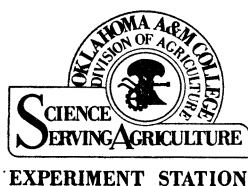


The Cost of Rearing Oklahoma Farm Children

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Findings Of The Study

1. An investment of about \$11,600 per farm boy and \$11,300 per farm girl, at prices prevailing in 1954, is required to rear them through the first 18 years of life. This includes only the out-of-pocket costs to parents or guardians.

2. The total costs of rearing children to this age are itemized as follows: (1) The cost of being born, \$255; (2) Food, \$4,990 per boy and \$4,600 per girl; (3) Clothing, \$890 per boy and \$910 per girl; (4) Medical care, \$430 per boy and \$480 per girl; and (5) Miscellaneous expenditures, \$5,070, each.

3. Certain expenses vary with sex. For example, outlays for food are higher for boys than for girls. However, it is more expensive to dress a daughter than a son. Medical care expenditures are also greater for girls than for boys. On the whole, it costs about \$300 more to rear a son than a daughter to 19 years of age.

4. Rearing costs also vary with the age of children. With the \$255 birth expenses, costs are relatively high in the first year but are much less in the succeeding years of early childhood. Expenditures increase about \$30 per year at age 6 when the child enters school. They then rise year by year and reach a plateau at age 16 before he graduates from high school.

5. When children reach the age of 19, they represent economic values far greater than the cost of their rearing. Perhaps the greatest asset of the Oklahoma family engaged in agriculture is its children.

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The purpose of this study is to determine the average total tangible cost of rearing Oklahoma farm children. It deals only with farm children because the data required to compute costs for all Oklahoma children are not available.

The primary objective is to enable parents to visualize the minimum economic obligations which

they face in rearing their families. The findings of this study will enable farm families to anticipate their family maintenance needs with greater accuracy than they can without a guide.

The principal objective of the study was to determine the costs of rearing Oklahoma farm children to 19 years of age using prices prevailing in 1954.

Analysis of Costs of Child Rearing

In 1950, there were 140,000 farm families in Oklahoma with 237,000 children under 20 years of age, or an average of 1.7 per family. By age 19, most Oklahoma farm children finish school and become members of the labor force. In 1950, only 21 percent of the 19-year-old farm youth were enrolled in school.

¹ A 1946 study by the Oklahoma Agricultural Experiment Station found the average value of farm family consumption of a representative sample of 656 Oklahoma farm families was \$1,917, which, on the basis of 1954 dollar values, would amount to \$2,600 in 1954. The costs of rearing an Oklahoma farm child in 1954 were figured for a family of four—husband, wife, son, and daughter, with a total value of consumption of \$2,600.

The relative value of food, clothing, and medical care expenses for children to age 19, by sex, were computed from adult male expenditure units. These statistics were obtained from the following three studies: (1) Hazel K. Stiebeling, Day Monroe, et. al., *Family Food Consumption and Dietary Levels*, Consumer Purchases Study, U.S. Dept. of Agri., Miscellaneous Pub. No. 405, 1941, p. 372; (2) The adult male units of clothing expenditures were based upon data of the expenditures of 66,165 individuals in 20 states, 1935-36, ob-

Since the period of economic dependency usually ends at age 19, the costs to rear a farm child to this age will indicate the expense of creating a productive worker in our society. The cost of rearing a child to this age in 1954 must be done partly by estimates from the costs of known consumption needs.¹

tained in the Consumer Purchases Study. Expenditure of husbands was taken as 1.00. Source: *Family Income and Expenditures*, Part 2, Farm Series, Consumer Purchases Study, Miscellaneous Pub. No. 465, U.S. Dept. of Agri., 1941, pp. 182-193; (3) The adult male units of medical care expenditures are based upon data compiled by the Committee on the Costs of Medical Care in towns of less than 5,000 and in rural areas, in a 12-month period, 1928-31. Expenditure for males 20 years and over was taken as 1.00. Source: Helen Hollingsworth, Margaret C. Klem, and Anna Mae Brady, *Medical Care and Costs in Relation to Family Income: A Statistical Source Book*, Bureau Memorandum No. 51, Federal Security Agency, Social Security Administration, Bureau of Research and Statistics, Washington, D.C., 1947, Table 149, p. 178. The family under consideration consumed 3.72 adult male units of food, 3.30 units of clothing, and 4.05 adult male units of medical care.

There are three kinds of living costs: (1) Those which are immediate and direct, such as food purchases; (2) Those which are of a long term indirect nature, such as the use of a house, or those produced at home, such as farm produced food, but not transformed into monetary values; and (3) Those which are subventions, i.e., supplied at the expense of the employer or the public, such as public education, health, or recreation.

In this study, only the first and second types of living costs are included.² Therefore, the cost of rearing children includes only the out-of-pocket expenses to parents or guardians, plus the monetary value of farm furnished rent and farm produced food and fuel. The retail values of home produced food and fuel are used.

Family living costs used in estimating the expenses of rearing children were divided into five classes. These are (1) the costs of being born, (2) food, (3) clothing, (4) medical care, and (5) others, too numerous for separate classification, which include household operations, furnishings and equipment, automobile, reading, formal education, gifts, welfare, recrea-

tion, tobacco, personal care, and insurance.

In certain instances, the costs of rearing children vary with sex. Food requirements, for example, are greater for boys than for girls, while clothing costs vary oppositely. Table 1 brings out these comparisons. The costs of rearing children through the first 18 years of life are as follows:

Cost of Birth

The initial expense is that of bringing the child into the world. The direct and incidental costs of childbirth vary among families according to whether the mother chooses a general practitioner or a specialist to attend her; whether she selects her own home or a hospital for confinement; and upon the type of accommodations she requires. An approximate comparison of home and hospital birth expenses runs somewhat as follows:

Item	Cost of Birth	
(Averages)	(Hospital)	(Home)
Prenatal care & hospital	\$100	---
Physician's fee	75	\$75
Housekeeper services	60	60
Layette for baby	40	40
TOTAL	\$275	\$175

² Various methods have been used in estimating the costs of rearing children. Some computations are based on family living expenditures. Others have not been based on actual costs but on the relative differences in income required by families of differing sizes to maintain the same level of well-being. In some studies, family overhead expenses, such as house rent, household furnishings, and household operation, were included as a cost of rearing the child. In other studies, these overhead costs have not been included.

Two concepts of cost have been employed when considering the living costs of a child of a particular age and sex. The "average cost" concept assumes that the cost of living of the second, third, or fourth child is the same as that for the first child. The "marginal

cost" concept assumes that the successive addition of one, two, or three children to the family is a marginal cost to the husband and wife. The added cost per child then diminishes as the size of the family increases. In this second method of analysis, certain living costs are considered as "overhead" costs which vary comparatively little among different family types. For example, expenditures for an automobile, household equipment, much of the home furnishings, and even of housing itself are at least partly "overhead" costs.

In this study, the "average cost" concept was used because no recent farm family-size scales based either on expenditures or income equivalents existed. Also, family overhead expenses were included. The computations are based on actual estimated expenditures and not on any theoretical level of living.

Table 1.—Average Monetary Expenditures Oklahoma Farm Parents Incur in Rearing Children to Age 19 at 1954 Prices.

Expenditure Item	Amount of Expenditures	
	Son	Daughter
Cost of Being Born	\$ 255	\$ 255
Food	4,993	4,606
Clothing	891	912
Medical Care	426	475
Other Items*	5,073	5,073
TOTAL EXPENDITURES	\$11,638	\$11,321

* Includes household operations, furnishings and equipment, automobile, reading, formal education, gifts, welfare, recreation, tobacco, personal care, and insurance.

The cost of prenatal care and a hospital room for the mother from three to five days varies, but \$100 is the average. The physician's fee for delivery is about \$75. Following birth of the new infant, the mother will need extra help in the home for about two weeks. The expense of a housekeeper will be another \$60, although relatives often perform this service. In addition, the baby's layette and other necessary equipment will cost approximately \$40. Therefore, the total cost of a hospital birth and of other incidental expenses will average \$275. If a child is born at home, the total cost will be \$175. In 1954, only about 20 percent of the farm children were born at home, which gives an average cost of about \$255 for all births of farm children. In cities, the average costs will be higher because larger proportions of urban than of farm babies are born in hospitals, and domestic help is more expensive in cities than on farms.

One must, then, compute the cost of food, clothing, medical care, shelter, and all other expenses for each of the ensuing 19 years.

Cost of Food

Food is usually the largest single item in the family budget. In 1954, the cost of food (at retail prices), both home produced and purchased, to the Oklahoma farm family was \$1,129.

Food costs for children range from a per child figure of \$160 in the first year, with no difference for sex, to a maximum of \$346 per year per male child aged 16 and \$307 per year per female child aged 14. The more active and faster-growing boy eats more food than does a girl. The total yearly food costs from birth through age 18 amounts to \$4,993 for a male child and \$4,606 for a female child. (Table 1).

Cost of Clothing

During the first two years, clothing costs average less than \$20 per child, excluding the initial cost of layette. From two to twelve years, the cost of clothing amounts to less than \$50, but increases as the child grows older. At age 15, parents spend about \$10 more per year to dress a daughter than a son. By the time both are 19 years

of age, the family will have spent an average of \$891 per boy and \$912 per girl for clothing.

Cost of Medical Care

Medical care is a minor expense in rearing a child, although the expenditures are subject to extreme variations. Since early childhood, between 1 and 10 years of age, is usually the healthiest period of life, the expenses are smaller than during the later years. The total costs of medical care, exclusive of those incidental to birth, average \$426 for boys and \$475 for girls to age 19 in Oklahoma farm families.

Other Costs

The cost of the remaining items in the family budget, household

operations, furnishings and equipment, rent, automobile expenses, insurance, etc., are family expenses and must be apportioned equally among the members of the family. The cost of these living items for the average Oklahoma farm family in 1954 was \$1,069. Each child's share from birth to age 19, totals \$5,073.

In this study, only the out-of-pocket family expenses for education, such as for books, paper, and other necessary school articles, are included in the costs of rearing children. This is because the greater part of the per capita cost of public education is borne by the state, and not directly by the farm parents. The educational expenses from the family budget are included under "other costs."

**Table 2.—Monetary Costs of Children Per Year;
Average Oklahoma Farm Family, 1954.**

Age of Child	Total Cost to Parents (Annual Expenditure)	
	Son	Daughter
Birth	\$ 255	\$ 255
Under 1	467	457
1	469	469
2	481	479
3	493	488
4	499	494
5	511	504
6	550	530
7	571	549
8	592	567
9	604	582
10	623	598
11	632	604
12	664	636
13	676	648
14	691	661
15	685	673
16	725	709
17	725	709
18	725	709
TOTAL	\$11,638	\$11,321

Total Costs of Rearing

At the prevailing family spending patterns in 1954, the average Oklahoma farm family will pay \$11,638 to rear a son and \$11,321 to rear a daughter to age 19. This is the parent's total economic investment which each child represents when he reaches the threshold of his earning period. This would be much higher if we had included the value of the mother's household labor, interest charges on expenditures for each child's maintenance, death losses of children, and the cost of public services, such as education, health, and recreation, provided at public expense by taxpayers.

Farm children become assets to their parents at an early age. Boys and girls begin productive farm work around age 10 or even younger, and the amount of work increases as they grow older and stronger physically. The monetary value of their unpaid family labor, as well as wages from em-

ployment, partially offsets the costs of rearing them.

The total cost of rearing farm children to age 19 in 1954 is reduced about \$2,515 in the case of each boy and \$447 for each girl. This labor income, however, is figured only for work outside the home. The labor contribution of girls is unusually low because few are members of the labor force, and the monetary value of their productive household work is excluded. While the household labor of farm girls does not contribute directly to income, it does reduce family expenses. Therefore, the above estimates of the labor incomes of farm boys and girls are not comparable. Actually, there is little difference in either the total or net costs of rearing farm boys or girls. Since few children contribute all of their labor earnings to their parents for maintenance, the net costs borne by the parents would be reduced by less than \$2,500.

Variation in Costs by Age of Child

Table 2 shows the annual expenses of rearing children during each of the 19 years. The expenditures increase year by year at age 1 from about \$460 to over \$700 per year at age 16. With the \$255 birth expenses, costs are relatively high in the first year but are much lower in the succeeding years of early childhood. Expenditures increase at age 6 when the child enters school to \$550 for a son and \$530 for a daughter. The rearing expenses reach a plateau at age

16 just before he completes high school.

This gradual rise in rearing costs fits in well with the changes in family income. Parents are least able to meet the necessary expenditures for children during the early years of married life, while their economic accumulations remain small. As the child's expenses increase, so, usually, does the family income. In this way, farm parents are often better able to meet the increasing costs as children mature.

Conclusion

This study arrives at conclusions similar to actuarial computations by insurance companies and other students of family living. It differs from them in (1) its primary reference to farm people, and (2) its applications to Oklahoma.

This study finds that the total cost of rearing children runs to practically \$11,600 per boy and \$11,300 per girl, through the first 18 years of life, or to adulthood (the odd figures in Tables 1 and 2 imply a degree of accuracy not presumed by the study). This is the expense to the average Oklahoma family engaged in agriculture.

The total child maintenance cost can be expressed as the sum of the average cost per boy times the number of boys plus the average cost per girl times the number of girls.

This has relevance to both farm and home planning, since people must build and furnish homes according to the number, sex, and age of their children. The same factors apply to food, clothing, and other expenses. Thus, in planning his farm operation, no matter what kind, the farmer must scale his business so as to yield the necessary income to cover his productive costs and leave an ample amount for family maintenance.

For all households with children the problem of child-rearing costs is of deep concern. Many farm families find it difficult to hold the value of family consumption below net income. This is particularly true for most parents with young children, for low-income families, and others experiencing temporary reductions in income. The figures on the cost of rearing children will serve as an aid to parents, especially those suffering periods of adversity, in preparing their budgets and in making farm and home management plans.

The expenses of rearing a child to maturity may lead many farm couples to consider carefully the number of children they desire and can afford. Some young couples just beginning their careers in agriculture may wish to avoid the financial problems encountered in the first few years of married life by planning the size of their family and the approximate dates of arrival of the children. Fortunately, the average income of the family engaged in agriculture today is large enough to support an adequate number of children. Large numbers of farm parents realize that while each child may cost over \$11,000 to rear to age 19, he is in actuality a most precious asset.