping check stubs ________
4. Mentally ____________
5. Other (what) ________ ____________

C. For what purpose do you keep your records?

1. For making future plans ____
2. Income tax purpose ________
3. Other (what) ________ ____________

13. We are interested in whether or not family uses banking service.

A. Do you have a checking account at a bank?

1. Yes __________
2. No __________

If yes ask B.

B. Do you have a joint banking account? If not a joint banking account, in whose name do you keep your account?

1. Joint banking account _____ 3. Wife's name _______
2. Husband's name __________

14. At the present time does your family have any form of regular savings such as a savings account, government bonds, or any other method for saving systematically? (More than one may apply)

1. Savings account __________ 3. No savings __________
2. Government bonds __________ 4. Other (what) __________

15. We seem to be living in a time when insurance is important to have. Do you carry any insurance and what types do you carry? (Interviewer may need to name the types listed and more than one may apply)

1. Car insurance __________ 4. Property __________
2. Life __________ 5. Other (what) __________
3. Health __________ 6. None __________

16. Some people do some type of planning before actually spending their money. Some may make a detailed budget, some a partial budget, still others may not do any budgeting at all. What are your practices regarding planning money expenditures?

1. Budget __________ 3. No planning __________
2. Partial budget __________ 4. Other (what) __________

If they do some planning ask 17.

17. We would like to know how you make your plans. There are different ways of planning money expenditures. Some families may write out their plans while others may do their planning mentally without any written plans.

1. Mentally __________ 3. Combination of these _____
2. Written __________ 4. Other (what) __________

18. In making the decisions regarding the spending of money do you talk it over as a family group, does your husband decide how the money is to be spent, do you decide, or do you and your husband decide together?

1. Husband __________ 3. Husband & Wife __________
2. Wife __________ 4. Family group __________

Credit is a part of the pattern of living for the majority of American families and most of us find it convenient to use credit from time to time. It often helps us to accumulate the things we need more quickly. It would be helpful to us to know if the families in this area are using credit and if they are where they obtain their credit and what type they use.

19. Many of us have unexpected medical expenses. In the past five years has your family found it necessary to use credit for medical expenses such as doctor and medicine bills?

    1. Yes ________ 2. No ________

    If yes to 19 ask 20.

20. Did you borrow money to pay these bills or were you allowed to pay as you were able to pay to the doctor or druggist?

    1. Borrowed cash ________ 2. Paid as able ________

21. In the last five years have your borrowed any money to pay a hospital bill?

    1. Yes ________ 2. No ________

    If yes to 21 ask 22.

22. From where did you borrow the money to pay your hospital bill?

    1. Bank ________
    2. Finance Company ________
    3. Relative or friend ________
    4. Other (what) ________

23. In taking care of the clothing needs of your family, do you buy clothes on a charge account at times, do you always pay cash, or perhaps you sometimes use the lay-a-way plan of buying.

    1. Always cash ________
    2. Charge account ________
    3. Charge account and cash ____
    4. Lay-a-way ________

24. Do you always pay cash for your groceries, do you have a charge account at a store for grocery buying which you use all the time or perhaps you use credit for groceries only part of the time?

    1. Charge account ________
    2. Always cash ________
    3 Charge account and cash ____

25. We are interested in some of your recent major purchases:

A. In the last five years have you bought a car, any furniture, a television, or any household appliances such as a washing machine, refrigerator, kitchen range or major household items. Pause after each item and check in column A)

B. Did you pay for this (or these) purchases all in cash or did you borrow some of the money?

C. From which agency did you borrow the money or obtain this credit? (More than one may apply)

A. ITEMS PURCHASED	B. CASH SAVED	C. DEALER INSTALLMENT CREDIT	CASH BORROWED FROM? Bank	Finance Co.	Other (What)
1. Car ____	____	____	____	____	____
2. Furniture ____	____	____	____	____	____
3. Television ____	____	____	____	____	____
4. Household Appliances ____	____	____	____	____	____
5. Other (What) ____	____	____	____	____	____
____					
____					

26. Do you own your home or do you rent?

1. Own home ________ 2. Rent ________

Ask 27 or those that own home.

27. In the past five years have you gotten a loan to improve your home such as for remodeling and repairs or perhaps you installed plumbing facilities?

1. Remodeling and repair ________ 3. Other (what) ____________
2. Plumbing ____________________ 4. No Loan ______________

If loan was made for purpose mentioned in 27 ask 28.

28. From where did you get the loan for this improvement(s) made on your home?

1. Bank ________________________ 4 Friend or relative _________
2. Finance Company ______________ 5. Other (what) ____________
3. Federal Agency _______________ ____________________________

29. We would like to know what you think about credit. Do you think it is a good idea to buy things on the installment credit plan?

1. Yes _________ 3. No opinion __________
2. No __________

Record comment: ____

____

30. What is the most recent thing you bought on the installment credit plan? _____________________. In making this installment credit purchase did you consider the difference between the cash sale price and credit sale price, that is, how much this credit cost you in actual dollars and cents?

1. Yes ___________ 2. No ___________

31. As you and your family make use of credit, do you investigate the different places you can get credit to compare interest rates and length and size of payments in order to determine which best fit your income?

1. Yes ___________ 2. No ___________

If they have not used credit as 32.

32. Do you have any particular reasons for not using credit?

____
____
____

33. Do you believe that it is helpful for families to budget their money to cover their various living expenses?

1. Yes ____________ 2. No ________________

34. Educational information and help with money management problems are avaiable from various agencies such as the county Extension office. These services are free of charge. If you had an opportunity to attend meetings for these purposes would you be interested?

1. Yes ____________ 2. No ________________

Before I go, I need some information that I would like for you to fill in because of the more personal nature. This information is confidential and in no way can you be identified as you will not write your name on the form. I will be glad to read the questions and explain them to you.

Hand this to respondent.

Will you complete the following questions by marking an (x) in the blanks to the right of the answers? It is requested that you do not sign your name.

35. Check the age group to which you and your husband belong.

A. Wife's age
1. 20 or under ____
2. 21-30 ____
3. 31-40 ____
4. 41-50 ____
5. 51 and over ____

B. Husband's age
1. 20 or under ____
2. 21-30 ____
3. 31-40 ____
4. 41-50 ____
5. 51 and over ____

36. Check the approximate total yearly income of your family from all sources.

1. Under $1,000 ____ 2. $1,000 to $1,999 ____ $2,000 to $3,000____

In your use of credit have you had any trouble meeting your obligations?

37. Have you missed any payments? 1. Yes ____ 2. No ____

38. Have you had any merchandise taken back because you missed some payments or could not finish making the payments?

1. Yes ____ 2. No ____

39. Have you ever found it necessary to make a loan for the purpose of putting all your payments into one payment?

1. Yes ____ 2. No ____

40. Have you had a loan renewed, that is, did you have the time for payment moved past the date you were supposed to pay back the loan or make the final payment?

1. Yes ____ 2. No ____

41. Have you had to let merchandise go back that you had on the lay-a-way plan?

1. Yes ____ 2. No ____

42. When you consider all the money that you now owe to different places and people like stores, salesman, loans and doctor bills, how much money do you think you need to pay off your debts? (Do not include what you owe on a home.)

1. None ____
2. $1 to $100 ____
3. $101 to $250 ____
4. $251 to $500 ____
5. $501 to $750 ____
6. $751 to $1,000 ____
7. Over $1,000 ____

43. Regularity of Income

    1. Regular __________

    2. Seasonal __________

VITA

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