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STUDENTS.

The University of Oklahoma, Ed.D., 1968
Education, general

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THE UNIVERSITY OF OKLAHOMA

GRADUATE COLLEGE

MONEY MANAGEMENT PRACTICES AND ATTITUDES OF MARRIED UNIVERSITY STUDENTS

A DISSERTATION

SUBMITTED TO THE GRADUATE FACULTY

in partial fulfillment of the requirements for the

degree of

DOCTOR OF EDUCATION

BY

RICHARD BLAIR TAYLOR

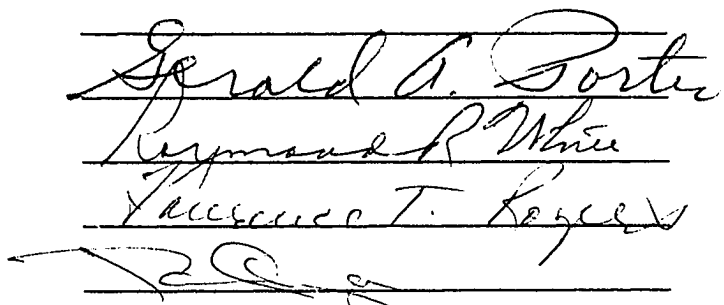
Norman, Oklahoma

1968

MONEY MANAGEMENT PRACTICES AND ATTITUDES

OF MARRIED UNIVERSITY STUDENTS

APPROVED BY



DISSERTATION COMMITTEE

ACKNOWLEDGMENT

With deepest appreciation, the author acknowledges his debt of gratitude to Professor Gerald A. Porter, Chairman of his doctoral committee and director of this study, for his unfailing patience, his generous sharing of time, and his continuous concern as he gave the counsel and guidance essential to the development of this report.

The writer extends thanks, also, to Professor Laurence Rogers, Professor Paul Unger, and Professor Raymond White, who served as members of his committee, and who rendered valuable service in their suggestions and help during both the initial and the final phases of the study.

A special word of thanks is expressed to the 45 married student couples who so willingly opened their doors and their minds to the writer, and provided him with the information needed for this study.

A further expression of thanks is given to Dr. William R. Brown, Dean of Students, and to the staff in the Office of Student Affairs, for their cooperation in making the lists of students avilable to the writer.

And, finally, the author expresses his thanks to his wife, Mary Catherine, for her assistance in interpreting,

proofreading, and editing, and to daughters, Mary Catherine II and Anne, for their patience and understanding during the years in which this program has been under way.

TABLE OF CONTENTS

	Page
LIST OF TABLES	vii
Chapter	
I. THE PROBLEM	1
Statement of the Problem	4
Delimitations	5
Definitions	6
Sources of Data	6
Procedure	7
II. BACKGROUND FOR THE STUDY	8
The Changing Social Order	8
The Young Adults	14
The Need for Family Finance Education	18
Summary	26
III. PROCEDURE FOR COLLECTION OF THE DATA	28
Circumstances in Which the Data Were Collected	28
Use of the Interview Method	31
Specific Techniques in Using the Interview Guide	45
Selection of the Sample	48
Nature of the Sample	50
Summary	51
IV. PRESENTATION OF THE DATA	53
Socio-Economic Backgrounds of Students' Families	54
Money Management Experiences	68
Sources and Amounts of Students' Incomes	74
Money Use Patterns of Student Families	84
Summary	92

Chapter Page

V. IMPLICATIONS OF THE DATA 96

Planning 97
Buying 101
Saving 107
Protecting 109
Borrowing 110
Sharing 112
Summary 114

VI. SUMMARY 117

Restatement of the Problem 117
Significant Findings 118
Conclusions 121
Closing Statement 123

BIBLIOGRAPHY 126

LIST OF TABLES

Table		Page
1.	Population of Communities of Origin of 80 Respondents	56
2.	Educational Achievements of 160 Parents of Respondents	59
3.	Occupations of Parents During Childhood of Respondents	61
4.	Sources of Student Couples' Incomes	76

MONEY MANAGEMENT PRACTICES AND ATTITUDES OF MARRIED UNIVERSITY STUDENTS

CHAPTER I

THE PROBLEM

Speaking to a group of educators in 1963, a distinguished professor from Harvard University, Herold C. Hunt, remarked that "We cannot afford economic illiteracy . . ." and pointed up one of the major areas of vital concern in modern education.

> . . . educators believe that the personal and financial choices concerning the use of income are as important as the professional and vocational choices which make income possible and that there are several areas of financial decision making that are common to every individual or family which should be a part of the general education of every girl and every boy.[1]

Our way of life is complex, requiring economic sophistication on the part of each individual citizen, whose actions determine the course of both private and public policies. It is Hunt's belief that the continuance or the modification of that way of life depends on the quality of the economic

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[1]Herold C. Hunt, Our Great Need--Economic Literacy, Special Report Number 5, Family Finance Education (Norman, Oklahoma: The University of Oklahoma, November, 1963), pp. 2-3.

education of youth. Stressing the need for an understanding of and a competency to deal with the daily problems in corporate and in family groups, Hunt deplored the depressing paucity of economic understanding on the part of graduating high school seniors.[1] In view of their lack of economic understanding, one inevitably becomes concerned with means by which adjustments to a combination of marriage and additional schooling may be made easier.

In 1960 there were 2,598,000 students between the ages of 18 and 24 enrolled in institutions of higher education; 304,000, or 11.8 percent, were married. By 1964, the totals had increased to 3,573,000 and 366,000, respectively, though the ratio of married to total students had dropped to 10.24 percent. In 1960, of 750,000 students in the age group 25 to 34, 548,000 were married. By 1964 these numbers had increased to 779,000 students, with 576,000 married. In this group the percentage who were married showed a growth from 73.1 percent to 73.9 percent.[2]

Much has been written about this phenomenal growth of the number of married students on college campuses. Some writers, such as Mead, question the possibility of their

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[1] Ibid., p. 5.

[2] U. S. Bureau of the Census, Statistical Abstract of the United States: 1965, 86th edition (Washington, D. C.: 1965), p. 129.

achieving the highest potential.[1] Others have come to accept the married student as an asset. One of these, President Hanna, of Michigan State University, believes that they lend ". . . quality, stability and admirable strength of purpose to the student body as a whole."[2]

The president of the University of Illinois states that: "Finances are a major problem. Virtually all the (married) men have to work."[3] While holding some reservations about undergraduate marriages, he believes that ". . . at the graduate level, marriage is essentially good where there is real partnership, and where physical conditions of finance and housing can be managed without too great strain."[4]

A number of studies of the problems of young married couples have been made. Lantagne questioned married students at the University of California about elements in the areas of social adaptation, family and general background, economic and financial status, and emotional attitudes.[5] Healey reported on the credit-purchasing habits and attitudes of

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[1]Margaret Mead, "A New Look at Early Marriages," U. S. News and World Report, June 6, 1960, pp. 8-85.

[2]"The Married Student," Newsweek, March 4, 1957, p. 94.

[3]David Henry, "'Maturity Is the Key' to Successful College Marriage," U. S. News and World Report, June, 1960, p. 89.

[4]Ibid.

[5]Joseph E. Lantagne, "College Marriages," Journal of College Student Personnel, March, 1962, pp. 98-105.

students at Michigan State University, as compared with those of non-students in the same age group in Lansing.[1] The editors of Business Week concerned themselves with the buying habits and attitudes of young couples in general. They quoted National Consumer Finance Association figures showing that 63 percent of people aged 18 to 24 were using installment credit early in 1963, with $485 the median amount owed.[2]

The present study was designed to investigate the financial management attitudes and practices of certain married students. In view of some rather startling reports of inability to manage finances on the part of certain couples enrolled in the University of Oklahoma, the question arose as to the influence of their socio-economic backgrounds and their premarital education in the handling of personal funds.

Statement of the Problem

The problem of this study was to determine the understandings held, attitudes expressed, and spending patterns exhibited by married university students and, on the basis of the findings, to make recommendations relative to family finance education.

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[1] Philip B. Healey, "The Knowledge and Use of Consumer Installment Credit by Young Married People of the Lansing, Michigan Area" (unpublished Ph. D. dissertation, Michigan State University, 1963).

[2] "Newlyweds--a Market Unto Themselves," Business Week, November 2, 1963, pp. 98-100.

This problem was formulated on the assumption that a direct relationship exists between the way in which married university students utilize their resources and their socio-economic backgrounds, their money management experiences, their sources of income, and their acquired knowledge of family finance.

Delimitations

Certain problems were inherent in the nature of this study and in the method of obtaining the primary data. First, there was the limiting factor that people sometimes find it difficult to express attitudes frankly and accurately. While they think they are correctly expressing their attitudes and understandings, there may be a subconscious tendency to give answers they feel are expected. In this investigation, the statements of the respondents were accepted on the basis of consistency and of the general tone of the interview.

Second, semantics enters into any investigation such as this. Some words and concepts have different meanings for the interviewee from those of the interviewer because of differences in experiences. In all cases, however, a relatively high mutuality of understanding was developed in this investigation through probing questions and carefully-established rapport.

A third limitation was what some writers refer to as the "halo effect" upon the recall of past experiences; in

retrospect things seem to have been better or worse than was actually the case. It is believed that this was overcome through careful attention to details as the interviewer constantly checked for consistency in all aspects of the respondents' replies.

Definitions

Throughout this study, the following definitions apply:

Attitude.--A psychological or mental bent toward, with resulting tendency to action with respect to, some situation, object, or idea.

Family finance education.--Those learning experiences, formal or informal, which contribute to the ability of people to manage their personal and family resources so as to maximize the utility of those resources.

Money management practices.--The ways in which the young couples use their incomes to satisfy their wants and needs.

Socio-economic background.--The environment in which a person is reared.

Sources of Data

Open-end interviews with married couples among the students at the University of Oklahoma constituted the primary source of data.

Procedure

The first step in this study involved a comprehensive search of the literature both directly and indirectly related to the problem. The introductory and the background portions of this research report are based upon information acquired in this step.

The second step consisted of the development of an interview instrument to be used in obtaining data vital to the solution of the problem.

In the third step, the interview guide was used in open-end interviews with a random sampling of married student couples. The primary data relative to attitudes, learning experiences in family finance, understandings derived from them, socio-economic and home-training backgrounds, spending practices, and sources and amounts of income were obtained in 40 interviews.

The fourth step was that in which the data were summarized, categorized, and interpreted.

Step five consisted of the formulation of the findings and the preparation of this report.

CHAPTER II

BACKGROUND FOR THE STUDY

The information in this chapter constitutes background material in terms of three main ideas: (1) the changing social order, (2) young adults on the "threshold to maturity," and (3) the need for family finance education.

Within the past three decades (1930-1960) profound changes have been occurring in the lives and attitudes of the American people. These changes have set their mark on the young adults in the 18 to 24 age group collectively and as individuals. While change itself is not new, the character of these latest changes and the rapidity with which they have come about have brought broad implications for the economic well-being of society. This is particularly true of the need for education in family finance.

The Changing Social Order

In the past thirty years rapid growth has taken place in the total population, in the national income in constant dollars, and in the number of families in the upper-middle category of income. The growth of the population in the age group 15 to 24, especially, has brought in influence of a

unique consumer group to bear on the economy of the United States. Census Bureau statisticians predict that the number of young adults in that age bracket will grow from the 24,577,000 of 1960 to a high of 39,573,000 in 1975, if fertility rates remain constant.[1] This will be an increase of over 60 percent in the 15 years. In relative terms, the percentage of increase in real national income has been even greater than that in population. From 1929 to 1961 the number of family units in the United States increased by 77 percent.[2] The national income, in constant dollars, advanced by almost 160 percent. Significantly, in the same period the number of families in the $6,000 to $15,000 income class increased by nearly 400 percent.[3]

A unique phenomenon of life in the United States is the rise of what Katona calls "the mass consumption society." Three major features make it unique: (1) affluence, (2) consumer power, and (3) consumer psychology.[4] In this mass consumption society, the majority of families possess discretionary purchasing power. That is, they have resources that are more than adequate for the acquisition of necessities. They have the capacity to replace and enlarge their stocks of

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[1] Statistical Abstract of the United States: 1965, op. cit., p. 6.

[2] Ibid., p. 35. [3] Ibid., p. 343.

[4] George Katona, The Mass Consumption Society (New York: McGraw Hill Book Company, 1964), p. 3.

consumer goods. They exhibit influence and power in the marketplace. The rate of growth of the economy and the cyclical fluctuations in it depend to a large extent on the consumer. Consumer psychology becomes important as the demand for goods and services is influenced, and sometimes even determined, by the willingness of people to buy. It is thus that their motives, attitudes, and expectations are reflected in the marketplace. The environment in which each consumer finds himself begets the form taken by his attitudes and his actions.

Scientific and technological elements of production began to have an impact upon life more than one hundred years ago, with the industrial revolution early in the 19th century, but the impact of mass consumption has come more recently. The amount of all liquid assets held by consumers was relatively unimportant before World War II. It is estimated that less than 10 percent of all United States families held bank deposits and government bonds in 1939, but that by 1946 the great majority of families held one or the other, or both.[1] Mortgage credit was available during the 19th century, but it has been only since World War II that the majority of family units became homeowners through its use. Of the family units in the United States early in the 20th century, approximately 40 percent lived in one-family houses that they owned, with

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[1] Statistical Abstract of the United States: 1965, op. cit., p. 338.

the figures rising to 60 percent of 53,000,000 families owning their homes in 1962.[1]

Greater mobility of the population has had a profound effect on several aspects of life in the United States, especially among the youth. From March, 1963, to March, 1964, 20 percent of the population moved to a different location. Of the 835,300,000 persons one year old and over, 36,300,000 had lived at a different address a year previously, and about 9,000 had been living abroad.[2] Among the reasons for this mobility are: (1) the demands of industry; (2) the desire to "better" oneself economically, socially, and educationally; and (3) a general restlessness which seems to be characteristic of the times.

Along with this cultural upheaval, there are economic fibrillations which should be noted. The developments in high-energy fuels and in electronic-control systems have brought major revolutions in the employment pattern, especially in those industries in which much of the drudgery has been relegated to automated machinery. The creation of synthetics has caused reorientation within the chemical industry; it is estimated that 90 percent of the materials dealt with today were not known 30 years ago. This has necessitated retraining of older workers and further training of the youngsters going into the industry. The growth of service

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[1] Ibid., p. 758. [2] Ibid., p. 32.

occupations, with the need for more technicians, has caused an increasing emphasis on education as the "Open, Sesame!" to success. Young adults are becoming obsessed with the need for education. In the decade 1950-1960 college enrollments increased at almost five times the rate of the population growth. The burgeoning use and development of data processing and instantaneous communication and the complexity of modern industrial methods are factors that will require the retraining of about half the labor force at some time during their working lives. It is predicted that students who graduate from high school in the decade of the 60's will make at least three major changes of occupation before their retirement.

Changes in the structure of the family unit are having their effects. Angelino asserts that families tend to be smaller than in earlier days, composed of relatively fewer members closely related. Whereas children were an asset in the days when each member was a producing part of the family enterprise, today they are dependents--luxuries to be planned for and postponed until the couple can afford them. He cites also the decline in family stability and suggests two reasons: (1) the changing attitude toward divorce and (2) the greater economic freedom of women. A trend closely allied is that of outside employment for married women. Every year more

married women become part of the labor force for many reasons, not all of them economic.[1]

Important functions which characterized the family for centuries are changing--some of them being relegated to minor positions, others being taken over by various institutions. The economic function has changed, with the family no longer an economically interdependent producing unit. One or two members usually are independent wage earners, while the others are dependent, consuming members. The educational function has been in large measure shifted from the family to the school, the church, and, in many cases, to nursery schools, day-care centers, and baby sitters. Commercial recreational enterprises have become a multibillion dollar industry, supplying Americans with a wide assortment of facilities and equipment for leisure-time activities. From a workweek of 72 hours, the time used in earning a livelihood has dropped to 40 or 44 hours, leaving from 20 to 25 hours more to be filled with cultural or recreational pursuits. The thirty-hour week being forecast by labor leaders will intensify this problem in the future.

Another significant development within the past 50 years has been the migration from the rural areas to the cities, from the cities to the suburbs, and lately, back to

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[1]Henry Angelino, Sociological Backgrounds of the American Family, Special Report Number 1, Family Finance Education (Norman, Oklahoma: The University of Oklahoma, Undated), pp. 3-4.

the cities. This latest trend, characterized by apartment dwelling, has brought a greater degree of anonymity and a concomitant increase in impersonalization. Whether this is a cause or a result would be difficult to ascertain, but a decrease in church attendance and outward manifestation of religious belief are characteristics of the new apartment dweller.[1]

The Young Adults

In 1960 the population in the 15 to 24 age group in the United States was 12,205,000. By 1965 the number had swelled to 15,145,000, of whom 6,936,000, or 52.4 percent, were married.[2] The college population was almost evenly divided as to age brackets. Forty percent of the students enrolled were under 20 years of age, 44 percent were between 20 and 24, and 16 percent were 25 and over.[3] Blake T. Newton, President of the Institute of Life Insurance, has said:

> The young adults of our country, the new generation between the ages of 18 and 25, loom on our social and economic horizon as a new and powerful force. These people, at the stage of completing their

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[1] David Meier, "The Church and the Apartment Dweller," Oklahoma City Star (McFarlin Edition), April 23, 1965 (Oklahoma City, Oklahoma: All-Church Press), p. 8.

[2] Statistical Abstract of the United States: 1965, op. cit., p. 31.

[3] Young Adults: The Threshold Years, A report on the new generation of young people, age 18 to 25, and a panel discussion about them, presented at the Annual Meeting in New York, December 7, 1965 (New York: Institute of Life Insurance), p. 14.

> educations, forming their families, performing military service and becoming voters, are passing, as generations always do, through the threshold years to maturity.[1]

These young people have lived in an age when great changes in social life and technology have been occurring. Many, having known only prosperity or affluence, present a different attitude from that exhibited by the preceding generation.

Some facts about these young adults should be noted. First, a majority of them are optimistic about their chances for success in attaining their goals--the values to be derived from our society. Their goals are largely similar to those of the older generation, so there is very little difficulty about their assimilation into the social structure. A much smaller group wants a higher standard of living, better education, more opportunity, leisure, and dignity, the same goals as those of the groups cited above. But they lack adequate means to attain those goals. This group consists of the underprivileged, for example, the Negroes and the Puerto Ricans. A third segment is composed of those well-educated young adults of affluent backgrounds who are not sure of what they want. They have the means for attaining their goals, but are undecided about the ends for which they want to strive. This pattern has been demonstrated in the unrest shown on various campuses. While not all the unrest has met with the same

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[1] Ibid., p. 3.

publicity as that at the Berkeley campus,[1] it is a widespread phenomenon. One reason for this unrest, according to Daniel Yankelovich, is that

> . . . In the process of identity formation through which the young adults proceed to maturity is an element called the "need for fidelity"--a need to identify with something outside oneself to which one can be true. This may be another person, an institution, or an ideology.[2]

Other manifestations of the same drive may be seen in the activities connected with the civil rights movement, the anti-Viet Nam war demonstrations of 1965-1967, and the thousands of Peace Corps enrollments, or even in the mounting crime rate among this age group.[3] Another reason for the unrest among students and other young adults is the replacement of the wage-earning problems of previous generations with career-education problems. While the economic need is still paramount with large segments of the population, it is not insurmountable in this affluent age. Neither is it so difficult as the dilemmas posed by the modern education and business worlds. With the growth in size and complexity of the

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[1] In 1964, students on the Berkeley Campus, University of California, incensed at certain Administration policies, staged a revolt. To the original grievances were added others, among them the size and impersonality of the campus. Amid nationwide publicity, charges and counter-charges were hurled among Administration, faculty, students, and legislators.

[2] Young Adults: The Threshold Years, op. cit., pp. 14-15.

[3] Felix Morley, "What's Behind the Student Demonstrations," Nation's Business, March, 1966, pp. 26-28.

educational and the business institutions has come a decrease in the personalization of the individual, the impact he makes on his environment. The individual youth fails to see how the goals of society contribute to his own goals, or how he can make a contribution to the aims of society when he is a microcosm in a vast, impersonal complex. It is difficult for him to harmonize what Yankelovich calls the "cost-effectiveness methods" of management with the increasing need of youth to be treated as individuals.[1] But we are an adaptable nation; businessmen and educators recognize the current problems and are working to find new ways of reconciling the private good of the individual with corporate interests.

One of the most striking changes, according to Angelino, is the rise in the percentage of married persons.[2] Since the end of World War II an increasing number of young people, many in their teens, have married. These marriages all have the potentiality of trouble ahead. One in five is expected to end in divorce within a year or two. As has been shown by research, one of the most common causes of marital trouble is financial--the inability to manage resources or discord over how they are to be handled. "The records of divorce courts from coast to coast show statistically that economic stress lies at the root of a majority of broken

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[1] Young Adults: The Threshold Years, op. cit., p. 27.

[2] Angelino, op. cit., p. 14.

homes."[1] In a great many instances this is true even when attributed to some other cause, such as personal or sexual incompatibility.

The Need for Family Finance Education

In an article on the importance of family finance education and methods of incorporating it into the experiences of children and young people, Porter wrote:

> . . . elements of money management permeate the entire life-span of every normal individual. The fact that knowledge about money and skill in money management are essential to human welfare is indisputable. . . . . /Money management/ must be taught or it will merely be caught in various ways and degrees. Catching is not enough. Learning situations must be developed in families, through community living, and through other media such as TV, newspaper and periodical reading, etc. Maximal results in the teaching of money management must be achieved if this country is to grow and develop in the kind of way that is desired.[2]

Learning experiences appropriate to the experience and maturity of the students should be provided from the earliest practicable age. It is largely the habits and attitudes formed in youth that condition and dictate the actions and attitudes of the adult years. Money management, an important aspect of family finance education, is an important function

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[1]Vincent S. Andrews, "A Good Way to Manage Your Money," Family Circle, May, 1964, pp. 42ff.

[2]Gerald A. Porter, Can Money Management Be Taught? Special Report Number 6, Family Finance Education (Norman, Oklahoma: The University of Oklahoma, September, 1964), pp. 2 and 7.

of those attitudes and habits, and of the environment in which the youngster is reared.

Mrs. Esther Peterson, when she was Presidential Special Assistant for Consumer Affairs, indicated that consumer education is important to the individual's well-being, as well as to the nation's economy. In a news item released on March 14, 1966, she announced a two-weeks workshop for the purpose of stimulating development of consumer education in the nation's schools.[1]

Under the joint sponsorship of the National Committee for Education in Family Finance, the President's Committee on Consumer Interests, and the U. S. Office of Education, this conference at the University of Maryland brought educational leaders of the several states together to define consumer education and to deliberate about methods of incorporating it into all grade levels. Mrs. Peterson characterized the conference as a good example of the initiative and leadership shown by organizations in helping young people learn the importance of wise money management for their own benefit and for that of the nation's economic stability. As further evidence of the increased awareness of the need for education in family financial management, Mrs. Peterson cited President Johnson's directive to all Federal agencies that they examine

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[1]Mrs. Esther Peterson, duplicated statement released to news media, Washington, D. C.: Office of the Special Assistant to the President for Consumer Affairs, March 14, 1966.

the programs of consumer education in the schools and encourage more young people to seek instruction in the principles of budgeting, buying, and borrowing.

In a release from the office of the National Committee for Education in Family Finance, also dated March 14, 1966, Hunt pointed out that inclusion of family money management programs in school courses constitutes recognition of the consumer interest as a ". . . major element of economics and national security."[1]

Many of the topics that are included in a course in family finance are also studied in consumer education courses and in subjects with such titles as "personal economics," "consumer finance," and "general business." The Dictionary of Education defines consumer education as "a study of intelligent and effective methods of buying and using goods and services, competent money management, and the relationship of the consumer to the economy."[2] Consumer education, therefore, is focused primarily on the marketplace behavior of the consumer. Family finance education, on the other hand, is commonly offered for the purpose of ". . . developing understanding of the financial responsibilities connected with

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[1]Herold C. Hunt, duplicated statement released to news media (New York: National Committee for Education in Family Finance, March 14, 1966).

[2]Carter V. Good, Dictionary of Education (New York: McGraw-Hill Book Company, Inc., 1959), p. 125.

citizenship and family living."[1] Its primary objective is the achievement of greater family financial security through improvement in the ability of individuals to deal with their problems of money management. But more than the achievement of financial security is the implicit aspect of family solidarity to be created and maintained through the wise use of all the family resources, including time, talents, and personality assets. As Kell has written:

> . . . Education in family finance should be designed to result in the development of attitudes about money management which are in harmony with a wholesome philosophy of life.[2]

The manner in which a family or an individual manages resources is an indication of the values held. In turn, the attitudes and philosophy of life will determine the manner in which resources are managed.

Intelligent use of resources must be preceded by self-understanding. Family finance education is, therefore, concerned with the psychology of the individual and of the family, with family values, and with family relationships. Personal attitudes toward one's role in the family, the family environment, and family resources are also psychological factors.

Application of the idea of management to family finance education brings into focus another important aspect.

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[1] Venetta B. Kell, "An Instrument for the Evaluation of Understandings in Family Finance" (unpublished Ed. D. dissertation, University of Oklahoma, 1961), p. 28.

[2] Ibid.

Webster defines management as ". . . judicious use of means to accomplish an end." Whether applied to business or to the home, this connotes the use of all the resources available: manpower, equipment, time, and money. Establishing goals, making decisions, allocating resources, controlling procedures, and evaluating results in terms of the goals are management procedures that apply equally well.

Another significant element in family finance education is the concept of the family as an interdependent unit in an interdependent society, a producing and a consuming unit. The family's economic decisions have an influence on the rest of society. Family finance education may be defined, therefore, as an area of learning in which family relations, management, and economic concepts combine to enable the family to utilize all its resources to meet its needs and to achieve its goals. It should be noted that this definition does not limit the idea of family resources to finances, but is intended to include the spiritual, the cultural, and the intellectual facets. This seems implicit in most statements of educational objectives. Harper touched on it when she wrote that ". . . good family relationships are strengthened when there is understanding and agreement among the family members regarding the use of money. . . ."[1] She indicates

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[1]Laura J. Harper, Changes in Living Patterns, Miscellaneous Publication No. 4 (Blacksburg: Virginia Polytechnic Institute, May 17, 1961), pp. 105-109.

that the attitudes, ideals, and practices that an adult promotes with his children are often the result of his own experiences during childhood, adolescence, and early maturity. This suggests the importance of attitudes and ideals in a family's money management practices.

Bebell holds the belief that one reveals his true personality in his life's patterns, and that the way in which he manages his resources is indicative of his value-system.[1] He is concerned about whether there is hope for influencing the financial patterns of youngsters; whether there is educational feasibility in family financial management, since teachers do not change the personalities of students. He has emphasized four implications for education in family finance:

> 1. It is a curriculum area related to the vital purposes of education.
> 2. It is an important problem area of life.
> 3. It is important in guidance.
> 4. It is vitally related to self-understanding.[2]

In many listings of the objectives of education, moral and spiritual values, effective citizenship, economic efficiency, and worthy home membership are found among the central themes. These goals are related to and interactive with the manner in which the individual manages his finances. Any curriculum field that includes problem areas must deal with the financial

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[1]Clifford Bebell, A Non-Materialistic View of Education in Family Finance, Special Report Number 8, Family Finance Education (Norman, Oklahoma: The University of Oklahoma, January, 1966), p. 7.

[2]Ibid., pp. 8-11.

aspects, since most studies of problem fields have ramifications in fiscal considerations and have financial backgrounds or overtones. The money management habits and attitudes of an individual can help educators and counselors working with that individual to understand him better, and to help him understand himself. As any person strives for self-understanding it is important for him to recognize and be sensitive to the existence within his nature of many points of conflict. These are not always "either-or" conflicts, but sometimes "good-better" decisions ranging along a continuum. As awareness of these conflicts grows, the individual is enabled to recognize them for what they are, and to learn to make wise choice among them.

A good money management process begins with the dreams, hopes, values, ambitions, and goals of the family. Bebell believes that

> . . . as we look at our priorities without the price tag associated with them, we can sometimes see more clearly what are the things we want most strongly. Then, as we attempt to bring the price tag to them, we translate those dreams and ambitions into the language of reality.[1]

In learning to utilize all of its resources in the achievement of goals, the family is given a basis for deciding what its priorities and values really are. This makes for better allocations of resources than for the family members merely to begin with a certain amount of money and try to prorate it.

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[1] Ibid. p. 11.

Two statements attributed to Congresswoman May, Representative from the State of Washington, are germane to this study:

> . . . The real problem is how to make choices today. As of last year, half our population was 25 years of age or younger. About half our first-married brides are under 20. I think this substantial group of young American families probably has more need for consumer information than any other group. . . .
> . . . . . .
> . . . If a consumer is not willing to get the information available and use it, then all the legislation and all the information and all the advertising in the nation will be of no value to her.[1]

A member of the National Commission on Food Marketing, and of the Domestic Marketing and the Consumer Relations subcommittees of the House Agriculture Committee, Mrs. May is an outstanding proponent of the need for consumer education.

In outlining his firm's efforts to "educate" the teen-age group as the newest market, the President of Macy's New York store said:

> . . . The major sub-division of the teen-age market is the part that is married. . . . in the first year of marriage they spend more than they'll spend at any other one time. . . . we even have a new credit plan, tailored to accommodate the major purchases they want to make on an easy-to-pay basis.[2]

With this sort of encouragement by an increasing number of businesses, there is little wonder that many inexperienced

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[1]Catherine May, quoted in "Washington Consumer Aid Is Deceptive Packaging," Nation's Business, LIV, No. 5 (May, 1966), 589.

[2]David L. Yunich, "A New Generation of Consumers," paper read before the American Marketing Association, New York, February 18, 1965.

youths, untrained in the art of money management, become involved unexpectedly in more debt than they can afford.

A contrasting attitude was exhibited in a statement by the Dean of the School of Education, University of Wisconsin:

> . . . Only as young people learn the meaning of money and its use, as they feel the excitement and satisfaction of personal planning to achieve worthwhile economic goals, as they come to understand the processes by which individual freedom and responsibility in economic matters may be guaranteed, only then do they grasp the full importance of an economic system that is responsible to private initiative and protective of personal independence. . . . Education for citizenship in these times, then, must strongly emphasize preparation to deal with personal and family finance problems in successful and satisfying ways. To help further this emphasis is not only a privilege but an obligation for a great university.[1]

Educators are subscribing to this belief in larger numbers, extending the hope that the college-educated youngster, at least, may ultimately have an opportunity to acquire the knowledge, understanding, and attitudes he needs for a more satisfying utilization of all his resources.

Summary

The increase in the numbers and mobility of the population, together with changing patterns of family life and authority, have had a major impact on the social structure. The simple, leisurely life of earlier days, with its

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[1] Lindley J. Stiles, Man, Money, and Meaning, National Center for Education in Family Finance (Madison, Wisconsin: The University of Wisconsin, 1963), p. 3.

relatively unquestioned verities, has given way to a vigorous gyration in which many of the tenaciously-held absolutes are being reassessed and challenged to show cause for their continued existence. Technological improvements and innovations have created a need for more highly-trained workers, with a longer period of schooling necessary for entry into the labor force. This development has resulted in the dilemma of postponement of marriage or the combining of marriage with further education. Increasing numbers of young people are attempting the combinations, and finding the adjustments difficult at best.

The technological advances have brought a bewildering array of consumer goods and services. Young people in the age group with which this study is concerned, reared in an era of affluence, have never known a major depression. Many of them, accustomed to unlimited supplies of consumer goods, find it difficult to reduce their level of living to the point necessary to handle the marriage-education combination. This difficulty often leads to deterioration in the personal relationships of marriage. It is at this point that these young adults "on the threshold to maturity" need the discipline and attitudes in all areas of life that are developed in family finance education.

CHAPTER III

PROCEDURE FOR COLLECTION OF THE DATA

This chapter consists of a description of the circumstances in which the primary data for this investigation were collected, an explanation of the methods used, and the presentation of the instrument utilized in obtaining and recording the data.

Circumstances in Which the Data Were Collected

This investigation was carried on at the University of Oklahoma in Norman. A city of approximately 48,000 population, Norman is located twenty-five miles from the state capital, Oklahoma City. Such proximity contributes to an urban orientation. Numbered among its population are people in most of the employment categories to be found in cities of comparable size: those in business and professional occupations, and those engaged in manual labor. The presence of the University and of the Central State Hospital contribute to a preponderance of professional people. A substantial number of technical workers living in Norman commute to such installations as Tinker Air Force Base and the Federal Aviation Agency, as well as to nearby industrial assembly plants.

The University is a state-supported, coeducational institution, composed of nine colleges. Its programs include work leading to baccalaureate, master's, and doctoral degrees. Among its 18,000 students, in addition to young people from all sections of Oklahoma, are students from many other states, both neighboring and distant. The presence of students from foreign countries lends to the campus an international air.

As is the case in other institutions of higher education, the University has an increasing proportion of married young people among its student body. At the beginning of the 1965-66 school year (the year in which this study was conducted), the enrollment statistics showed 4,017 married students among the total of 15,640 in school. Normally, the University maintains 950 apartments for married students, at rental rates ranging from $50 to $110 per month. Because of an unprecedented number of single students during 1965-1966, the dormitory space accommodating 4,200 was not adequate. It was necessary to use 311 of the married-student apartments to house the overflow. This left 737 apartments for married couples. There were 52 married students living in dormitories and 2,085 living in private housing off the campus. The remainder were undoubtedly commuters.

Opportunities are available for employment on both full-time and part-time bases. Off-campus pay scales for part-time work range from $1.25 to $2.50 per hour, while wages for jobs on the campus vary from $1.25 to $1.75. The

types of work run the gamut from manual labor to computer programming. There are opportunities for the more advanced students to work as graduate assistants in various schools and departments. Though it is seldom that a University staff member in need of a secretary will ask for a married student, many off-campus employers requesting help do specify that the student be married, apparently in the belief that married students are more dependable.

In addition to job opportunities, there are other financial aids available to students. A student may obtain a Lew Wentz General Service Scholarship of $500 per year, for which he works about 150 hours each semester in a job related to his major course of study. Alumni Development Fund Scholarships amount to $250 per year. University of Oklahoma Scholarships, awarded at the rate of $7 per credit hour for a maximum of 16 hours per semester, are also granted to upperclass students. LaVerne Noyes Scholarships at the same rate are given to direct blood descendants of those who served in the United States Armed Forces prior to May 11, 1918, or who served overseas prior to November 11, 1918. Upperclass students may obtain Mothers' Association and Dads' Association Scholarships to a maximum of $224 per year. In addition, various other special scholarships are to be had. Qualified veterans among the married students receive assistance under the various acts of Congress. There are those among the married students who are getting their educations through loans under the National Defense Education Act.

Use of the Interview Method

After extensive study of the various methods of collecting data, it was determined that the interview method, facilitating depth in analysis, should be used in this investigation. This method proved to be helpful in preserving the unitary character of the study. That is, it enabled the researcher to consider the findings in terms of each subject's entire experience instead of as related but separate items of information.

The personal interview method was used in collecting the data so that intangibles such as attitudes and environmental influences could be explored. In the use of this method, the interviewer had opportunities to explain fully the problem and the nature of the desired data, and to arouse the interest of each respondent. The interviewer was able to insure that respondents understood the questions, and that he understood both their spoken and their implied answers.

The Interview Guide

Study of the interview method and of the use of it in other researches led to the development of a guide to be used for the collection of the data. The guide and the techniques for using it were tested in pilot interview situations with both graduate and undergraduate students, representing the areas of education, law, and journalism. Where inadequacies in the guide and the techniques were revealed, refinements

were made. Thus, both the guide and the uses made of it were modified to make the process of gathering information more efficient and more pointed. Guideline statements were placed on cards for use by the interviewer in keeping the direction of thought in each interview as pertinent as possible to the information desired.

The interviewer was aware that his own attitudes and behavior interacted with those of the respondents, and he schooled himself to efface his own personality. Appropriate measures were taken to prevent the asking of leading questions and questions which reflected an opinion. Use of specific guidelines minimized the interjection of extraneous materials.

Open-end interviews with 45 married couples were conducted between September, 1965, and July, 1966, to obtain the data on which this report is based. An interview guide report was carefully completed for each of the 45 interviews immediately after it was held. This process was facilitated by the copious notes made while the interviews were in progress. Five of the 45 cases were eliminated when it was found that the nature and the amounts of financial subsidy received by these five married couples made the data obtainable from them inappropriate for this study.

The interview guide is presented here, with the data from one case included in it. In order that the reader may distinguish more readily the guide headings and the data

obtained, the respondents' replies are indented wherever it is possible to do so.

INTERVIEW GUIDE

Date April 6, 1965 Case Number 15

Ages: Husband 23 Wife 21 Married 10 Months

Education: Husband Senior in Law School

Wife Senior in College of Arts and Sciences

Home Town	Husband	Wife
Size:	10,000	2,700
Orientation:	Suburban	Small Town
Location:	Central Oklahoma	Central Oklahoma

Sources and Amounts of Income

The husband earns $179 per month at a part-time job in Oklahoma City. He has a scholarship which pays for his books and tuition. The couple receive occasional gifts of money and food from the parents of each. A substantial gift of money as a wedding present from his grandmother was put into their savings account. Their budget calls for regular withdrawals of $25 to $50 each month to help with expenses.

Parental Background

Parents' Occupations

The husband's father is a practicing attorney, in the upper-middle socio-economic stratum. His mother is a housewife who engages in no outside employment.

The wife's father, an oil company executive, and mother, working as a secretary, occupy status just a little lower, in the middle income group.

Case Number 15

Parents' Education

The father of the husband received a law degree, and his mother a degree in library science from the University of Oklahoma.

The wife's father is largely self-educated, with no college attendance. She characterized him as a man possessing "a great deal of common sense." Her mother attended Oklahoma Baptist University, Shawnee, for one year.

Participation in Community Activities

The husband's father is active in a service club, the Country Club, and his church. His mother takes part in church activities, and in music and sewing clubs.

The parents of the wife participate in the activities of the local church, but there are no other oganized groups in the small town in which they live.

Home Atmosphere

Both students characterized their parents as "strict, but not arbitrary" in discipline, holding standards of conduct to which the children were expected to conform. They were amenable to reason in matters involving conflicting interests. They were permissive, however, with respect to the children's financial arrangements.

Importance of College Education

His parents, both with college degrees, believe quite strongly in its importance and are in harmony with their children's educational ambitions.

The wife's parents, perhaps because of their own lack of higher education, are equally supportive in applauding and in contributing to the students' endeavors.

Importance of Church

The parents of both students believe that religion is highly important and reared their children in the tenets of their faith. They support the church actively by their attendance, their work in its various activities, and by their contributions to its financial programs.

Case Number 15

Importance of "Possessions"

In both families the primary concern is with acquiring only the things they need and can afford. Regardless of current fads or the possessions of others, they shun conspicuous consumption.

Installment Buying and Borrowing

Both students indicated that their parents are opposed, on principle, to indiscriminate use of credit, but that they do use forms of extended payment for items of major expense, such as an automobile or a home.

Decisions on Major Expenditures

The husband's father makes most of the financial decisions, and especially those pertaining to major expenditures. Though he listens to the suggestions and desires of the rest of the family, his is the last word.

The wife's parents discuss major expenditures, weighing all the alternatives, and arrive at decisions jointly.

Protection Against Financial Loss

The husband's father has a large amount of life insurance, debt retirement insurance, investments in a diversified investment company plan, and a savings account. In addition, he has the Blue Cross and Blue Shield health protection plans.

The wife's parents are under a pension plan, have life insurance in addition to the maximum G. I. insurance, have a savings account, and investments in land and cattle.

Home Ownership

The parents of both students consider home ownership a good investment. They owned their homes at the time the couple were growing to maturity. The father of the husband paid off in three years the mortgage on his first home.

Financial Planning

The parents of both students plan the use of their finances. The husband's father keeps records and pays

the bills for his office and his operations, and allocates a sum each week for his wife to use in financing the household needs. She keeps the records and pays all other bills. Each has a separate checking account.

The wife's mother handles the money for that family, paying the bills from a joint checking account and keeping all records.

Students' Learning Experiences and Understandings

Childhood Experiences in Handling Money

Neither of the students had a set allowance as a child. Their parents provided everything they needed, and gave them money when they asked for it. They were permitted virtually unlimited discretion in their spending.

Later Experiences and Understandings Concerning

Installment Buying and Time Payments

While they have never had experience with installment buying, they have had friends who incurred difficulties by over-extending with its use, and are aware of the straits to which its careless or unwise use can lead.

They did pay for repairs to their car air conditioner on time payments, but paid the debt in 90 days without the necessity for paying interest.

Personal Credit

Realizing the importance of a good credit rating to the individual or a couple, they believe that abuse of the credit privilege can quickly destroy a good rating.

Importance of Credit to the National Economy

Ambivalent in viewpoint, this couple can see the importance of credit in allowing more people to have more consumer goods and, thus, in creating more jobs. But they believe that too many people use credit unwisely, raising the question whether, in the long run, such wide use is economically sound.

Case Number 15

Protection Against Financial Loss

They are aware of the importance of having protection against the more common hazards, but do not believe in paying so much for it that they are "over-insured." They have reliable friends in the insurance business whom they trust for counsel concerning the protection they need.

Taxes and Taxation

This couple seem to have a better understanding of the tax system than most of those interviewed. They believe that taxes are necessary if the public agencies are to perform their intended functions, and are willing to pay their "fair share" in order to have the benefits of those functions. Although they have not had to pay much in direct taxes because of their limited earnings, they look forward to the time when their earnings will be such that they have to pay more.

Personal and Family Money Management

Both of these young people expressed the conviction that good money management practices are essential to marital happiness as well as to family solvency. They cited friends who quarrel more over the use of their money than over any other topic. Other friends and relatives who have less money never argue about it, and, furthermore appear to lead more contented lives.

Money Management Experiences Other Than Those at Home

Upon entering college, the husband transferred his savings to a checking account. He reports that this experience of having to learn to live within his means was probably the most important money-management learning experience in his life.

The wife had a checking account opened for her when she started to college, and had to learn to budget the contributions her parents made to that account. She had a small amount of training in money management in her high school home economics course, but feels that it was inadequate.

Case Number 15

Social Implications of Good Money Management

They believe good money management to be important for the business relationships within the social structure. The proper management of money by the people within a community leads to the economic improvement of that community; on the other hand, mismanagement, or inept management, can be detrimental in proportion to the number of people lacking habits, attitudes, and knowledge of ways to control their finances.

Previous Experiences Valuable in Marriage

The husband is of the opinion that the management of his own money, learning to live within his income and to save were the experiences prior to marriage that have helped most in his marriage.

The wife's experiences in purchasing groceries and in managing the home while her mother worked at an outside job gave her a background which she believes has been most valuable to her.

Students' Attitudes

Money

At home, he was taught that "money is only something you need, not something to build your life around." In her own family, his wife learned the same thing by implication, if not in those words. It was apparent that this attitude is ingrained, and not just a veneer put on to impress the interviewer.

Present vs. Postponed Ownership of Luxuries

They are postponing the purchase of luxuries, indulging their desires only to the extent of using an older television and a high fidelity record player belonging to their parents. They plan to drive their completely-paid-for used car until they have finished their educations.

Credit, Installment Buying, Charge Accounts, Borrowing

While they are opposed to the idea of owing money, and dislike the thought of paying interest, they have a utilitarian attitude toward these forms of arrangement. That is, they believe in using it when it is to their advantage to do so.

Case Number 15

Borrowing for Various Purposes

Current Consumption

They reported that they are strongly opposed to borrowing for current consumption, and would do without something rather than borrow for it. "Pay as you go" is their attitude toward day-to-day expenditures.

Durable Goods

These students indicated that they might purchase durable goods on extended terms by borrowing if it were absolutely necessary. That is, if there were something they needed immediately and had no other alternative than borrow, they would do so. They declared that they would rather postpone such purchases until they could save the money to pay for them.

Non-Durable Goods

The respondents were quite vehement in their denial that they would purchase non-durable goods under credit terms.

Trips and Vacations

This couple said they would not enjoy a trip or vacation if they knew they would have to pay for it later, so would not borrow for a purely pleasure trip.

Education

If necessary, and there were no other choice. The husband said he would drop out for a year to earn before he would borrow, but the wife indicated her belief that his education is too important for that course of action.

Family as a Source of Help in Case of Need or Loss

They know that both families are eager to assist. They prize their independence, however, and go to great lengths to avoid asking for help.

Spending, With Reference to Sources of Income

They said that the source would make little difference; they spend only what they absolutely have to, saving as much as possible.

Case Number 15

Financial Help from Parents

They would rather be self-supporting. They accept financial assistance when the parents offer it, in the recognition that the parents are happy for the opportunity to help.

The Church as a Source of Strength and Help

They have both been reared to believe in it, and to support it with their time, their abilities, and their finances.

Acquisitions That Increase Net Worth

Most of their spending is for living expenses. While they do not think of their savings in terms of "increasing net worth," one of the major goals toward which they are working and saving is that of home ownership.

Causes of Family Disagreements

Before their marriage, each was used to having enough money for whatever was desired. Living on a curtailed budget has caused a certain amount of frustration. They agree on the savings program, but say "there are so many things we want." While their frustrations do not lead to quarreling, it gets a bit difficult for both of them at times.

Attitudes Toward Spending

Food

This couple has conservative desires in their purchase of food. They believe in buying good-quality items of known brands, and say they do not indulge in experimentation with expensive or gourmet items, as much because of lack of appetite for such products as because of the cost. The wife subscribes to the theory that nourishing, well-balanced meals prevent sicknesses and promote mental alertness.

Clothing

The wife enjoys nice clothes, of good quality, which she can wear for a long time. She would rather have a few good items than a more extensive wardrobe of less desirable materials and workmanship. The husband

prefers less-expensive garments, since they get rough wear, and he indicated his belief that the more-costly brands do not have commensurately greater durability.

Housing

They would rather spend a little more than the minimum in order to have more-adequate living quarters, so have chosen medium-priced University housing. They feel no need for anything approaching luxury, and believed the highest-priced University housing more expensive than they could afford.

Transportation

Their older car serves present needs adequately; their attitude is "make-do." They indicated plans to get a more dependable car when they have graduated, as they will have a rather long drive to the military station where he will begin his service commitment.

Entertainment

There is much "do-it-yourself" in this area, as they devote much of their time to activities of their church. Law school functions, visiting with neighbors and friends, and enjoying their television and high fidelity equipment occupy most of the rest of their spare time.

Contributions

Although they believe in contributing the tithe to their church, they do not tithe now; they consider themselves unable to contribute one tenth of their income because of their meager resources.

Students' Financial Practices

Plan for Money Management

These students plan the use of their resources mentally, rather than in writing. The plans revolve around the more discretionary part of their income, since the major costs are relatively fixed. Plans are flexible, within specified limits. Specific planning is projected only a few months ahead, as they are aware that the military

commitment before them will have profound and compelling influence on their economic, as well as their personal and social, lives.

Change in Planning Patterns Since Marriage

They have found it necessary to do more planning, and in greater detail than was the case early in their marriage. While they had good management patterns before marriage, they found that planning for a married couple is quite different from planning for oneself.

Family Money Handled By

The wife handles the money, pays the bills, and keeps the records. Each has an allowance for which he does not have to account, though it is quite small. Records include receipted bills, and check stubs and cancelled checks from their joint account. They said the purpose of keeping records was to help in planning and to enable them to know how their funds were utilized.

Proportion of Spending With Relation to Income

Expenditures are usually greater than income; consequently, they withdraw $25 to $50 each month from savings, to pay current expenses.

Decisions on Major Expenditures

They consult and make decisions together on all matters affecting both of them, including decisions on major expenditures.

Use of Installment Buying, or Time-Payments

These students use time-payment plans only in emergencies. The last use was in paying the cost of repairs to the car air conditioner. No interest was charged, they reported, as they paid the debt off in 90 days. They have made no purchases on the installment plan, although they indicated that they would consider it if the item were needed and there were no alternative.

Borrowing, to Pay Cash Rather Than Buy on Installment Plan

They have not borrowed money for any purpose.

Case Number 15

Protection Against Financial Loss

The husband's parents pay the premiums on a life insurance policy for him. The students maintain liability insurance on their car, and have a savings account for emergencies.

Adding to Net Worth

They are putting extra money received as Christmas and birthday gifts into the savings account. They hope to build a house when he has completed his tour of duty with the Army. This couple considers saving a more feasible way of adding to net worth than the acquisition of other assets, which they would have to transport when they leave.

Practices in Expenditures

Food

The wife plans the week's menus, then shops for the best prices in the qualities and quantities of food they use. They reported that they spend an average of $50 per month for groceries.

Clothing

Both of these young people are still using much of the clothing they bought before their marriage, so they purchase very little. Expenditures for cleaning, laundry, and the amortized cost of purchases average $5 per month. When they buy, they shop for good quality at medium prices, or the best quality they can get at lowest prices, depending upon whether they are buying something for every-day wear or for "dress-up" occasions.

Housing

This couple pays $65 monthly rental for University housing. Cost of utilities is $15 per month.

Transportation

Operating expenses for their car average $30 per month. Except for the cost of putting the air conditioner back into operation, repair expense has been insignificant.

Case Number 15

Entertainment

They spend little money on entertainment. They reported themselves too busy with other activities to spend much time or money--less than $5 per month--on commercial entertainment.

Contributions

They make a pledge of $7 per month to their church, but feel it much less than they ought or would like to pay.

Do They Meet Financial Problems Realistically?

This couple appears to be meeting their problems realistically, and handling their finances adroitly. It is possible that their focus on saving could lead to frustration over the self-denials of the present, but their value-system would seem to preclude such reaction.

Children in the Family

None.

Respondents' Suggestions

Services the University and/or a Local Church Might Render

The University might provide facilities where neighborhood groups of students could get together to discuss common problems, have companionship, and perhaps engage in some form of cultural and recreational activities.

The program of their church provides all the services they feel they need, but they recognize that few of the students avail themselves of the offerings of any church program.

Learning Experiences Helpful in Marriage Relationships

Since planning for realistic financial management is a skill needed by everyone, it should be integrated into a course or courses taken by each student, especially those not planning to go to college. The students should be helped to understand where they stand in purchasing power, and led to realize the costs of the various things

that will have to be provided for the family when they get married.

Proper attitudes toward credit, installment buying, charge accounts, and borrowing should be developed. The students should be taught the dangers inherent in such financial arrangements, both to themselves and to the economy as a whole. They should learn how to determine the costs to themselves of such transactions.

They should be helped to know what to consider when buying or renting housing, especially the economics involved in deciding whether to rent or buy.

The students should learn something about investments, too. For example, they should be led to consider the relative values of renting one's home vs. keeping a certain amount of money invested at 4 percent.

These respondents also thought students should become familiar with the types of insurance available, with the advantages of each.

In the hope that parents might become interested, and thus influenced, it was suggested that students at the junior high school and the high school levels be given work incorporating the areas outlined to do at home.

Specific Techniques in Using the Interview Guide

After explaining the problem and use to be made of the data, the interviewer answered any questions posed by the respondents. During the process of obtaining full names, ages, length of time married, education, and data relative to home towns, a mental set was developed for the interview. The respondents were told in general terms what information was desired relative to home background and learning experiences in handling and managing personal funds. They were asked to give this information in their own words. Notes were

taken by the interviewer, and direct quotations were recorded when applicable. Questions were asked when necessary to clear up a point or in cases of omission of data. The interviewer took care to frame the questions so that they would neither hint of his opinions nor reflect overtones of skepticism or disparagement. This helped to insure against coloration of replies or disruption of rapport. Leading questions were scrupulously avoided, to make sure that the attitudes expressed or implied were truly those of the respondents. When it was necessary for the interviewer to summarize a lengthy answer for clarification, respondents' own words, as far as possible, were used in original context.

After consideration of the parental background phase, respondents were asked for information concerning their own knowledges, understandings, and current practices. Sources and amounts of income and information concerning relationships with parents, considered the most sensitive areas, were among the last items to be obtained, after such rapport had been established that the respondents had little hesitation about giving the information. When asked to indicate their incomes in general terms, most respondents cited exact figures. There were a few occasions when probing was necessary to amplify and to clarify hints of discord with parents who were furnishing part of the financial support.

In this open-end type of interview, tendencies to digress from the principal line of inquiry were common. As

long as the digressions gave insight into attitudes and backgrounds, they were permitted and at times encouraged. When they ceased to be productive of new information or further insight, however, the interviewer expressed interest but reminded the respondents that the main points of emphasis would be better served in another direction.

The Sample

Criteria for selection of the sample were established, to insure that the findings of the investigation would be representative of the money management attitudes and practices of typical married students. The first criterion was that the students to be interviewed must reside in the environs of the University. This was based on the belief that problems of students who commute from outlying cities are somewhat different from those of students living in proximity to the campus. It was believed, further, that students who were reared outside the United States have much different backgrounds from those of native-born students who have spent most of their lives within the continental limits of the country. This led to the elimination of students whose home addresses were foreign.

Financial resources, a major element of the study, established bases for two more criteria. Students who were supported by a government agency, such as those in the armed forces, were eliminated from the sample. While it is

recognized that they are faced with choice making in the use of their resources, it was believed that inclusion of these students in the study would interject biasing elements. Those students enrolled for fewer than 12 semester hours were thought to be employed on a full-time basis. Because it would ease the financial problems, this was deemed cause for eliminating such students from the study. Therefore, only full-time students, those carrying at least 12 semester hours, were included in the sample.

The criteria used in the selection of the population sampled, then, included the following: (1) they were full-time students; (2) they had been reared in the United States; (3) they lived in Norman; and (4) they were civilians, rather than members of the Armed Forces. One further criterion, implicit in the nature of the study, excluded a number of older students retired from regular employment or from the armed services and some who were returning for retraining or additional education after rearing their families.

Selection of the Sample

The Dean of Students and the Director of Student Affairs gave permission to study the enrollment slips in the files of the Office of Student Affairs. Names and marital status were checked, and those students meeting the established criteria were listed. Since no distinction of military personnel was made on the enrollment slips, it was not

possible to eliminate them until actual contact was made. A count showed 1,066 names of students meeting the first three criteria. In order to obtain as nearly accurate a cross section and random sample as possible, every 17th name was indicated as one to be used. This resulted in the development of a systematic sample of 40 couples, even though some couples declined to be interviewed or had to be eliminated. Letters explaining the project and asking for assistance were sent to the students selected. They were informed that telephone contact would be made to arrange a definite time for the interview. In the event that the student had no telephone listed, the last paragraph of the letter was reworded and a card for his reply enclosed. Three cards were returned, two setting times for interviews, and one stating that the student was an Air Force Officer, and would probably skew the results. Whenever follow-up letters and cards failed to elicit response, or when a selected couple proved to be inappropriate for the sample, another name in the same section of the alphabet was substituted.

Initial contact was attempted by addressing letters to 90 students. Of the 45 interviews resulting, five were unusable as already noted. In 12 of the calls following the letters, it was learned that the students did not meet the criteria, so their names were removed from the list. Follow-up of 20 letters was unavailing; 8 cards were not returned, telephone numbers listed were incorrect or no longer in use,

or it was impossible to find students at home when calls were made. There were thirteen refusals, for a variety of reasons. Some students said they were too busy; others, that they worked until late and would not have time. One of the latter said that he and his wife spent every weekend out of town, visiting his or his wife's parents. One student frankly said that his money management attitudes and practices were strictly his own business. This report, therefore, is based on data obtained in interviews with 40 married student couples.

Nature of the Sample

The sample consisted of 40 couples meeting the established criteria. The husbands in the selected group ranged in age from 20 to 35 years, with the median age at 24 years. The range in ages of the wives was 18 to 35 years, with 23 the median age. Four years was the median length of time the couples had been married, in a range from ten months to fifteen years. Twenty-four couples had children, ranging in age from two months to eleven years. The median number was one child; the largest, three children.

Financial resources, referred to hereafter simply as "income," include savings and current income from earnings, loans, scholarships, fellowships, and gifts. The money value of tuition, books, insurance payments, car payments, and food provided by relatives is also included in "income." The

income available to the couples in the group ranged from $200 to $900 per month, with a median of $350, and mean of $389.

The husbands had completed from one to six years of college, with a median of four years. The range for the wives was from the 11th grade of high school to the 6th year of college. The median for the wives' educational attainment was the second year of college.

The median size of the communities of origin was the 10,000 to 25,000 population class. This is somewhat misleading, however, because 23 of the 80 individuals grew up in towns of the less-than-5,000 class, while 21 were reared in cities of over 100,000.

Summary

Interviews with married couples from among the student body at the University of Oklahoma were used to gather the data on which the study was based. Criteria for the selection of the couples to be interviewed were established: (1) that at least one member of the couple be a full-time student; (2) that both had been reared in the United States; (3) that they live in Norman; and (4) that they were civilian rather than military students. The names of 1,066 students meeting the criteria were obtained from enrollment cards on file at the University. A systematic sample was selected from the list, and 45 couples were interviewed.

An interview guide was used to obtain data relative to the couples' socio-economic backgrounds, learning experiences in family finance, attitudes toward matters related to financial management, and their practices in the use of family resources.

Immediately after the interviews the data were recorded on guide sheets, using notes made during the interviews. A completed guide is included as part of this chapter.

CHAPTER IV

PRESENTATION OF THE DATA

The problem of this study was to determine the understandings held, the attitudes expressed, and the spending patterns exhibited by married university students and, on the basis of the findings, to make recommendations relative to family finance education. It is important to note again that this problem was formulated on the assumption that a direct relationship exists between the way in which married university students utilize their resources and their socio-economic backgrounds, their money management experiences, their sources of income, and their acquired knowledge of family finance.

The primary and basic data in this investigation were obtained in interviews with 40 married couples, classified as married university students. In each of the 40 instances, one or both of the individuals interviewed had a full-time student relationship with the University of Oklahoma. The relatively substantial amount of data obtained in each interview was studied, categorized, and accumulated in the interview guide report for that interview. The data were analyzed much more intensively in each case, categorized again to fit

the research pattern, and in some instances tabulated. The findings derived from this process for handling the data are presented in this chapter under four major headings: (1) socio-economic backgrounds of students' families, (2) students' money management experiences, (3) sources and amounts of students' incomes, and (4) money use patterns of student families.

Socio-Economic Backgrounds of Students' Families

The socio-economic backgrounds of the 80 young people involved in this study are discussed here in terms of: (1) community influences, (2) parents' education and employment, and (3) family financial patterns. Purely psychological experiences, though exerting a powerful influence, would require another complete study; therefore, no attempt was made to include them in this investigation.

Community Influences

There is substantial evidence to indicate that the size and orientation of the community in which an individual is reared tend to influence the development of his attitudes and his adult behavior patterns. From the outset it was assumed that the findings relative to the money management patterns of the 40 student couples would be tempered by both the rural and the urban elements in their backgrounds. Also, it

appeared that the findings would vary in terms of the size of the community in which each of the participants was reared.

The 80 participants (40 married couples) in this study were reared in communities ranging in size from less than 600 to over 900,000 in population. Analysis of Table 1 reveals that more than one fourth of the participants, or 28.75 percent, were reared in communities of less than 5,000 population. Thirty-six participants, or 45 percent, were subjected to social, educational, and other experiences that are typical of communities ranging from 5,000 to 100,000 inhabitants. It is significant to note that 19 participants, the largest number in any of the population categories, were reared in communities of less than 2,500 people.

The nature and the extent of the involvement of parents in community life are indicators of family value systems. The majority of the parents of the 80 participants in this study made positive contributions to the life of their communities during the time that the students were growing up. Their activities ranged from irregular financial giving and church attendance to leadership roles in the churches and other community organizations.

Tabulation of all student responses indicated that 59 parents, or 36.88 percent of the 160, were participants in church and other community organizations; 10 parents, or 6.25 percent, took part in community and trade or professional groups, but in no church activity; and 73, or 45.62 percent,

TABLE 1

POPULATION OF COMMUNITIES OF ORIGIN
OF 80 RESPONDENTS

Size of Community	Number	Percent of Total
500,000 - 900,000	3	3.75
250,000 - 500,000	15	18.75
100,000 - 250,000	3	3.75
50,000 - 100,000	6	7.50
25,000 - 50,000	11	13.75
10,000 - 25,000	9	11.25
5,000 - 10,000	10	12.30
2,500 - 5,000	4	5.00
Under 2,500	19	23.75
TOTALS	80	100.00

were active only in their churches. There were 11 parents, or 6.87 percent, who were reported to have engaged in no church or community activities during the youth of the respondents. Two parents had died and five had been divorced while the students were quite young; therefore, the activities of these seven, or 4.38 percent, were unknown and could not be reported.

During their youth, the respondents' activities seem to have been parallel to those of the parents. Where the parents were strong workers in and supporters of the church, the respondents were usually active in church youth groups. Those respondents whose parents were community-minded and active in professional associations tended to be actively engaged in school and other youth groups and undertakings.

Parents' Education and Employment

In each of the interviews, insight was sought into the influence of the educational achievements of the parents upon their attitudes toward the educational aspirations of their children. The range in educational levels reached by the parents was from "practically none" to Doctor of Medicine degrees held by three fathers. Perhaps a more significant element was the heterogeniety of education within families. In only four cases had both sets of parents acquired similar amounts of formal schooling. None of the four parents of one student couple was educated beyond the elementary school. In

the other cases, all four parents of each of the three student couples had completed high school. In another instance, three parents of one couple had graduated from college, and the father of the husband had earned the Doctor of Medicine degree. The most widely divergent instance was that of the family in which one parent had completed only an elementary school program, one had a year of college, another had graduated from college, and the fourth had received a graduate degree. More specific details concerning the educational achievements of the parents are revealed in Table 2.

The data indicate that the completion of high school by 58 parents, or 36.25 percent, is the most significant item concerning the educational achievements of the 160 parents. The formal schooling of 34 parents, or 21.28 percent, stopped short of graduation from high school, while 62, or 38.72 percent, went on to further education or training after completing high school. Twelve of the 62 had enrolled in trade school, nurses' training, or business college, and 50 had attended either a two-year or a four-year college for periods of from one to three years. Graduation from college was the terminal point for 20, or 12.5 percent, while 9, or 5.62 percent, continued in graduate school. Students did not know, or could not remember, the extent of education of 6 parents. The death and divorce factors were, again, responsible for this inability to report.

TABLE 2

EDUCATIONAL ACHIEVEMENTS OF 160 PARENTS OF RESPONDENTS

Levels of Education Achieved	Number	Percent
Graduate study	9	5.62
College graduation	20	12.50
One to 3 years of college	21	13.10
Post-high school training	12	7.50
High school graduation	58	36.25
One to 3 years of high school	11	6.88
Elementary school	23	14.40
Unknown	6	3.75
TOTALS	160	100.00

The scholastic attainment of the parents was not a limiting factor in their attitudes toward the educational aspirations of their children. Most of the parents, whatever their schooling, were reported to consider a college education "highly important." Thirty-two husbands and the same number of wives reported this attitude, while 4 husbands and 6 wives said that their parents thought a college degree had "some importance." The parents of one husband, one wife, and one couple were regarded as "passive" toward their chilren's educational endeavors. Two respondents reported that a college education was "simply not discussed" in the home. In one of these families, the formal education of the father was terminated at the end of the eighth year, while the mother engaged in nurse's training for one year beyond high school. The father of the other student had attended college for one year, while the mother was a high school graduate. It is perhaps important to note that one student couple reported that their parents, although none had completed more than an elementary school education, were strongly supportive of the college degree objectives of their children.

The occupations of the parents, as summarized in Table 3, constituted another aspect of the socio-economic backgrounds of the student couples. The largest number of respondents, 34, or 42.5 percent, had fathers who were engaged in professional or managerial kinds of work. Included in the professional and managerial classification were fathers who

TABLE 3

OCCUPATIONS OF PARENTS DURING CHILDHOOD OF RESPONDENTS

Occupational Categories	Number	Percent of 80 Fathers and 80 Mothers
Occupations of the Fathers:		
Professional and Managerial	34	42.50
Skilled Labor	13	16.25
Agricultural	11	13.75
Clerical and Sales	9	11.25
Unskilled Labor	4	5.00
Semi-Skilled Labor	3	3.75
Service	2	2.50
Unknown	4	5.00
Subtotals	80	100.00
Occupations of the Mothers:		
Homemaking	52	65.00
Clerical and Sales	16	20.00
Service	6	7.50
Professional and Managerial	4	5.00
Skilled Labor	1	1.25
Deceased	1	1.25
Subtotals	80	100.00
TOTAL NUMBER OF PARENTS	160	--

earned their livings as follows: three accountants; two attorneys; two bank officials; 15 managers; five management executives; three physicians; and one each superintendent of schools, teacher, writer, and architect. The second largest occupational classification, that of skilled labor, included 13 fathers, or 16.25 percent. Of these fathers, one was a locomotive engineer and one a brakeman; two were heavy-equipment operators; four were machinists; one was an oil-field worker; one a painting contractor; one was a truck driver and one a bus driver; and one was a carpenter. Of the 11 fathers who were farmers, eight owned their own farms and had substantial investments in machinery and equipment, even though their yearly incomes were relatively small. A total of 18 fathers were employed in the remaining four classifications. There were four fathers who, because of divorces, had been so completely out of contact with their families that the particular respondents did not know their occupations.

It is interesting to note that the occupations of the 80 mothers, with the exception of the homemaking classification, were similar to those of the fathers. Fifty-two of the mothers, or 65.0 percent, were homemakers and did not work outside of the home while their children were growing up. Sixteen of the mothers worked in clerical or sales positions. Eleven mothers were employed in service, professional, managerial, or skilled labor kinds of jobs. One mother died at a relatively early age.

In summary, the data indicate that the majority of the 160 parents of the 40 student couples involved in this investigation worked at occupations of a relatively high order. It may be assumed that they were people with middle level incomes and, in a few instances, people who earned incomes that were substantial. Only seven of the 160 parents, or 4.38 percent, were employed in low-income, menial-type jobs.

In regard to the socio-economic backgrounds of the student couples, data were sought concerning the earnings of the parents while their children were growing up. The information given by the respondents, however, was only relatively accurate in that they sometimes had to guess at the actual income, or they simply did not know. Even so, enough information was obtained to indicate that approximately 75 percent of the parents earned what might be termed "substantial" incomes, in that they fell in the range of $5,000 to $10,000. In contrast, approximately 8.75 percent earned $3,000 or less, while 16.25 percent earned over $10,000, with the median in this group falling at just under $15,000. This information lends support to the interpretation of the more specific data presented in Table 3.

It appears that the social status of the students and their parents was correlated with their particular economic circumstances. That is, those with relatively higher incomes enjoyed position and prestige commensurate with their

resources, while those in the middle-income range, in general, conformed to middle-class standards and associations.

Another significant disclosure was that there were no student marriages across more than one economic "boundary." Students from middle-income backgrounds married others from either upper or lower economic status, and students from the same backgrounds married. But there were no marriages between students from the upper-income level with those from the lowest income group.

Family Financial Patterns

The most essential element in financial management is that of planning for the optimum use of income. In order to understand better the respondents' patterns of management, it was considered important to know something of the habit- and attitude-shaping environments from which they came. Therefore, information was obtained relative to the parents' thinking and practices in the use of their money, as well as the students' early experiences in money management.

Twenty-eight husbands and 25 wives believed that their parents planned for the expenditures of their funds, and 31 husbands and 29 wives knew that financial records were kept. Four husbands reported that there was no evidence that their parents planned; two wives believed that their parents did not plan; and eight husbands and 13 wives did not know whether or not their parents planned for or recorded the use of their finances.

Three husbands and four wives admitted that one or both parents regarded the possession of certain items of consumer goods as very important to their self esteem; they regarded a new, large car or a luxurious home as a status symbol. Three husbands and five wives felt that their parents regarded such things as of some importance, but were not avid for them. The majority, 34 husbands and 31 wives, indicated that their parents did not try to "keep up with the Joneses;" they bought the things they needed and could afford, regardless of the possessions or opinions of others.

All of the 80 respondents indicated that their parents had high regard for home ownership. Thirty-six husbands and 34 wives reported that their parents owned or were in the process of buying homes during the youth of the respondents. The inability of some of the other parents to buy homes appeared to be due to separation of the parents, leaving the mother as the only support of the family. In a few instances, lack of education or of opportunity seemed to prevent earning enough income for the parents to acquire more than the bare necessities of life.

In an age when credit and installment purchases are approved by nearly everyone, in contrast to deprecations of previous more moralistic eras, this study revealed data on attitudes toward the use of credit prevailing among the parents of the respondents. Sixteen husbands, or 34.5 percent, and 14 wives, or 35 percent, reported that their parents were

opposed, in principal, to the use of credit. Twenty-one husbands, or 52.5 percent, and 26 wives, or 65.0 percent, characterized their parents' attitudes as "utilitarian." They believed in the use of credit when a profit was to be made, such as in the purchase of livestock, merchandise for resale, and so forth; or they would use it for acquisition of a major appliance, a home or an automobile. Three husbands reported that their parents used credit indiscriminately.

Installment buying, as distinguished from the use of credit per se, was used promiscuously by the parents of one husband and two wives. Eight husbands and seven wives reported their parents' use of such means for "almost anything." The parents of 27 husbands and 29 wives believed in installment buying for only major items; of these, the parents of two husbands and three wives "seldom used it," even then. The parents of four husbands and of four wives did not need, and therefore never used, this method of purchasing.

During their youth, three of the 40 husbands received all of their spending money as regular, specified allowances. Fourteen earned all of their spending money, receiving from their parents school supplies, meals, and clothing. Eight boys received allowances at some period in their youth, but also worked at various types of jobs to earn money for extra spending or for special projects. Totally dependent on their parents for everything, nine husbands reported that they had been given everything they needed and most of the

things they wanted. When their money was gone, they needed merely to ask for more. Six men reported that, while their parents supplied everything they needed and some spending money in addition, they worked for extra money.

When they were girls at home, the spending money for nine wives came in the form of regular, specific allowances. Two wives reported that, early in life, they worked for extra money to supplement set allowances. The parents of 18 girls furnished everything they needed, including spending money. Three girls earned spending money by babysitting and by working as clerks to supplement parental contributions for clothing, school lunches, and incidentals. Eight earned money for school expenses, miscellaneous purchases, and much of their clothing.

Seventy-seven respondents reported that they had been allowed unlimited discretion in the spending of their own money, regardless of its source. The other three said that parental restrictions extended only to the purchase of items of greater cost, such as guns, motorcycles, some articles of clothing, and so forth. This does not imply that there were no attempts at persuasion against "foolish" expenditures--most of the respondents reported such parental admonitions; however, such attempts usually ended with, "But, it's <u>your</u> money, so remember that when it is gone, it is gone." One wife reported that "there was never any money to throw

around" and that she had only small amounts to spend when the family went to town.

Only three of the husbands and five wives could report any specific attempt in the home to teach wise money management, to develop habits and attitudes of thrift. Five wives reported home training through experiences in the purchase of food and clothing, and in meal planning and preparation. One husband remembered, among other things, being helped to open a checking account and to learn something of the operations and the services of a bank. Another reported that his parents taught him that "money is just something you need, not something to build a life around." But these examples seemed not typical.

Money Management Experiences

Efficient planning for the use of income is essential to maximum utility of that income. All of the 40 couples reported that they planned the use of their money. That planning, however, ranged from broad, general, mental allocations to specific, detailed, written budgets. Many of the couples had made changes after marriage only to the extent of moving from solo consideration into planning together for their families. Eighteen couples reported only this change; four of these said that they had planned the use of their money from childhood, so had changed their patterns but slightly. Twelve families currently planned more and in more detail

than when first married. Five couples reported more planning but in less detail, while the remaining five planned less and in less detail. These last five had been married longer and had settled into more regular patterns, so that their planning took the form of guidelines, only.

Information was sought relative to the respondents' financial management learning experiences. While the variety of responses was almost as great as the number of students interviewed, they have been classified under six headings in two groups. The first group is made up of learning experiences as couples, while the second consists of knowledge acquired before marriage. The largest number of respondents learned in the "school of hard knocks" through overspending, that they needed to manage their income to better advantage. Their reports indicated such things as "too much month left at the end of the money," or being "unable to buy things they really wanted," or "having to call on parents for help in emergencies."

Nine couples reported specific mistakes made that cost them money or difficulty, and which they considered to be learning experiences. One couple, after "shopping around," purchased a refrigerator from a discount store. When they needed an air conditioner they went to the same store and bought one. Later, they learned that an identical air conditioner could have been purchased elsewhere for a lower price and with better service warranty. A couple who had suffered

a $1,700 loss on the sale of their home deemed this a negative learning experience which discouraged them with home ownership.

Two couples reported the purchase of vacuum cleaners from door-to-door salesmen on "referral plans." They had been promised reductions from the relatively high prices of their machines for each sale to anyone they referred as a likely prospect. One of the couples, frustrated by inability to get credit with merchants in town, chose this plan for its time payment provision. The cleaner was at least as efficient as any available, though a comparable machine would have been much less expensive if bought from an established retailer. As a result of referrals, they had received $60 credit to their account, bringing the actual price down to more nearly that of competing products. The other couple became disenchanted with their purchase when, after signing the contract, they discovered that a technicality made them ineligible for the allowance. Unable to free themselves from the contract, they withdrew funds from savings and paid off the note in order to escape the high carrying charges for deferred payments.

Because they did not know enough about the various kinds of insurance plans available, one couple allowed themselves to be sold a policy that did not meet their needs. It was an expensive learning experience to discover this fact

after it was too late to convert to the proper type without extra cost.

Eight student couples reported that they had learned the necessity for good money management through observations. Two of the wives, who worked for collection agencies, one husband, who worked for the state tax commission, and one employed by a law firm had observed the difficulties people get into when they live beyond their means. Three couples had learned through the involvements of friends that it pays to manage one's money actively, rather than to hope that things will work themselves out. The parents of another wife had inspired the respondents by example with the value of good management.

In reporting money management knowledge acquired before marriage, 14 respondents could recall courses they had taken in high school or college which were beneficial in varying degrees. One husband reported his high school bookkeeping and college accounting as valuable. Three wives believed their high school home economics classes in sewing, cooking, and meal planning to be of assistance in the management of their home lives. One of these wives mentioned that there was "something about budgeting" in the course, but that it had not meant much to her at the time. She reflected that possibly she was now using some of the information she had absorbed more or less unconsciously. Two students had been enrolled in consumer economics courses in high school and in

college, and believed them most helpful. Four students said their study of economics and financial management in college was "probably beneficial" in their personal patterns. It was the observation of two couples that the course dealing with marriage and the family emphasized theory more than it did practical, day-to-day home living. They expressed the opinion that the course should place more stress on family money management and the pitfalls into which a couple can stumble through lack of knowledge.

Before her marriage, one student had signed a package contract for magazine subscriptions. Because it was a more expensive item than she could afford, in view of her pending marriage, the young lady tried to stop the subscriptions. The difficulty encountered, though not actually costing much money, was a distressing learning experience. Similar instances were reported by two husbands who had been inveigled into signing contracts for expensive sets of books. Upon deciding to get married, they attempted to get released from the contracts and discovered that there is often a difference between that which a salesman leads one to believe and that which the contract actually calls for. The price of the books was excessive, and the terms of the contract were not nearly so liberal as the young man had understood when they agreed to the purchases.

Six students gave credit for their management ability to the fact that they had been working and earning their own

way for several years before their marriage. They believed that being "on their own" made them realize the value of money and the necessity for managing it efficiently.

Eight students cited special experiences in the home during their youth which had been helpful. At the age of 18 one young man had been helped by his parents to get a bank loan to buy a car. He learned something of the operation of a bank, as well as the necessity for making scheduled payments when they were due. A wife reported her responsibility as a youngster for paying the family bills. This task included the purchasing and sending of money-orders for out-of-town accounts, as well as paying local merchants and obtaining receipts for the payments. Management of the family's small income after her mother's divorce was the learning experience described by another wife. A husband and wife reported that each had learned frugality by admonition and example, as well as by necessity, from their parents. A wife, during her days as a young girl at home, had kept a checking account with her mother, while two more wives reported their home experience in meal planning, purchasing, and preparation as helpful.

It should be noted that very few of these student couples were actually exposed to classroom experiences in money management. In addition, few could report conscious parental training in the use of resources. That many of them

are able to manage as well as they do appears to be attributable to an unconscious "caught" training and attitude.

Sources and Amounts of Students' Incomes

The term "income" includes all the moneys that the student couples had available, including income from earnings, regular or irregular contributions from parents or other relatives, loans from any source, and savings. Where the data were stated on a yearly basis, they were averaged to a monthly figure. In the case of one-time gifts, loans, or accumulated savings, the amounts were divided by the number of months remaining before completion of schooling at the current rate of progress.

Incomes ranged from $210 to $900 per month, while both the median and the mode were at $350. The mean income, because of the larger amounts in the upper quartile, was $389. Thirteen couples, or 32.5 percent, had incomes in the mean range between $300 and $400 per month. Twelve, or 30 percent, had resources above $400 per month; one couple had $700, and another combined earnings of $900 per month. Significantly, there were 15 couples, or 37.5 percent, who were financing their educations on incomes of less than $300 per month.

Primary sources of income included earnings of the couples, savings, scholarships or assistantships, loans, and support by relatives. The couples had earnings from a wide variety of jobs, either part-time or full-time. In some

instances only the husband had earnings; in others, the wife was the wage earner; among still other student couples, both husband and wife had incomes. Table 4 shows in consolidated form the sources of moneys available to the respondents. Contributions by parents and other relatives ranged from small, irregular gifts of cash and food, or the payment of tuition fees for their own child, through virtually complete subsidization.

Of the nine cases in which only the husband worked, six couples were given substantial help by one or both sets of parents or by grandparents. One student was a graduate assistant with a savings account which the wife characterized as "the main source of current expenditures;" the husband's family gave help in the amount of $4,000 to $5,000 per year. In another case, the husband's family provided $200 per month, while the wife's family paid for her tuition and books. The couple had some savings which, they said, "helps with the budget." The savings of another couple were used "as needed to balance the budget." This husband's parents supplied "about $95 per month," and the wife's grandparents furnished $50 each month.

His meals and $20 per month were earned by a fourth husband as waiter in a sorority house dining room, and a scholarship supplied his tuition and a monthly stipend of $15. In addition, this husband's family contributed $100 each month, while the $75-per-month donation by the wife's parents

TABLE 4

SOURCES OF STUDENT COUPLES' INCOME

Recipient of Income	Employment	Savings	Scholarship or Assistantship	Loan	Relatives	Other
Husband	9	5	2	-	6	1*
Wife	11	5	3	2	4	1
Both	19	1	6	5	4	1#
Neither	1	1	-	-	-	-
TOTALS	40	12	11	7	14	3

*Veterans' Allowances.

#Interest on bonds given the wife by her grandmother.

The table should be read thus: Of the 9 cases in which only the husband had outside employment, 5 had savings; 2, scholarships or assistantships; 6 had financial help from relatives; and 1 couple received an allotment from the Veterans' Administration; and so forth.

helped to defray the costs of her tuition, books, and clothing. Similarly, a fifth couple received help in the form of occasional gifts of food and money from both sets of parents. At the time these students were married, the wife's grandmother presented as a wedding gift a substantial amount of money, which went into their savings account. In payment of current expenses, they used the savings as a supplement to the husband's earnings.

The husband of a sixth couple earned only a small income as a part-time checker in a grocery store, making it necessary for the parents of both to furnish virtually their entire support. In a somewhat comparable situation, a seventh family is recorded in this group because they were living on the husband's veteran's allowance, reporting no savings nor any other income. This couple received "about $390 per month." Another ex-serviceman's yearly stipend of $700, received for membership in the National Guard, was the only reported current income of an eighth couple. The principal source of their funds was a savings account accumulated from extra pay the husband had received as a serviceman attending flight school and from the sale of their home before entering school. With no savings to report, the ninth husband had income from his position as a salaried member of the health department of another state.

Eight of the earning wives worked as secretaries, one was a beautician, one a medical technologist, and one a

graduate assistant. Two of this group of families had put aside savings for the purpose of returning for this year's schooling. One, however, was paying for current expenses from the wife's salary, using the savings as a "cushion" to meet unexpected needs. Because they had three children, there were other expenses which came from savings, too. The other couple, in addition to the savings and the wife's salary, had a veteran's allowance.

The husband of a third working wife received a scholarship in the form of living quarters in a university apartment in return for managing the apartment house. The parents of both had provided substantially all financial support during the students' first year of marriage, but, even so, the couple had been unable to manage adequately. By the time of the interview, however, they had learned to control their spending and to keep records and a budget, and were able to live within their income without the aid of regular contributions from parents. In contrast, a fourth couple had put aside part of their earnings in preparation for the year's work toward a graduate degree. They were using the savings to supplement the salary earned by the wife.

In addition to his wife's "take-home" earnings of $222, the parents of another husband subsidized the couple to the extent of $90 monthly for rent, food, and supplies. On the other hand, the husband of the medical technologist had only occasional gifts of cash from his parents and a tuition

scholarship. Complementing the income from the wife's salary as a secretary and from a defense loan, another couple had managed to accumulate a $500 savings account which they regarded as a source upon which to draw in emergencies. Conversely, another couple used their savings account, consisting of the husband's summertime earnings from construction work, to "round out" the wife's income from part-time secretarial work. His parents paid his tuition, while the $25-per-month donation of the wife's parents supplied her tuition. The $5,000 savings account with which another couple had embarked on their educational experience had dwindled to "around $3,200," despite the wife's above-average salary as a beautician. Two loans from the Lew Wentz fund brought the income of one couple to $370 per month. Her job as a secretary in Oklahoma City paid well, but commuting and nursery-school care for their child created concomitant expenses.

Of the families in which both husband and wife were employed, one couple had a scholarship and a government loan. The husband's parents made occasional gifts of cash, bringing total monthly resources to an estimated $710. Income from interest on government bonds given the wife of another couple by her grandparents was a source of funds in addition to the salaries of both.

A graduate assistant, whose wife was a secretary in the office of an insurance company, managed on one of the smaller incomes. Their combined resources, including a

modest savings account, totaled a little over $280 monthly. In the case of another couple financing their education on a relatively meager income, the husband, a senior in one of the specialized schools, worked part-time for a firm engaged in the type of business in which he was majoring. As part of his remuneration the couple occupied living quarters in an apartment house owned by his employers. In addition to their income from a defense loan, the wife earned a small salary at clerical work. At one point in their careers, this couple had both been released from jobs because of cutbacks in operations. They immediately took two paper routes for funds to "tide them over" until they could get regular employment again. In a somewhat similar situation, another husband worked for a small income at part-time work in a business akin to his major field. His wife earned a pittance by keeping children of other students while tending her own child. The husband's parents paid the $80 monthly rent on their house, freeing the students from that expense and enabling them to live in more congenial surroundings than they could otherwise have afforded.

The earnings of six wives were the principle sources of money for other lower income couples. Three of the men had football scholarships, which prevented their holding more lucrative jobs, though they had some funds from the sale of extra tickets they were given. Two of these wives worked as beauticians and the third as a secretary in a local financial

institution. One of the couples had started their marriage with a substantial savings account, which they dissipated in the first few months. In debt $285 on a life insurance policy loan, they were having difficulty living on the wife's income. They were reluctant to ask their parents for help because of the large families remaining at home dependent on barely-adequate financial assets. A fourth wife's earnings from employment with a collection agency was supplemented by the $700 per year her husband received as a member of the United States Army Reserves. The fifth couple's chief source of income was the wife's position as a teacher, though the husband earned a small amount from his part-time work in a local cafe. The income of the sixth in the group of couples would not have been sufficient to keep the husband in school. He worked in a local grocery store, while the wife received a small salary for work with a local government agency. During the summers he had worked at construction labor, saving much of his wages for the following year's school expenses.

Of the couples in which both husband and wife worked, two were unusual in that they reported substantial savings accounts. One couple had savings of $3,200; the other, $4,500. The latter couple had at times found themselves short of funds to meet unexpected expenses. Rather than deplete their savings, they made it a practice to borrow from parents "on a businesslike basis;" that is, immediately upon receipt of their next paychecks, they repaid the loans.

A graduate assistant, whose wife was employed as a teacher, had obtained a bank loan, a government loan, and a loan from the Wentz fund. Another husband, a doctoral candidate earning $300 per month, and his wife, whose income was $250, had found it necessary to borrow, but were able to get funds from his father and from his grandfather. In contrast is the example of a third-year student whose wife, a student just short of a master's degree, was earning $200 as a secretary. The husband worked part-time during the school year and full-time in the summer for the city of Norman. They had been unable to get a loan to help meet expenses because, they ruefully reported, they had no credit rating. As much for the experience as for the small salary received, another husband worked part-time in the Oklahoma Tax Commission office, while his wife provided the major portion of their income with secretarial work.

A couple reporting no savings nor source of funds other than the small salaries from the employment of both are among those students pursuing their educations with the smallest resources. On the other hand, the couple with the largest amount of financial means was that in which the husband was a salaried employee of an agency of another state, performing his duties while pursuing a graduate degree as a full-time student. The wife, secretary to one of the more responsible executives, earned above-average income working for a financial institution in Oklahoma City.

One couple had married just out of high school and, starting with a small farm, had accumulated substantial assets in the form of land and cattle. In their late 20's, they had converted all their holdings into cash and had enrolled in the University in preparation for teaching careers. With judicious management, they had been able to finance their educations through the four years without having to work for extra income.

To summarize the data, there were ten couples living on earnings of husband or wife or both; six who supplemented earnings with savings. Four couples had earnings, savings, and assistance from relatives, while three had earnings, scholarships or assistantships in addition to assistance from relatives. Three more couples had earnings and funds provided by relatives; two had earnings, scholarships, and private or government loans; and two more had loans as well as earnings and support from relatives. Two couples had outside earnings as well as earnings from graduate assistantships or scholarships. One couple had earnings, scholarship, a loan, and help from relatives; another, earnings, savings, and loans; a third, earnings, savings, and veteran's subsistence allowance. One couple had income from four sources: earnings, savings, scholarship, and help from relatives. Each of three other couples had one different means of supplementing income from earnings: a loan, a veteran's allowance, and interest on bonds. A final couple had put money from the sale

of their cattle, farm, and other assets into savings to be used for their educations, and needed no other earnings at that time.

Money Use Patterns of Student Families

Though other areas could have been included, expenditures for four basic needs were investigated and compared: food, clothing, housing, and transportation. In addition, it was believed the students' outlays for entertainment and for contributions would give further clues to the value-systems and attitudes they held.

Spending for food ranged from a low of $52.50 through $200 per month. The $52.50 represented 25 percent, and the $200 was 30.76 percent, of the incomes available to the two couples at the low and the high ends of the scale, respectively. The couple reporting the $200 food bill, however, had three children, whereas the other couple had none. In addition, the husband reporting the $52.50 expenses received most of his meals in part remuneration for his work. The mean of the expenditures for food by all couples was $89.94, and the median, $87.50. The mean and the median percentages of income spent for food were 24.54 percent and 23.50 percent, respectively.

Further analysis of the reported spending for food shows that 18 couples, or 45 percent, came within the mean range of $70 to $90 per month in their food purchases.

Thirteen couples, or 32.5 percent, were unable to hold their spending below $90, with some going up to $150 and to the $200 previously reported. Nine couples, or 22.5 percent, curtailed their spending for food to less than $70 per month. It should be noted that several couples reported use of the food budget as an "economic balance-wheel." That is, when they had unexpected expenses, they compensated through the amount spent for food. Conversely, when they had extra funds they often "splurged" by buying steak or by "going out" for a meal.

The figures showing the ratio of money spent for food to total resources, however, are more significant. One of the lowest-income families, with three children, reported food expenditures amounting to over 45 percent of their total monthly income. Nine couples, or 22.5 percent, gave figures that represented from 30 to 40 percent of total resources, while 17, or 42.5 percent, showed 20 to 30 percent of income paid for food. Only 13 couples, or 32.5 percent, could report spending less than 20 percent of income for food.

Clothing expenditures were the most difficult for the respondents to report. Most of the figures given were simply estimates. Eighteen couples had been married for less than three years, and 16 of them reported that "except for such things as socks and underclothing," they were still using clothing they had at the time of their marriage. The costs they cited, therefore, represented rough approximations of

cleaning and laundry, and a breakdown to monthly averages of the cost of the few items purchased. Except in cases in which a job demanded that they wear better apparel, most students tended to wear easy-care clothing--dungarees and wash-and-wear dresses. Eight couples were reluctant to estimate their spending for new clothing. Six wives said they made their own and their families' clothing, while one wife reported that her clothing was made by her mother. The other couple said they secured all their clothing through the store of which the wife's father was manager, and had no idea how much they spent.

Expenditures for laundry, cleaning, and such replacements as were made fell into a relatively wide range. Of the 40 couples interviewed, 13 reported spending $5 or less per month; six spent no more than $10, they affirmed; and $15 was the upper limit estimated by eight couples. The remaining 13 respondents reported expenditures from $20 to $50 per month. The mean of the reported expenditures was $15.15, and 4.08 percent of income, with a median of $15, and 3.3 percent of income. The highest amount, $50, was the estimated spending by the couple with the greatest income. The need and the ability to allocate approximately 5 percent of their combined resources to clothing expenses are indicated by the facts that the couple had three children, that the husband was professionally employed, and that the wife was secretary to one of the ranking officials in a large bank in Oklahoma City.

Housing costs ranged from $50 to $150 per month. Two couples received their housing in return for work. In one case, the husband acted as manager of a University-owned apartment house, for which he received living quarters. The other husband worked as an architectural draftsman for a firm owning an apartment complex, and was allowed quarters as part-remuneration for his work. The parents of another husband paid the $80-per-month rent on the couple's house, so they considered it neither as income nor expense to themselves. Two couples were in the process of purchasing their homes, while the others were renting their living quarters. Thirteen couples reported housing expenditures of $100 or more per month, with one couple paying $150, two paying $120, four paying $110, and six spending $100. The other couples were occupying less expensive housing, with expenditures ranging downward so that the mean of all the amounts reported was $85 per month. Again, the figures representing the percent of income spent for housing are more significant. Of the 40 couples, 22 spent from 16 percent to 25 percent of their resources for housing; three spent from 9 to 14 percent; eight ranged from 26 percent to 34 percent; and three paid amounts that represented 36.36 percent, 39.28 percent, and 46.30 percent of incomes, with one couple spending half their income on rent.

Amounts spent for transportation by the 40 respondent couples ranged from $4 to $185 per month. Twenty-seven

couples said the costs for gasoline and maintenance of their cars were under $35; eight reported that costs of transportation (including monthly car payments) were between $35 and $65 per month; and four were paying $70 to $80. Three additional amounts were $120, $150, and $185 per month, representing 34.3 percent, 25 percent, and 20.5 percent, respectively, of the incomes of the couples reporting those figures. There were 26 couples who spent less than 10 percent of their resources for transportation; seven who reported expenses between 10 percent and 15 percent of income; one whose spending was 19.23 percent of income; four whose expenditures amounted to between 20 percent and 25 percent of their monthly resources; and two couples whose transportation expenditures represented 26.7 percent of their incomes. Those couples reporting expenditures of under $35 for transportation were considering only the expenses of gasoline, oil, and maintenance. They were not making payments on purchase contracts, either because they had been given their cars by parents or because they had purchased the cars previously. Those couples reporting expenditures greater than $35 were making payments, in varying amounts, on purchase loans. There were no reports of car loans having been paid off while the couples were in school.

The figures for entertainment expense and for contributions give an indication of relative value-systems. This is not necessarily true in all situations, because the amount

of income available has a direct bearing. Expenditures for entertainment ranged from "no budget for it" to the $40 per month reported by one couple. Tabulation of the responses shows that six couples set priorities that precluded funds for entertainment. Nineteen couples reported spending sums ranging from $4 to $10 each month, while 13 said they spent amounts between $10 and $20 per month. One couple said $30 would be the average monthly spending for their entertainment. Another couple, who reported $40 per month as their entertainment expense, looked upon their eating out as entertainment and gave that as the reason for such a relatively large sum. When the spending for entertainment is considered in terms of the percent of income represented, it is seen that 72 percent of the couples, or 29, allocated less than 4 percent of their incomes to entertainment expense. Seven couples spent less than 6 percent of income in this manner, while only two utilized as much as 9 percent. The remaining two couples reported that entertainment expenses were 6.66 percent of their incomes. All six couples who reported that they spent "little or nothing" on entertainment were in the under-$400 income classification.

It is revealing to note that one couple among those who spent "little or nothing" on entertainment regularly contributed 10 percent of income to church and charity, while another couple contributed almost 12 percent. Of those reporting $1 to $10 spent for entertainment, three couples

regularly contributed 10 percent to their churches. Those three were all in the $200 to $400 income range, also. The other two couples who contributed 10 percent of income had resources of $460 and $550 per month. The latter couple reported that "the 10 percent comes off the top." Tabulation of the reported contributions shows that there were 18 couples who contributed no more than $1 per month to church and/or charity. Fourteen couples estimated contributions in varying amounts between $1 and $10 per month, with two couples reporting gifts ranging between $11 and $20, and two couples giving between $21 and $30. The other four couples made donations of $37, $40, $46, and $55 per month. As percentages of income, the contributions of the respondents can be reported thus: 25 couples, or 62.5 percent, contributed 1 percent or less of their monthly income; nine couples, or 22.5 percent, donated sums representing from 1 percent to 5 percent; and six couples, or 15 percent, made donations to their churches or to charity which represented 10 percent or more of their monthly incomes.

It is only when expenditures are plotted on the same scale as incomes that patterns begin to emerge. In the majority of cases it is to be noted that the money spent for food, though varying somewhat with incomes, falls within rather narrow limits. Apparently, the presence and the ages of children in the families of the students caused greater variations in expenditures for food than did the diversities of

financial resources. Except for three couples whose incomes were far below the average, there was a span of only $20 in the monthly food expenditures among childless couples, regardless of income. There was even less diversity in spending for clothing. Here the cause of diversity lay more in the type of job in which the students were engaged than in the children present. As previously reported, most of the students dressed quite informally unless they were engaged in a type of work demanding better clothing or more formal appearance. Many of the wives reported that they made the clothing for the children and for themselves, buying only those things they could not make, or those items which could be purchased so inexpensively that it did not pay to make them.

Resources available appeared to determine the kind of housing chosen more than other kinds of expenditures. It seemed in no case a matter of status; rather, it was a reflection of the opinion that the home was the place occupied most, and, therefore, should be most conducive to studying and working toward the main goal--the achievement of an education. Those able to afford it invested in pleasant surroundings, absence of distracting noises, privacy, spaciousness, and air-conditioned comfort. It was not only the more affluent students who held these views; some of the students with less income expressed a preference for living in better housing, even though "it means scrimping on something else."

The amounts spent for entertainment and for contributions show the least variations among the couples. More than one half of the couples reported "little time or money" for entertainment, while nearly half of the respondents indicated inability or unwillingness to make donations to church or charity beyond miniscule amounts. These expressions are borne out by the data that 23 of the 40 couples, almost 60 percent, reported expenditures of $10 or less for entertainment, while 32, or 80 percent, reported contributions to all causes at $10 or less.

Summary

The student couples who were the subjects of this study--80 young men and women--came from a variety of backgrounds: from rural community to metropolis; from homes broken by death or divorce where the necessities of life could be achieved only by hard work to comfortable homes of close-knit, warm fellowship where most of the students' desires were realized simply for the asking. Most of the parents were active in community enterprises, spending time and energy to help make them successful.

Although most of the respondents reported having had unlimited discretion, as children, in spending their money, there appear to have been wide variations in the amounts they had to spend. Some of them were given small amounts when the family went to town, but had "very little to throw around,"

while others were seldom without a rather substantial amount of money. A small number of parents endeavored to give their children training and the opportunity to learn financial management, though most did little more than admonish against "foolish spending." The majority of the parents seemed to have given little thought to providing purposeful, active training in the use of resources.

Some of the students came from homes where the use of credit was not contemplated because "it just is not done; one saves for what he wants." In other homes credit was not needed; cash was paid for everything. A few parents used credit and installment buying indiscriminately; others used it only to increase assets, or as a means of deferring, to a more favorable time, payment for major items. In some homes, the presence and use of money represented a status symbol, while in others money was considered "just something you need, not something to build your life around."

In general, the couples reported that as youths they had had everything they needed, and most of the things they wanted. Careful analysis of their responses, however, indicated that there was a significant difference among them. Where the parents were relatively affluent, the needs and desires were greater in nature and scope. Limited income was reflected in fewer needs and more realistic desires.

In describing their current habits and attitudes of money management, all of the 40 couples reported planning for

the use of their resources. Most of them planned on a month-to-month, rather than on a long-term, basis, and 31 couples said that planning was "mostly mental," while nine kept detailed budgets and records of expenditures.

Reported learning experiences in family finance ran the gamut from difficulties encountered when one overspends or spends unwisely to efforts of a few parents to educate their children in the use of money. Eight couples had learned the value of wise financial management through observation of good and bad techniques, and the results of each kind.

Monthly incomes ranged from $210 to $900, with a number of sources of those incomes. Some couples were financed largely by parental donation; others had scholarships or assistantships, while a few had savings accounts to help with current expenses. Loans from private and from governmental agencies were used in some cases to supplement earnings and other forms of assistance. In most of the families at least one member worked to earn part of the financial support, while both husband and wife of 19 couples were engaged in outside employment.

The money-use patterns of the students in the purchase of food, clothing, housing, and transportation were determined and compared. The mean and the median spending, respectively, in each of these were: food, $89.94 and $87.50; clothing, $15.15 and $15; housing, $85 in both mean and median; transportation, $39.01 and $27.50. Entertainment

expenses and contributions to religious and charitable institutions showed the least variation and the smallest amounts expended by the students.

CHAPTER V

IMPLICATIONS OF THE DATA

Vital to this investigation were the reactions of 40 student couples as they were interviewed about family finance topics. From the reactions, the researcher obtained many facts and many statements of knowledges and specific beliefs held. Of significance were the understandings possessed, the attitudes revealed, and the practices in money management that were evidenced. The extensive array of information accumulated in each of the 40 case study interview reports did not lend itself to easy and convenient drawing out of implications for family finance education. For example, understandings and practices couples reported with respect to borrowing often had to be compared with somewhat conflicting statements they made regarding buying. In addition, certain aspects of the data had to be reconciled by the researcher on the basis of his knowledge of the entire case situation.

In the interviews, it quickly became apparent that some of the student couples possessed appropriate understandings of money management, as revealed in the means they utilized to maximize their buying power. Others of the students seemed to be gaining the understandings of family finance

which make for the best use of all of life's resources. A number of the couples were living on such limited incomes that they used almost all of their funds for necessities--food, housing, transportation, and tuition--with little left that could be classed as discretionary income. It is the use of discretionary income which in large measure is the test of the attitudes and understandings developed in family finance education.

All activities of a family finance nature can be categorized in these terms: planning, buying, borrowing, protecting, saving, and sharing. The understandings and attitudes apparent in the data found in this research are summarized, together with implications for family finance education, under those headings.

Planning

Planning, the basic tenet of management, presupposes a recognition of the need for planning and an understanding of the processes involved. Concomitant with such recognition and understanding is the assignment of priorities to those elements of greatest value. Considerations of lesser value are left off the priority list.

In the reports of the respondents' planning activities, it appeared evident that the attitudes and practices of the parents had little direct effect on the attitudes and practices of the students. Nor was there evidence of

significant influence brought to bear by any other element of the socio-economic backgrounds or by the student couples' formal learning experiences. But a hasty generalization reflecting adversely on the home backgrounds of the couples would be inappropriate. It should be remembered that the data indicated that most of these young people grew up in circumstances under which they did not need to plan their spending. They had everything they needed and, in some cases, everything they wanted--simply for the asking. Most of the "training" they experienced consisted of parental admonishments against "foolish" spending. However, a few student marriages seemed to reflect lessons in the use of money learned while they were growing up, through parental instruction or, perhaps, the force of circumstances.

Though all of the 40 respondent couples reported that they "planned" the use of their funds, there appeared to be a lack of clear understanding as to what planning means. The responses indicated, however, that at least one person of each couple had at some time learned about the need for planning and had acquired some attitudes that encouraged the formation of priority judgments.

The notable differences in planning facilitated categorization of the 40 couples in three groups. In the first group were almost half of the couples, who reported that they had "always" planned. For the majority, this meant that they had engaged in planning since becoming adults, though a few

of them indicated that they had planned their spending since childhood. Some of the couples reported that they put their plans in writing, making them flexible enough to keep from feeling "chained out of all enjoyment," but tight enough to provide control of their spending. The remaining couples in this group characterized their planning as "mental" or "mostly mental." Though these couples all said that they planned the use of their finances, an interesting disclosure was that over half of them either were uncertain about their parents' planning habits, or believed that they did not plan the use of their income.

The second largest group, over one fourth of the couples, consisted of those who reported, simply, that they had "come to recognize the need" for planning their expenditures and had begun to do so. Apparently there were no traumatic experiences which led them to that recognition. One couple explained their planning by saying that because the husband did not have enough money to spend when growing up, he became inclined to over-spend when he had money. Having become aware of this proclivity, both the husband and wife were making efforts to learn to plan and to budget their expenditures. Another couple, illustrating the growth of understanding and attitude sought in family finance education, remarked, "We are learning to conserve money and spend wisely for the most important things, realizing that we can not have everything. We plan for those things which are of most

importance to the kind of life we want." In this second group of student couples, about one half knew that their parents had planned the use of their finances. The other half, again, were either uncertain whether their parents planned, or believed that they did not.

Nearly one fourth of the couples had needed financial reverses to bring them to an understanding of the need for better money management, and to an attitude conducive to planning. Illustrative of the experiences of this group, one of the couples had dissipated a substantial savings account within the first few months after their marriage. To pay for current expenses, they had resorted to borrowing on a life insurance policy before they recognized the need for planning. Another couple, after over-spending their income, realized they were not getting the best use from their resources. They learned to put their plans in writing. A third experience was reported in this way: "By having to do without something when we had spent everything we had, we learned that lack of management is a cause of marital discord." Although they had to undergo experiences of reversal to make them realize their need for planning, two thirds of the couples in this group reported that they knew their parents did plan for the use of their resources. Only one third of them did not know whether or not their parents planned.

An implication for family finance education that appears justified by these findings is that students will learn

when faced with a need which gives them the desire to learn. At this point they should be given the opportunity to obtain the family finance information that they need.

Buying

Because thought and care in buying are essential to obtaining the maximum utility from income, buying is one of the chief concerns of family finance education. In the broadest sense, buying takes place every time money is exchanged. In this section, however, buying will be limited to the purchase of food, clothing, housing, and transportation by the student couples.

Two ideas are pointed up by the respondents' expressions with respect to buying. First, in all of their transactions the couples appeared to have a common goal--the acquiring of an education. The second observation is that, even while they were trying to make their limited funds stretch as far as they could, the student couples seemed to be undergoing a "psychological camping experience." That is, they were experiencing an interlude of waiting and "making do" pending graduation. The common feeling appeared to be: "Though things are rough now, they will get better."

Food

Three fourths of the respondents voiced the idea that there is a corollary relationship between adequate diet and mental and physical health. They supported the belief that,

even on a small budget, proper diet should be maintained. A very few admitted that they occasionally bought on impulse. A number of others indicated that they ate "as well as they could," and that when income increased, they "ate better." Some of the group reported that they "splurged" at times by going out for a meal, or by buying a steak--but that they ate ground meat for the next few days to equalize the unusual expenditures. It may be that there was, basically, little difference between the first and the latter groups. The latter group frankly reported that any economizing they did was in the food budget. One husband remarked, for example, "We pay all our bills, and what is left goes for food."

An almost universal practice reported by the respondents was that of "shopping the specials, looking for best buys." In most instances they appeared to believe they were spending their food money to best advantage. And yet, time after time, when questioned as to areas about which they would like to know more or in which other young married couples ought to be taught, the answer was "how to get the best values in food." These couples apparently knew some of the ways in which to control food costs, but they seemed not to have the extensive information required to maintain proper nutrition, especially on a limited financial basis. It appeared that nutritional quality was often sacrificed to quantity in an effort to make the funds "stretch" as far as possible.

Clothing

The amounts and the nature of their clothing expenditures were such as to permit placement of the respondents into two categories. The first group, well over half of the couples, reported that most of their expenditures were for cleaning and laundry. They stated that they spent little for new clothing. Rather than indicating a disregard for clothing, their statements suggested a willingness to "get by" or to "make do" with what they had. Except for replacement of some articles, they reported that they were using clothing they had purchased before marriage. The other group consisted of those students who had funds to spend on more frequent purchases of new clothing, in addition to the costs of laundry and cleaning. Most of the individuals in this group were in jobs that required a relatively high standard of dress. There were a few, however, who had been in the habit of buying new clothes during their youth whenever the fancy struck them and who continued to follow the practice. Among some couples who were having trouble adjusting to lower incomes, it appeared that this propensity caused some degree of domestic difficulty. A great many of the respondents who reported purchasing new clothes said they bought most of them at special sales, although some patronized certain merchants known for their above-average prices. It appeared that at least a few of these latter couples were affected by the status appeal of labels from such stores.

In the discussion of their points of view toward clothing purchases, many of the respondents expressed quite definite ideas. Most of the wives said they would prefer to have one or two good suits or dresses that would last for some time and not be outmoded by extremes in style. A majority of the men indicated their preference for more frequent purchases of less expensive clothing, because they wore out so rapidly, whatever their cost. As in the purchase of food, many of the respondents indicated a need to be able to select the best values for the clothing money expended, without resorting to "trial and error methods."

Housing

Almost one fourth of the couples were living in the lowest-priced housing provided by the University. It appeared that some of these couples, though they could have afforded to live in more desirable but more expensive housing were interested principally in getting through school at the lowest cost. A second group, consisting of nearly half of the student couples were living in more-nicely-furnished apartments which had fewer disagreeable features. Nearly all of the couples in this category volunteered the information that their rent was expensive, but that they would rather scrimp on something else. An interesting observation is that nearly all of the couples who had indicated the use of their food budget to take up the slack in their financial management

were in this group. A third classification consisted of those couples who had elected to live in one-family houses. They wanted a yard so the children could get out into the sun, or they believed they could get more room for the same expenditure than they had found in any apartment. Most of these respondents were not interested in buying houses at that time, and were "reconciled to the fact that rent payments would always come out of the paycheck," as one of the students reported. Two couples, however, expressed the opinion that it was no more expensive to make payments on an equity than to pay rent and, although they expressed no intention to remain in Norman long, they were buying homes.

Transportation

The points of view concerning transportation were similar among most of the 40 couples. Although the majority owned relatively late-model cars, several of the couples had better cars than the others. Many of those later cars, however, were either gifts or "windfalls." While most of the respondents would have been glad to have a new, or a newer, car, virtually all of them appeared to be willing to "get along" with the ones they had. They said they were concerned principally with getting to wherever they needed to go as inexpensively and with as little trouble as possible. One husband, though, expressed the belief that he should have a car

"that would pass" among the businessmen with whom his job threw him.

Two implications about buying may be drawn from the findings. First, family finance education should stress the costs involved in marriage. The initial costs of establishing a household and those accruing with an addition to the family might readily be anticipated. It is the total costs of simple, day-to-day living to which so many people find difficulty in adjusting. The second implication, in a sense corollary to the first, is that in addition to costs, values should be stressed. Young people should be led to an understanding of real values, as opposed to apparent, or price-tag, values. What are the real values to be sought in the purchase of food? What is the real difference in nutrition between foods in fancy packages or deluxe quality as compared to those in plastic bags or packed in irregular pieces? In the purchase of clothing, is the price tag, the brand name, or the label of a particular establishment necessarily indicative of real value? What are the basic needs of the family in considering housing? Is there greater value in renting or in buying? And will buying a house yield greater assets than investing the same amount of money in some other enterprise? What are the actual needs in transportation? Which needs or desires must be subordinated or sacrificed in order to get the best value? Young people should be educated to ask questions in buying situations. The act of formulating and asking

the right question may be substantially more significant than the correctness of the answer given to it.

Saving

Saving is a vital aspect of family finance education in at least two not-so-obvious respects. First, the process of planning a sound savings program makes it mandatory for families or individuals to determine the relative importance of several goals or desires. In the second place, and closely allied, the verbalization of goals can have a salutary effect on all of the transactions or experiences the planners undertake by sharpening the focus on those goals.

The value of saving some of their money was affirmed by more of the couples than was any other single item. While there appeared to be good intentions in this area, many of the couples lacked either the commitment or the understanding necessary to sustain a savings program. Parental beliefs and practices, as shown by the data, appear to be the only background influences in any measure related to the students' beliefs.

Over one third of the respondent couples indicated that they had regular, systematic programs of saving. These programs included depositing funds in savings accounts and investing in stocks and other securities. Not all of this group used both methods. Most of them thought they were doing well to be able to deposit a few dollars from current

income at regular intervals. There were those couples, however, who had such a passion for saving that they were able to put aside relatively substantial sums from each paycheck. A second group were those students who, reporting belief in saving, said they tried to put aside a little each month. Many of this group were successful in their efforts; however, others confessed that there were so many demands on their budget that they were not always able to carry out their desired saving. Some of the couples were living on savings previously put away for the specific purpose of financing their educational endeavors. A few of these, some relatively affluent and others with only minimal earnings, were able to add to their savings from current earnings. Finally, there was a very small group of couples who, during this period of restricted income, appeared to have lost both the habit and their enthusiasm for saving. They professed good intentions, but believed that present circumstances had made saving impractical, if not impossible.

Family finance education should stimulate students' interest in saving and help them acquire the attitudes necessary to a good savings program. Such stimulation might be accomplished by graphic presentations of the amounts of income earned by savings accounts in terms of hours worked at current wages, or in terms of certain items of consumer goods.

Protecting

Protection against the costs of death, personal injury, and property damage is another important area in family finance education. There was some ambivalence exhibited by the respondents with respect to this topic. While nearly all of them expressed the wish that they knew more about insurance, the first question posed when they were asked for an interview was "Are you an insurance agent?" The respondents can be divided into two groups, according to their expressed or implied answers to the query, "Why that question?" Nearly three fourths of the couples did not want to see an agent because they believed they had enough insurance and did not want to waste time resisting efforts to sell them more. Although the other group had a bare minimum, they felt that they could not afford additional policies.

Thirty-two, or 80.0 percent, of the couples reported that the husband had life insurance. Importantly, in nine of the cases, parents were paying the premiums. Among the 32 couples, four wives and two sons had life insurance. Only slightly more than half of the couples, 57.5 percent, were responsible for paying for life insurance. Some of the men who did not have life insurance indicated the belief that rates are disproportionately high with respect to the value a policy-holder builds up during a policy period. One husband thought that too much of each premium is diverted to pay the salary of the agent. He was not willing, therefore, to buy

life insurance. Those men who held life insurance were more "insurance oriented" than the other men. That is, they had more than the required amounts of automobile insurance, 11 of them had health or hospitalization insurance, three had home-owner's or household insurance, one had mortgage insurance, and one had salary protection. Of the eight couples without life insurance, seven had the minimum required automobile insurance, three had health or hospitalization coverage, and one had fire and theft insurance. The couple without automobile insurance had health insurance under the University's plan.

General insurance facts and policy information should be presented to students in places and at times most conducive to learning. The circumstances and surroundings, devoid of any pressure to buy, should obviate the students' need to resist the "sales pitch."

Borrowing

The term is used broadly here to mean buying on installment contracts, in addition to the actual borrowing of cash. Forced into a more or less dependent status at an age when they could normally be expected to make their own way, the respondents were in an artificial situation. Their limited funds, in the majority of cases, were barely adequate to provide food, tuition, rent, and transportation. Lack of collateral to back up requests for major loans and inadequate

funds with which to pay interest charges appeared to be causes of the fear of credit which was expressed by some, and implied by the majority of the couples.

Nearly half of the respondents reported that they were opposed, on principle, to the idea of borrowing. Several of those couples, however, admitted to using installment plans for the purchase of major items, or to increase assets, even though they disliked the idea of paying interest. Some of the couples said that they borrowed money from banks or from relatives rather than pay installment charges. Most of those borrowing from relatives paid interest on their loans, though at rates lower than those charged by banks. The other group, over one half of the couples, reported themselves to be "utilitarian" in viewpoint toward credit, using it for buying things for which they did not have ready cash. Almost all of the couples indicated an awareness of the peril inherent in unthinking use of such contracts. The stress they placed on the point that they never allowed themselves to get "beyond their depth" implied a fear of debt, though practically all of the couples appeared to believe there would come a time when they would be in a better position to use credit.

With remarkably few exceptions, the reported parental opinions respecting the use of credit were expressed as those held by the respondents, although in no other element of their backgrounds did there appear to be such appreciable influence.

An important implication which can be drawn from the findings is the potential danger to these young couples when the financial restrictions imposed by their current situations are removed. Increased earning power will permit more freedom, and could lead to over-confidence. Coupled with a reaction against the "lean years," this could lead them into the easy-debt trap they have been assiduously working to avoid.

Sharing

Sharing comprises two areas with which this study has been concerned. The first is taxes--sharing with the rest of the citizens of the community, state, and nation in using and paying for the services of governments. In students' discussions, the term appeared to connote some impersonal, indefinite entity. All of the respondents expressed an understanding of the necessity for paying taxes, and a willingness to pay their "fair share"--never specifically identified. Again, the respondents can be categorized into two groups, the first of which consists of about one third of the couples. These are the couples who have paid greater taxes because of greater earnings. Having experienced the "squeeze" of taxation in a more personal way, these couples were more definite and more vocal in their opinions. Often expressed was the belief that taxes at all levels were too high in relation to the services received. Among the group whose experiences were principally in the paying of sales taxes, the formless

entity appeared to be even more vague. One young wife among this group, bemoaning the large percentage of her salary that was being withheld for federal income taxes, thought that "those who earn more should have to pay more."

An implication drawn from the findings is that not only should the bases on which taxes are levied be taught, but, also, there should be more information disseminated relative to the services received from governmental agencies and programs. Inferred in this implication is the desirability of exposing young people to the idea that it is "a privilege to pay taxes." A further aspect of this implication is the need to educate young citizens to participation in policy-making processes of government, beginning at the precinct level.

The other area of concern included in sharing is that of contributions to eleemosynary institutions and other worthy causes. The majority of the couples indicated that they considered themselves unable to contribute because of the paucity of their resources. Most of them did report small, irregular donations to various causes, however. A small group of less than one fourth of the couples reported contributions of 10 percent of their incomes to churches and other areas of need. The beliefs expressed by those couples, in essence that all of their money was regarded as a "trust, to be used wisely, and shared," indicated a more mature approach to the use of finances than was commonly exhibited.

Family finance education, in stressing this form of sharing, helps the family or the individual to become aware of important aspects of life.

Summary

Analysis of the data revealed several implications for family finance education with respect to the 40 student couples who were the subjects of the research. Although it can not be asserted that the implications that appear valid concerning these particular couples would be universally valid, it seems justifiable to say that they could be used as a starting point in considering family finance education among students in similar situations.

Family finance is a vital force, touching and influencing, by its very earthiness, all facets of human experience. Because of its importance, young people will learn when they need it; if not in an organized fashion, then through a "catching" process. As they practice, they may achieve some good results by trial and error. But trial and error is not the most efficient means for attaining goals nor the most lucid process of learning. If things go well the first time, it may be by happy accident; the next experience may be disastrous, and in neither instance will the participants know why. The early learning of established principles of family finance can both reduce monetary risks when the budget is likely to be tightest, and help preserve domestic

felicity when emotional balance may be most tenuous. But, if young people have not been taught those principles before marriage, they should be given instruction when they need it.

Family finance education should forewarn and forearm young people about the "dailyness" of family expenses. The large items, even those involved with additions to the family, can be anticipated if young people seriously want to prepare for their marriages. But the small, day-to-day costs are frequently unknown or overlooked. It is in this area that small troubles can begin and be magnified out of all proportion, causing strained relationships. But more than costs of marriage, real values should be stressed. The couples should be led to an understanding of the importance of seeking those values which contribute to the most satisfying life.

Saving is a vital part of good financial management. Therefore, young people should be given help in the methods of planning systematic savings programs. Furthermore, attitudes should be fostered which will enable them to continue their savings programs even when it becomes difficult to do so.

Information relative to the practical value of insurance should be included in any study of family finance. The optimum time to begin insurance programs should be stressed, in order to acquaint them with the advantages accruing through lower rates when programs are begun early in life. Furthermore, that information should be given in such

surroundings, and by people so disinterested that the students will not be predisposed to discount the information as "just sales talk."

Credit information should be such that the students will acquire a healthy respect for credit as a tool, to be used wisely and effectively. The emphasis should be placed on development of attitudes which will prevent over-extension during periods of relative affluence.

The bases for levying taxes, as well as the values received for money shared in taxes, should be included in family finance education. Information relative to the democratic processes through which citizens change unfavorable laws and levies should be a part of the instruction.

Finally, sharing in the form of contributions to movements and societies existing for the welfare of others should be stressed as much for its effects on the givers as for the good the shared money can do.

CHAPTER VI

SUMMARY

The complexity of the social and economic forces interacting with and contributing to the shaping of our individual and our collective lives demands managerial aptness of all the citizens of our society. Studies of the knowledges held by high school graduates indicate a lack of the kinds of background essential to good financial management. On a wide scale, and in the midst of unprecedented affluence, a high percentage of all marital difficulties grows out of lack of financial competence. The increasing marriage rate among people in their upper teens has compounded the problem; especially when those youngsters attempt to combine marriage with the acquisition of post-high school education. The lack of knowledge of finance and the general ineptness in money management make important the study of family finance among married university students.

Restatement of the Problem

The problem of this study was to determine the family finance understandings held, the attitudes expressed, and the spending patterns exhibited by married university students

and, on the basis of the findings, to make recommendations relative to family finance education.

This problem was formulated on the assumption that a direct relationship exists between the way in which married university students utilize their resources and their socio-economic backgrounds, their money management experiences, their sources of income, and their acquired knowledge of family finance.

Significant Findings

The data for this study were secured in open-end interviews with 40 married student couples at the University of Oklahoma. The respondents came from a variety of home and community backgrounds, but two similarities among them are noteworthy. First, no matter how much or how little education parents had, they were strongly supportive of the collegiate education goals of their children. A second similarity was that, no matter how divergent their secondary goals, all of the couples believed that their primary goal was the obtaining of more education.

The data were collected in terms of the following areas: (1) the backgrounds of the respondents--home, community, and learning experiences; (2) the acquired knowledge of family finance; (3) the opinions and practices of the couples regarding purchasing, credit, insurance, saving, entertainment, and contributions; (4) their beliefs and practices with

respect to financial planning and management; (5) their opinions about taxes and taxation; and (6) the sources and amounts of income of the couples. The accumulated data were then categorized under the six area headings: planning, buying, borrowing, protecting, saving, and sharing.

The data concerning the 40 married student couples were extensive. Because of the scope and the subjective nature of the information obtained from each case study, the accumulated data could not be subjected to statistical treatment. The data do, however, provide bases for generalizations about the financial operations of this particular group.

The student couples all reported that the use of their money was planned, either in mental or in more formal written ways. Most of the planning was short-range in nature, however, with the majority of couples appearing to have only a vague and minimal understanding of the real nature of adequate planning. A few exceptions were some of the older students, who had been engaged in the process for a longer time. Many of the couples had been forced to learn to plan for the use of their resources through unfortunate experiences. The implication drawn from these findings was that students will learn when confronted by the necessity for it.

In the area of buying, it was shown that, while many of the couples did use principles of wise buymanship, there were many who went through certain motions with only rudimentary understanding of the total concept of making maximum use

of finances to get the most real value for the money expended. The implication for family finance education in the area of buying was that more information is needed in the relative values to be sought.

Revelations in the data regarding borrowing and protecting had overtones of similarity. Some of the student couples were using credit, although with trepidation. Others were not making use of it because of lack of collateral, or because they were uneasy about adding the cost of interest or carrying charges to already-strained budgets. The comments which some students made about insurance implied feelings of mistrust, though that mistrust appeared to be directed toward the sales representatives, rather than toward insurance. Most of the men had life insurance, but were unwilling to consider the buying of additional insurance with representatives who pressured them to buy. Only four of the wives in this investigation owned life insurance. An implication in the data was that adequate, accurate information about both credit and insurance should be made available to student couples, in terms they can understand, and in an atmosphere free from coercion or the obligation to buy.

Almost two thirds of the couples had regular programs for saving. Over half of the remainder indicated that they believed they ought to save, and that they did make an effort to put money aside. During the years of low earnings while they were in school, some couples who had previously been

diligent in saving allowed the habit to atrophy. Curtailments from former relatively affluent circumstances made it easy for them to rationalize their inability to save. It was implied from these findings that students must be kept aware that a good savings program requires constant effort.

Sharing, in terms of fulfilling one's obligation to help bear the costs of government and of programs which benefit society, is an area of concern. Concomitant is the responsibility to assist in guaranteeing the benefits of government services to all citizens equally. Most of the respondents indicated the belief that taxes are necessary if expanded government services are to be financed, and professed willingness to pay their "share." But several of them added that they believed taxes were too high, and that services were not adequate for the amounts of money paid in taxes. Implied here was the need for an explanation of the tax system, both the levying and the paying of taxes and the ways citizens may voice concern at the appropriate political level. Further implied is the need to nurture the idea that giving to worthy causes benefits not only the recipients, but also the giver, by helping him to progress from self-centeredness to responsibility in broader relationships.

Conclusions

On the basis of the extensive evidence obtained from 40 married student couples (80 people), the following conclusions were formulated.

1. Those people who, early in life, have earned money and have been responsible for spending it evidence greater ability to manage well in the financial circumstances in marriage, when education is their major goal and income for achieving it is limited.

2. There is no definable relationship between the source or amount of family income and the way in which that income is managed. The source of income does not necessarily determine how it will be spent, and the amount of income is no indicator of whether it is likely to be wisely spent for planned purposes, or whether it will be spent illogically and in unproductive ways.

3. Family financial management ordinarily involves the common activities of planning, buying, borrowing, protecting, saving, and sharing. These, then, are the fundamental, persistent content areas which should be the concern of classes in family finance for adults.

4. Married couples in a university live and function in controlled financial circumstances, wherein their discretionary spending is limited. Their need for knowledge and skill in family finance is great as they lay their plans for moving out of the university environment into situations and circumstances where their earnings are greater and their discretion in spending becomes more extensive.

Closing Statement

This study was formulated on the hypothesis that there is a direct relationship between the acquisition of knowledge of family finance and the socio-economic backgrounds of married students, their money management experiences, and their sources of income. Although there were some indications of relationship, equally strong indications of non-relationship emerged from the data, leaving the hypothesis neither proved nor disproved. The similarities of opinions expressed and of practices reported by individuals from varying backgrounds and differing age groups indicate a modification, by some sort of synthesis within the University community, of any differences which may have existed previously. While vestiges of parental influence were indicated, they, too, had undergone modification.

On the basis of experiences and observations made during the case study interviews, as much as on the findings recorded in the data, certain generalized, seemingly valid statements can be made. Married university students living and associating together are in a community apart, in an atmosphere having its own peculiar problems, ideas, and mores. It is, in a sense, a laboratory in which the couples are actually coming to grips with common problems, at a time when they are meeting intellectual challenges in the classroom. As the couples interact, they learn from each other, undergoing a developmental process which raises the common level.

In this sort of situation they acquire a kind of proficiency in solving the family finance problems which face them. The process by which they learn to solve their problems, however, is similar to that by which many of the individuals learned in the home: that is, a "catching" process. When students are faced with the problems, they have the incentive to learn, but authoritative guidance is lacking. At this "incentive point," they should be provided with financial counseling and education by competent individuals. Such counseling and education could take one of three forms, or any combination of the three. First, information of general need and interest could be disseminated in large groups. Some areas of information are of such significance that everybody could profit from this type of arrangement. More specialized needs of a few individuals could be discussed in smaller group guidance sessions. The ultimate in the learning process would be individual counseling by specialists trained in specific areas of financial need. But this process should be more than a mere handing-out of stock answers. Giving the students ready-made answers is not helpful, nor is it feasible for one not thoroughly familiar with every facet of their lives. Providing the students with information by which to formulate their own answers can help them grow in the ability to manage their finances and their lives. They should be taught how to ask questions, since a thoughtfully formulated question so often contains the seed of its own answer.

In its complex of married student housing, what better service can a university render than to make convenient for students the family finance kind of education, for which there is a vital, unfilled need? Unlike education about earning (production and distribution of goods and services), education about spending (consumption of goods and services) is still new, not yet proven to be effective, and seldom included in a curriculum. Education in family finance must, therefore, be made "easy to take," because even the young couples who most need it tend not to seek it out. Education, counseling, and consulting in the area of family finance should be taken to the married students, under convenient arrangements that are conducive to motivating them to participate. Informal, though directed, instruction should be provided at locations in or adjacent to the housing areas; otherwise, most couples will not avail themselves of opportunities to learn.

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