PRACTICES AND PERCEIVED NEEDS
IN FINANCIAL PLANNING
OF HOUSEHOLDS IN
SOUTHEASTERN
OKLAHOMA

By

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Scope of Study: The major purpose of this study was to identify and compare the actual financial practices of households in southeastern Oklahoma and to determine their perceived needs for personal financial planning education. The survey technique was used to collect the data, using a sample from the 10 counties that supplied the most students to Southeastern Oklahoma State University in the fall of 1975. Those households included in the telephone books for each county were utilized. The questionnaire, after being pre-tested and revised, was administered through two letters and a postcard contact with the respondents, resulting in a return rate of 49.9% and a usable response rate of 28.8%. A total of 158 usable responses were received. Since 385 were needed to get within the 95% confidence level, 30 of the non-respondents were contacted by telephone and asked to respond to five of the questions from the questionnaire. Their responses were then compared to the responses of the sample to determine if there was a significant difference. Eleven significance tests were applied resulting in no significant differences in nine of the 11. The two resulting in a significant difference were occupation and the respondents' estimations of the best time for money management training. A scoring system for the respondents was developed taking into account that respondents should not be penalized for not engaging in a practice which was not appropriate to their situation.

Findings and Conclusions: A majority of the respondents indicated they engaged in four of the seven practices included under Use of Records. A majority of the respondents engaged in four of the five practices included under Use of Banking Services. In analyzing the Use of Personal Control in Finances, a majority of the respondents seemed to have their expenses and unnecessary buying under control. Likewise, a majority had made an attempt to establish a good credit rating. The level of debt indicated by a majority of the respondents was between $500 and $999, excluding their houses and cars. A majority of the respondents engaged in three of the five practices included under Use

of Savings. A majority of the respondents practiced seven of the eight practices considered under Use of Protection. A majority of the respondents engaged in only one of the six practices included under Use of Estate Planning Techniques. The analysis of variance statistic employed in this study indicated no significant difference in the number of practices engaged in by the respondents when the data were compared by age. A significant difference in the number of practices engaged in by the respondents was evident when the data were compared by occupation and sex. A highly significant difference in the number of practices engaged in by the respondents was evident when the data were compared by income, level of education completed, and money management training. The analysis of the Needs Assessment section of the questionnaire revealed that a majority of the respondents considered themselves "Fair" or "Poor" financial managers while a majority of these respondents who were married considered their spouses "Good" financial managers. In assessing their education in financial management, more respondents than not felt their education had been fair or inadequate. A majority felt money management training should be given between the ages of 13 and 22 years of age. A majority of the respondents indicated they had made most of their financial decisions between 22 and 40 years of age and that they had developed their money management abilities through trial and error. The areas in which the respondents indicated they needed educational assistance at the present time were investing money, responsible spending of money, saving money, and developing a budget. A majority of the respondents indicated that both the husband and the wife were responsible for the management of the money in their households.

The researcher concluded that a majority of the respondents engaged in approximately 65% of the practices considered in this study. Age of the respondents did not seem to be a factor in the number of practices engaged in by the respondents. In general, those occupations which require the individuals to keep rather detailed records, such as business owners, farmers, and professionals, tended to engage in more of the good personal financial practices. Generally the higher the income, the more the respondents engaged in good financial practices. Male heads of households seemed to engage in more of the good financial practices than did female heads of households. College graduates engaged in more of the practices than any other group. Those respondents who had some type of money management training engaged in more of the good financial practices than those who did not have such training.

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CHAPTER I

THE PROBLEM

Introduction

American consumers have the right to make economic decisions affecting their lives in a way that consumers in many countries are unable to accomplish. This right is one of the basic freedoms of individuals and businesses in a free enterprise system. The right to private ownership of property carries with it the obligation to control or use that property in any way not detrimental to the public welfare. The fact that Americans can own property encourages individuals to accumulate more money because they know that what they earn remains theirs to use as they desire. Reference here is made to net income, of course, after the consumers have made the required contributions to the federal and state governments.

The economic choices facing today's consumer are staggering. The consumer is bombarded by thousands of new products each day through radio, television, newspapers, and magazines. Since each family's income is limited and since so many avenues are being used to peak the interests and desires for new products, new gimmicks, and new fads, it is no wonder more and more families are finding themselves inundated by debts as they attempt to gratify their every whim or desire.

Few consumers realize how each economic decision they make each day either moves them closer to financial security or to financial disaster. Some consumers realize this only too late--usually in the bankruptcy courts.

Since American consumers are able to spend their money as they choose, it places a great deal of responsibility on the educational system in our country to make sure that individuals know how to use their resources wisely to achieve their goals in life. This is not an easy task in today's economy. Figure 1

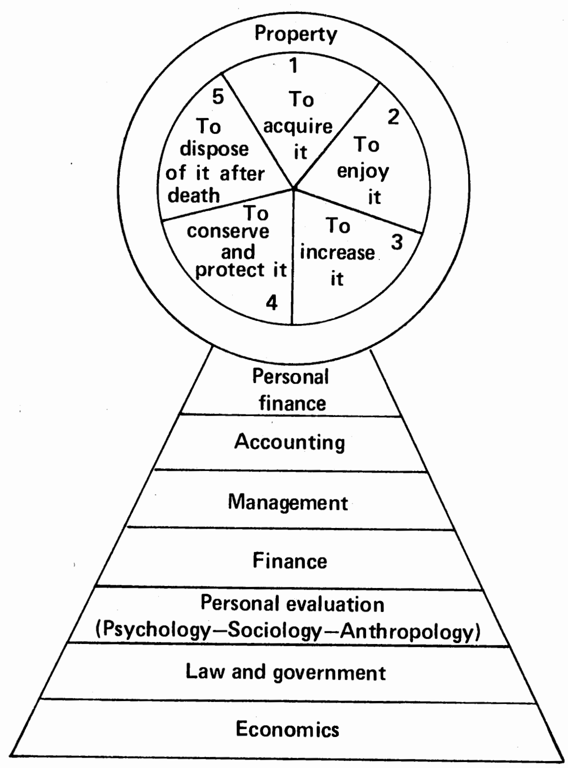

Figure 1. Property Utilization

Source: Paul Hastings and Norbert Mietus, <u>Personal Finance</u>, (New York, 1972), p. 8.

contains an illustration of the basic areas of competency needed by individuals in order to utilize their property fully.

Many of the areas mentioned in the illustration are business content areas. Therefore, it seems reasonable that a great deal of the responsibility for education of individuals in these areas must fall upon the shoulders of the business departments in high schools and colleges across the country. It is a responsibility they cannot shirk. While some headway has been achieved in general business and bookkeeping classes, the amount of education consumers receive in financial planning seems, nevertheless, inadequate for preparing the average consumer to make wise financial decisions.

Some direction for the inclusion of more courses in the area of financial planning may need to come from the curriculum planning groups. Nona Berghaus in her study, "A Developmental Sequence of Content Essential to Personal Money Management", stated:

> Many curriculum planning groups in state and local school systems now recognize the need for an overall framework to systematize and to provide unity in economic education. Yet there is limited evidence of either curriculum change or planned, sequential presentations in personal economics. Perhaps this has been due to the lack of adequate curriculum guidelines for the development of the necessary economic concepts for young people.[1]

It is evident that additional planning and thought need to go into the development of curriculums in the business departments

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[1]Nona Rose Berghaus, "A Developmental Sequence of Content Essential to Personal Money Management" (unpub. Ed.D. dissertation, University of Oklahoma, 1966), p. 5.

to prepare adequately individuals to plan for their own financial security.

The degree to which our educational programs in financial planning and money management have been inadequate can be illustrated, to some extent, by an examination of the bankruptcy statistics for the United States. The number of bankruptcy filings in the United States in 1974 was 189,513, an increase of 16,316 cases and a percentage increase of 9.4% over the last fiscal year.[2] George Sullivan, in his study of personal bankruptcies stated: "In 1967, a startling 92% of the total number of bankruptcy filings were of what is often called the consumer type."[3] He goes on to say:

> These bankruptcies are causing an estimated billion dollars a year to be washed down the drain, a loss reflected in increased interest rates borrowers are charged or consumers pay, or in the cost of merchandise. Often they become the burden of the federal government since they are simply written off on tax returns.[4]

It would seem that the first step in determining ways of helping individuals become better financial managers must be a determination of the needs of the people in the local areas and the identification of the time in their lives when the training should come to be most effective. Through

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[2]Reports of the Proceedings of the Judicial Conference of the United States Held at Washington, D.C., March 7-8, 1974 and September 19-20, 1974; Annual Report of the Director of the Administrative Office of the United States Courts (Washington, 1975), p. 157.

[3]George Sullivan, The Boom is Going Bust (New York, 1968), pp. 7-8.

[4]Ibid., p. 7.

this study, it is believed some headway can be made in finding answers to these questions.

Statement of the Problem

The purpose of this study is to identify and compare the actual financial practices of households in Southeastern Oklahoma, and to determine their perceived needs for personal financial planning education.

The specific objectives are:

1) to determine financial planning practices of the household units chosen for this study

2) to identify perceived financial planning needs of surveyed households

3) to determine the surveyed households' estimation of the best time for financial planning training

4) to ascertain the implications for adult and public education programs.

Hypotheses

The following null hypotheses were developed for the practices engaged in by the respondents:

1. There will be no significant difference in the respondents' financial practices when compared by age.

2. There will be no significant difference in the respondents' financial practices when compared by income.

3. There will be no significant difference in the respondents' financial practices when compared by occupation.

4. There will be no significant difference in the respondents' financial practice when compared by sex.

5. There will be no significant difference in the respondents' financial practices when compared by education.

6. There will be no significant difference in the respondents' financial practice when compared by money management education.

Need for the Study

There seems to be a fairly organized series of stages through which most individuals in our society progress during their lives. Throughout these stages, many financial decisions must be made, based upon personal preference and need. It is in making financial choices at each stage where many individuals need help. Figure 2 on the following page presents the stages in the cycle of life with financial implications.

Financial Stages in the Cycle of Life

As is evident in Figure 2, up to the age of 12, most of the financial planning and involvement is left in the hands of the parents; between the ages of 13 and 21, more money is earned and greater freedom is allowed in the spending of what is earned. Between ages 22 and 40, the financial burdens become unusually heavy. A closer examination of this later stage reveals the following financial obligations appearing:

1. self-support and full-time employment

2. checking account

Age 1-12	Age 13-21	Age 22-40	Age 41-65	Age 66-75	
Childhood	Youth	Adulthood	Maturity	Retirement	Postmortem
Under parental care, all needs provided for Piggy-bank savings Modest money allowance General education at elementary level; parents save for future higher education Father, and possibly mother, buys life insurance on self in case children are orphaned; also possibly on children	Gradual relaxation of parental control, but support continues Part-time and summer employment; savings account in bank First income tax return More freedom and scope in spending Acquisition of first car, first auto insurance policy General education continues at secondary and college levels; career-oriented courses begin Dating and courtship as preliminaries to marriage	Emancipation from parental control; self-support Graduation from college or graduate school Full-time career employment, checking account in bank; plan for savings and investment with long- and short-range goals Marriage and establishment of new household; family budget; fire insurance; health insurance; utilization of credit; rental, then purchase of home Arrival of children; added life insurance	Education of children; eventual emancipation; life insurance program accordingly modified Increased income (from job, and from possible bequests); possible return of wife to gainful employment; expanded savings and investment program; more discretionary spending for travel, car, etc.; estate planned; gifts to children; living trusts	Sharply reduced income: reliance on social security, private pension plans; possible annuities; utilization of income and part of principal of invested capital Possibly non-remunerative employment, such as civic service and club work Greatly expanded leisure for hobbies, travel Reduced spending in most categories except medical care (Medicare benefits)	Final will takes effect (or intestate distribution, if no will) Other dispositive techniques function: joint tenancy, tenancy by entireties; testamentary trusts; power of appointment

Figure 2. Stages in the Cycle of Life -- Highlights with Financial Implications

Source: Paul Hastings and Norbert Mietus, Personal Finance, (New York, 1972), p. 43.

3. plans for savings and investment
4. marriage and establishment of a new household
5. family budget
6. fire insurance
7. health insurance
8. the use of credit
9. purchase of a home
10. arrival of children
11. added life insurance

It appears that between the ages of 22 and 40 most of the financial obligations appear, almost simultaneously, which should have some implications for the time at which additional education in financial planning would be most beneficial.

The next stage, ages 41 through 65, is one in which most individuals with children grown will be able to reduce life insurance coverage. It also is very likely that income will continue to increase for at least most of this time period so that the household can expand its savings and investment programs as well as maintain more income for discretionary spending.

The Maturity Stage (41-65) may also be a very active time for increased financial planning education; however, the situation is quite different from the previous stage. The pressure for adequate and even superior planning during the ages of 22 through 40 is paramount because of one very important fact--in most cases, needs and wants during this time exceed the income. This is a paradox about our society: rarely is the most money coming into the household at the time when it is needed most. Normally, during the Maturity and Retirement Stages, the amount of income exceeds the expenses, since children are grown, and homes and other major expense items have already been purchased. However, during the Retirement Stage, we may see income sharply reduced again but almost always debt decreases also so the financial pressure is reduced somewhat. Even after death, individuals who have planned carefully can still have a considerable control over their finances--a claim that can be made in few other areas.

It is possible to hypothesize then that the ages of 22 through 40 probably are the years when the greatest educational efforts should be made in financial planning. However, there is no evidence to support this in the literature; and few researchers have gone to the individuals themselves to ask when additional information is needed and the form it should take. If these years are so important financially, it would seem that a form of adult education would be the avenue in which to reach the most people.

There is also the possibility that it would be better to begin preparing our youth early in their educational program for the financial decisions they must make between the ages of 22 and 40 years of age. In this case, the educational offerings in high school and even grade school may need to be re-evaluated to provide additional early training in good money management. This study will go to the general public for direction in ascertaining the best possible time for education in the area of money management.

Bankruptcy Statistics

Evidences of a need for a study of personal financial planning may be found in the reasons individuals file bankruptcy and the number of bankruptcies filed each year.

In 1969, H. Lee Mathews conducted a study to determine the causes of personal bankruptcy. His study was designed to test the theory that there are four main reasons why persons file bankruptcy petitions. These reasons are:

1. A significant change in the income of the consumer because of unemployment, seasonal employment, or personal injury.

2. An involuntary assumption of debt caused by (2) medical expenses (b) marital difficulties (c) personal liability suits (d) natural disasters.

3. Lack of prudent financial management leading to spending beyond one's capacity to pay.

4. An attitude of irresponsibility toward paying debts.[5]

In testing number three, Mathews found the following results:

> Very few bankrupts kept records of their income and expenditures or made any attempt to budget. Only 13 bankrupts out of the 142 studied or 9 percent, kept formal or written records. Of the rest, 100 bankrupts, or 66 percent, gave little thought to budgeting, while 35 bankrupts kept records in their heads--a poor budgeting technique. This lack of prudent financial management on the part of most bankrupts was found to be the prime factor causing 40 individuals out of the 152 studied, or 26 percent, to become over burdened with debt and seek release by filing petitions in bankruptcy.[6]

Only a very few (9%) of the bankrupts in the Mathews study kept any type of written financial records. The present study will determine the extent to which households in southeastern Oklahoma practice good financial management procedures. Certainly it can be assumed that if individuals know how to keep

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[5]H. Lee Mathews, Causes of Personal Bankruptcies, (Columbus, 1969), p. 9.

[6]Ibid., p. 80.

financial records and know which type of records would be most beneficial, they would be more likely to employ these methods in personal financial planning. It behooves those concerned with education in our society to provide the type of training needed in this respect.

Table I shows total number of bankruptcy cases filed for each year beginning in 1948.

TABLE I

BANKRUPTCY FILINGS, 1948-1974

Fiscal Year	Number	Numerical Increase (+) or Decrease (-)	Rate of Change
1948	18,510	+ 5,340	+ 40.5%
1949	26,021	+ 7,511	+ 40.5%
1950	33,392	+ 7,371	+ 28.3%
1951	35,193	+ 1,801	+ 5.4%
1952	34,873	- 320	- .9%
1953	40,087	+ 5,214	+ 15.0%
1954	53,136	+ 13,049	+ 32.6%
1955	59,404	+ 6,268	+ 11.8%
1956	62,086	+ 2,682	+ 4.5%
1957	73,761	+ 11,675	+ 18.8%
1958	91,668	+ 17,907	+ 24.3%
1959	100,672	+ 9,004	+ 9.8%
1960	110,034	+ 9,362	+ 9.3%
1961	146,643	+ 36,309	+ 33.3%
1962	147,780	+ 1,137	+ .8%
1963	155,493	+ 7,713	+ 5.2%
1964	171,719	+ 16,226	+ 10.4%
1965	180,323	+ 8,604	+ 5.0%
1966	192,354	+ 12,031	+ 6.7%
1967	208,329	+ 15,975	+ 8.3%
1968	197,811	- 10,518	- 5.0%
1969	184,930	- 12,881	- 6.5%

TABLE I (Continued)

Fiscal Year	Number	Numerical Increase (+) or Decrease (-)	Rate of Change
1970	194,399	+ 9,469	+ 5.1%
1971	201,352	+ 6,953	+ 3.6%
1972	182,869	- 18,483	- 9.3%
1973	173,197	- 9,672	- 9.2%
1974	189,513	+ 16,316	+ 9.4%

Source: _Reports of the Proceedings of the Judicial Conference of the United States Held at Washington, D.C., March 7-8, 1974 and September 19-20, 1974_; _Annual Report of the Director of the Administrative Office of the United States Courts_ (Washington, 1975), p. 156.

With the exception of five years, 1952, 1968, 1969, 1972, and 1973, there has been a rather consistent increase in the number of bankruptcy cases. In 1974, there was an increase of 16,316 cases filed, which is the third highest increase since 1948.

To break the figures down into circuits, the tables of statistics are presented in Table II. Oklahoma is in the Tenth Circuit; the number of filings in the Tenth Circuit increased from 1973 to 1974 by 1,429 cases, an increase of 11.4%. The Tenth Circuit had the third highest percentage increase during 1974.

The Administrative Office of the United States Courts broke down the bankruptcies into business and non-business.

TABLE II

BANKRUPTCY FILINGS, BY CIRCUIT, FISCAL YEARS 1973-1974

Circuit	1973	1974	1974 Numerical Increase + Decrease -	Percentage Increase + Decrease -
District of Columbia	122	127	+ 5	+ 4.1
First	3,795	4,217	+ 422	+ 11.1
Second	8,527	9,841	+ 1,314	+ 15.4
Third	3,836	4,210	+ 374	+ 9.7
Fourth	8,683	9,745	+ 1,062	+ 12.2
Fifth	24,527	26,349	+ 1,822	+ 7.4
Sixth	30,136	32,802	+ 2,666	+ 8.8
Seventh	22,449	24,574	+ 2,125	+ 9.5
Eighth	14,262	15,656	+ 1,394	+ 9.8
Ninth	44,384	48,087	+ 3,703	+ 8.3
Tenth	12,476	13,905	+ 1,429	+ 11.4
TOTALS	173,197	189,513	+16,316	+ 9.4

Source: Reports of the Proceedings of the Judicial Conference of the United States Held at Washington, D.C., March 7-8, 1974 and September 19-20, 1974; Annual Report of the Director of the Administrative Office of the United States Courts (Washington, 1975), p. 157.

The business cases include farmers, professionals, merchants, manufacturers, and others in business. The non-business cases include employees and others not in business. Table III contains the number of business and non-business bankruptcies and the percentage each group bears to the total cases filed during the last ten fiscal years.

TABLE III

BUSINESS AND NON-BUSINESS BANKRUPTCIES FILED IN FISCAL YEARS 1965-1974

Fiscal Year	Non-Business	% of Total	Business	% of Total	Total Filings
1965	163,413	90.6	16,910	9.4	180,323
1966	175,924	91.5	16,430	8.5	192,354
1967	191,729	92.0	16,600	8.0	208,329
1968	181,266	91.6	16,545	8.4	197,811
1969	169,500	91.7	15,430	8.3	184,930
1970	178,202	91.7	16,197	8.3	194,399
1971	182,249	90.5	19,103	9.5	201,352
1972	164,737	90.1	18,132	9.9	182,869
1973	155,707	89.9	17,490	10.1	173,197
1974	168,767	89.1	20,746	10.9	189,513

Source: Reports of the Proceedings of the Judicial Conference of the United States Held at Washington, D.C., March 7-8, 1974 and September 19-20, 1974; Annual Report of the Director of the Administrative Office of the United States Courts (Washington, 1975), p. 158.

To show the relationship between business and non-business bankruptcies over an even longer period of time (1960-1974), Figure 3 is presented.

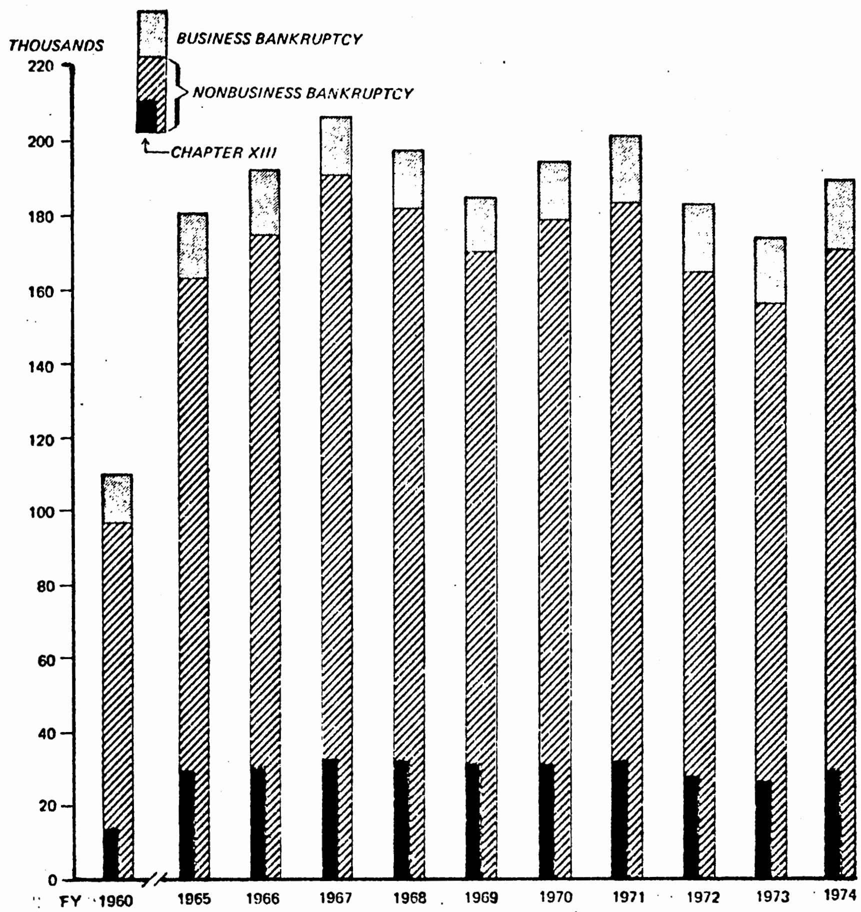

Figure 3. Bankruptcy Cases Commenced. Business and Nonbusiness (incl. Chapter XIII). Fiscal Years 1960 and 1965-1974.

Source: Reports of the Proceedings of the Judicial Conference of the United States Held at Washington, D.C., March 7-8, 1974 and September 19-20, 1974; Annual Report of the Director of the Administrative Office of the United States Courts (Washington, 1975), p. 159.

Since the number of bankruptcies in the United States has increased rather steadily over the years, it may be an indicator that additional educational impetus should be given to developing financial responsibility in American consumers. If it is possible to ascertain when the most financial decisions are made by individuals in their lifetime and if we can help these individuals in practicing good money management principles, perhaps inroads can be made into reducing the number of bankruptcies and in reducing the accompanying strain on the household unit caused by poor money management. This study is designed to do some preliminary investigation in southeastern Oklahoma into these areas so a better basis for decision making will be available.

Definition of Terms

The following definitions may help in understanding and interpreting the results of this study:

Balance Sheet - a bookkeeping instrument in which all assets and liabilities are itemized so that an adequate presentation of the individual's net worth can be assessed.

Bankruptcy - "legal process whereby an insolvent debtor is declared a bankrupt, his assets are seized and liquidated, and the proceeds are equitably distributed among his creditors after which he is discharged from certain further liabilities."[7]

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[7]H. Lee Mathews, Causes of Personal Bankruptcies (Columbus, 1969), p. 3.

Family - "a group of two or more persons related by blood, marriage, or adoption and residing together."[8] The family is considered essentially a sociological unit. This study will use the term "households".

Financial Planning - the extent to which households use common financial aids, such as budgets, balance sheets, income and expense statements, etc., and their use of goal setting in reaching predetermined objectives.

Households - "all of the persons who occupy a house, an apartment, or other group of rooms, or a room, which constitutes a housing unit."[9] A household is considered to be essentially an economic unit and will be used in this study.

Income Statement - a bookkeeping instrument in which all incomes and expenses are itemized so that an adequate presentation of the use of incomes can be determined.

Delimitations

In order for the results of this study to be meaningful, it is necessary to set boundaries within which to conduct the investigation. Therefore, the following delimitations are specified:

The Sample Population

The sample for this research was chosen, using a random

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[8] S. Lee Booth, 1975 Finance Facts Yearbook, National Consumer Finance Association, 1975, p. 25.

[9] Ibid.

table of numbers, from the counties that supplied the most students to Southeastern Oklahoma State University in the fall of 1975. Since no complete listing of households in these counties was available, only those households included in the telephone books for each county were utilized.

Nature and Source of Data

This study utilized data gathered through library research and through the administration of an original Practice and Needs Questionnaire. The questionnaire, after pre-testing and revising, was administered to those households chosen in the sampling procedure.

Limitations

When the results of this study are interpreted, certain limitations should be kept in mind. They are presented below:

The data collected in this study refer to households in southeastern Oklahoma. Care should be exercised when generalizations are made from this data analysis to other areas. (See p. 33, Chapter 3, for the statistical analysis of the sampling technique.)

The data collected in the perceived needs of the questionnaire are, of necessity, opinions of those households contacted.

Organization of the Paper

Chapter I of this research paper contains a definition of the problem with hypotheses to be tested, the need for the study, the definition of some of the terms used, and the delimitations and limitations of the results.

Chapter II reviews related literature in the areas of needs assessment models and personal financial planning research.

Chapter III relates the specific procedures employed in the study, including selection of the sample, development and testing of the questionnaire, administration of the questionnaire, comparison of the sample and the sub-sample, and the description of sample characteristics.

Chapter IV contains the results of the study, including explanation and interpretation of the findings, while Chapter V summarizes the study and shows the conclusions that were drawn, as well as recommendations that were offered.

CHAPTER II

SURVEY OF LITERATURE

Many factors are involved in adequate financial planning and management of personal resources. Some of these factors have been pointed out already such as the need for individuals to know where their money is actually going, the need for a practical spending and saving plan, and the need for specific bodies of knowledge before good planning can take place.

These needs can be met through many sources, but the public and adult education avenues seem most feasible since resources are so readily available in the form of educated teachers and materials. However, not much is being done in this area despite increasing evidence that consumers need help, as can be seen by the increasing bankruptcy rates.

The goal, of course, should be preventive education rather than help which takes place after bankruptcy has been sought as an end result. George Sullivan, in his investigation of bankrupts in The Boom is Going Bust, points out:

> Community debt-counseling programs do help in training people in the management of money, but their failure is that they concentrate their services on families who are in the gravest difficulty. The person in debt usually turns to the counseling service after he has exhausted every opportunity to borrow or negotiate payments with his creditors. One

> observer has characterized debt-counseling agencies as 'financial first-aid stations that care for the wounded.' No one can find fault with the work performed by a first-aid station. The problem is that there is nothing preventive about one. The number of counseling services could be tripled and it is not likely that the stream of financially crippled families would be checked to any marked degree.[1]

The purpose of this chapter is to (1) review what is already known about needs assessment models and personal financial planning (2) put this information in perspective so that it is possible to determine what new research will add to the ability to help individuals in developing personal financial planning efficiency and (3) report successes and failures of previous research studies in this area.

To attain these objectives, this chapter is organized into two major sections: Needs Assessment Models and Financial Planning.

Needs Assessment Models

Very little information is available in literature on general needs assessment models. This is due primarily, it would seem, to the fact that most studies did not use the term "needs assessment" in the titles; thus, these studies were not indexed under that title in reference books. It was possible to secure some surveys which were designed to determine needs, but no general models for conducting other needs assessments were given.

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[1]George Sullivan, The Boom is Going Bust (New York, 1968), p. 191.

In a study called The Development of a Hierarchy of Need for Specialized Distributive Education Programs in Post-secondary Schools in Nebraska conducted by the University of Nebraska, a model for other research projects was presented. The purpose of this study was to develop ". . . a needs assessment for future post-secondary distributive occupations as revealed by the concomitant needs of society and students."[2] More specifically, this study was completed to "(1) examine the appropriateness of a proliferation of general middle-management post-secondary distributive education programs in the State of Nebraska (2) determine if and what specialized post-secondary distributive education programs should be implemented; and (3) develop a research model by which the first two aforementioned needs can be determined."[3] Figure 4 on the following page presents the needs assessment process.[4]

The process begins with a general statement of the problem of investigation and a listing of specific objectives to focus attention directly on the problem at hand. The research of related literature is conducted next and serves four purposes:[5]

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[2]Steven A. Eggland, The Development of a Hierarchy of Need for Specialized Distributive Education Programs in Post-Secondary Schools in Nebraska (Lincoln, 1974), p. 1.

[3]Ibid., p. 10.

[4]Ibid., p. 63.

[5]Ibid., p. 64.

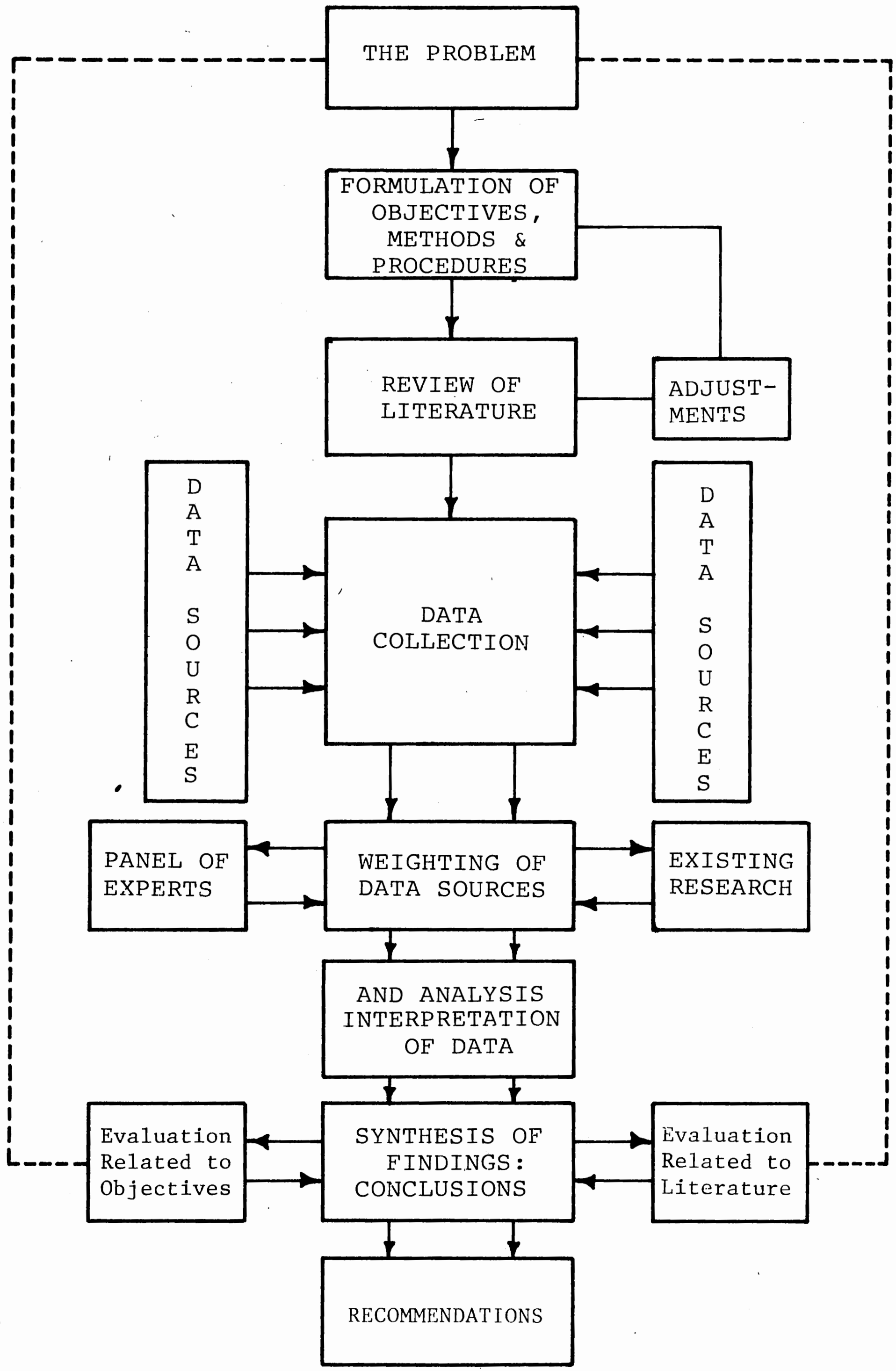

Figure 4. Needs Assessment Model.

Source: Steven A. Eggland, The Development of a Hierarchy of Need for Specialized Distributive Education Programs in Post-Secondary Schools in Nebraska (Lincoln, 1974), p. 63.

1. A knowledge of related research enables the investigator to define the frontiers of this field.

2. An understanding of theory in the field enables the researcher to place his questions in perspective.

3. Through studying related research one learns which procedures and instruments have proved useful and which seem less promising.

4. The study of related literature places the researcher in a better position to interpret the significance of his own results.

The data collection process is the next step and may include any number of sources, such as primary and secondary research and surveys. The data sources are weighted before data are analyzed so that an accurate composite picture can be achieved of the true situation. "The weighting process may be completed by (a) assigning the task to a panel of experts (b) examining existing research to identify weights assigned to similar data sources in other studies or (c) a combination of (a) and (b) above.[6]

Following the weighting comes the analysis and interpretation of data without bias and a synthesis of the findings or conclusions based on the stated objectives and the relationship to information collected in the related literature. Finally, recommendations are presented; these will generally take two forms: "(1) the identification of alternative courses of action, which, if followed, might contribute to

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[6]Ibid., p. 66.

the solution of the problem investigated and (2) the identification of needed research."[7]

This is a very comprehensive model and should be extremely useful in conducting needs assessments in other areas. It does take into consideration many sources of information rather than relying on only one source. The assignment of weights to sources, however, can be rather subjective even with a panel of experts and is an area which should be approached with caution to prevent bias of data. As in any research project, a great deal depends on the professionalism and expertise of the researcher.

Financial Planning Research

An extensive research effort into family finance was conducted in 1962 and 1964 by the Board of Governors of the Federal Reserve System. The Board authorized two studies: *Survey of Financial Characteristics of Consumers*, studying the assets and debts of consumers as of December 31, 1962, and the income they had received during 1962; and the *Survey of Changes in Family Finance*, studying changes in family incomes and savings during 1963.

The second study will be presented here. During this study a reinterview survey of consumer units who had cooperated a year earlier in the first study was used. The sample was designed to be representative of all consumer units and

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[7]Ibid., p. 67.

at the same time to include a sizable number of consumers in the upper income group. The researchers achieved this through "a heavy oversampling of units expected to have above-average amounts of wealth."[8]

This study included 2,164 respondents who answered questions on a questionnaire form providing data on changes in their assets and debts from December 31, 1962 to December 31, 1963.

This study presented Regression Tables for the following topics:

1. Regression of saving on disposable income and net worth, within age groups.

2. Regression of saving on disposable income and net worth groupings, within age groups.

3. Regression of the ratio of savings to disposable income on disposable income and net worth, within age groups.

4. Regression of net worth, December 31, 1963, on disposable income and net worth, December 31, 1962, within age groups.

5. Regression of saving in specified form on disposable income and net worth, within age groups and employment-tenure groups.

6. Regression of dissaving in specified form on disposable income and net worth, within age groups and employment-tenure groups.

7. Regression of the ratio of saving in specified form to disposable income on disposable income and net worth, within age groups.

8. Regression of the ratio of dissaving in specified form to disposable income on

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[8]Dorothy S. Projector, Survey of Changes in Family Finances (Washington, 1968), p. 45.

> disposable income and net worth, within age groups.[9]

Since this project was backed by two government agencies and many dollars of research money, it is very comprehensive. However, since it is nation-wide, it does not provide specific direction for local education systems as they attempt to meet the local, current needs of their populace.

A localized research project undertaken by Argen Hix Draper as a thesis at Texas Woman's University located in Denton, Texas, has more specific value to a particular area. The main impetus of this project was in the area of personal financial planning in 94 of the 3,196 families in Deaf Smith County, Texas.

> The study consisted of white English-speaking husband-wife families with at least two children living at home. The wives were members of home demonstration clubs or they were wives whose family members had attended workshops, lectures, or by some means had used the services of the county extension office.[10]
>
> The objectives of the Draper study were:
>
> 1. To determine financial management problems and business practices of families who seek help from the Deaf Smith County Extension Service Office and to determine how these practices were acquired.
>
> 2. To ascertain the parents' view of the effectiveness of their own money management and that of their children, and to identify the area where further training is desired for parents and children.

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[9] Ibid., pp. 86-102.

[10] Argen Hix Draper, "Adult Education in Family Business Practices" (unpub. Master's thesis, Texas Women's University, 1964), p. 10.

3. To evaluate the adequacy of ways families handle business practices and relate their adequacy to academic training and formal money management training.

4. To design a program of study to aid families in attaining financial success by following recommended business practices.[11]

Draper reached the following conclusions:

1. On the whole the families are getting along well, following the specified business practices.

2. Recreation preferences were for leisure time activities in which the whole family participated.

3. Money management was not discussed before marriage.

4. Husbands were more willing to assume indebtedness than were the wives. In general, the families did not follow outside suggestions for obtaining credit.

5. The families had learned most about money management from parents.

6. Educational background had more influence on financial management than did money-management training and level of income.

7. All families had the goal of being financially able to educate their children.

8. The families expressed greater need in teaching children money management than on any other practice.

9. Most of the wives rated themselves as "just fair" as financial managers.

10. The improvement of business practices would solve many of the disagreements reported by the families.[12]

If assistance is desired in upgrading the existing financial planning curriculum in the educational systems, this

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[11]Ibid., p. 4.

[12]Ibid., p, 63.

study is a step in the right direction; it was, however, quite limited in scope. It did not provide information on household units other than families, and it did not provide information on families who had not used the services of the county extension office.

Summary

A comprehensive needs assessment model has been presented which should provide direction for needs assessments in other areas besides the vocational area. Two studies on financial planning have been presented in some detail. The first, being a nation-wide survey presented valuable information on the changing composition of national family income, savings, and net worth over a period of one year. The second, a localized study, is quite restrictive in that it included only family units and only individuals who had used the Texas Deaf County Extension Services.

It would seem then that additional research should be conducted to determine actual practices of financial planning of household units in a specific area so that implications for local educational agencies may be provided.

CHAPTER III

RESEARCH DESIGN

This chapter sets forth the detailed steps taken in the collection and analysis of data for this research study. Its purpose is to give the reader a basis for the interpretation of the results of the study. It is subdivided into the following sections: selection of the sample, development and testing of the questionnaire, administration of the questionnaire, comparison of the sample and the sub-sample, description of sample characteristics, and analysis of the questionnaire responses.

Selection of the Sample

Because it was necessary to include practices and needs of all individuals who could benefit by education in good money management practices, the general public was used as the population. Since Southeastern Oklahoma State University is the major higher education institution in southeastern Oklahoma and is one avenue of teaching the populace about financial management, the sample was chosen for the ten counties that supplied the most students to Southeastern Oklahoma State University in the fall of 1975. The counties used were: Atoka, Bryan, Carter, Choctaw, Johnston, LeFlore, McCurtain, Marshall, Pittsburg, and Pushmataha. The total population of these counties according to the United States Census Report of 1970 was 212,251 individuals.[1]

No complete listing of households in these counties was available; therefore, only those households included in the telephone books for each county were utilized. The use of telephone books has some built-in bias, such as the failure to take into account those individuals who do not have phones and those who have unlisted numbers. However, the phone books seemed to be the most complete listing of members of the general population.

Phone books for each city within the ten counties were collected. Using a random table of numbers, the computer selected a random sample of approximately 1,000 names, which allowed for some unusable listings such as businesses, government agencies, and so forth. Five-hundred-eighty usable names and addresses were compiled from the phone book listings.

Development and Testing of the Questionnaire

To analyze the data collected more efficiency, the questionnaire designed for this study was divided into three parts: (1) Household Information, (2) Financial Practices, and (3) Needs Assessment. Part 1, Household Information, asked

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[1]U.S. Bureau of the Census, Census of Population: 1970, Vol. 1, Characteristics of the Population, Part 38, Oklahoma, (Washington, D.C., 1970), pp. 18-24.

for basic information about the head of the household such as age, income, education, and so forth. This data was used in the comparison of the financial practices.

Part II, Financial Practices, was developed after analyzing personal finance textbooks and other survey instruments such as those used in the national survey by the Federal Reserve System. A listing of basic practices which could be considered necessary for good money management was compiled in the practices section of the questionnaire. Rather than relying on each individual to ascertain whether they followed good money management principles, the questionnaire asked for "Yes-No" answers to specific practices so a more objective base for analyzing the households was possible.

Part III, Needs Assessment, was designed to give the respondents an opportunity to evaluate their own financial planning education and to suggest the time when they thought this type of education should be included in our public school system.

After the questionnaire was developed, it was pre-tested in Stillwater, Oklahoma, using 25 households, chosen randomly from the local telephone book. From this contact, seven questionnaires were returned with comments and six were returned as undeliverable. Twelve people contacted did not respond. Changes as suggested by the respondents, were made in the questionnaire, and a final copy was developed. (See page 121 , Appendix B.)

Administration of the Questionnaire

The questionnaire and a cover letter (see page 118, Appendix A) were mailed to 580 households in ten counties in southeastern Oklahoma. After the first mailing, 84 questionnaires were received. A postcard was then sent out asking individuals who had not responded to return the questionnaire. An additional 20 were received. Finally, a second letter was drafted; and a second questionnaire was mailed, bringing in an additional 170 responses.

After this third contact, a total of 274 questionnaires were accumulated, including 17 undeliverable questionnaires, 14 questionnaires returned indicating the addressee was deceased, and 85 uncompleted questionnaires resulting in 158 unusable responses. This was a return rate of 49.9%; however, some individuals did not wish to complete the questionnaire thus reducing the usable response rate to 28.8%.

Comparison of the Sample and the Sub-Sample

Since it was determined that 385 usable responses must be received to be within the 95% confidence level, a test was applied to determine if there was a statistical difference between the respondents and the non-respondents. Ten percent (30) of the non-respondents were phoned and asked to answer the following questions:

1. Age of the head of the household.
2. Occupation of the head of the household.

3. Have you had any formal instruction in the management of money?

4. Do you keep a record of your spending to know where your money is going?

5. At what time in your life do you believe money management training would be most beneficial?

   ___6 to 12 ___13 to 18 ___19 to 22 ___23 to 40

   ___41 to 65 ___66+

After the responses to these questions were obtained from the non-respondents, each question was analyzed to determine if there might be a significant difference. The question regarding age was considered first. It was determined that a Z test could be applied to determine if there is a significant difference between the mean of the sample and the sub-sample. This necessitated figuring the means of the sample and the sub-sample, the standard deviations of the sample and the sub-sample, the standard deviation of the difference between the means, and the difference between the means. The resulting figures are presented in Table IV on the following page.

The obtained Z fails to reach the .05 level of significance (1.96); therefore, the obtained difference is not significant. There are 5 chances in 100 that a difference as large as this one, or larger, could have happened by random sampling from the same population.

The Kolmogorov-Smirnov test of significance was applied to the question on occupations. The Kolmogorov-Smirnov test uses a cumulative frequency approach. Robert D. Mason in

Statistical Techniques in Business and Economics states:

> If the two samples do come from two equal populations, or the same population, the rationale is that the sample cumulative frequency distributions would be almost identical. Any slight fluctuations could be accounted for by chance.[2]

TABLE IV

COMPARISON OF AGE IN SAMPLE AND SUB-SAMPLE

	Sample	Sub-Sample
N^* =	155	29
M =	50.09	43.06
σ =	16.62	13.74
σ_m =	1.34	2.50
d_m =	8.05	
D_m =	7.03	
Z =	.822	

*N's smaller than 158 and 30, respectively, indicate respondents did not check the age on the questionnaire or refused to answer the question over the telephone.

[2]Robert D. Mason, *Statistical Techniques in Business and Economics* (Homewood, Illinois, 1974), p. 392.

This test necessitated figuring frequencies, cumulative frequencies, cumulative proportions, and the differences between the proportions. The figures are presented below:

TABLE V

COMPARISON OF OCCUPATIONS IN SAMPLE AND SUB-SAMPLE

Occupation	f Sample	f Sub-Sample	Cf Sample	Cf Sub-Sample	Cp Sample	Cp Sub Sample	D
Professional or semi-prof.	44	2	44	2	.30	.06	.24
Business owner or manager	19	2	63	4	.43	.13	.30
Farm operator or manager	18	2	81	6	.55	.20	.35
Skilled laborer	26	11	107	17	.73	.56	.17
Semi-skilled laborer	14	6	121	23	.83	.76	.07
Retired	23	4	144	27	.99	.90	.09
Unemployed	2	3	146	30	1.00	1.00	.00
	*N=146	N = 30				X^2=12.19	

*N's smaller than 158 and 30, respectively, indicate respondents did not check the question on the questionnaire or refused to answer the question over the telephone.

The significance test was similar to a chi-square with 2 degrees of freedom. The chi-square table indicates that to be significant at the .05 level, a X^2 with 2 df must be 5.991 or greater. Since the obtained X^2 for occupations was 12.19, it was concluded that there was a significant difference between the sample and the sub-sample on occupations. It is not very likely that a difference this large would have resulted by chance in random sampling.

For the remaining three questions, a Z test of difference between frequencies was used. This necessitated figuring a weighted mean of the proportions, and the standard error of the proportions before the Z test was applied. The figures for these three questions are presented in Table VI on the following page.

The Z's for question 3 were below the .05 significance level of 1.96 as were the Z's for question 4. Only one cell (ages 23-40) of the Z's for question 5 exceeded the .05 level of significance. It was possible to conclude that a majority of the tests for significance resulted in no significance for questions 3, 4, and 5.

In interpreting the results of the comparison between the sample and the sub-sample, nine of the 11 significance tests applied indicated that the sample was representative of the population; however, since two tests were statistically significant, there is a small doubt that the sample is entirely representative of the population.

For the question on occupation, it appears as though

TABLE VI

COMPARISONS OF QUESTIONS 3, 4, & 5
IN SAMPLE AND SUB-SAMPLE

	Sample		Sub-Sample		
Question	Frequencies	N*	Frequencies	N*	Z
3	Yes = 107		Yes = 15		1.78
	No = 48	155	No = 14	29	1.77
4	Yes = 43		Yes = 4		1.83
	No = 107	150	No = 26	30	1.82
5	6-17 = 17		6-12 = 8		1.95
	13-18 = 48		13-18 = 14		1.91
	19-22 = 30	132	19-22 = 6	29	.25
	23-40 = 32		23-40 = 1		2.49**
	41-65 = 5		41-65 = 0		1.08
	66+ = 0		66+ = 0		---

*N's smaller than 158 and 30, respectively, indicate respondents did not check the question on the questionnaire or refused to answer the questions over the telephone.

**Significant at the .05 level

more respondents in the sample were from the white-collar employment positions. In the sub-sampling, more of the individuals contacted were skilled or semi-skilled laborers. This difference may be explained in part to the varying interpretations of professional and semi-professional and to the fact that the respondents may have classified themselves higher as far as occupation is concerned when they actually had the questionnaire before them. In telephoning the sub-sample respondents, the individuals would generally indicate their occupation and ask the interviewer to classify them. The interviewer's idea of where they should be classified may have been different from how they would have classified themselves.

For question 5, only one age group (ages 23-40) showed a significant difference at the .05 level. When comparing frequencies for the sample and the sub-sample, however, both groups had the largest number of respondents checking that between the ages of 13 and 18 was the best time for money management instruction. Thus, the same conclusion would be reached from the sample and the sub-sample when considering their primary recommendation.

Description of Sample Characteristics

The characteristics of the sample composed of the 158 respondents are presented to aid the reader in the interpretation of the data. The characteristics discussed are: age, sex, marital status, race, occupation, income, education, instruction in money management, area of residence, and ownership of home.

Age

The frequencies and percentages are presented for the sample for age in Table VII on the following page. Forty percent of the heads of households surveyed were between the ages of 41 and 65 with almost an equal percent (28% and 29% respectively) between 22 and 40 and 66 and over. Very few (1.9%) heads of households were under 21 years of age.

TABLE VII

SAMPLE CHARACTERISTICS - AGE

Age	Frequency	Cum. Freq.	Percent	Cum. Percent
Under 21	3	3	1.935	1.935
22 to 40	44	47	28.387	30.323
41 to 65	62	109	40.000	70.323
66 and over	46	155	29.677	100.000

Sex

The following frequencies and percentages are presented for the sample for sex:

TABLE VIII

SAMPLE CHARACTERISTICS--SEX

Sex	Frequency	Cum. Freq.	Percent	Cum. Percent
Female	32	32	22.535	22.535
Male	110	142	77.465	100.000

Male heads of households far exceeded female heads of households with 77.5% males and 22.5% female responding. Sixteen respondents did not indicate their sex on the questionnaire.

Marital Status

Frequencies and percentages for marital status for the sample are as follows:

TABLE IX

SAMPLE CHARACTERISTICS - MARITAL STATUS

Marital Status	Frequency	Cum. Freq.	Percent	Cum. Percent
Married	116	116	73.418	73.418
Single	13	129	8.228	81.646
Divorced	6	135	3.797	85.443
Widow(er)	23	158	14.557	100.000

Most of the respondents (73.4%) were married. Widows or widowers comprised the next highest respondents' level with 14.6%. Single individuals comprised only 8.2% of the respondents, and divorced only 3.8%.

Race

Frequencies and percentages for the sample based on race are presented as follows:

TABLE X

SAMPLE CHARACTERISTICS - RACE

Race	Frequency	Cum. Freq.	Percent	Cum. Percent
American Indian	12	12	7.595	7.595
Black or Afro-American	10	22	6.329	13.924
Mexican-American	--	--	--	--
White	136	158	86.076	100.000

Eighty-six percent of the respondents described themselves as "white". No respondents considered themselves to be Mexican-Americans. Approximately equal responses (7.6% and 6.3% respectively) were received from American Indians and blacks.

Occupation

The frequencies and percentages are presented for the sample on occupation in Table XI on the following page.

TABLE XI

SAMPLE CHARACTERISTICS - OCCUPATION

Occupation	Frequency	Cum. Freq.	Percent	Cum. Percent
Professional or semi-professional	44	44	30.137	30.137
Business owner or manager	19	63	13.014	43.151
Farm operator or manager	18	81	12.329	55.479
Skilled laborer	26	107	17.808	73.288
Semi-skilled laborer	14	121	9.589	82.877
Retired	23	144	15.753	98.630
Unemployed	2	146	1.370	100.000

Thirty percent of the respondents classified themselves as professionals or semi-professionals. This may be due to varied interpretations of what comprises a professional or semi-professional occupation. This distinction was left up to the respondent; no attempt was made to define the classification system.

The classification containing the next highest percentage of the respondents was skilled laborers with 17.8%, followed by retirees with 15.8%. The retired and unemployed classifications were not included on the questionnaire; these responses were written in by the respondents. Only a small percentage (1.4%) indicated they were unemployed.

Income

Frequencies and percentages for income levels for the respondents are presented below:

TABLE XII

SAMPLE CHARACTERISTICS - INCOME

Income	Frequency	Cum. Freq.	Percent	Cum. Percent
0 - 4,999	32	32	22.695	22.695
5,000 - 9,999	40	72	28.369	51.064
10,000 -14,999	35	107	24.823	75.887
15,000 -24,999	24	131	17.021	92.908
25,000+	10	141	7.092	100.000

The largest percent of the respondents (28.4%) indicated incomes of between $5,000 and $9,999 per year. Not too far behind with 24.8% was the group reporting $10,000 to $14,999 yearly incomes. There were 22.7% of the respondents reporting income of 0 - $4,999 per year. Only 7.0% indicated yearly incomes of $25,000 or over.

Education

Frequencies and percentages for level of education completed for the sample are:

TABLE XIII

SAMPLE CHARACTERISTICS - EDUCATION

Education	Frequency	Cum. Freq.	Percent	Cum. Percent
Grade School	26	26	16.774	16.774
Junior High School	17	43	10.968	27.742
High School	53	96	34.194	61.935
College	36	132	23.226	85.161
Trade School	11	143	7.097	92.258
Some College	12	155	7.742	100.000

Thirty-four percent of the respondents indicated they had completed high school, and 23.2% indicated they had completed college. A total of 27.7% of the respondents, however, indicated they had completed only junior high or grade school.

The classification, "some college", was not on the questionnaire; those responding to this classification wrote on the questionnaire that they had had some college so the classification was added to make the analysis more complete. Approximately equal percents (7.09% and 7.74% respectively) had attended a trade school or had some college course work.

Instruction in Money Management

The following frequencies and percentages are presented for instruction in money management:

TABLE XIV

SAMPLE CHARACTERISTICS - INSTRUCTION IN MONEY MANAGEMENT

Instruction in Money Management	Frequency	Cum. Freq.	Percent	Cum. Percent
Yes	43	43	28.667	28.667
No	107	150	71.333	100.000

Approximately 71% of the respondents indicated they had not had any instruction in the management of money leaving approximately 29% who had received some instruction in money management. The respondents were also asked to indicate the level at which the instruction in money management occurred. Frequencies and percentages for the levels at which the money management training was received are in Table XV on the following page.

TABLE XV

SAMPLE CHARACTERISTICS - LEVEL OF MONEY MANAGEMENT EDUCATION

Level of Instruction	Frequency	Cum. Freq.	Percent	Cum. Percent
Grade School	--	--	--	--
Junior High School	1	1	2.439	2.439
High School	16	17	39.024	41.463
College	20	37	48.780	90.244
Trade School	4	41	9.756	100.000

Of the 43 responding "Yes" to some training in money management, 41 indicated the level at which they received the training. The highest percent was at the college level with 48.8% indicating they had received their training in college. Approximately 39% indicated they had received money management training in high school. Almost 10% indicated they had received some instruction in money management at a trade school. Very few (2.4%) indicated instruction was received in junior high, and no respondents indicated they had received money management education in grade school.

Area of Residence

Frequencies and percentages for the area of residence for the respondents are presented in Table XVI on the following page.

TABLE XVI

SAMPLE CHARACTERISTICS -
AREA OF RESIDENCE

Area	Frequency	Cum. Freq.	Percent	Cum. Percent
Rural	62	62	42.177	42.177
Urban	85	147	57.823	100.000

Approximately 58% of the respondents indicated they lived in an urban area, and 42% indicated they lived in a rural area. Eleven respondents left this question blank on the questionnaire.

Home Ownership

The following frequencies and percentages for home ownership are presented for the sample:

TABLE XVII

SAMPLE CHARACTERISTICS -
HOME OWNERSHIP

Own Home	Frequency	Cum. Freq.	Percent	Cum. Percent
Yes	130	130	83.871	83.871
No	25	155	16.129	100.000

A majority (84%) of the respondents indicated they owned their own home. Approximately 16% indicated they were renting their homes.

Analysis of the Questionnaire Responses

A composite of the major characteristics of the respondents from Part I of the questionnaire has already been presented.

Part II of the questionnaire, Financial Practices, was subdivided into six major areas of investigation. The six areas and the questions from the questionnaire used in the analysis are presented first followed by a description of the treatment of the responses in analyzing the data.

Use of Records

This sub-division of financial practices included the following questions:

1. Do you use a budget as a spending plan?
2. Have you prepared a balance sheet (a list of assets and debts) to determine your net worth in the last year?
3. Do you keep a record of your spending to know where your money is going?
4. Do you prepare a yearly income and expense statement?
5. Do you reconcile your bank statements with your check stubs?
6. Do you check for accuracy statements from companies with whom you have credit cards?
7. Do you check statements from stores with whom you have charge accounts?

The first five items listed above are questions for which a "yes" response would be considered a good money management technique. Therefore, the "Yes" answers were averaged for those five items. The last two questions, check of credit card statements and check of charge account statements, were questions to which respondents could answer "Not Applicable"; therefore, in analyzing the data for this section, a table was constructed separating the responses to these questions into the various combinations available such as Yes - Yes, Yes - No, No - Yes, Not applicable - Yes, and so forth. This allowed for a more accurate analysis of the responses for this sub-division.

Use of Banking Services

This sub-division of Financial Practices included the following questions:

1. Do you have a checking account?
2. Do you have a safety deposit box?
3. Do you have a savings account?
4. Do you and your spouse have a joint checking account?
5. Do both you and your spouse have access to your safety deposit box?

In the analysis of this data, two distinctions were made in marital status--married and single. The single category included those who checked single, divorced, and widowed. This distinction was needed because two of the questions applied to married individuals only, and it would not be fair to penalize those who answered "No" to those questions or who left them blank because they were not married. Therefore, two analyses were made of the data--one analyzed question 1, 2, and 3--items applicable to all households; and the other analyzed questions 1 through 5--items applicable to married individuals.

Use of Personal Control in Finances

This sub-division of Financial Practices included the following questions:

1. Do your expenses exceed your income?

   Often (every month)
   Sometimes (every two or three months)
   Never

2. Do you buy things on the spur of the moment without thinking whether or not you really need or want them?

3. Have you deliberately made an effort to establish a good credit rating?

The first question would require a "No" response for good management of money; therefore, the "No" responses were tabulated for this question. The second question was one for which it was possible to answer "often", "sometimes", and "never"; in analyzing this question, no points were added for often and one point was added for either "sometimes" or "never". The same credit was given for "sometimes" and "never" because it was not possible to interpret how respondents were answering this question. Some may have included large purchases (when expenses obviously exceed income) and some may not have considered these types of purchases; therefore, it was determined that giving these responses equal weight was most fair. The third question would require a "Yes" answer and the "Yes" responses were tabulated.

Another question analyzed under this sub-division was the debt level of the respondents. It was possible to determine the level of debt of the majority of the respondents by an analysis of the percents checking each level.

Use of Savings

This sub-division of Financial Practices included the following questions:

1. Do you have a regular savings plan?
2. Do you have a savings account?
3. Do you save part of your money for future goals?
4. Do you have a plan for investing part of your money besides what you are putting into a savings account?
5. Do you have a separate amount of money set aside to take care of emergencies?

All of these questions would require a "Yes" answer for good money management; therefore, the "Yes" answers were averaged for this section. In addition, respondents were asked to check the approximate balance of their savings accounts which was used to determine the number of respondents who indicated savings at each level.

Use of Protection

This sub-division of the Financial Practices section of the questionnaire contained the following questions.

1. Do you have disability insurance?

2. Do you have health insurance?

3. Does your family have life insurance, individual or group, on

   Husband? Amount________
   Wife? Amount________
   Children? Amount________

4. Do you own any of the following?

   Car?
   House?
   Furniture?

5. Do you have insurance on the following?

   Car?
   House?
   Furniture?

The disability and health insurance questions were simple Yes-No questions, and the "Yes" responses were tabulated. The car, house, and furniture insurance question was dependent upon whether the individuals owned those items. If they did not own them, they were not penalized for not having insurance on them.

The life insurance question included Yes-No responses for the husband, wife, and children. A "Yes" in all three was considered good money management if the individual was married and had children. A "Yes" in either the husband or wife column was considered good money management if the individual responding was single. A "Yes" in either the husband or wife and children was considered good money management if the individual was divorced or widowed with children.

In addition, the average amount of insurance carried by married male respondents was computed.

Use of Estate Planning Techniques

This sub-division of the Financial Practice section of the questionnaire contained the following questions:

1. Do you have a will?

2. Do you plan for your retirement by saving for it either through a savings account or through a retirement program?

3. If you have a will, does your will include your choice of your children's guardian in the event of your death?

4. Have you established a trust fund for your children?

5. Have you established a trust fund for your spouse?

6. Have you given property (cash, stocks, bonds, lands, etc.) to your spouse during the last year to take advantage of the gift tax benefit?

In analyzing this data, several distinctions were made. First, only the number having a will and planning for retirement were tabulated, since these practices applied to everybody. Second, these two questions plus the number who have established a trust fund for spouse and the number who have used the gift allowance with their spouse was tabulated. Third, the number having a will, planning for retirement and who have chosen a guardian for their children and who had established a trust fund for their children were tabulated. Fourth, all questions were tabulated, deleting the blank responses where they did not apply to the individuals responding. In determining the averages, individuals to whom the questions did not apply were not penalized for leaving it blank or responding "No".

In analyzing the data, each sub-division of the Practices section of the questionnaire was first analyzed using frequencies and percentages. Using the Statistical Analysis System (SAS), available through the Oklahoma State University computer center, the data for the combined practices were then analyzed utilizing the scoring system just described. The statistical technique used to compare the practices by age, occupation, income, sex, education, and money management training was the analysis of variance.

The analysis of variance technique is used to test the hypothesis of no difference among the means of the various groups when all of the data are treated at once. There are two advantages to this technique: (1) it reduces the number of comparisons that would have to be made to cover all possible tests in a study where more than two groups are involved, and (2) it takes into account the interaction of the sub-samples within a set through an estimation of variance due to this interaction.[3] Thus, it was deemed to be an appropriate mode of analysis for the data collected in this study.

Finally, the Needs Assessment Section was analyzed using the following questions from the questionnaire:

1. How do you consider yourself as a financial manager?

    ___Good   ___Fair   ___Poor

---

[3]N. M. Downie and R. W. Heath, Basic Statistical Methods, 3rd ed. (New York, 1970), p. 215.

2. How do you consider your spouse as a financial manager?

   ___Good ___Fair ___Poor

3. How do you feel your education in financial management has been?

   ___Very Good ___Good ___Fair ___Bad

   ___Very Bad

4. At what time in your life do you believe money management training would be most beneficial?

   ___6 to 12 ___13 to 18 ___19 to 22 ___23 to 40

   ___41 to 65 ___66+

5. Up to this point in your life, at what age have you had the most financial decisions to make?

   ___6 to 12 years ___22 to 40 years ___41 to 65 years

   ___66+

6. How have you developed your money management abilities? Check one or more.

   ___education
   ___trial and error
   ___institutions such as church, community groups, etc.
   ___parents
   ___Other______________________

7. Rank the areas of money management that you feel you need educational assistance in at the present time. A one indicates the area where you need the most help.

   ___responsible spending of money
   ___developing a budget
   ___obtaining credit
   ___record keeping
   ___buying insurance (all types)
   ___investing money
   ___saving money
   ___Other______________________

8. Who is responsible for the management of money in your household?

   ___Husband ___Wife ___Both

This data was analyzed using frequency tables and percentages in an attempt to identify the extent of past training of households in southeastern Oklahoma in money management and the direction for improvement in our educational system.

Summary

This chapter presented the steps taken in the collection and analysis of data for this research study. A random sample of the listings in the phone books for the 10 counties that supplied the most students to Southeastern Oklahoma State University in the fall of 1975 was selected with the aid of a computer. The questionnaire was administered through two letters and a postcard contact with the respondents. To determine if the non-respondents were different from the respondent, a sub-sample of 30 non-respondents was contacted, resulting in no significant differences in nine out of 11 significance tests. A description of the sample characteristics was given to aid the reader in interpreting the results of the study. Finally, a description of the scoring techniques used in analyzing the practices engaged in by the respondents and in analyzing the needs assessment portion of the questionnaire was given.

Chapter IV presents the analysis of the data for this study.

CHAPTER IV

ANALYSIS OF DATA

In this chapter, the data obtained from the practice and needs questionnaire are presented and analyzed. The analysis is divided into three parts: an analysis of the sub-divisions of practices engaged in by the respondents; a comparison of the practices engaged in when analyzed by age, income, occupation, sex, education, and money management training; and an analysis of the financial planning needs of the respondents.

First, the practices section was sub-divided into six areas: Use of Records, Use of Banking Services, Use of Personal Control in Finances, Use of Savings, Use of Protection, and Use of Estate Planning Techniques. Each subdivision was analyzed by the use of frequencies and percentages.

Second, the practices were combined and an analysis of variances of the means was computed by age, income, occupation, sex, education, and money management training to determine if any of the factors made a statistically significant difference in the number of practices engaged in by the respondents.

Third, the needs section of the questionnaire was analyzed using frequencies and percentages to determine what the needs of the respondents are in the area of personal financial planning.

Analysis of the Sub-Divisions of Practices

The responses to each of the questions included in each sub-division of the Practices section of the questionnaire are presented first followed by an analysis of the data.

Analysis of Use of Records

The Use of Records sub-division included seven questions. See Chapter 3, p. 49 for the complete questions. An abbreviated form of the questions are used here. The responses to each of the seven questions are as follows:

TABLE XVIII

ANALYSIS OF USE OF RECORDS

Practice	Frequency	Cum. Freq.	Percent	Cum. Percent
Uses a Budget				
Yes	44	44	28.57	28.57
No	110	154	71.43	100.00
Prepares a Balance Sheet				
Yes	49	49	32.89	32.89
No	100	149	67.11	100.00

TABLE XVIII (Continued)

Practice	Frequency	Cum. Freq.	Percent	Cum. Percent
Keeps Record of Expense				
Yes	107	107	69.03	69.03
No	48	155	30.97	100.00
Prepares an Income and Expense Statement				
Yes	46	46	30.26	30.26
No	106	152	69.73	100.00
Reconciles Bank Statement				
Yes	130	130	84.42	84.42
No	24	154	15.58	100.00
Checks Credit Card Statements				
Yes	80	80	51.95	51.95
No	12	92	7.79	59.74
NA	62	154	40.26	100.00
Checks Charge Account Statements				
Yes	100	100	64.94	64.94
No	9	109	5.84	70.78
NA	45	154	29.22	100.00

The percentage responding "Yes" to these seven practices are presented below arranged from the highest percentage to the lowest. The respondents checking "Not-applicable" on checks credit card and charge account statements were deleted when computing the percentage responding "Yes".

TABLE XVIX

PERCENT RESPONDING "YES"

Practice	Percentage
Checks charge account statements	91.7
Checks credit card statements	86.9
Reconciles bank statement	84.4
Keeps a record of expenses	69.0
Prepares a balance sheet	32.9
Prepares an income & expense statement	30.3
Uses a budget	28.6

A majority of the respondents indicated they engaged in four of the seven practices included in this sub-division. The practice, Uses a Budget, received the lowest percentage responding "Yes". It is interesting to note that 69% indicated they kept a record of their expenses, but only 28.6% indicated they used a budget as a spending plan. Evidently, a majority of these respondents know where their money is going but few plan how it is to be spent. It is also interesting that higher percentages of the respondents check charge account and credit card statements than the percentages who check bank statements. This may be due in part to the fact that it probably is easier to check charge account and credit card statements than it is to reconcile a bank statement; therefore, more respondents engaged in these practices.

Analysis of Use of Banking Services

There were five questions in this sub-division of the practices section of the questionnaire. Two of the five were questions which applied only to married individuals. These are: do you have a joint checking account and does your spouse have access to the safety deposit box. The responses to these questions are as follows:

TABLE XX

ANALYSIS OF USE OF BANKING SERVICES

Practices	Frequency	Cum. Freq.	Percent	Cum. Percent
Has a checking account				
Yes	142	142	92.20	92.20
No	12	154	7.79	100.00

TABLE XX (Continued)

Practices	Frequency	Cum. Freq.	Percent	Cum. Percent
Has a safety deposit box				
Yes	61	61	40.13	40.13
No	91	152	59.87	100.00
Has a savings account				
Yes	112	112	72.26	72.26
No	43	155	27.74	100.00
Has a joint checking account				
Yes	103	103	87.29	87.29
No	15	118	12.71	100.00
Spouse has access to safety deposit box				
Yes	44	44	57.14	57.14
No	33	77	42.85	100.00

The percentages responding "Yes" to these five practices are presented on the following page arranged from the highest to the lowest percentages. The banking services used by a majority of the respondents were the use of checking and savings accounts. A very large percentage of the respondents (92.2%) indicated they had checking accounts. Of those respondents who were married, 87.29% indicated they had joint

TABLE XXI

PERCENT RESPONDING "YES"

Practices	Percentages
Has a checking account	92.20
Has a joint checking account	87.29
Has a savings account	72.26
Spouse has access to safety deposit box	57.14
Has a safety deposit box	40.13

checking accounts. A majority of the respondents (72.26%) also had a savings account. Approximately 40% of the repondents had safety deposit boxes; and of those who were married, 57.14% indicated their spouses had access to the safety deposit box.

Analysis of Use of Personal Control in Finances

Three questions were included in this sub-division. An abbreviated form of the questions are used here; the complete questions are listed in Chapter 3 on page 51. The frequencies and percentages for Use of Personal Control are in Table XXII on the following page. Only 7.6% indicated their expenses often exceed their income; almost equal percentages, however, indicated they "sometimes" and they "never" had expenses exceeding their incomes. "Sometimes" was defined for the respondents

TABLE XXII

ANALYSIS OF PERSONAL CONTROL IN FINANCES

Practice	Frequency	Cum. Freq.	Percent	Cum. Percent
Expenses Exceed Income				
Often	12	12	7.60	7.60
Sometimes	75	87	47.47	55.06
Never	71	158	44.94	100.00
Buys on spur of the moment				
Yes	27	27	17.20	17.20
No	130	157	82.80	100.00
Has made effort to establish good credit				
Yes	140	140	91.50	91.50
No	13	153	8.50	100.00

as "every two or three months." It is not necessarily bad money management to have expenses sometimes exceed income, particularly if expenses (such as insurance and taxes) are paid on a quarterly or yearly basis. This is why when the respondents were scored for the number of good money management practices actually engaged in equal weight was given to "Sometimes" and "Never." Generally, the respondents kept control of their expenses.

Only 17.2% indicated they bought things on the spur of the moment without thinking whether or not they really needed the items. This indicates that the respondents exerted considerable control over unnecessary buying.

Likewise, a majority of the respondents (91.5%) indicated that they had made an effort to establish a good credit rating. Only 8.5% respondent that they did not try to establish a good credit rating.

Another means of finding out how much control in finances the respondents had was by checking the amounts they owed creditors. The respondents were asked to check the approximate amount they owed creditors, excluding their houses and cars. The frequencies and percentages are as follows:

TABLE XXIII

ANALYSIS OF DEBTS

Amounts	Frequency	Cum. Freq.	Percent	Cum. Percent
\$ 0 - \$ 199	70	70	46.67	46.67
200 - 499	12	82	8.00	54.67
500 - 999	20	102	13.33	68.00
1,000 - 4,999	25	127	16.67	84.67
5,000+	23	150	15.33	100.00

Approximately 46.6% indicated very low (\$0 - \$199) debts to creditors. The second highest percentage checked debts between \$1,000 - \$4,999 while 15.33% indicated debts, excluding houses and cars, of \$5,000 and over. An accumulated 68% of the respondents checked a debt level below \$999. Therefore, it seems these respondents did not rely to any great extent on credit and exerted considerable control in keeping their debts low, although the final determinant of this would be whether those with the lowest incomes also had the lowest debt level.

In analyzing the Use of Personal Control in Finances, a majority of the respondents seemed to have their expenses and unnecessary buying under control. They also were interested in having a good credit rating and had kept their debt level rather low.

Analysis of Use of Savings

This sub-division included five questions. (See Chapter 3, p. 52 for the complete listing of the questions used.) One question, number who have a savings account, was analyzed under Use of Banking Services, but it is presented here again since it is basic to analyzing this sub-division. The frequencies and percentages for Use of Savings as well as the percentages responding "Yes" are presented in Tables XXIV and XXV on the following pages.

A majority of the respondents had a savings account, an emergency fund, and a habit of saving for future goals. However, it is interesting to note that approximately 28% of the respondents did not have a savings account, and only

TABLE XXIV

ANALYSIS OF USE OF SAVINGS

Practices	Frequency	Cum. Freq.	Percent	Cum. Percent
Number who have a regular savings plan				
Yes	49	49	32.89	32.89
No	100	149	67.11	100.00
Number who have a savings account				
Yes	112	112	72.26	72.26
No	43	155	27.74	100.00
Number who save for future goals				
Yes	94	94	61.04	61.04
No	60	154	38.96	100.00
Number who have an investment fund				
Yes	55	55	36.42	36.42
No	96	151	63.58	100.00
Number who have an emergency fund				
Yes	96	96	61.15	61.15
No	61	157	38.85	100.00

TABLE XXV

PERCENT RESPONDING "YES"

Practices	Percentage
Number who have a savings account	72.26
Number who have an emergency fund	61.15
Number who save for future goals	61.04
Number who have an investment fund	36.42
Number who have a regular savings plan	32.89

32.89% had a regular savings plan. It seems as though most households had opened a savings account, but few had any regular plan for adding to that account. Approximately 61% of the respondents, however, did have an emergency fund--an important aspect of good financial planning.

The respondents were also asked to check the balance of their savings accounts in an attempt to ascertain the extent of savings for the majority of the households. Several respondents (39) considered this question too personal and did not respond. Of those who did respond, the savings account balances are indicated on the following page.

Almost as many of the respondents checked savings account

TABLE XXVI

ANALYSIS OF SAVINGS ACCOUNT BALANCES

Balances	Frequency	Cum. Freq.	Percent	Cum. Percent
\$ 10 - \$ 499	39	39	32.77	32.77
500 - 999	7	46	5.88	38.66
1,000 - 1,999	9	55	7.56	46.22
2,000 - 4,999	19	74	15.97	62.19
5,000 - 9,999	15	89	12.61	74.79
10,000^{+}	30	119	25.21	100.00

balances of \$10,000 and over as did those who indicated a balance of \$10-\$499. An accumulated 53.79% of the respondents had savings account balances of between \$2,000 and \$10,000^{+}. The smallest percentage of the respondents had savings account balances of \$500 - \$999.

Since the majority (69%) of the respondents were between the ages of 41 and over 66, it appears as though these respondents had left large amounts of their estates in their savings accounts rather than investing them in other assets.

In summary, three of the five practices considered under Use of Savings were practiced by a majority of the respondents, and 32.77% of the respondents indicated savings account balances of between \$10 and \$499 while 25.21% checked savings account balances of \$10,000 and over.

Analysis of Use of Protection

There were eight questions about protection included in this sub-division of practices plus one asking how many owned cars, houses, and furniture. This question was necessary in order to establish ownership so that the question on insurance coverage on these items could be fully analyzed. The frequencies and percentages are as follows:

TABLE XXVII

ANALYSIS OF USE OF PROTECTION

Practice	Frequency	Cum. Freq.	Percent	Cum. Percent
Number who have disability insurance				
Yes	87	87	58.39	58.39
No	62	149	41.61	100.00
Number who have health insurance				
Yes	134	134	88.16	88.16
No	18	152	11.84	100.00
Number who have life insurance on:				
Husband				
Yes	99	99	73.88	73.88
No	22	121	16.42	90.30
NA	13	134	9.70	100.00

TABLE XXVII (Continued)

Practice	Frequency	Cum. Freq.	Percent	Cum. Percent
Wife				
Yes	77	77	63.64	63.64
No	36	113	29.75	93.39
NA	8	121	6.61	100.00
Children				
Yes	44	44	43.14	43.14
No	32	76	31.37	74.51
NA	26	102	25.49	100.00
Do you own:				
Car				
Yes	144	144	92.90	92.90
No	11	155	7.10	100.00
House				
Yes	134	134	88.16	88.16
No	18	152	11.84	100.00
Furniture				
Yes	154	154	98.72	98.72
No	2	156	1.28	100.00
Do you have insurance on:				
Car				
Yes	137	137	88.96	88.96
No	17	154	11.04	100.00
House				
Yes	124	124	82.12	82.12
No	27	151	17.88	100.00
Furniture				
Yes	128	128	84.77	84.77
No	23	151	15.23	100.00

The percentages responding "Yes" to each of the questions under Use of Protection ranked from highest to lowest percentages are as follows:

TABLE XXVIII

PERCENT RESPONDING "YES"

Practices	Percentage
Car Insurance	88.96
Health Insurance	88.16
Furniture Insurance	84.77
House Insurance	82.12
Life Insurance - husband	73.88
Life Insurance - wife	63.64
Disability Insurance	58.39
Life Insurance - children	43.14

Car and health insurance were very close in the percentages responding they did have these types of insurance. House and furniture insurance also had fairly close percentages. Only 43.14% of the respondents reported having life insurance on their children.

Three rather significant points are evident: (1) While a good percentage did have car and health insurance--two of the more basic types needed--there still remains 11.04% of those who own cars without insurance and 11.84% of the respondents who do not have health insurance. It would be interesting to see why these households did not have these types of coverage. (2) There were more of the respondents indicating they had insurance on their furniture than there were reporting insurance on their homes. This difference may be accounted for in part by the fact that some of the respondents were renters and not home owners. (3) While a majority of the households had insurance on the husband and wife, there still were 16.42% of the households without insurance on the husband and 29.75% without insurance on the wife. There is no way of ascertaining whether these households which did not have life insurance on the husband had other means of providing for their families in the event of death. It may be that they chose to provide for their families through other avenues.

The respondents were also asked to write in the amount of insurance they had on the husband, wife, and children. The data was so incomplete on these questions, it was difficult to tabulate; but of those who indicated they were male (16 respondents did not check their sex, and these were deleted from the computation) and married, the average amount of insurance carried on the husband was $29,456.90. Seven respondents indicated life insurance coverage on the husband was $100,000 or over. The smallest amount of coverage checked by a married male was $2,000.

Analysis of Use of Estate Planning Techniques

The use of Estate Planning Techniques included six questions. See Chapter 3, p. 54 for a complete listing of the questions. The frequencies and percentages for these questions are as follows:

TABLE XXIX

ANALYSIS OF USE OF ESTATE PLANNING TECHNIQUES

Practices	Frequency	Cum. Freq.	Percent	Cum. Percent
Number who have a will				
Yes	52	52	34.21	34.21
No	100	152	65.79	100.00
Number who plan for retirement				
Yes	94	94	64.83	64.83
No	51	145	35.17	100.00
Number who have a will who have chosen a guardian for children				
Yes	16	16	32.65	32.65
No	32	48	65.31	97.96

TABLE XXIX (Continued)

Practices	Frequency	Cum. Freq.	Percent	Cum. Percent
Number who have established a trust fund for children				
Yes	7	7	9.46	9.46
No	67	74	90.54	100.00
Number who have established a Trust Fund for spouse				
Yes	9	9	7.83	7.83
No	106	115	92.17	100.00
Number who have used the gift allowance in last year				
Yes	0	0	--	--
No	116	116	100.00	100.00

The percentage of respondents checking "Yes" to these questions arranged from the highest to the lowest percentages are in Table XXX on the following page. A majority of the respondents indicated they do plan for their retirement although approximately 35% are not planning for their retirement. Only 34.21% have a will; and of those who have a will, only 32.65% had chosen a guardian for their children. Very low percentages of the respondents used the estate planning technique of establishing a trust fund, and no respondent had used the gift allowance during the last year.

TABLE XXX

PERCENT RESPONDING "YES"

Practices	Percentages
Plan for retirement	64.83
Have a will	34.21
Have chosen guardian for children	32.65
Have established a trust fund for children	9.46
Have established a trust fund for spouse	7.83
Number who have used gift allowance in the last year	0.00

In summary, a majority of the respondents indicated they engaged in four of the seven practices included under Use of Records, and a majority of the respondents engaged in four of the five practices included under Use of Banking Services. In analyzing the Use of Personal Control in Finances, a majority of the respondents seemed to have their expenses and unnecessary buying under control. Likewise, a majority had made an attempt to establish a good credit rating. The level of debt indicated by a majority of the respondents was between \$500 and \$999, excluding their houses and cars. A majority of the respondents engaged in three of the five practices included under Use of Savings. An accumulated 53.79% of the respondents had savings account balances of between \$2,000 and \$10,000. A majority of the respondents practiced seven of the eight practices considered under Use of Protection. Car and health insurance were checked by the largest percent of the respondents. The average amount of life insurance carried on the married male respondents was \$29,456.90. A majority of the respondents engaged in only one out of the six practices included under Use of Estate Planning Techniques.

Comparison of Practices

In this section, the practices actually engaged in by the respondents are combined and are compared by age, income, occupation, sex, education, and money management training. The statistical technique used was the analysis of variance of the means. The means for each factor are presented first followed by the analysis of variance for each.

Comparison of Practices by Age

The means for each age group are presented in Table XXXI on the following page. The small number of observations in the under 21 age group makes it difficult to compare this mean to the other means. The other three age groups are very close in the average number of practices engaged in by the respondents.

TABLE XXXI

MEANS OF PRACTICES BY AGE

Age	N	Means
Under 21	3	47.2
22-40	44	64.7
41-65	62	66.7
66 and over	46	66.4
Overall means	155	65.7

When the analysis of variance was computed for these means, the null hypothesis being tested was:

> There will be no significant difference in the respondents' financial practices when compared by age.

The analysis of variance on age is presented in Table XXXII on the following page. In analyzing the data, an F of 1.116 resulted with a probability of receiving a number greater than F of 0.3446. There are approximately 34 chances out of 100 that an F this large could happen by chance. Therefore, the null hypothesis cannot be rejected; there is no significant difference in the practices engaged in by the respondents when compared by age.

TABLE XXXII

ANALYSIS OF VARIANCE ON AGE

Source of Variation	df	Sum of Squares	Mean Square	F
Between Groups	3	1156.2886	385.429550	
Within Groups	151	52144.4388	345.327409	1.116*

*Prob > F = 0.3446

Comparison of Practices by Occupation

The means for each occupation are presented below:

TABLE XXXIII

MEANS OF PRACTICES BY OCCUPATIONS

Occupation	N	Means
Professional or semi-professional	44	70.7
Business owner or manager	19	73.0
Farm operator or manager	18	68.2
Skilled laborer	26	61.8
Semi-skilled laborer	14	63.1
Retired	23	61.9
Unemployed	2	37.8
Overall Means	146	66.5

Business owners or managers had the highest average when the practices were compared by occupations. This would be the expected outcome since it would be possible to assume that business managers would be more aware of the benefits of good financial planning. Professionals or semi-professionals had the second highest average with unemployed having the lowest average. However, the number of observations in the unemployed group makes this average difficult to compare to the other means.

When the analysis of variance was computed for these means, the null hypothesis being tested was:

> There will be no significant difference in the respondents' financial practices when compared by occupation.

The analysis of variance on occupation is presented below:

TABLE XXXIV

ANALYSIS OF VARIANCE ON OCCUPATION

Source of Variation	df	Sum of Squares	Mean Square	F
Between Groups	6	4482.2748	747.045800	
Within Groups	139	40125.8454	288.675147	2.59*

*Prob > F = 0.0206

When comparing the practices engaged in by the respondents by occupation, the analysis of variance test resulted in an F of 2.59 and a probability of receiving a number greater than F of 0.02. There are approximately 2 chances out of 100 that an F this large could happen by chance. Therefore, the null hypothesis was rejected; there is a significant difference in the practices engaged in by the respondents when compared by occupations.

Comparison of Practices by Income

The means for each income group are presented below:

TABLE XXXV

MEANS OF PRACTICES BY INCOME

Income	N	Means
0 - $ 4,999	32	54.5
$ 4,000 - 9,999	40	61.4
10,000 - 14,999	35	71.9
15,000 - 24,999	24	73.6
25,000+	10	78.6
Overall Means	141	65.7

Those individuals with the highest incomes had the highest averages for practices actually engaged in by the respondents. The lower the income, the fewer the practices used by the respondents.

When the analysis of variance was computed for these means, the null hypothesis being tested was:

> There will be no significant difference in the respondents' financial practices when compared by incomes.

The analysis of variance on income is presented below:

TABLE XXXVI

ANALYSIS OF VARIANCE ON INCOME

Source of Variation	df	Sum of Squares	Mean Square	F
Between Groups	4	9304.2594	2326.06484	
Within Groups	136	38895.5412	285.99663	8.13319*

*Prob > F = 0.0001

When comparing the practices engaged in by the respondents by incomes, the analysis of variance test resulted in an F of 8.13 and a probability of receiving a number greater than F of 0.0001. There is approximately 1 chance out of 10,000 that an F this large could happen by chance. Therefore, the null hypothesis was rejected; there is a highly significant difference in the practices engaged in by the respondents when compared by incomes.

Comparison of Practices by Sex

The means for each sex are presented below:

TABLE XXXVII

MEANS OF PRACTICES BY SEX

Sex	N	Means
Female	32	57.2
Male	110	67.0
Overall Means	142	64.8

Male heads of households engaged in more of the practices than did the female heads of households. When the analysis of variance was computed for these means, the null hypothesis being tested was:

> There will be no significant difference in the respondents' financial practice when compared by sex.

The analysis of variance on sex is presented in the following table:

TABLE XXXVIII

ANALYSIS OF VARIANCE ON SEX

Source of Variation	df	Sum of Squares	Mean Square	F
Between Groups	1	2424.1890	2424.18897	
Within Groups	140	52593.9500	375.67107	6.45*

*Prob > F = 0.0117

When comparing the practices engaged in by the respondents by sex, the analysis of variance test resulted in an F of 6.45 and a probability of receiving a number greater than F of 0.01. There is approximately 1 chance out of 100 that an F this large could happen by chance. Therefore, the null hypothesis was rejected; there is a significant difference in the practices engaged in by the respondents when compared by sex.

Comparison of Practices by Education

The means for each level of education completed by the respondents are presented in Table XXXIX on the following page.

TABLE XXXIX

MEANS OF PRACTICES BY EDUCATION

Education Level	N	Means
Grade School	26	49.9
Junior High School	17	68.7
High School	53	65.8
College	36	73.8
Trade School	11	67.0
Some College	12	63.5
Overall Means	155	65.2

The lower the level of education completed by the respondents the lower the mean for that group. Those individuals completing college had the highest mean. Those completing junior high school had the second highest with those completing high school having the third highest; there seemed to be a reversal in the trend in these two levels of education. However, the number of observations in the junior high group is somewhat small for a complete comparison with the high school group which had a much higher number in it.

When the analysis of variance was computed for these means, the null hypothesis being tested was:

There will be no significant difference in the respondents' financial practices when compared by education

The analysis of variance on education is presented below:

TABLE XL

ANALYSIS OF VARIANCE ON EDUCATION

Source of Variation	df	Sum of Squares	Mean Square	F
Between Groups	5	9076.6121	1815.32241	
Within Groups	149	47662.8768	319.88508	5.67*

*Prob > F = 0.0002

The analysis of variance on level of education completed by the respondents resulted in an F of 5.67 and a probability of receiving a number greater than F of 0.0002. There are approximately 2 chances out of 10,000 that an F this large could happen by chance. Therefore, the null hypothesis was rejected; there is a highly significant difference in the practices engaged in by the respondents when compared by education.

Comparison of Practices by Money Management Training

The means for the respondents based on whether they reported money management training are presented in Table XLI.

A majority reported no money management training.

TABLE XLI

MEANS OF PRACTICES BY MONEY MANAGEMENT TRAINING

Money Management Training	N	Means
Yes	43	76.1
No	107	60.5
Overall Means	150	64.9

Those reporting some money management training received the highest mean for number of practices used.

When the analysis of variance was computed for these means, the null hypothesis being tested was:

> There will be no significant difference in the respondents' financial practice when compared by money management training.

The analysis of variance on money management training is presented in Table XLII on the following page. The analysis of variance on money management training resulted in an F of 22.6 and a probability of receiving a number greater than F of 0.0001. There is approximately 1 chance out of 10,000 that an F this large could happen by chance. Therefore, the null hypothesis

TABLE XLII

ANALYSIS OF VARIANCE ON MONEY MANAGEMENT TRAINING

Source of Variation	df	Sum of Squares	Mean Square	F
Between Groups	1	7488.7859	7488.78593	
Within Groups	148	48957.5444	330.79422	22.6*

*Prob > F = 0.0001

was rejected; there is a highly significant difference in the practices engaged in by the respondents when compared by money management training.

In summary, no significant difference in the number of practices engaged in by the respondents was evident when the data were compared by age. A significant difference in the number of practices engaged in by the respondents was evident when the data were compared by occupation and sex. A highly significant difference in the number of practices engaged in by the respondents was evident when the data were compared by income, level of education completed, and money management training.

Analysis of the Needs Assessment

This section analyzes the needs assessment portion of the questionnaire using the frequencies and percentages given for each response. It is divided into six parts: assessment of self and spouse as financial managers, assessment of education in money management, analysis of best time for money management training, analysis of age when most financial decisions are made, development of money management abilities, areas where educational assistance is needed most, and person responsible for financial planning in the households.

Assessment of Self and Spouse as Financial Manager

The frequencies and percentages for the assessment of self as a financial manager are presented below:

TABLE XLIII

ASSESSMENT OF SELF AS FINANCIAL MANAGER

Rating	Frequency	Cum. Freq.	Percent	Cum. Percent
Good	66	66	43.137	43.137
Fair	79	145	51.634	94.771
Poor	8	153	5.229	100.000

In assessing their own effectiveness as financial managers, 52% indicated they were only "Fair" financial managers while 43% considered themselves good financial managers. It is significant to note, however, that approximately 57% considered themselves "Fair" or "Poor" financial managers. Since a majority of the respondents considered themselves fair or poor financial managers, it may be possible to assume that training in personal financial management would be needed and accepted.

The respondents who were married had a little better feeling about their spouses as financial managers. The frequencies and percentages for the spouses are as follows:

TABLE XLIV

ASSESSMENT OF SPOUSES AS FINANCIAL MANAGERS

Rating	Frequency	Cum. Freq.	Percent	Cum. Percent
Good	72	72	61.538	61.538
Fair	40	112	34.188	95.726
Poor	5	117	4.274	100.000

Approximately 62% considered their spouses "Good" financial managers, and 34% considered them as "Fair" managers. Not too much difference was noted in those who indicated themselves as poor managers and in those who indicated their spouses as poor managers with 5.2% and 4.3%, respectively, checking the "Poor" classification.

When one considers the increasing divorce rate and the increasing longevity of women, this is an important consideration. It appears as though more and more women will be placed in a position of making more of the financial decisions concerning their families; thus an increased understanding of good financial management principles will be imperative.

Assessment of Education in Money Management

The respondents were also asked to assess the effectiveness of their education in financial management. The frequencies and percentages for this assessment are as follows:

TABLE XLV

ASSESSMENT OF EDUCATION IN MONEY MANAGEMENT

Rating	Frequency	Cum. Freq.	Percent	Cum. Percent
Very good	16	16	11.765	11.765
Good	47	63	34.559	46.324
Fair	51	114	37.500	83.824

TABLE XLV (Continued)

Rating	Frequency	Cum. Freq.	Percent	Cum. Percent
Bad	19	133	13.971	97.794
Very bad	3	136	2.206	100.000

No clear majority for any one classification in this question was evident; 37.5% indicated their education in money management was "Fair", but 34.5% indicated it had been "Good." An accumulated 46.3% felt it had been "Good or "Very Good". An accumulated 53.6% indicated their education in money management had been "Fair", "Bad", or "Very Bad". More respondents than not felt their education in financial management had been inadequate.

It is interesting to note that in assessing themselves as financial managers, 57% considered themselves "Fair" or "Poor" financial managers, and the percentage indicating their education in financial management had been "Fair", "Bad", or "Very Bad" was 53.6% perhaps indicating that there may be a relationship between their education in financial management and their assessment of themselves as financial managers.

Analysis of Best Time for Money Management Training

When asked to indicate the best time for money management training, the responses were as indicated in Table XLVI on the following page. There did not seem to be a majority feeling on when would be the best time for money management training although 36.4% felt it should be between 13 and 18 years of age--in other words, during the middle school and high school years. Approximately 23% of the respondents felt the education should come between the ages of 19 and 22. This corresponds to the time when most individuals are getting married which may account for the interest in financial planning at this age. Approximately 24% indicated the training should come between the ages of 23 and 40, the years when families seem to make the most financial decisions. This indicates the need for a form of money management training which would reach adults.

Only 13% indicated money management training should come between the ages of 6 and 12, which would indicate the grade school level; and only 4% felt it should be between the ages of 41 and 65.

When accumulating percentages, however, a majority (72%) felt the money management education should come between the ages of 6 and 22, indicating that emphasis should be put on developing good money management habits early in life--from grade school through college.

TABLE XLVI

ANALYSIS OF BEST TIME FOR MONEY MANAGEMENT TRAINING

Years	Frequency	Cum. Freq.	Percent	Cum. Percent
6 to 12 years	17	17	12.879	12.879
13 to 18 years	48	65	36.364	49.242
19 to 22 years	30	95	22.727	71.970
23 to 40 years	32	127	24.242	96.212
41 to 65 years	5	132	3.788	100.000
66+	--	--	--	--

Analysis of Age When Most Financial Decisions are Made

The respondents were also asked to indicate the age when most financial decisions were made in their own life. The question was as follows: "Up to this point in your life, at what age have you had the most financial decisions to make?" This meant that if a respondent was only 21 years of age, he or she could have only one response; but if they were older, they could assess their past and determine when they had made the most financial decisions. This question was designed to get insight into past experiences of the adults surveyed. Forty percent of the respondents were between the ages of 41 and 65 with 28% being between 22 and 40 years of age and 30%

being 66 and over. (See the complete age analysis of respondents in Chapter 3, page 39) Thus, it was possible to get the benefit of these respondents' past experiences.

The frequencies and percentages for the age when most financial decisions were made by these respondents are as indicated in the following table. Looking back at their lives then, 72% of the respondents indicated they had made most of their financial decisions between 22 and 40 years of age. Approximately 17% indicated they had made the most decisions between the ages of 41 and 65.

TABLE XLVII

ANALYSIS OF AGE OF MOST FINANCIAL DECISIONS

Ages	Frequency	Cum. Freq.	Percent	Cum. Percent
6 to 21 years	9	9	6.338	6.338
22 to 40 years	102	111	71.831	78.169
41 to 65 years	24	135	16.901	95.070
66^{+}	7	142	4.930	100.000

If this is the case, it would appear as though some form of money management training should be available to adults between the ages of 22 and 40 to help them during this time of decision making. These respondents, however, indicated that the education in money management should come earlier in life, presumably to prepare them for the later years when the most decisions must be made.

Development of Money Management Abilities

The respondents were asked to check one or more of the following to indicate how they had developed their money management abilities: education, trial and error, institutions, and parents. The frequencies are as follows:

TABLE XLVIII

DEVELOPMENT OF MONEY MANAGEMENT ABILITIES

Method	Frequencies
Education	36
Trial and Error	103
Institutions	12
Parents	40

The majority of the respondents indicated they had developed their money management abilities through trial and error. The number of respondents checking parents and the number checking education were very close with 40 and 36 respectively. Institutions, such as churches and community groups, were checked the fewest number of times as a means of developing money management abilities.

While trial and error may be an effective way of learning financial management, it is not necessarily an efficient method. It, no doubt, is difficult for households who have declared bankruptcy because of unwise financial decision-making to come back to financial stability. The cost of this "experience" may take its toll in family strife, problems with employers, and physical illness. There should be a more effective means of developing financial abilities, and the educational systems are the most logical avenues by which to accomplish at least the presentation of good money management principles. Parents may also be a source of help in developing money management abilities; however, if parents do not have the financial expertise, it is difficult to pass it on to their children.

Areas Where Educational Assistance is Needed Most

The respondents were asked to rank the areas of money management in which they felt they needed educational assistance at the present time. A large number of the respondents did not answer this question, and many respondents ranked only the number one or number two area of concern to them rather than ranking all seven areas. Therefore, the number responding for each rank becomes progressively smaller. The frequencies are as follows:

TABLE XLIX

AREAS WHERE EDUCATIONAL ASSISTANCE IS MOST NEEDED

Areas	Rank 1	2	3	4	5	6	7	Totals
Responsible Spending of Money	16	4	3	7	3	3	3	39
Developing a Budget	14	16	7	2	1	2	0	42
Obtaining Credit	0	0	1	1	3	6	13	24
Recordkeeping	9	3	8	4	6	4	3	37
Buying Insurance	12	4	5	4	4	6	1	36
Investing Money	22	10	5	5	4	1	3	50
Saving Money	15	8	5	5	4	2	1	40
Totals	88	45	34	28	25	24	24	258

There is no clear majority on what is ranked as the number one concern to the respondents. However, 22 out of the 88 who ranked a number one said investing money was the area in which they needed the most educational assistance at this time. There was very little difference in the frequencies for the next three categories which were ranked number one. These were: responsible spending of money with 16 responses, saving money with 15 responses, and developing a budget with 14 responses. However, no person ranked obtaining credit as number one or number two. The main areas of concern seemed to be investing money, responsible spending of money, saving money, and developing a budget.

Analysis of Person Responsible for Management of Money

The respondents were asked to check the person responsible for the management of money in their household. The responses were as follows:

TABLE L

PERSON RESPONSIBLE FOR MONEY MANAGEMENT

Person	Frequency	Cum. Freq.	Percent	Cum. Percent
Husband	17	17	14.41	14.41
Wife	18	35	15.25	29.66
Both	83	118	70.34	100.00

Only 14.41% of the respondents indicated the husband alone was responsible for the management of money in their household, and only 15.25% indicated the wife was solely responsible for money management. The majority of the respondents indicated both the husband and wife had input into how their money was to be managed.

It is possible to conclude that the education provided in money management should not be aimed at any one member of the family since a majority of the respondents indicated both the husband and wife helped in the management of their money.

Summary

To summarize the six sub-divisions of the Practices section of the questionnaire, a majority of the respondents indicated they engaged in four of the seven practices included under Use of Records; and a majority of the respondents engaged in four of the five practices included under Use of Banking Services. In analyzing the Use of Personal Control in Finances, a majority of the respondents seemed to have their expenses and unnecessary buying under control. Likewise, a majority had made an attempt to establish a good credit rating. The level of debt indicated by a majority of the respondents was between $500 and $999, excluding their houses and cars. A majority of the respondents engaged in three of the five practices included under Use of Savings. An accumulated 53.79% of the respondents had savings account balances of between $2,000 and $10,000. A majority of the respondents practiced seven of the eight practices considered under Use of Protection. Car and health insurance were checked by the largest percent of the respondents. The average amount of life insurance carried on the married male respondents was $29,456.90. A majority of the respondents engaged in only one out of the six practices included under Use of Estate Planning Techniques.

To summarize the practices when compared by age, income, occupation, sex, education, and money management, no significant difference in the number of practices engaged in by the respondents was evident when the data were compared by age. A significant difference in the number of practices engaged in by the respondents was evident when the data were compared by occupation and sex. A highly significant difference in the number of practices engaged in by the respondents was evident when the data were compared by income, level of education completed, and money management training. Therefore, we can conclude that the higher the income, the more likely it is that individuals will engage in the practices considered important for good money management. The educational systems can have some direct influence on two of the three areas which proved highly significant--level of education completed and training in money management. By increasing the efforts in these two areas, it should be possible to see differences in the number of financial practices actually engaged in by household members.

To summarize the Needs Assessment section of the questionnaire, a majority (57%) of the respondents considered themselves "Fair" or "Poor" financial managers while 62% of those respondents who were married considered their spouses "Good" financial managers. In assessing their education in financial management, more respondents than not (53.6% as compared to 46.3%) felt their education had been inadequate. Seventy-two percent felt money management training should be given between the ages of 6 and 22 years of age. A majority (72%) of the respondents, indicated they had made most of their financial decisions between 22 and 40 years of age, and a majority of the respondents indicated they had developed their money management abilities through trial and error. The areas in which the respondents indicated they needed educational assistance at the present time were investing money, responsible spending of money, saving money, and developing a budget. Finally, a majority of the respondents indicated that both the husband and the wife were responsible for the management of the money in their households.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter is divided into three sections: summary, conclusions, and recommendations. The research design and findings are summarized in the first section. The second section contains the conclusions which were drawn, based on the evidence provided in the study. Recommendations include those based on this research, as well as recommendations for future study.

Summary

The purpose of this study was to identify and compare the actual financial practices of households in southeastern Oklahoma and to determine their perceived needs for personal financial planning education. The specific objectives were:

(1) to determine and compare financial planning practices of each household unit.

(2) to determine perceived financial planning needs of the surveyed households

(3) to determine the surveyed households' estimation of the best time for financial planning education

(4) to ascertain the implications for adult and public education programs.

The hypotheses tested the practices engaged in by the respondents when compared by age, occupation, income, sex, education, and money management training. These were:

> There is no significant difference in the respondents' financial practices when compared by age.
>
> There is no significant difference in the respondents' financial practices when compared by occupation.
>
> There is no significant difference in the respondents' financial practices when compared by income.
>
> There is no significant difference in the respondents' financial practices when compared by sex.
>
> There is no significant difference in the respondents' financial practices when compared by education.
>
> There is no significant difference in the respondents' financial practices when compared by money management training.

To gather the data for the solution of this problem, the survey technique was used. The sample for this research was chosen, using a table of random numbers, from the ten counties that supplied the most students to Southeastern Oklahoma State University in the fall of 1975. The counties used were: Atoka, Bryan, Carter, Choctaw, Johnston, Le Flore, McCurtain, Marshall, Pittsburg, and Pushmataha.

Since no complete listing of households in these counties were available, only those households listed in the telephone books for each county were used. The use of the telephone books had some built-in bias, such as failure to consider those individuals who didn't have phones and those who had unlisted numbers. However, the phone books seemed to be the most complete listing of members of the general population.

The questionnaire, after being pre-tested and revised, was administered through two letters and a postcard contact with the respondents, resulting in a return rate of 49.9% and a usable response rate of 28.8%. A total of 158 usable responses were received. Since 385 were needed to get within the 95% confidence level, 30 of the non-respondents were contacted by telephone and asked to respond to five of the questions from the questionnaire. Their responses were then compared to the responses of the sample to determine if there was a significant difference. Eleven significant tests were applied resulting in no significant differences in nine of the 11. The two resulting in a significant difference were occupation and their estimation of the best time for money management training. The difference in occupation could be explained in part by the fact that the interviewer often was asked to check the occupation classification to which the respondents belonged, and the interviewer's estimation of their classification could have been different from how they would have classified themselves had they had the questionnaire in front of them. On the question of their estimation of the best time for money management training, the same conclusion would have been drawn from both the sample and the sub-sample if their primary recommendation was considered. There was, however, a small doubt generated that the sample was entirely representative of the general population.

Before analyzing the data, a scoring system for the respondents was developed taking into account that respondents should not be penalized for not engaging in a practice which was not appropriate to their situation. Thus, if a respondent was not married, he was not penalized for leaving blank or responding "No" to the question on insurance for the wife. Each respondent was analyzed in this way so as to provide as fair of a scoring system as possible. The complete scoring technique is described in Chapter III.

Findings

The findings of the study were sub-divided into three sections: analysis of the sub-divisions of practices, comparison of the practices, and analysis of the needs assessment.

To handle the data more easily and to break down the practices into more informative units, the practices section of the questionnaire was sub-divided into six divisions. These were: Use of Records, Use of Banking Services, Use of Personal Control in Finances, Use of Savings, Use of Protection, and Use of Estate Planning Techniques. The complete listing of the questions used in each sub-division are in Chapter III.

Overall, a majority of the respondents engaged in approximately 65 percent of the practices considered in this study.

A majority of the respondents indicated they engaged in four of the seven practices included under Use of Records. The four were: checks charge account statements, checks credit card statements, reconciles bank statements, and keeps a record of expenses. The practice used by the fewest number of respondents was the use of a budget.

A majority of the respondents engaged in four of the five practices included under Use of Banking Services. The four were: has a checking account, has a joint checking account (for married respondents only), has a savings account, and spouse has access to safety deposit box (for married respondents only).

In analyzing the Use of Personal Control in Finances, a majority of the respondents seemed to have their expenses and unnecessary buying under control. Likewise, a majority had made an attempt to establish a good credit rating. The level of debt indicated by a majority of the respondents was between $500 and $999, excluding their houses and cars.

A majority of the respondents engaged in three of the five practices included under Use of Savings. These three were: has a savings account, has an emergency fund, and has a habit of saving for future goals. An accumulated 53.79% of the respondents had savings account balances of between $2,000 and $10,000.

A majority of the respondents practiced seven of the eight practices considered under Use of Protection. These seven were: has car insurance, has health insurance, has furniture insurance, has house insurance, has life insurance on husband, has life insurance on wife, and has disability insurance. Car and health insurance were checked by the largest percentage of the respondents. The average amount of life insurance carried on the married male respondents was $29,456.90.

A majority of the respondents engaged in only one of the six practices included under Use of Estate Planning Techniques. Approximately 64.8% planned for their retirement.

To summarize the practices when compared by age, income, occupation, sex, education, and money management, no significant difference in the number of practices engaged in by the respondents was evident when the data were compared by age. A significant difference in the number of practices engaged in by the respondents was evident when the data were compared by occupation and sex. A highly significant difference in the number of practices engaged in by the respondents was evident when the data were compared by income, level of education completed, and money management training.

To summarize the Needs Assessment section of the questionnaire, a majority (57%) of the respondents considered themselves "Fair" or "Poor" financial managers while 62% of those respondents who were married considered their spouses "Good" financial managers.

In assessing their education in financial management, more respondents than not (53.6% as compared to 46.3%) felt their education had been fair or inadequate. Fifty-nine percent felt money management training should be given between the ages of 13 and 22 years of age.

A majority (72%) of the respondents indicated they had made most of their financial decisions between 22 and 40 years of age.

A majority of the respondents indicated they had developed their money management abilities through trial and error. The areas in which the respondents indicated they needed educational assistance at the present time were investing money, responsible spending of money, saving money, and developing a budget.

Finally, a majority of the respondents indicated that both the husband and the wife were responsible for the management of the money in their households.

Conclusions

The following conclusions are based on the findings in this study:

1. The findings of this study show no significant difference in the number of practices engaged in by the respondents when the data were compared by age; therefore, it can be concluded that age is not a determining factor in good personal financial management.

2. The findings of this study show a significant difference in the number of practices engaged in by the respondents when compared by occupation; therefore, it can be concluded that the type of occupation in which individuals are employed does affect their personal financial management

practices. Those occupations which require the individuals to keep rather detailed records, such as business owners, farmers, and professionals, tended to engage in more of the good financial practices.

3. The findings of this study show a significant difference in the number of practices engaged in by the respondents when compared by sex; therefore, it can be concluded that the sex of the individual does affect personal financial management practices. Male heads of households seemed to engage in more of the good financial practices than did female heads of households.

4. The findings of this study show a highly significant difference in the number of practices engaged in by the respondents when compared by income; therefore, it can be concluded that the income level of the individual does affect personal financial management practices. Generally, the higher the income, the more the respondents engaged in good financial practices.

5. The findings of this study show a highly significant difference in the number of practices engaged in by the respondents when compared by level of education completed; therefore, it can be concluded that the education level is an important determining factor in personal financial management practices. The higher the level of education completed, the more the respondents engaged in good financial practices.

6. The findings of this study show a highly significant difference in the number of practices engaged in by the

respondents when compared by money management training; therefore, it can be concluded that instruction in money management is an important factor in personal financial management practices. Those respondents who had some type of money management training engaged in more of the good financial practices than those who did not have such training.

Recommendations

The following recommendations and implications for the public and adult educational systems are made based on the information gathered through this study:

1. Since the level of education completed by the respondents was highly significant in the number of good money management practices engaged in by the household units, it is recommended that emphasis be placed on getting the general public as highly educated as possible through programs designed to meet the needs of all individuals.

2. Since taking a money management course was highly significant in the number of good money management practices engaged in by the respondents, special courses in money management should be incorporated into the educational system in either junior high, high school, or college--or any combination of these.

3. The major emphasis in financial management education should be in the junior high and high school years (ages 13 through 18). This time is recommended for two reasons: (1) During the ages of 13 through 18, most students will be hired for their first job, and the interest in money management

should be high. (2) Many students will not go on to college and thus will not be able to take advantage of the courses offered in money management training at the college level.

4. Since both the husband and wife were responsible for money management, both the male and female members of the population should have some instruction in money management.

5. Since women did not engage in as many of the financial practices as men did, it is also recommended that special emphasis be placed on teaching women more about money management.

6. Since the respondents indicated that most of their financial decisions were made between the ages of 22 and 40, it is recommended that adult education seminars and workshops be created to help adults learn about good money management.

7. The topics to be emphasized in these adult seminars and workshops should be (1) how to invest money, (2) how to spend money responsibly, (3) how to save money, and (4) how to develop a budget. The topics in these adult seminars should in no way be limited to these four areas; however, these topics are of particular concern to the respondents surveyed.

8. It is recommended that surveys similar to this study be made for other areas of Oklahoma so that a regional and state plan of action can be developed.

9. Studies similar to this research project should also

be replicated in other states to provide a national composite of actual financial practices and to provide national input into the area of financial management education.

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APPENDIX A

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Department of Business Education & Secretarial Administration

April 29, 1976

You Are One
of 575 Households
in Oklahoma

. . . chosen to participate in this survey. This study of financial planning practices is being coordinated by Southeastern Oklahoma State University and Oklahoma State University to determine adult needs for help in the area of financial planning.

Would you be willing to help by completing the enclosed questionnaire? It will take less than 20 minutes of your time, and you will be making a major contribution to this needs assessment.

Could you return the completed questionnaire in the self-addressed, stamped envelope by May 28, 1976? Your response will be kept completely confidential.

Sincerely yours,

Ruth E. Goss

Ruth E. Goss
Researcher

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Enclosure

Southeastern Oklahoma State University
Durant, OK 74701, 405-924-0121
Department of Business Education & Secretarial Administration

July 1, 1976

This is your
opportunity to
have some input. . .

. . . into what your children are taught in our schools. Your name was chosen out of approximately 212,000 individuals for this honor.

I know you meant to return the questionnaire I sent you several weeks ago but for one reason or another you didn't get around to it, so I am sending you another form. Please take a few minutes to complete the form and return it in the stamped, self-addressed envelope.

If you do not wish to complete the form, will you please just return it to me so I won't call or visit you to complete my research. Of course, to make the study a success, I need for you to fill out the form.

Remember, your response is completely confidential, and you will be helping to make the educational system as realistic as possible in preparing our youth to become better financial managers.

Sincerely yours,

Ruth E. Goss

Ruth E. Goss
Researcher

reg

Enclosures

APPENDIX B

SURVEY INSTRUMENT

PART I: HOUSEHOLD INFORMATION

Please answer the following questions based on information about the head of the household:

Age:_____Under 21 ____22 to 40 ____41-65 ______ 66 and over Sex: ___Female.___Male

Marital Status:___________Married __________Single __________Divorced _____ Widow(er)

How do you describe yourself?___American Indian ___Black or Afro-American __Mexican-American ___White ___Other

Occupation: ___Professional or Semi-Professional ___Business Owner or Manager ___Farm Operator or Manager ___Skilled Laborer ___ Semi-Skilled Labor

Yearly Income: ___0-4,999 ___5,000-9,999 ___10,000-14,999 ___15,000-24,999 ___25,000+

Level of Education Completed: ___Grade School ___Jr. High School ___High School ___College ___Trade School

Have you had any instruction in the management of money? ___Yes ___No

If so, at what level did the instruction occur? ___Grade School ___Junior High School ___High School ___College ___Trade School

County in which you live:_______________________Area where you live: ___Rural ___Urban

Do you rent your home? ___Yes __No Do you own your home? ___Yes ___No

PART II: CURRENT HOUSEHOLD PRACTICES

Please answer the following: Circle One

1.	Do you use a budget as a spending plan?	Yes	No
2.	Have you prepared a balance sheet (a list of assets and debts) to determine your net worth in the last year?	Yes	No
3.	Do you keep a record of your spending to know where your money is going?	Yes	No
4.	Do your expenses exceed your income?	Yes	No
	Often? (every month)	Yes	No
	Sometimes? (every two or three months)	Yes	No
	Never?	Yes	No
5.	Do you buy things on the spur of the moment without thinking whether or not you really need or want them?	Yes	No
6.	Do you have a separate amount of money set aside to take care of emergencies?	Yes	No
7.	Do you save part of your money for future goals?	Yes	No
8.	Do you prepare a yearly income and expense statement?	Yes	No
9.	Do you reconcile your bank statements with your check stubs?	Yes	No
10.	Do you check for accuracy statements from companies with whom you have credit cards? ___Not Applicable	Yes	No
11.	Do you check statements from stores with whom you have charge accounts? ___Not Applicable	Yes	No
12.	Have you deliberately made an effort to establish a good credit rating?	Yes	No
13.	Do you have disability insurance?	Yes	No

14. Does your family have life insurance, individual or group, on:

Husband?	Amount___________	___Not Applicable	Yes	No
Wife?	Amount___________	___Not Applicable	Yes	No
Children?	Amount___________	___Not Applicable	Yes	No

15. Do you have health insurance? Yes No

16. Do you own any of the following?

Car?	Yes	No
House?	Yes	No
Furniture?	Yes	No

17. Do you have insurance on the following?

Car?	Yes	No
House?	Yes	No
Furniture:	Yes	No

18. Do you plan for your retirement by saving for it either through a savings account or through a retirement program? Yes No

19. Do you have a will? Yes No

20. Do you have a checking account? Yes No

21. Do you have a savings account? Yes No

22. Do you have a regular savings plan? Yes No

23. Please check the balance of your savings account:

___$0 - $499	___$2,000 - $4,999
___$500 - $999	___$5,000 - $9,999
___$1,000 - $1,999	___$10,000 and over

24. Do you have a plan for investing part of your money besides what you are putting into a savings account? Yes No

25. Do you have a safety deposit box? Yes No

26. What is the approximate amount you owe all of your creditors, excluding your house and car?

___0 - $199
___$200 - $499
___$500 - $999
___$1,000 - $4,999
___$5,000 and over

If you are married, please answer the following questions:

1. Age of Spouse: ___ Under 21 ___ 22 to 40 ___ 41 to 65 ___ 65 and over

2. What is your spouse's occupation: ___Housewife ___Professional or Semi-Professional ___Business Owner or Manager ___Farm Operator or Manager ___Skilled Laborer

3. What level of education has your spouse completed? ___Grade School ___Jr. High School ___High School ___College ___Trade School

4. Has your spouse had any formal instruction in the management of money? ___Yes ___No

5. If so, at what level did their training occur? ___Grade School ___Junior High School ___High School ___College ___Trade School

6. If your spouse is employed, is this second income added to the household income? ___Yes ___No

7. Do you and your spouse have a joint checking account? ___Yes ___No

8. Do you and your spouse have separate checking accounts? ___Yes ___No

9. Have you established a trust fund for your spouse? ___Yes ___No

10. Have you given property (cash, stocks, bonds, land, etc.) to your spouse during the last year to take advantage of the gift tax benefit? ___Yes ___No

11. Do both you and your spouse have access to your safety deposit box? ___Yes ___No

12. Who is responsible for the management of money in your household: ___Husband ___Wife ___Both ___Other___________

13. Rank the items over which you and your spouse disagree the most. Number one is the area which causes the most problems.

    ___borrowing money
    ___developing a budget
    ___spending money irresponsibly
    ___keeping records
    ___buying insurance
    ___saving money
    ___investing money
    ___other ____________________
    ___we do not disagree

14. How do you consider your spouse as a financial manager? ___Good ___Fair ___Poor

<u>If you have children</u>, please answer the following questions:

1. How many children do you have living at home? ___1 ___2 ___3 ___4 ___5 ___Other _____
2. Do you give your children an allowance? ___Yes ___No
3. Do the children who are ten or over help in making and carrying out plans for spending, saving, and sharing money? ___Not Applicable ___Yes ___No
4. If you have a will, does your will include your choice of your children's guardian in the event of your death? ___Yes ___No
5. Have you established a trust fund for your children? ___Yes ___No

PART III: NEEDS ASSESSMENT

1. How do you feel your education in financial management has been?
   ___Very Good ___Good ___Fair ___Bad ___Very Bad

2. At what time in your life do you believe money management training would be most beneficial?
   _____6 to 12 ___13 to 18 ___19 to 22 ___23 to 40 ___41 to 65 ___65 and over

3. Up to this point in your life, at what age have you had the most financial decisions to make?
   ___6 to 21 years ___22 to 40 years ___41 to 65 years ___65 and over

4. Rank the areas of money management that you feel you need educational assistance in at the present time. A one indicates the area where you need the most help.

   ___responsible spending of money
   ___developing a budget
   ___obtaining credit
   ___recordkeeping
   ___buying insurance (all types)
   ___investing money
   ___saving money
   ___other________________________

5. How have you developed your money management abilities? Check one or more.

   ___education
   ___trial and error
   ___institutions such as church, community groups, etc.
   ___parents
   ___other ____

6. Would you attend an adult education group for help in developing individual budgets and recordkeeping systems if it were available? ___Yes ___No ___Maybe

7. How do you consider yourself as a financial manager? ___Good ___Fair ___Poor

Please use this space for any additional comments.

VITA 2

Ruth Etta Goss

Candidate for the Degree of

Doctor of Education

Thesis: PRACTICES AND PERCEIVED NEEDS IN FINANCIAL PLANNING OF HOUSEHOLDS IN SOUTHEASTERN OKLAHOMA

Major Field: Business Education

Biographical:

Personal Data: Born in Briartown, Oklahoma, April 20, 1946, the daughter of William and Louisa Rozeboom.

Education: Graduated from Ada High School, Ada, Oklahoma, in May, 1963. Received a Bachelor of Science in Education degree from East Central Oklahoma State University, Ada, Oklahoma, in May, 1967. Received Master of Business Administration degree from Texas Tech University, Lubbock, Texas, in December, 1970. Completed requirements for Doctor of Education degree at Oklahoma State University, Stillwater, Oklahoma, in December, 1976.

Professional Experience: Business and music instructor at Milburn School, Milburn, Oklahoma, 1966-67. Secretary at Texas Instruments, Richardson, Texas, 1967-68. Music instructor in Grayson County Schools, Sherman, Texas, 1969-70. Graduate teaching assistant, Business Education Department, Texas Tech University, 1970. Research assistant, Business Education Department, Texas Tech, 1971. Instructor in Business Education and Secretarial Administration Department, Southeastern Oklahoma State University, 1972-75. Graduate teaching assistant, Business Education Department, Oklahoma State University, 1975-76. Assistant professor in Business Education and Secretarial Administration Department at Southeastern Oklahoma State University, 1976.

Professional Organizations: Member of National Business Education Association, Oklahoma Business Education Association, Delta Pi Epsilon, Beta Gamma Sigma, Pi Omega Pi, American Association of University Women.