ROLES AND ATTITUDES TOWARD THEIR ROLES OF SELECTED UPPER-MIDDLE CLASS FAMILY MEMBERS, PARTICULARLY THE JUNIOR AND SENIOR CLASS HIGH SCHOOL STUDENT, IN FAMILY FINANCIAL MANAGEMENT

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THESIS

This is to certify that the

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CHAPTER I

CHAPTER I

BACKGROUND AND PURPOSES OF THE STUDY

The importance of each individual within a family unit has accompanied the recent trend toward the democratic pattern of living. The 1930's saw the emphasis of home management change from a resource centered discipline to one in which the human element was stressed. Wide acceptance of this philosophy by home economists has been a milestone in the field of home management.

During this decade, a trio of theses,[1] written in the Department of Home Management at Michigan State College, concentrated on methods families use to manage their finances. Since that time, no further research at this institution has dealt solely with the management of money.

In the summer of 1951, Mrs. Ruth R. Honey, Associate Professor of Family Economics and Housing at The Pennsylvania State College, and Miss Dorothy Dickins, head of home economics research at the Mississippi Agricultural Experiment Station, organized a cooperative research project emphasizing "Decision Making in the Use of Family Financial Resources." The first step taken before engaging in such a project was to begin a compilation of a bibliography of research previously done in the area of financial management. This was started by the present investigator. As to the specific roles the individual members of the family played

1 See Chapter II, pp. 9-12.

and their attitudes toward their participation in the management process of the money income, it was found the literature was meager. That which was available was concerned primarily with the details of the management process rather than subjective feelings and opinions. With this in mind, it was thought that additional study of family financial management might be of value to the proposed project.

The purpose of this pilot study is to point out, if possible, the roles of selected students in their junior and senior years of high school in the financial management process of the family and to find out their attitudes and those of their parents toward this participation. In addition, an attempt was made to trace the development of the students' role in order to determine what factors had actually brought about his degree of participation. This study is rather unique in that a case study method was employed. Twelve families were carefully selected according to predetermined criteria to find indications of a pattern that might be peculiar to that particular socio-economic class of families.

A certain Cincinnati suburban area, which is atop the second highest of the many city hills, was chosen because it was thought to be fairly homogeneous in regard to occupation of fathers, the types of homes, and the manners of living. The residential area surrounds a small business district in which are found a bakery, a grocery, an ice cream parlor, dry cleaning company, drug stores, a bank and offices of doctors and dentists. In addition to the commercial establishments, an elementary school, library, two large churches, a combination branch YMCA and community center, telephone exchange and fire house furnish the community with educational, religious and recreational facilities as well as local services. With such conveniences, those families in the neighborhood depend upon it for much of their community life.

Few of the residents actually are employed near their homes. Most of them do their shopping for clothing and household furnishings in downtown Cincinnati which is about five miles away (approximately 45 minutes by city bus or trolly and 30 minutes by car). This section of the city was also near the home of the investigator and, therefore, one in which both the physical characteristics and the population were familiar.

Only a few terms need to be explained for the purpose of a common understanding. To define "role", the author has borrowed the definition of Ralph Linton,[2] professor of anthropology at Yale University. He says, "When [a person] puts the rights and duties which constitute the status into effect, he is performing a role." An individual may occupy many socially assigned statuses or positions in a society, but this study concentrates on his position in the primary socializing institution--the family. Thus, when the components of a family group--i.e., a father, mother, and child--interact, each puts into practice certain privileges, obligations and expectations which are inherent in his position in that family. For example, in American society, it is expected that in financial matters the father assumes the role of chief breadwinner. Dr. Linton further states, "A role represents the dynamic aspect of a

2 Linton, Ralph, The Study of Man, D. Appleton-Century Company, Inc., N. Y., 1936, p. 114.

status," implying that it is both active and changing. Evelyn Millis Duvall illustrates this in her article on "Changing Roles in the Family Cycle," when she points out that the homemaker's role has turned from the outdated "drudgeries of producing goods" to her present concern "with the development of family members."[3]

The second definition pertains to the phrase "family financial management." Management is, in effect, the mental process of making decisions concerning the use of family resources for the purpose of achieving certain family goals. These resources may be human and/or material, but the emphasis of this particular study is upon the management of money, a material resource. Three steps are involved in the management process: 1) planning; 2) controlling the plan while it is being executed; and 3) evaluating the results before another plan is made.

With special reference to money management these steps can be further explained. The planning step, which is actually the act of looking ahead, includes such activities as making out a budget, discussing a purchase to be made or anticipating and providing for a college education for the child. The plan may be controlled by checking it frequently during its operation (such as scrutinizing expenditures) or by guiding or supervising others in handling money. In evaluating the original plan and the use of the money, it is necessary to note all successes and failures in order to make adjustments for the future. In a sense, the twelve

3 Duvall, Evelyn Millis, "Changing Roles in the Family Cycle", Journal of Home Economics, Vol. 42, No. 6, 1950, p. 435.

families taking part in this study were evaluating their management process when they discussed their financial management practices with the investigator. According to the definition, the actual earning of the family income is not considered to be a part of the management process.

So far in this explanation no mention has been made of the family member or members who do the managing. In the management of all resources, one of the common misconceptions is that there is only one person who should assume the role of "the" manager or "expert." But what about the other members of the family? "While it is true that there is usually a leader, all family members who are old enough to make decisions can and should participate in home management."[4] This leadership may change according to the nature of the decision. Though it may seem that the decision affects only one person, it is possible and highly probable that other members of the family will be required to make adjustments. Thus, it can be proposed that all family members should have a part in the management of the family finances.

An "attitude" may be simply defined as a person's feelings toward a certain situation. These can be expressed verbally and/or detected through the overt action of an individual. A person's attitude influences his reaction toward an object or a concept as well as his opinion of it. This study was particularly concerned with the attitudes of the father,

4 Gross, Irma H., and Crandall, Elizabeth W., "The Challenge of Management", Chapter I, Home Management, forthcoming book to be published by Appleton-Century-Crofts, Inc., p. 4 of the manuscript.

mother and teen age children toward their roles and the money management practices of the family.

The over-all subject of family financial management is important. The American family is one of the most important agencies in which democratic living can be practiced. But to do so, it is the responsibility of all members to become conscious of what qualities and practices in family living are democratic and then to promote and encourage those. Therefore, an important attitude toward handling family finances is to stimulate the desire for the cooperation and interest of all family members. The mechanical details of how they manage are not as important as the realization by everyone that they should work together in the money management process.

But adults still seem to think that young children require direction and guidance in all aspects of life. This naturally becomes the parents' responsibility and they often carry it to the extent of giving the children little or no opportunity to think and decide for themselves. If this happens, they are criticized for lack of maturity and judgment when they reach adolescence since it is during this period that they are no longer regarded as children. Parents and teachers demand that they assume responsibility and exercise discretion. But these expectations come upon the adolescents rather suddenly.

The spending pattern and the methods used by the parents when the children are young are significant, for they not only determine the kind of living the child will experience for many years, but they establish the foundation upon which he will probably build his own habits and practices. Family cooperation in money management is a means of preparing the child to assume the responsibility of handling money in his own family. He understands why he can not have as much money as some of his friends. He assumes a certain amount of responsibility in the planning and evaluating step of the management process. In addition, he gains in self-confidence, is more willing to cooperate and feels himself to be an important member of the family.

This case history research is only a pilot study meant to suggest hypotheses for more objective statistical investigation in money management. Perhaps, if trends or patterns appear to be typical of this particular socio-economic class of people, they will point out areas in which there is a need for more concern in the field of family economics.

The purposes of this study can be summarized as being fourfold:

1. To determine the relative degree of the junior and senior class high school student's participation in the family financial management process.

2. To find out his opinions toward and his evaluation of his role in the financial management process of the family.

3. To compare the adolescent's opinions with those of each of his parents regarding the student's degree of and satisfactions derived from his inclusion in the family financial management process.

4. To trace, as far as possible, the genesis of this role of the teen age student.

CHAPTER II

CHAPTER II

REVIEW OF LITERATURE

Much has been written in the area of family economics. Textbooks and popular literature on financial management stress particularly the importance of budgeting the family income. Recently, the trend in literature has been to emphasize the value of all family members taking part in the money management process with special regard to decision-making for the establishment of long-time goals. Even pictures portray the father, mother and children working together to manage the family income.

Before embarking on this particular piece of research in money management, it is necessary to review work previously done on the subject. Following this will be a summary of certain quantitative research that has been done in related fields--i.e., other aspects of family living, democratic living practices and the continuity of family habits.

Report of Research on Money Management

One of the earliest studies on money management was sponsored by the Bureau of Home Economics and the American Home Economics Association and conducted by Chase Going Woodhouse(36) in the late 1920's. Since money was considered to be an element causing peace or discord in family relations, the purpose of this study was to determine who controlled the money in the family and what expenditures were made. Sixty-eight families from all over the United States, who were in the business and professional socio-economic class, were asked to participate after they were judged "successful" by qualified observers. Nearly one-half of the families followed a pattern of joint or mutual control of the family funds. The husband, in most cases, talked over the financial problems with his wife and expected her to be interested. In making purchases and in handling money, there was a well-defined division of spending with the wife assuming the responsibility for the household expenses and the husband managing the money to be used for housing, car expenses, insurance, etc. The children were consciously being trained to handle money and to make choices with special emphasis on the value of working for their money. They were given an allowance when they first entered school and this was increased to include their clothes and all personal expenditures when they were older. This study did not show the role of the children in the management of the family income.

Interest at Michigan State College on the methods of managing family finances began about 18 years ago when a series of three theses used this as the topic of investigation. These were similar in purposes and procedures. The first, by Josephine Fuller (8) in 1935, was concerned with the method of handling family finances in the homes of women college students. Twenty per cent of the women enrolled at Michigan State College were contacted by questionnaire and were asked to give general information about their family composition, the distribution of their family's income and the spending habits of their family. Special emphasis was placed upon how and when the money matters were discussed, who did the buying for the family, and what arrangements were made for access to the family funds. The responses were analyzed statistically and studied in relation to the size of the home community, the size of the family, the education of the parents and the occupation of the breadwinner. In answer to the question, do the older children participate in deciding how the money is to be spent, only about two-fifths replied that they did. Thirty-seven per cent of the families reported having family discussions. Even in these the participation of the older children was limited to deciding how the money that was specifically theirs was to be budgeted and spent. About half of the girls, when they were of high school age, had no knowledge of the family spendable income. A summary of the findings in regard to the practices followed by the families included in the study indicated that a democratic system of money management existed in some respects but that much of that which was advocated as "best" was not followed. In large cities, the older children participated in deciding how the family income was to be spent in about two-fifths of the homes. While education of the parents seemed to have little effect on the participation of the student, the relationship to the occupation of the father showed that a larger percentage of young children participated in professional families than in either the business or industrial groups.

The second of the Michigan State College money management series of the 1930's was done in 1936 by Eunice A. Pardee (24) who selected 360 families in Michigan in order to study the methods of handling money income. The majority of these were farm residents. The forms distributed by home demonstration agents included questions regarding the financial patterns and practices used by the families. The most common method for deciding financial matters was a discussion between the husband and wife. In one-third of the families with children, most of them younger than adolescence, discussion took place by the whole family. Like the previous thesis mentioned, this one related the patterns used (planned spending, family discussion, allowances for children, joint bank account, keeping records and joint control of the family purse) to such factors as the influence of formal education, the occupation of the husband and the number of children in the home. Mrs. Pardee concluded, "Due perhaps, to failure in interpreting the questionnaire, the data showed that children had little responsibility in making expenditures."

In 1938, Ann McIntyre Aikin (1) studied the methods of handling family finances in the homes of men students attending college. She selected 163 men who represented all four years at Michigan State College and again classified them according to fraternity and non-fraternity men. A questionnaire included general information concerning the men and their families as well as questions regarding facts on family financial methods of apportionment, spending, supervision and training on financial matters. In addition, attitudes on planned expenditures and record keeping procedures were determined by the agreement or disagreement of the co-operators with quotations from current literature. Then all these facts were considered in relation to other factors which might have an influence on money management methods. It was found that the participation of the children in family discussions was related to the parent's occupation and education. A significantly greater number of industrial worker's families had family discussions than families whose fathers were in private business. In the village families, the financial decisions of the family were more commonly made by the parents while the large city families had the highest percentage of family discussions.

When the three studies were compared the following observations were made: 1) the largest percentage of the husbands and wives had joint control of the family income; 2) the homes of women college students showed a larger percentage of control of the income by one person than either of the other two studies; 3) there was disagreement among the three studies on the percentage of families including children in the management process of the family income (35 per cent of the college girls' homes, 58 per cent of the Michigan families and 75 per cent of the men's homes). This descrepancy in findings further points out the need for more research on the roles of the children in the management process.

The methods used and the responsibilities assumed by the various family members when purchasing certain commodities were investigated by Della Blankemeyer (2) in 1939. A questionnaire was answered by a sample of 50 Texan high school girls taking homemaking classes. These were followed up with personal interviews with 15 of the mothers of these girls to determine the girls' role in planning for the spending of their family income and in selecting and purchasing commodities. The questions were concerned with the methods used in deciding the amount to be paid, the method of buying and the particular type to be bought of such items as insurance, car, appliances, furniture, food, clothing, rent, savings and children's allowances. She found that the father was more apt to decide upon the kind and amount of savings, insurance and the car. The mother's decisions influenced the purchasing of household items, food, clothing and the children's expenditures. The children assumed more responsibilities as the problems affected them more directly and when they became more financially independent. For example, a larger percentage of girls purchased all their own clothing without assistance than purchased the food for the family or helped in the buying of new furniture. There was little evidence of group participation when planning for the spending of the family income since only one family followed a plan that was made by the entire group. Miss Blankemeyer found that children were given very little experience in handling money since only 14 per cent of the 50 girls recieved an allowance and only about one-fourth of these were guided in the spending of their money.

Another series of theses relating to money management was done at Oregon State College early in the 1940's. In 1942 Theresa Mae Varney (32) studied the past experiences and present attitudes of 100 Oregon State College students to money management. She concluded that there was actually little difference between the attitudes of men and women toward the money management practices of the students' past experiences, but the men had had more money to spend throughout their school years and consequently had had more experience in money management.

Margaret Morcom Watkins of Oregon State College (34) based her research on the assumption that by the time the child reached high school he should have established fairly definite attitudes toward common practices of money management. She was concerned with determining what those attitudes were. The practices included in her 1943 study were selected as being those most often experienced by high school girls and included methods of earning, spending, and saving money. A questionnaire was used to obtain the data. This was sent to a total of 119 girls with about half being from the ninth grade and the other half dispursed throughout the sophomore, junior and senior years in high school. All of the sample were enrolled in home economics courses. The majority of the fathers were either laborers or farmers. A very high percent of the girls agreed upon three items in particular: 87 per cent thought better relations existed when money problems were discussed in the family; 96 per cent believed that high school girls should know the exact amount of the family income; and 95 per cent considered it advisable that they should know the source of the family income. Only 17 per cent thought that the chief provider in the family should have full control of the family finances.

Another study concerning money management was done in 1944 by Inez Rivers Lemmon (17). Her research was aimed at the war time attitudes and practices of high school students. One hundred junior and senior girls and boys (50 each) were selected from the agriculture and home economics departments of a Modesto, California high school. The average age of the students was about 17 years and the greatest number of the boys' and girls' fathers were farmers and laborers. While only 36 per cent of the girls stated that their families discussed methods of economizing with them, 60 per cent of the boys reported receiving such advice as "be careful" and "get your money's worth." Fewer than one-half of the boys and one-fourth of the girls stated that their families discussed finances with them. Only 20 per cent of the boys' and 16 per cent of the girls' families discussed plans for spending the family income. About one-third of the entire group received allowances and many of those were not in favor of such a means of receiving their money.

At the University of Minnesota in 1944, Esther Elizabeth Prevey (25 and 26) studied 100 children (50 boys and 50 girls aged 15 1/2 to 17 1/2) from the upper socio-economic level. She tried first to determine the methods the parents were following in teaching the children the use of money and the relationship between childhood experiences with money and later habits. Secondly, the study was aimed to find out the relationship between the responsibility the children were allowed to assume in the use of money with the general level of adjustment and selfreliance. For the latter, the Bell Inventory and Stott Self-Reliance tests were used. The data on parent practices in training their children to manage money was secured by interviewing the mothers of the students. Information regarding the habits the same children had developed as adults was obtained four years later by means of a questionnaire that was sent to those mothers who could be located. The results of Miss Prevey's investigation indicated that there was a close connection between childhood experiences and later money management habits in such areas as budgeting, spending, giving, earning, borrowing and lending. Her findings showed that boys received more superior experiences in handling money than did girls. Parents of boys encouraged them to earn their own money and seemed more willing to include them in the discussion of the family finances. It was shown that there was a relationship between good adjustment and the ability to manage money in early adulthood. Miss Prevey concluded from her results that parents should supply valuable experiences for their children, especially for girls. Such experiences might be providing money according to a well-defined and commonly understood plan, accepting the consequences of unwise planning, guiding children in their expenditures but leaving the final decisions up to them, increasing the allowances as the responsibilities for spending became greater, encouraging saving for family goals and permitting them to borrow and lend money on a business-like basis only.

The previously reviewed studies were mostly concerned with high school boys and girls; however, they also dealt with college students and family groups. The questionnaire was the most common technique used. Most of the studies reported that joint or mutual control of the income between the husband and wife was common. Percentages indicating the amount of participation of the high school students in the family financial management process varied from 16 per cent to 75 per cent within the groups investigated. Several factors were mentioned as causing this wide difference in findings--size of the city, occupation of the father, education of the parents and particularly the sex of the child. With special reference to the latter, boys appeared to be better trained to handle money than girls.

Report of Research on Related Topics Including Money Management

Other studies in related fields may be cited in reviewing the research that has been done previously. The attitudes of 200 high school seniors toward adjustment in family living were analyzed in 1938 by Priscilla Rowland (27). The sample students were chosen from Salt Lake City, Utah. On the portion of the study which pertained to finances, she found that most of the boys (58 per cent) and the girls (68 per cent) were either disinterested in family finances or else had unfavorable attitudes toward talking with their fathers about finances. In addition, she showed that a very high per cent of the students disliked asking their parents for money.

A few years later in 1941, Muriel Jeannette Wirth of Oregon State College (35) studied the attitudes of 100 Chico and Orland, California high school freshmen girls toward themselves, their family members and associates. In the section specifically discussing finances, Miss Wirth found that only 30 per cent of the families included the freshmen girls in talking about family finances. There seemed to be a tendency for the rest of the families to discuss family needs with the girls rather than how they would spend their income or how they could economize. When asked if they had less money than they thought they should have, 23 per cent reported to have less while 20 per cent more received the amount they thought they required for their expenses.

In 1940, Helen F. McClanathan (21) from the University of Minnesota studied the attitudes of high school boys toward certain family relationship problems when they were and when they were not enrolled in home economics classes. She sent a questionnaire to adults to receive their opinions on certain family practices. These were used as a key in scoring tests given to the high school boys. She was also interested in studying whether the attitudes of the boys were changed by a unit of concentrated instruction in problems of the family; to what extent certain factors affected boys' attitudes toward family relationship problems; and finding out if boys who elected home economics courses were comparable in interest, family background, and scholastic ability to those who did not. The sample boys were paired according to those taking home economics and those not enrolled, economic level, nationality of boys' fathers, education of parents, employment of mother and boy and age of boy. She concluded that neither instruction nor the environmental factors studied seemed to have any significant influence upon the boys' attitudes toward family discussions of one's affairs. On most of the family problems, the six weeks instruction offered in family relationships had little influence.

In a 1951 Kansas State College study by Ivalee Hedge McCord (22), the knowledge and attitudes of college freshmen in regards to certain concepts of family living were analyzed. The sample included 379 students who were 17 or 18 years of age. The investigator first defined democratic and autocratic pattern of family organization and then took certain statements concerning practices of family living in which these types of control might operate. The sample was asked to agree or disagree with the statements. The majority of persons agreed that the responsibility for the management of money should be shared by the husband and wife but four times as many boys and girls thought that the husband should manage the money than the wife. From her findings, she suggested that there was more need for teaching boys and girls democratic living because the attitudes of this sample reflected the possible types of relations these college students would have in the future.

A study directed toward determining the long-time objectives and plans of families was reported in 1945 by Cleo Fitzsimmons and Nellie Perkins (6). They chose 50 northern Illinois farm families for their sample who were considered to be happy, successful and well-established. Both the schedule and the interview technique were used. Of particular concern were the ways in which the families made their choices, defined their goals and built up their attitudes toward these. The results of the studies showed that money management was a shared activity in the sense that the husband and wife divided responsibilities, each taking the lead in particular aspects of management and expenditures. The children usually decided how their own money was to be spent, but they had the privilege of consulting their parents when they needed help. Team work was evident with the families cooperating as a group. As soon as the children were old enough, they participated in making decisions, contributed to the plans and took pride in the final results.

A Michigan State College study reported in 1944 by Irma H. Gross and Evelyn A. Zwemer (12) was concerned primarily with home management in general; however, a particular section of the investigation concentrated on the management of money. A total of 382 farm and village families from seven Michigan counties were carefully selected for the sample. An extensive schedule was used to record the data obtained during interviews with the participants. Those practices which pertained to money management included decisions on control of income, actual handling of money, planning the spending of money, savings, record keeping and making purchases. It was found that while over half of the cases claimed the husband and wife together controlled the spending, in only 1.3 per cent of the 362 families was there control by all the members as a unit. Slightly over half of the husbands and wives had joint access to the family funds. In one-third of the entire group, an allowance system for all members had been devised and followed. The majority of parents gave money to their children when they needed it rather than establish a definite system of allocating money to them. Another finding of the study showed that about three-fourths of the families made no plans for spending but of the rest who consciously planned their expenditures, less than half were written. These spending plans were usually made by the husband and wife jointly. More families on a medium economic level had budgets than did those on low or comfort levels. When considering saving, the data pointed out that a large proportion of the families had intentionally saved money during the previous year. The number of families saving money increased directly as the economic level increased. About twice as many families kept accounts as made spending plans, yet those accounting for their expenditures amounted to only one-half of the entire group. Dr. Gross and Miss Zwemer further reported that the wife alone was the chief purchaser of all family needs. The husband and wife together and the husband alone ranked second and third respectively in importance of purchasing all items. Very few articles were bought by the family as a group. It was concluded that there existed a democratic type of control in decisions concerning money, but this was mostly joint between the husband and wife and was influenced by the family's economic level. There was evidence of fewer democratic practices in the lower income groups. According to the findings, the children did not assume a very active role in the managing of these selected families' incomes.

Moderate to low income groups in a rural Iowa community were investigated by Mary S. Lyle (20) and later published in a book entitled Adult Education for Democracy in Family Life (1944). She was interested in discovering to what extent democracy prevailed in the homes of such a community and then suggesting changes for the adult education program that might further promote democratic living practices. She found that in the majority of the homes visited, the women participated in planning for the use of the family income but very few children were permitted to help make decisions. These children who were allowed to participate were only given the control of the money they themselves had earned; but, in some cases, the parents even controlled that.

Another study of special interest also concentrated on the contemporary family practices which denoted democratic living. This was done by Vera Cook Taylor (30) of Iowa State College in 1949 who classified the families of 457 high school students according to whether they were authoritarian or democratic. She found that the most clearly democratic families were small in size, drawn mostly from the more highly educated, Protestant, professional persons, were composed of older children and were more apt to be socially active and happy. This was proven statistically. From the results of her study, she stated that a democratic family is "a family unit which plans together, shares responsibilities, and works for common goals with each other contributing according to his ability. All persons have a part in decisions, but the weight of influence is acknowledged to vary according to experience, training and identification with the issues." (Page 26) About three-fourths of the families fell into what she called democratic in the control of decision-making and choice-making items and on the determination of family practices.

The results of these studies were very similar to those investigations dealing solely with money management. The emphasis was placed on both the high school student and investigations of entire family groups; however, one pertained to college students only. The schedule or questionnaire was used in most cases. Two authors employed the interview technique and supplemented it with a printed set of questions or statements. The majority of these studies reported that the children did not participate to any great degree in the management of the family income, but one research project (by Cleo Fitzsimmons and Nellie Perkins) showed they took an active part and were proud of their participation. Several factors which would alter the student's degree of interest and participation were mentioned in these investigations also.

Report of Research on the Continuity of Family Practices

Finally a few studies on the continuity of family practices from generation to generation should be noted briefly. Factors which affected relationships between families at generational levels were investigated by Marvin B. Sussman (29) in 1951. He found that one of the factors which promoted continuity of family practices between parents and children was the family child-rearing philosophies and practices. This was determined after interviewing the parents of 103 families of middle class background who were white, Protestant, and resided in the New Haven, Connecticut area. He used the case study approach. The parents indicated that the child-rearing practices they employed were influenced by their own rearing and childhood, their conception of differences in the temperaments of their children, and the ordinal position and the sex of the child. In most of the families, the parents reacted against their own strict rearing and consciously developed their own practices of training their children. But even these often had to be modified during the child's adolescence. The families diverging from the stricter method of training children allowed their own independence and had more activities in which all members of the family participated.

In California, the relationship of attitudes, opinions and values among family members was studied in 1946 by Sarah Carolyn Fisher (9). Most of the parents included in the investigation sent their children to college and were from the upper to middle occupational brackets. The aim of the research was to compare two generations of the same family with respect to a wide range of attitudes and to investigate the intra-family correlations. The data was provided by 504 students. The results showed that the mothers' attitudes were more like their daughter's than like their husbands' but they were more like their husbands' than their sons'. The attitudes of the fathers resembled those of their wives and daughters to about the same degree; however, they were more similar to their wives' than their sons'. For most attitudes, it appeared that mothers were more of an influence to their daughters than they were to their sons. When there was a close relationship between mothers and sons, the boys were usually of high school age. It was decided that inter-generational differences could possibly be due to either changing pressures from the social environment or to a complete change in the total pattern of the social environment.

A research project was undertaken at Northwestern University by Grace Hirschberg and A. R. Gilliland (19) in 1942 with the help of questionnaires which were given to both 200 undergraduate students and their parents. Though this particular study was concerned with attitudes on religion, the New Deal and fascism, it pointed out that a positive relationship was found between the attitudes of children and both of their parents in these particular subjects. It was also pointed out that there was a closer relationship between the children and the mothers than there was with the fathers. Though this relationship between children and parents did exist, it was noted that the degree depended upon the home situation, the subjects tested and the attitude studied. The home was considered to be an important source for the development of attitudes but for some factors, the influence was much stronger than for others.

In summarizing those studies which were centered on the continuity of family practices from generation to generation, it was found that the background experience of a person could not be separated entirely from his adult habits. When different practices were developed, it was due to a reaction against his previous experience which was probably prompted by new philosophies and patterns of living. Of the two parents, it was the mother who had more influence on the child's future ideas and practices than the father.

Summary of Review of Literature

The research projects included in the review of literature were divided according to: 1) those which were concerned only with money management; 2) those that pertained to related fields but had material on money management; and 3) those which concentrated on the continuity of family practices and attitudes. The following statements suggest certain generalizations that seemed to predominate in those studies reviewed:

1. The majority of the investigations cited were concerned with the money management practices and attitudes of high school students.

2. Since the studies were made with large samples of persons and findings, personal contact with each case was impossible in most instances.

3. Because of the large numbers of persons contacted, a schedule or questionnaire was the technique employed by most of the investigators. Such an approach leads to objective statistical analysis of the data. This suggests that these studies in the main, were more concerned with the money management process itself than with the personal feelings of

the participants; however, the latter was sometimes included on the objective tests and questions.

4. The mother and father controlled the family funds jointly. In this aspect of money management, the children had little chance to take a part. The family spending was divided between the parents with the mother taking care of the household expenses and the father assuming the responsibility for the car, insurance and home repairs.

5. The studies showed little agreement on the extent of the high school student's participation in the money management process of the family. The tendency seemed to be for them to take a rather passive part in managing the family income; however, when they received their own allowance, they usually had control of it.

6. External factors influenced the degree of the children's participation in money management. Those most frequently mentioned were: size of the city, occupation of the father, size of the family, sex of the child and specific money problems being considered by the family.

7. Many of the studies showed that boys were more capable of managing money than girls because they had been given a greater opportunity to handle money and had received more conscious training from their parents.

8. There was a relationship between the practices and attitudes of the parents and those of their children. In some cases, there was agreement and, hence, continuance of the habits. In other cases, the social conditions appeared to have changed the attitudes and philosophies through the years and, therefore, the practices of the children had been altered.

9. The practices and attitudes of the mother were more apt to be adopted by the children than those of the father. This meant she was an exceedingly important figure in shaping the future habits of the younger generation.

CHAPTER III

CHAPTER III

METHODOLOGY

In this chapter is found the methodology of the research project. As far as possible, chronological progress will be shown. Included is a critical discussion of the case study approach that was used. The selection of the sample according to the Index of Status Characteristics[1] is explained in detail with special reference to the cooperating families. The final portion of this chapter deals with the interview contact with the 12 volunteer families including their willingness to participate and an outline of the conversation between each member and the investigator.

As stated in Chapter I, early preparation began for this study when the author helped assemble an annotated bibliography in the area of money management. Following this, plans were laid out with the help of a graduate committee for an original piece of research in the field.

After tentative plans were made a family was selected in East Lansing for a practice interview with the primary purpose being to discuss money management with each member in order to establish further possible objectives for the project. Of secondary significance, the volunteer family also gave the investigator practical experience in the interviewing

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1 Warner, W. Lloyd, Meeker, Marchia and Eells, Kenneth, Social Class in America, Science Research Associates, Inc., Chicago, 1949.

technique. At the beginning of the summer, an outline including the proposed objectives and procedures to be followed was submitted to a faculty committee for inspection and approval.

Discussion of the Case Study Method

It was decided that attitudes and reactions to financial management were just as important as the actual details of the process and these could best be obtained with a case study approach and using an informal interview technique.[2] Case studies contain a description of situations as they appear to the interviewee and every individual case has certain characteristics which might be regarded as typical or representative of a large number of cases. This type of methodology gives a fair picture of an individual's interpretation of his own experiences or those of others with regards to a specific process. When a person talks casually, often times his many repetitions of a particular idea or belief may help in forming generalizations. But the primary purpose of a case study method is to be an exploratory piece of research from which trial hypotheses can be established for further testing.

While these are the advantages of the case study method, there are also disadvantages (which are quite common in all scientific work) of which the author was aware and tried to account for in comparing the

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2 According to A Study of Three Methods of Research in Home Management, (Michigan State College Technical Bulletin 171, February, 1940) by Irma H. Gross, Ann Aikin, Therese Tordt, Evelyn A. Zwemer and Wm. D. Baten, it was found that the interview technique was far superior to the diary and the questionnaire in obtaining information concerning home management practices.

12 families. With such a small number of cases, it was impossible to deduce positively any items and consider them to be typical. For this reason, only tentative generalizations can be made. But perhaps one of the most noticeable weaknesses of the case study approach is the temptation to generalize from one specific case. In attempting to pick out patterns or trends, the responses of the persons included in this study were sorted into similar categories. It was hoped this would eliminate the tendency to generalize freely. In doing so, however, it brought to light another limitation--that of forcing the responses into particular categories. It is possible that one's classifications shift from case to case according to the information that happens to appear in each individual case study. To help combat this, only those responses which were mentioned by a relatively large number of fathers, mothers and children were pointed out.

In using such a method, the records are open to errors of perception, judgment and memory. The latter was alleviated by the investigator taking rather complete notes during the interviews and recording them as nearly verbatim as possible immediately afterwards. It is most important in the case study method that the one doing the interviewing eliminate his own subjective feelings. This is particularly difficult when rapport has been well established between the interviewer and the interviewee because both are part of the situation. With the 12 families finally selected, this was perhaps the one criticism that might be justified since all were personal acquaintances. However, a conscious effort was made on the part of the investigator to control personal feelings and any bias that might have existed. There is no proof that this was accomplished to the fullest extent since the responses can not be checked quantitatively.

Selection of Sample Families

The case study approach is a vertical investigation of a few cases in which all details are noted. When including such a small number of cases, it is impractical to select the sample statistically; therefore, criticisms are often directed toward the sampling technique employed in using this method of research. As a result, it was decided to select a homogeneous group of families in as objective a way as possible. To do this, reference was made to an Index of Status Characteristics[3] (hereafter referred to as the ISC) as a procedure for measuring social status. Though some of the criteria used in the ISC are strictly factual, others are still left to the judgment of the investigator.

The ISC was developed as a simple and quick method for measuring status which could be applied with minor adaptations to any community. It was based upon two propositions: "that economic and other prestige factors are highly important and closely correlated with social class; and that these social and economic factors, such as talent, income, and money, if their potentialities for rank are to be realized, must be translated into social-class behavior acceptable to the members of any given social level of the community."[4]

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3 *Ibid.*, pp. 121-159.

4 *Ibid.*, p. 39.

In securing an ISC for any family, it is first necessary to obtain ratings for him on each of four factors--occupation, source of known income, house type and dwelling area. Each of the ratings are made according to a seven point scale as described by Warner, Meeker and Eells.[5] An over-all picture of the 12 families in this study will perhaps show the similarities in these factors among the group.[6] The exact occupations of the fathers were obtained from the Cincinnati City Directory. Seven of the entire group were professional men in such positions as teacher (both high school and college), a lawyer, an architect, two chemists and a metallurgist. Three were proprietors or managers either owning their own businesses or having positions of high prestige with large companies in Cincinnati. One business man and one obviously successful salesman composed the rest of the group. Two of the mothers worked part time; however, according to the ISC, only the occupation of the chief breadwinner should be taken into account.

The classifications of occupations for the ISC found in Social Class in America was modified from the original United States Bureau of Census classifications. Therefore, the occupations of the 12 fathers were rated according to both Dr. Warner's classification and the Census categories[7] to determine the extent of agreement between the two. In 11 of the cases, the occupations of the fathers fit the same category

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5 Ibid., pp. 131-159.

6 A detailed rating of each individual family is included in the Appendix.

7 Alphabetical Index of Occupations and Industries, prepared by Alba M Edwards, Bureau of the Census, U. S. Department of Commerce (Washington, D. C., U. S. Government Printing Office, 1940).

according to both classifications. The twelfth man, a railroad official, according to the ISC was a "business man" whereas, the U. S. Census breakdown classified him as an "official." Since this was the only point of disagreement, the ISC classification was upheld.

The second characteristic--that of determining the source of known income--could be assumed from the type of occupation of the father. Nine received their main source of income from a salary or commission; two from profits or fees; and one equally from a salary and fees.

The house types, which made up the third criterion, had to be given subjective evaluations by the investigator; however, the opinions of others[8] who knew the families and the house interiors were consulted and the resultant judgment was agreed upon. All of the 12 homes received one of two ratings--very good or good. The dwellings receiving the highest rating were single family homes in good repair surrounded by lawns that were well cared for. They were generally larger than the demands of the family required but not spacious. "Good" houses were less ostentatious and more conventional in style, with a smaller but yet nicely landscaped yard. One family lived in a modern apartment building on the downstairs floor. This was included in the "good" category. In general, it can be said that most of the homes in which these 12 families lived were one and a half or two story brick, single dwellings with lawns that had received considerable care. The private homes were all owned by the inhabitants and were kept in good repair.

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8 This included the immediate family members of the investigator.

The fourth factor which also received a subjective rating was that of the neighborhood in which the families lived. The general suburban area was described more in detail in the introductory chapter. It was decided that the dwelling area should rate an "above average" classification. Since they all lived within the same neighborhood, this criterion remained constant for the 12 families. An "above average" dwelling area is one that is "a little above average in social reputation and to the eye of the scientific observer. This is an area of nice but not pretentious houses. The streets are kept clean and the houses are well cared for. It is known as a 'nice place to live' but 'society doesn't live here.'"[9] Most of the area used to be part of a large estate which was subdivided long ago into a residential region. Most of the homes except for the few original large mansions have been built within the last 30 years. The majority of the families in the entire neighborhood had two or three children; very few had only a single child.

According to these specific factors each of the 12 families selected for the study fell either within the upper-middle or the indeterminate class. The latter range could be called either upper-middle or lower-middle. For the purpose of this study, these were considered to be upper-middle class families.

In addition to these criteria set up for the ISC, certain other qualifications had to be met before the family was asked to participate. All

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9 Warner, W. Lloyd, _et al._, _op. cit._, p. 153.

were taken from the membership roll of the neighborhood Methodist church. The family had to have at least one child who had been in either his junior or senior year in high school during the school year 1951-52. The emphasis of this study was placed upon the high school student because it is during this transition period between youth and adulthood that the adolescent is being trained to take his place as an active participant in the adult world.

It was on these bases that the 12 families were selected. The final sampling of families included 14 children who were juniors or seniors in high school; there were two sets of twins. The sex of the child made no difference in this particular study; yet the final sample consisted of eight boys and six girls. The two pairs of twins had no other sisters or brothers; but of the other ten adolescents, five were the oldest child, three were the youngest and two had both older and younger siblings.

A possible list of families was compiled at the beginning of the summer but they were not contacted for their acceptance until the first part of August. Two of the original list of families were substituted when they refused to cooperate. One family had illness in the home and did not want to be disturbed. The other mother refused on the grounds that her children knew nothing about the money management process of the family and "anything they might say would only be a figment of their imagination." The final sample accepted willingly but for several reasons. Some were particularly interested in anything that would further one's education. Others agreed to help because they were personal friends of both the investigator and her family and perhaps felt obligated to participate.

The contact for the first family was made by telephone. This was not too successful an approach since it was difficult for the mother to understand the purposes of the request with just a verbal explanation. Also, she was reluctant to accept without first consulting the rest of the family. For the remainder of the cooperators, a letter[10] was first sent to explain the project and to encourage them to discuss the possibilities of acceptance among themselves. This was followed a few days later with a telephone call to get their final answer and, if they accepted, to set a definite time for an interview with at least one member of the family.

Pattern of Interviews

Each person was interviewed separately; however, the plan of the interviews all followed a similar pattern. This was done in an effort to get their own attitudes and opinions without being influenced by others who might have been present. When there was an interval of time between interviews within the same families, each was asked not to discuss the questions among themselves until they had all been contacted.

Though the investigator had specific questions in mind, no set schedule of questions was followed in an effort to maintain an informal atmosphere. Most of those being interviewed were known personally to

10 A copy is found on page 164 of the Appendix.

the investigator and, therefore, it was not hard to establish rapport between the two. This is usually one of the difficulties that is the hardest to overcome when using the interview technique. In addition to a casual discussion of the topic at hand, there was frequently conversation on unrelated subjects that were of common interest to both the family member and the interviewer. The investigator did not pry into financial details because they were considered personal.

When the cooperator and the investigator met in the interview situation, the title of the thesis subject was introduced with the intention of getting their reaction to the project. Each was then asked to define the phrase "family financial management" so that it could be determined to what he thought the subject pertained. The major assumption of the thesis--the adolescent does not participate to any great degree in the financial management process of the family--was presented to the family members to find out if they agreed or disagreed. If they were of that opinion, then they were asked if they thought the high school student would like to have a greater part in the management process or if he should participate more than he did.

To indicate long time goals and to obtain some idea of the value they placed upon money, each person was asked what the family would do if they should win $50.00 in prize money. Also each student was questioned as to what he would do if he had a defense bond maturing soon. In order to get each one to describe how their family selected and purchased a large expenditure item, something was noted by the investigator that was obviously new in the home--usually a television set that had been purchased within the last few years--and each commented on the procedure of buying it.

The parents were encouraged to compare the management habits they practiced at the present with those to which they had been accustomed as a child. The idea was then breached, did they think their child would continue the practices to which he was familiar when he became independent? The teen age students also commented on this and predicted their future plans with regard to money management. Besides comparing their present money habits with those of the past, each was asked to contrast his family's patterns with those of acquaintances.

To determine the type of training that the students had received, the parents and children cited conscious efforts either on the part of the parents or others to which they could attribute their training in money management. With this description of the student's training, an attempt was made to determine if each member felt it was adequate to enable the student to manage his own money.

A family council system of managing money was proposed in order to find out their reaction to such a plan. This usually invoked a discussion of the management process they favored.

Though this was the general pattern of the interviews, additional statements that might be considered to be relevant were further encouraged by the investigator. When discussing the adolescent in particular, many of the parents told about the other children in the family. It seemed hard for them to separate the teen age child from the younger ones or those living away from home. On several occasions, the investigator was consulted in the capacity of an expert in the field of money management, particularly with reference to the financial aspects of a college education.

The average length of the interview with each family member was about 30 minutes. Some of the discussions with the children and father were only 15 to 20 minutes but some of the mothers talked for over an hour about the money management practices and problems of their family. The interviewing was completed by the end of August, 1952.

CHAPTER IV

CHAPTER IV

CASE STUDIES

This chapter contains an abridgment of the 12 selected case studies. The responses of the father, mother and high school students within the same family unit often did not agree on matters pertaining to the management of the family finances. Each person was talked to informally and without an established pattern or schedule of questions. For these reasons and because the interviews with the 38 individuals averaged three to four pages per person, it was decided to present them in a more orderly and condensed form.

Each case study has been divided into four major parts: 1) the abstract of the family interviews; 2) the developmental pattern; 3) the roles of the individual family members in the management process and their attitudes toward those roles; and 4) a summary of agreements and disagreements that appeared to exist within the family units.

The first section--an abstract of the interviews--begins with the details of the family composition--i.e., the names of each person, the occupations of the parents and the level of school of the children. The names of all persons have been changed in an effort to make them anonymous and yet to introduce the reader to family names rather than initials or numbers. The various definitions of the phrase "family financial management" were also incorporated in the abstract. These were followed with only the particulars of the parents' backgrounds. Next, facts that were reported concerning the participation of the high school student in the management process, his own source of income and his financial responsibilities were discussed. If any information was offered concerning the method of management the parents themselves employed, this, too, was added to the abstract. Lastly, the usual procedure for selecting large expenditure items as described by the family members was included.

The tracing of the developmental pattern (or the genesis of the management process) in the second part placed particular emphasis on the role of the high school student. The information was not obtained forthright so it has actually been an attempt on the part of the investigator to try to trace the developmental pattern through several generations from what was said by the interviewees. Included here also are the predictions as to whether the high school student is likely to continue his parents' practices or not.

The third part, concerning the roles of the individual members of the family in the management process and their attitudes toward those roles, has again been further subdivided into those of the father, mother and student (in this order). Other personal feelings toward such things as money in general, the proposed subject of the thesis and their philosophies of education are treated in this section.

Finally the portion of the case studies containing the summaries of agreements and disagreements point out the major facts of money management on which the family members appear to be in accord or discord.

The following chapter, Chapter V, will present the findings of the 12 case studies.

ABSTRACT OF THE BAKER FAMILY INTERVIEWS

Father--Professor of mathematics at a college (Professional and salaried)
Has his own public accounting office (Professional and paid by fees)
Mother--Housewife
Edward--Was graduated in June from college.
Jane--Was graduated in June from high school

To Jane, the phrase "family financial management" meant proportioning money for different purposes and activities, in other words, budgeting. Mrs. Baker considered it living within an income and Mr. Baker recognized the management process as a means of determining one's scale of living, scale of saving and scale of future expenditures.

Mrs. Baker was born and reared on a farm in northern Ohio. Her parents did not give her money to spend at all when she was a girl. It was not until she started working that she actually had any money of her own. Mr. Baker came from a different background. His father owned his own drug store in a small Massachusetts town.

Recently Jane has been given an allowance to cover her clothing expenses and her own recreation. Her parents provide her with school expenses and personal items such as toiletries. In addition her mother subsidizes her clothing allowance by voluntarily paying half of the cost if Jane really expresses a desire for the article or by dividing party expenses if Jane entertains. Gifts for Christmas and birthday are usually items of clothing or spending money.

Jane is working as an office girl in a neighborhood business establishment during the summer. She has enrolled in a small college about 40 miles from home for the fall term. Here she plans to study music, English and history.

The budgeting the Bakers do consists simply of recording the amount of money earned and subtracting the total money spent--the difference being the savings. This is figured on a yearly basis. Mr. Baker is assured of a constant salary from the college but the additional income made from his own accounting business fluctuates and he is not able to predict the exact amount of his monthly income.

In selecting large expenditure items, Jane and her older brother are usually questioned regarding the style or color. Their opinions may or may not be considered in the end and they are seldom invited to help plan the financial aspects of the purchase. This as well as the final choice of the item are left to Mr. and Mrs. Baker's discretion. Their discussions are casual conversations usually occurring at meal time with all members present rather than at planned sessions.

DEVELOPMENTAL PATTERN

Very little information was offered concerning the financial practice of either Mr. or Mrs. Baker. Since Mr. Baker's father owned his own drug store and Mrs. Baker's father was a farmer, it may be assumed that neither had an established income that could be depended upon regularly. In this respect, the Baker family now operates under the same financial circumstances.

Mr. Baker, because he was not interested in making many purchases, particularly clothing, claims that he never used discretion in buying. He points out that Jane is not like him in this respect. Rather, she is most interested and quite selective when she buys an article of clothing.

Mrs. Baker's parents bought the necessary items for their children as they were needed. Then when she began to earn her own money, she was first able to buy things she wanted with her own money. She tried to carry over this same practice in rearing her own children; however, Jane requested that she be given a clothing allowance so that she might make her own purchases and manage her own money. Her parents obliged, but Mrs. Baker still entertains the opinion that Jane should not have to spend her money on essential things that parents would have to buy anyway.

Jane fancies that she will continue managing her money as she does now, not as her parents do. Her mother shares this belief. From Jane's definition of money management and because she insisted on being given an allowance that she could manage on her own, it would seem that Jane is more budget conscious and is more aware of the total amount of her expenditures. For example, Mr. Baker does not care to know on what items he spends his money. Most of his checks he simply makes out to "Cash." Jane was amazed at the amount of money she spent per week for transportation in the summer compared to the school rates on the buses in the winter. This trait can not be traced to either her father or her mother.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

Mr. Baker handles the money for the family and determines whether or not each member is spending too much money in relation to the current income. For example, he tells his wife if she is over-spending for food and asks that she reduce such costs temporarily in order to allow for another expenditure or for the decreased income that particular month.

He can not count on a pre-determined amount of income for a particular period. Therefore, any extra money that might come to the family such as $50.00 would just be considered earnings. But he assumes little responsibility other than this. Mr. Baker is not familiar with Jane's spending habits or any special techniques that might have been employed to teach Jane how to manage money. "You will have to ask Mrs. Baker about any teaching techniques or experiences where Jane has handled money. I don't know how she spends her money."

He does not keep any accounts of the family expenditures. "There is absolutely no need to know for what the money is spent. Who cares?" All one actually needs to know is the sum of how much he spent.

It is his opinion that, though Jane has not been consulted in the management of the family income, it would have perhaps been well if she and her brother had been exposed to the process. Their participation, however, should be limited to such matters as deciding if the family needs the article or the style and color they should buy. Financial details should not be included in the discussions. If high school students expressed an interest in the financial aspect of an expenditure, they might assume a position of disagreeing with their parents. This is a situation adolescents usually try to avoid. It is not their right to suggest that their father earn more money. This, Mr Baker states, is the proper attitude for this age group. Their experiences with the family income are limited to dispursing the income not to the process of contributing money.

Even though he feels that his children are neither qualified to do much planning for a purchase nor interested enough to take part, he says their ideas would be considered if the family should select something that would involve each member.

Mother

Mrs. Baker believes "a penny-pinching budget" is followed in most families. In lieu of such a device in her family, she has attempted to keep records of the money spent for food by saving the receipts. Since she buys from several different sources--vegetable man, grocery, dairy--her records have become too confused and she has given up her efforts. Now she just lumps her money together and when she needs to spend a certain amount it comes from a general fund that may be used for food, clothing, etc. In her mind, this is less complicated.

In the opinion of Mrs. Baker, the fact that they do not operate on a budget has another effect--Jane's lack of participation in the financial management of the family. If there is no budget plan, the students can only see one side of the management process. They do not get a full picture.

According to Mrs. Baker, high school students' allowances should be insufficient for all their needs. In this way, they do not get misconceptions about how easy money is to obtain, yet at the same time, they have freedom in choosing how they want to spend their money. Mr. and Mrs. Baker allow Jane to earn extra money if she so desires and they let her spend her earnings as she pleases. Yet, when Jane encounters an expenditure Mrs. Baker feels she should have or suspects Jane wants but can not afford, she is quick in offering to share the expense though she knows it is Jane's obligation. Only once has she refrained from supplementing Jane's allowance and that was done as a disciplinary measure. When Jane realized after several months that her clothing budget was inadequate to meet her needs, she calculated how much money she was in the red the previous months and then asked her mother for that amount. Jane had been instructed when she first asked for the allowance to make adjustments as they arose so that the deficit might be alleviated at the time. She was not to accumulate debts and then request more money. This was what Jane had done when her mother refused to give aid. Jane's budgeting her money for clothes, according to her mother, has probably made her conscious of caring for her clothes.

Until Mrs. Baker actually compared her children with others, she thought it was unusual for them not to like shopping or not to be interested in selecting a purchase for the whole family's enjoyment. Now, she observes that this is characteristic of children of high school age. They are usually satisfied with anything upon which their parents might decide. They sometimes offer their opinions when consulted but Mrs. Baker takes for granted that they would probably not accompany their parents in the final purchasing.

High School Student

About the time she entered high school, Jane requested that she be given an allowance and she has had the responsibility of managing it since then. Her parents decided how much they could afford to give her but Jane has the prerogative of asking that adjustments be made to fit her needs. This has been their way of teaching her to handle money, Jane believes. If she makes a bad selection, it is her own mistake and she learns from the experience.

Her allowances--one for pleasure and one for clothing--appear to be separate so that her parents may discontinue one during the summer months if they wish. But Jane says they have not and she can allot them to meet her desires. If she prefers, she can spend both allowances all on clothing or she may save them for something else. In addition to the allowance, Jane is encouraged to earn extra money by baby sitting or working summers.

In the Baker family, Jane is the only one who attempts to keep account of the exact cost of a particular item. She was amazed at the amount of money she spends for transportation. After she started budgeting her own clothing money, an old pair of shoes that had been discarded earlier looked wearable after she cleaned and repaired them. According to her mother, Jane had more clothes before she asked for the allowance but she is happier with the present system.

Other than managing her own allowance, which she confesses anyone could do without much training, she has had little instruction outside of the home. In the seventh grade, she was asked to record her expenditures for a week, but she considered the experience a "farce" because there was no follow-up by the teacher to the list of weekly expenses the children recorded.

Jane is sure that she would be allowed to express an opinion on any matter of finances that would effect her, and her parents might even abide by her ideas. However, should the family win any extra prize money, her parents would be apt to consider it income. In this case she would have little voice in determining a use for the money. Yet, if there were something in particular that Jane wanted and the $50.00 would help pay for it, she would be consulted.

Jane believes that most high school students do not have the opportunity to manage their own money until they are graduated from high school. There is no need for any other arrangement because it is the parents who can best see where the money goes. They know the whole financial status of the family. However, family situations may alter this plan. For instance, such factors as the number of children and their ages, regular or irregular income and the particular community in which the family lives all effect the method of managing income. Jane compares her family to that of her uncle's. They live in a farming community and the children have little occasion to leave the home. By living in a large city, Jane realizes the many opportunities for out-of-the-home activities all of which require additional expenses. She has noticed that farm families generally spend more money for transportation than for repairing or remodeling their homes while in the city, the home upkeep and decoration become an important expenditure.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG FAMILY MEMBERS

For most aspects of the family's financial management process all three Bakers expressed similar ideas. Mr. and Mrs. Baker both suggested it was impractical to have the children participate in the management process, since they do not have the opportunity of being familiar with the earning procedure. They can only observe the spending of the income. Jane is of the opinion that her parents are in a better position for both steps in the management process.

Jane and both her parents were agreed that in their family, the high school student's participation in decision making was limited. If Jane shows an interest, she is consulted about whether they should buy a particular item or not and perhaps about details concerning the appearance of the purchase. Sometimes she accompanies her parents when they make the final choice. But Mr. Baker, as well as Jane, claimed that there was frequently a lack of interest shown by high school students in general.

Each of the Bakers would regard any prize money the family might win as additional income and they suggested that it would be put into the checking account. Jane and her mother explained that they are accustomed to receiving sums of money at irregular intervals because of Mr. Baker's business.

There were several discrepancies noted, however, in their discussions. Mrs. Baker seemed to stress the frequency of which she helped Jane pay for things she might want--clothes, a party, personal supplies. Jane takes a different attitude toward her mother's generosity. "My parents help me buy something if it is something special, but I would say those occasions are rare."

Rather than regard her expenses casually like her parents, Jane seemed more concerned about how much she spends and where she spends it. Her use of the budget and keeping records of her expenditures differs from her parents' viewpoints toward money.

ABSTRACT OF THE DAVIS FAMILY INTERVIEWS

Father--Chemist, (Professional and salaried)
Mother--Housewife
Twins (Marian--Senior in high school
(Paul--Junior in high school. Retarded one year because of ill health.

To quote Mrs. Davis, "To me, the term family financial management means the distribution of money over the items that the family feels are essential or the items they feel they can afford as luxuries." Mr. Davis, in his definition of the phrase, eliminated the word "family" and stressed the importance of one person being responsible for making the decisions for all the family members. Both Marian and Paul thought of financial managing as staying within a budget even to the extent of it being a strict guide for buying.

Mr. Davis was one of ten children. In addition to rearing them, his father supported his parents and the family of an indigent sister. With these obligations, Mr. Davis' father bought a lot, built a home large enough for the family, paid the burial expenses of both his parents and his sister, and still left his wife debt free with a large cash reserve and insurance benefits. Mrs. Davis mentioned only that, as a girl, she did not have any opportunity to share in the family financial managing. She did not even receive an allowance.

Both Marian and Paul are given an allowance to cover such items as school lunches, carfare, supplies, and occasional recreation. They are allowed to select their own clothes after their mother pre-determines a satisfactory range of possibilities--price, style and store. Besides this home training, Marian has had some consumer education in the eighth grade home economics class. For the coming year, Paul has enrolled in a general business course in high school that will cover "insurance and practical business problems."

Marian and Paul worked during the summer--she as a nurse's aide in a hospital; he as an assistant draftsman for an architect. In previous summers, Marian has worked as a dime store clerk and a comptometer operator. During the winter, she baby sits occasionally for the neighbors across the street. After high school, Marian is thinking of either training to become a nurse or entering college to study home economics. Paul is hoping to be an architect.

Family purchases are usually decided upon by the parents. When the new set of china was recently bought, Mr. and Mrs. Davis said they discussed the selections with the two children who could express an opinion, but they accepted their parents' choice as final. In the redecorating of their new home, all the family members shared not only in the planning but also in the actual work.

DEVELOPMENTAL PATTERN

"We as adults tend to force the situations into which we are brought up onto our children." This is from the interview with Mr. Davis. Both he and his wife recognize the strong influence of <u>his</u> background experiences on the financial patterns of their family now. Mr. Davis as a young boy did not know the exact income of his father in dollars and cents; however, he was able to estimate the probable amount. In spite of the fact that Mr. Davis agreed that the amount of income should be a secret from the children, Marian said that both she and her brother knew the size of the father's pay check.

The differences between Mr. Davis' experiences as a youth and the practices of his family now, he attributes to the fact that living today is not like it was in 1910 and 1915. Then, it was easy to get jobs which would pay spending money, but now it is not practical to expect his children to earn all of their money. Consequently, he gives them small allowances.

Very little information of the mother's background was available. She had no part in the family financial management in her youth and she did not receive an allowance she could manage herself.

Both Paul and Marian indicated that they would follow their parents' example because as Marian says, "That is the way I have been brought up." However, Marian qualified her prediction stating that her husband's profession and background might alter her habits and ideas. A more careful speculation was offered by Mr. Davis who said it would be impossible to suggest what his children might do in their own home. Mrs. Davis contended that Marian and Paul would probably carry over some of the parent's practices but she hopes they accept only what they think is good, improve upon it and arrive at their own plan of managing.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

Mr. Davis' particular role in the financial management procedures of the family was not too well defined by either himself or the other members. Yet, in his definition of the phrase, it is interesting to note he stresses the importance of one person making the major decisions and implies that person should be the breadwinner. This may be further explained by an example. Should the family win $30.00 for a prize, he would divide it equally between his two children because he regards it as too small for any other purpose.

Along with his wife, however, he has assumed responsibility for training his children in wise buying. They have been told they can either buy the first things they see or they can shop around for a particular item and perhaps find one that is as satisfactory and somewhat cheaper.

He does have many ideas and theories involving the handling of finances on which he has strong convictions. Some of these are evidenced in family practices. Perhaps the most important is his belief that one can only learn the true value of money in terms of the amount of effort he puts forth in earning that money. Thus, Mr. Davis does not believe that giving high school students an allowance will teach them the true value of money because they have not exerted any effort themselves to obtain it. However, due to modern competitive society, he has decided it is the only possible way high school students can get the money they require. So that they themselves might realize the problems involved in earning money and learn the value of the dollar, he has encouraged his two children to work during the summer months.

The judgments of the high school student, Mr. Davis explains, are not mature enough to regard seriously. For instance, if they were consulted about the type car they would want, Marian and Paul would choose white side wall tires, a convertible top and other luxury features. For this reason, he has observed that most parents do the managing and final deciding of money matters.

Mother

Mrs. Davis is a major influence in making decisions concerning household items. According to Marian, her mother made the final decision on the new dishes and when the rest of the family was consulted, they accepted her judgment as reliable. Also, the children depend upon her recommendations when they need new clothes. Before either of them makes a final purchase, Mrs. Davis does the preliminary shopping for the article and then advises the children as to the type to buy, the approximate price to pay and where to purchase it. They are always given a choice of several items so that the final decision may be their own. Dr. Popenoe, a child psychologist whom Mrs. Davis reads daily in the local newspaper, advises that a 16 year old child should select his own clothes and handle his own money. Mrs. Davis does not comply with this advice entirely and continues to guide the children's purchases because she does not know how to stimulate their interest in such matters.

To Marian particularly, Mrs. Davis realizes she gives additional help in judging quality of materials "simply because it is a girl subject" and she is more familiar with the topic. Under the supervision of Mrs. Davis, Paul and Marian are beginning to keep a record of clothing expenditures for the coming year to estimate the amount of money they will require for clothes while in college.

She expresses more dissatisfaction over the matter of finances than her husband. For example, she often wonders how she could be a better manager. Mrs. Davis suspects that she and her husband neglected the financial aspect of their children's training when they were younger. She hopes that Marian and Paul improve upon the Davis' method of handling money when they establish their own habits.

If the family were to win $50.00 prize money, Mrs. Davis is sure there would be some disagreement among the family as to what use the money should be put. She assumes that her husband would want to save the money and her children would want to satisfy an immediate whim of their own. She supposes that she would agree with her children but her desire would probably be more practical.

In answer to her opinion of a family council method of managing money, Mrs. Davis reports that efforts toward family councils have failed in this respect because the children lacked interest in the household operation. Their interest lies only in matters pertaining to them. But family discussions about disciplinary problems are rather frequent and somewhat successful.

Mrs. Davis agrees with her husband and thinks that the judgment of her children is not mature enough to be logical at present, but she is confident that they are capable of handling their own money with guidance; therefore, it is her duty as a mother to provide the required leadership.

High School Student

Marian receives an allowance from which she pays for her expenses and part of her recreation. Any additional money she receives over and above these disbursements goes into her savings account. She also has unlimited use of the charge-a-plate but before charging an item, Marian is expected either to call her mother for permission to make the purchase or else return to the store after talking with her mother at home. In either case, the guidance and suggestions of her mother are sought and followed.

Marian recognizes her part in such family activities as selecting new curtains, wall paper and deciding upon furniture arrangements for their new home. She admits that this is the extent of her interest in family decisions. As to the actual managing of the money, Marian pays little attention. She suspects that she does not really know the value of money. Such decisions she prefers to leave to her parents assuming that it is their problem and theirs alone. To Marian, this is a satisfactory arrangement because it is not her wish to give her parents the impression she is "trying to run the whole business." Should she want to become more a part of the financial management process, her ideas would be accepted and considered. This same set of attitudes seems to be prevalent among her friends.

According to Marian, high school students should know the father's income because they are then able to decide for themselves whether their parents can afford an expense or not. In this way they do not force parents to refuse their requests continually because of lack of money.

High School Student

Paul, who is desirious of becoming an architect is definitely college oriented. He plans to work part time in school and help pay for his own expenses. Therefore, he proposes that the family put any prize money they might win into a fund for his sister's college education rather than his. Paul understands that he will probably not become wealthy at the profession he has chosen, but he likes the work so well that he is content with just making a living.

School expenses and dates as well as operating expenses on the car when he has the use of it comes from his earnings. Of these, Paul claims dating takes the greatest percentage. Any money left over is saved for his college career.

He, too, is conscious of the parental guidance and supervision he has in his purchases. "When we buy something we keep to a certain amount. They make sure I need it--before buying it." His parents give him just the amount he requires for a new pair of slacks or a sweater and no more.

It is evident that Paul does not take an active part in the planning of family purchases. While the other members of the family thought that the selection of the new dishes was a family project, he did not even know they were bought until they appeared on the shelves. But, as Paul indicates, his participation in the financial management may be indirect by his caring for the car, the house, the lawn and not being too demanding of his parents for extra luxuries. Then, too, these activities take most of his time.

Throughout the entire interview, Paul regarded financial management synonymous with budgeting--not budgeting by the family members together, but rather each individual budgeting his own expenses. This phase of management he considers extremely important.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG THE FAMILY MEMBERS

In essence, all four members of the Davises regarded financial management as the act of budgeting. In a pre-interview telephone conversation, Mrs. Davis stated, "We don't think we are the type of family you are interested in because we don't have any budget system worked out . . . we feel a budget system just isn't the most efficient way of working our finances." But Paul does not share his parents' idea. He budgets his earnings and is sure that he will do the same when he establishes his own home.

Mr. Davis is of the opinion that the high school students should not know the chief breadwinner's income for the family; however, Marian believes that if they are informed of the family's financial status, they are in a better position to decide what their parents can afford. Though perhaps her father is not aware of the fact, Marian claims that she does know what his income is.

The method of purchasing the new set of china was a point of disagreement among the Davis members and each viewed the participation of the family members differently. Mrs. Davis and Marian mentioned the family's participation in the selection--the mother stating that they all discussed the type of dishes they would like before they were selected and the daughter pointing out that her mother picked out a set and then described them to the family before the final purchasing. Mr. Davis eliminated the children from the procedure entirely and indicated that he and his wife bought the dishes. Paul did not even know that his parents were contemplating the purchase until the china was displayed in the dining room cabinet. Certainly the method employed by the family in selecting this large expenditure item was not well defined. However, the parents were generally implied to be major influences in the selection of other purchases. This, Mr. and Mrs. Davis agreed, was because the judgment of high school students was both immature and impractical.

Both Mr. and Mrs. Davis said that the work experiences of Marian and Paul were valuable aids in teaching the children to handle their own money. In addition, Marian and her mother recognized the value of selecting such purchases as yard goods together so that Marian might better learn to judge the quality of material.

All assumed the practices of financial management used in the Davis family and Marian and Paul's participation in the "budgeting" process to be similar to other families.

ABSTRACT OF THE HUDSON FAMILY INTERVIEWS

Father--High school teacher (Professional and salaried)
Mother--Housewife
Twins (Thomas--Was graduated in June from high school
(Robert--Was graduated in June from high school

Each member of the Hudson family defined "family financial management" differently. Mr. Hudson thought of it as the process of keeping track of one's income, expenses and savings. Mrs. Hudson included wise buying and church contributions in her definition. Each boy regarded the family's cooperation as important in the management process--Tom stressing the expenses that are naturally entailed in daily living and Robert emphasizing the income and outlay of money.

Little reference was made to Mr. Hudson's youth other than there was a lack of a financial management program. Mrs. Hudson's father was frequently unemployed when she was a girl and, as a result, she did not have much money. Her family moved several times following her father where he could obtain work. Mrs. Hudson worked in a private home immediately after high school and then clerked in a downtown department store to pay her way through a teacher's college.

Since kindergarten, the boys have received an allowance plus their Sunday school money. Birthday and Christmas presents are usually monetary. Mr. Hudson started to deposit $0.50 per week in the fund when they were small and as they grew older he gave them the money to bank themselves. Both boys have had odd jobs in the neighborhood caring for lawns, furnaces, and washing windows to earn extra money. Tom is now working on the night shift in a bakery as a utility man. Each boy has a separate bank account for college.

Mrs. Hudson accompanies them when they buy their clothes. They have also had training in purchasing food. Mr. Hudson is consulted when the boys have questions about money matters. In addition to this home guidance, Robert has had formal instruction in keeping accounts in seventh and eighth grade mathematics classes.

Each of the Hudson twins is enrolled as a freshman in college. Robert received a scholarship from a manufacturing company which requires that he work for them six weeks during the summer months. He is enrolled in a small sectarian college in Ohio. Tom has a Navy ROTC scholarship and will study engineering in Indiana. During the school terms he will receive $50.00 per month in addition to administrative costs from the U. S. Government.

Each of the Hudson family members gives generously to the church and religious activities. They help support a family in Africa. On several occasions they have taken a displaced Latvian family into their home until permanent accommodations could be found for them.

Decisions are generally made by all the Hudsons. They either participate in the actual buying or are consulted and asked to express an opinion.

DEVELOPMENTAL PATTERN

From what was told about the background experiences of Mr. and Mrs. Hudson, it is probable that there was no influence on their present financial program from either family. Mr. Hudson was not aware of any pattern of financial management his parents used. Mrs. Hudson was reared in a family where money was scarce. Her father was manager of several box factories, all of which burned and left him without a job each time. They moved to a city in Ohio but he found work in Texas and only returned to his family in Ohio occasionally. During high school, Mrs. Hudson wanted to join a "literary society" or athletic group but the dues and the pressure of keeping up with the other girls created too much of a financial burden so she became a member of a decorative art club which only cost $.10 per month. As she says, "I learned from hard experience that you can not get it where there is not anything to get. It just does not work." Following high school, she was too young for regular employment so she worked in a private home. Later, she financed her teacher training courses by part time employment.

When Mr. and Mrs. Hudson were married, they were both accustomed to giving regularly to the church and they continued the habit. With this strong religious influence, the twins have also supported many church projects both financially and with voluntary work. As a result of their giving a large proportion of their income to charity, the Hudsons have simplified their way of living, particularly their menus.

Because she and her husband have demanded little, Tom and Robert have never required luxuries and "things". They spend very little for their own entertainment and only purchase those items which are absolutely necessary.

Both parents predicted that their boys would probably continue the same habits of handling money to which they have been accustomed. The boys agreed with their parents but both proposed that their final plan of management will probably be a compromise between their wives and themselves. Robert added that he would look for a wife who had similar attitudes as his toward money.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

Mr. Hudson acts as financial consultant to Tom and Robert. On occasions Robert has questioned him about the value of stocks and bonds as investments. He helped Robert set up books when Robert decided he wanted to keep account of his expenditures.

He also encourages saving and church giving. Mr. Hudson used to put $.50 per week in the bank for the boys' education and then when they were older he gave them the money to deposit themselves. He bought each boy his own Sunday school envelopes and increased their allowance to include the offerings. If he had $50.00 prize money, Mr. Hudson would give a portion to charity and save the remainder for the boys' college education. However, he actually does not approve of prizes. If it were liquor or beer, he would not even let his family accept it.

The boys do not know what his income is because he, as a teacher, knows how much children talk in public. Because of this realization, he does not believe that children should be included in all financial discussions. He and his wife do the deciding for large expenditure items, but the boys usually know when they are contemplating a possible purchase.

Then, too, in Mr. Hudson's estimation, high school students don't take an active part in the managing of the family's income because children of "educated" families just are not interested. The parents make the decisions and the children abide by them.

Mr. Hudson is amazed that other parents are so liberal in giving money to their children for treats and recreation.

Mother

Mrs. Hudson is responsible for the boys' recreation and clothing purchases. When the family goes to the city amusement park, she gives Tom and Robert each $0.15 with which they may choose their own rides. They know that when this is spent they are not to ask for more money like other children. She accompanies them when they buy clothes. Yet, they make their own decisions as to what they want and she permits it even though she might consider the purchase impractical. For example, she laughed when she told of their choices of pajamas and florescent socks they bought for college. When they grocery shop together, she teaches them how to judge the quality of food in relation to price.

In the purchasing of household items, too, Mrs. Hudson takes an important role. When they recently bought their new dishes, she made the first selection and then asked the rest of the family to comment on her choice.

Both boys were taught by her to care for their own property and not be careless. Now they consider it their responsibility since their father has had to earn the money. At Tom's request, she is teaching him to sew and mend his clothes so that he can care for his wardrobe when he is away from home. The boys' attitudes toward their own possessions, Mrs. Hudson imagines, is atypical of other high school students.

When Tom and Robert are reluctant to spend their money, she sometimes encourages them to do so. When they thought it would be fun to join the gang and buy ice cream after classes, she suggested they use their allowance but she says they soon stopped because they decided the pleasure was not worth the expense involved. She has tried to teach them the sensibility of getting only what they need. Therefore, she often gives them money for gifts rather than presents but the boys just put it in their college funds. And should the family win prize money, Mrs. Hudson suspects they would also add this to the savings.

Most high school students do not participate in the management of the family income, observes Mrs. Hudson, but she cites a family where she has seen the system operate and this has caused the boy to be more independent of his family. In a pre-interview telephone conversation with Mrs. Hudson, she revealed that they had talked over the possibilities of managing money together as a family unit and felt that perhaps they should actually do more than they do.

High School Student

Of the twins, Robert seems to care more about financial matters. He often asks his father about financial questions that have been introduced in school. Several years ago he began to keep a record of his expenditures. When the method his father suggested proved unsatisfactory, Robert devised his own system, made several improvements to it and still keeps it current. This bookkeeping, he maintains, is not to see how much he is spending over a period of time, but rather to determine the wisest purchases and to compare similar expenditures one year with another. Nothing is bought without careful consideration because Robert does not want to buy anything that might displease him later. He has already budgeted money for his college expenses by talking to others who have gone to college several years.

Robert, like his father, is anxious to give to others. He would give part of the family's prize money to a special church offering, buy something extra for the house with another part of it and save the remaining amount. When Robert was in the third grade he wanted to contribute his birthday money to a collection for an African family. His mother kept the money for a while in case he changed his mind, but when he continued to show an interest, Mrs. Hudson sent for further information about the African project. Robert donated his money. The next year Tom gave to the fund and the parents added to the sum. This project which was initiated by Robert has become a family activity because since that time they have continued their support.

He is aware of his parents' guidance and suggests that the high school student needs this aid because he is lacking practical experience in handling money. For this reason, students in high school should respect their parents' judgment and take it to be sound. Then, because the high school student is a member of a family unit, it is inevitable that he will acquire the family's philosophy of spending as well as their habits.

High School Student

Tom is of the opinion that the high school students do not share in the management of family finances--particularly when the expenses are for food and housing or subjects in which the student has little immediate interest. For such items as their own clothing and spending money, he suspects that the high school student has a real concern.

He has his own savings account and most of his earnings from the bakery are put into the bank for his college education. This is what he would do with any money the family should win. College to him is obviously an immediate interest and he plans to enroll in the fall.

Anything he wants to know about money matters, Tom knows that he can ask his parents and he is sure they are willing to answer his inquiry. They ask his opinion on decisions in which he can take a part.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG FAMILY MEMBERS

There was little discrepancy among the Hudson members as to the roles of each individual member and their attitudes toward money. They are a very closely-knit family with similar interests.

Church, college and charity were foremost in all the thinking of the Hudson family. Their patterns of living seemed to be based in these particular institutions and each member recognized the importance of these goals over their own comforts and pleasures.

In their methods of financial management, all members are agreed that their family was similar to other families. They may regard it as so, but their philosophy of sacrificing for the sake of religious activities was atypical of those families interviewed.

Since both Mr. and Mrs. Hudson are teachers, they both realized the tendency of high school students to talk about private family affairs with their friends. For this reason, neither have been anxious for the boys to know the income of Mr. Hudson. But, Robert claimed he and Tom know the exact amount of the family's savings in government bonds, the bank and the savings company.

There were slight differences expressed in their discussing the amount of a high school student's participation in the management process of the family and in purchasing new articles. Mr. Hudson pointed out that parents assumed the responsibility of handling money and children accepted their parents' judgments. But he makes sure the boys are aware of their parents' final decisions even though they are not included in the final action. Mrs. Hudson realized that Robert and Tom had no opportunity to share in selecting the new davenport but should the purchase be a new car, they would certainly take part. Tom doubted if the average high school student even thought about matters pertaining to food and housing, since their main interest was in their own possessions and clothing But with his parents, he would share in the planning procedure for making a large expenditure. Robert decided he should know what was being considered by his parents, not so that he might offer an opinion but just to be well-informed. Then he explained how the whole family cooperated in buying the new set of dishes.

All members agreed that the whole family was "let in on" a pending purchase. Mr. Hudson and his two sons felt either that high school students either could become more active in the management process or should assume more responsibility. From these various viewpoints, it is possible that Robert and Toms' participation depends upon several factors--the type of purchase (one which attracts their interest) and the cost of the item.

ABSTRACT OF THE JACKSON FAMILY INTERVIEWS

Father--Purchasing agent (manager and salaried)
Mother--Housewife
Joan--Sophomore in college
Pete--Junior in high school

Mrs. Jackson suggested that "family financial management" means living within a family's means by just planning ahead. Mr. Jackson used the same terminology in his definition--"just managing the income." Pete did not attempt to define the phrase.

The financial management process used in the Jackson family is similar to that of Mr. Jackson's past experience. Mrs. Jackson claims that she personally continues the patterns she learned in her own family.

Pete receives an allowance from which he is responsible for his church pledges and other expenses. He does not work but has duties at home he is expected to perform--i.e., caring for the lawn and painting. He has had no other training in the use of money. Recently, however, Pete was elected treasurer of the youth group at the church and this experience will give him the opportunity to manage money.

Outside activities such as band practice and sea scouts for Pete, sorority and school activities for his sister, and business obligations for Mr. Jackson illustrate the individual family members' varied interests which frequently take them away from the home.

Decisions for large expenditures are made by the parents. For those items pertaining to the home, they may cooperate. For such purchases as a car, Mr. Jackson has the prerogative. Sometimes the children are included in such discussions as making arrangements for trips, etc.

DEVELOPMENTAL PATTERN

Very little was found out concerning the background of either parent. When questioned about the transition of financial management patterns from their childhood families to their family's present habits, both Mr. and Mrs. Jackson claimed that their practices now are similar to their past experiences. Mrs. Jackson mentioned that, like her mother, she, too, has a household allowance and she manages it in a similar manner. Therefore, she is relatively sure that Pete will carry over approximately the same methods to which he is accustomed. Mr. Jackson, being a little more cuatious, surmises that, because Pete is an individual, he will probably develop some ideas unlike his parents.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

Mr. Jackson spends much time at his office and with business associates. As a result he comes home late in the evenings and often is not home for dinner at all. In discussing his two children, Mr. Jackson seemed oblivious to any details about them. As previously mentioned, Pete was elected treasurer of the youth group just the night before the interviews. Mr. Jackson said that he had been "treasurer of something or other for a month or so." He did not know what his wife was canning in the kitchen. He did not know to which college sorority his daughter paid dues.

On large expenditures he has the final decision particularly on the car which is primarily used for business purposes. And even if the item were to be more domestic in nature he assumes he would probably have the final say.

High school children not only do not have an interest in the family income at all, but they should not because they have to worry with financial problems long after they are out of school. This opinion was dogmatized by Mr. Jackson.

Because of the varied outside interest of the other family members as well, there is very little planning and managing done as a group. Though Mr. Jackson expects that it might be an ideal arrangement, he does not think that it is a practical pattern because very little could actually be accomplished; they are so seldom together.

In the opinion of Mr. Jackson, his conservatism is transferred to the other members of the family and Pete will be capable of handling his own money when he has the opportunity.

Mother

Other than managing the household allowance, Mrs. Jackson views her role in the management of finances as being in cooperation with her husband. She includes her husband in discussing the management process. "We tried to look ahead and plan.--We have two children--we know that we have certain responsibilities so we plan for them." To her, purchases specific for the home are usually the result of a joint decision with her husband.

Mrs. Jackson interpreted a high school student's role in the managing to mean his actual contribution of dollars and cents to the family income.

She, therefore, hastened to affirm that Pete does not participate in this way. Since Mr. Jackson is away much of the time, it is Pete's responsibility to keep their home in repair. This is the extent of his employment experience. And this arrangement is entirely satisfactory to Mr. Jackson because it gives Pete more free time so that he has more time to himself which is so important to a young boy. His school and band activities keep him busy enough. Should they live in an apartment, however, Mrs. Jackson believes that the situation would be different.

She does not think that the family should be included in any major transactions because her husband is capable of taking care of such matters. But if the decision were concerning a mechanical device such as a car, it would probably be of more interest to Pete than an article for the home. The latter might be of more concern to her daughter.

Mrs. Jackson has read that children should take part in the managing of the family finances and she observes that, in certain matters, they do have a chance to express an opinion. To illustrate, she cited the family's planning for their recent vacation trip to Canada. Should the family win $50.00 prize money, they would probably "vote" on the suggestions offered. If the family needed a particular thing, she suspects they would decide to use the money for it.

In spite of the fact that she has not used any special techniques to teach Pete the value of money, Mrs. Jackson knows that he is capable of handling money. She bases her judgment on his being "stable and quite dependable."

Son

Pete is expected to do painting around the house and keep the lawn neat. For these duties he earns his allowance. His allowance is adequate to pay for his church obligations and school expenses. Should he receive money when a bond matures, he would probably renew the bond because as he states, "I don't need the money at all."

Pete is not interested in the family financial management because he figures he is not old enough and does not earn money outside of the home. He is not even interested in buying his own clothes. When he has to get something new, he makes only one shopping trip and then hurries through that.

He guesses that he "just learned to handle money from someplace" but neither from home nor school. Yet he feels sure that he is capable of handling his own money.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG FAMILY MEMBERS

Since both parents indicated that the patterns of managing finances were similar to those habits of their own parents, it may be assumed that Mr. and Mrs. Jackson were reared in similar home environments.

Mr. and Mrs. Jackson cast aside any possibility of Pete participating in the financial management process of the family. They agreed that such affairs should not be the responsibility of a high school student. He should not be encumbered with financial details other than with his own money. Also each pointed out how outside activities do not foster family projects; moreover, they seemed to regard these former as the more important of the two. Each member of the Jackson family was allowed to develop his own individual interests outside of the family unit.

In assigning responsibility for the final choices for a large expenditure purchase, there were three different viewpoints. Mr. Jackson stated that the final choice as to whether the family should buy an item or not was his. In Mrs. Jackson's opinion, she and her husband included the children in the selection procedure if they were interested (which was usually unlikely in Pete's case); however, on any major transaction not pertaining to the home, her husband has full charge. Pete suggests the parent most involved would make the final choice--i.e., his father on a car and his mother on items for the home. He denies any desire at all to participate in buying anything other than his own clothes and only those when he has to.

Mrs. Jackson comments that Pete is "stable," "dependable" and "quiet." From the contents of his interview, it is obvious that he complies with his mother's description, particularly in the latter personality trait.

ABSTRACT OF THE LEE FAMILY INTERVIEWS

Father--Chief clerk for a major railroad (business man and salaried)
Mother--Housewife, but works occasionally
June--Married and living away from home
Linda--Married and living away from home
David--Was graduated in June from high school

Instead of defining the phrase "family financial management" Mrs. Lee illustrated the meaning by telling of a friend whose husband was a realator. Yet in his many years at the business he had not saved enough money to buy his own home. "Now, that is management, isn't it?" Mr. Lee suggests that management is the process of handling money, preferably by one member of the family. The first explanation of the phrase David offered was the idea of the family members performing services for themselves rather than hiring them to be done. Then he added to the definition both learning to budget money and paying board.

Since Mr. Lee's mother was his father's third wife, there was quite a difference in the ages of his parents. Mr. Lee's father traveled frequently; therefore, he has only a faint recollection of his father. For these reasons, Mr. Lee was not included in family financial management process of his parents at all. In Mrs. Lee's childhood home, her father paid the big bills and her mother handled the grocery money. Mrs. Lee was given any amount of money that she wanted when she asked for it.

The oldest girl in the Lee family was started on an allowance when she was in high school but she was not able to budget it to meet all the necessities and each week she had to be given additional money. As a result of this experience, neither of the younger two Lee children, including David, was given an allowance.

David works as an office boy for the railroad. For a short time during the summer, he was out of work when the steel strike caused so many railroad workers to be unemployed. His earnings he gives to his father who adds the money to the family account.

When David enters college in the fall, he plans to enroll in an engineering course. It is undecided how his parents will supply David with his spending money while he is at school. Several plans have been discussed.

At regular intervals, Mr. and Mrs. Lee sit down at the dining room table to write their checks and record their expenditures using cancelled checks which are also saved for future reference. David is not included as an active member in these sessions, but they occur in his presence and he is aware that they take place. His parents discuss finances in his presence but do not include him in the conversations.

Choices for large expenditure items are usually made by all the members of the family; however, David's part consists principally of helping to select the color or the style. Financial details are left to the parents unless the purchase means a decrease of spending for something that effects David.

DEVELOPMENTAL PATTERN

Two extremes of father-child relationships are evidenced in the genesis of the Lee family. When Mr. Lee was a child there was a lack of family financial participation because his father was often away from home. There was little friendship between Mr. Lee and his father due to the great difference in their ages. Now, as a father, Mr. Lee realizes that he has often assumed even a sibling relationship with his children. He often acts as their brother instead of a father. This, he thinks, makes up for the associations he missed when he was a boy.

Mrs. Lee admits a definite lack of training in financial management when she was younger. She was given anything she wanted by per parents and, therefore, had no need to manage money. And, as a mother, she practices this same habit. She believes her children should not have to wait for a special occasion such as birthday or Christmas when they need an item.

Similarly in the families of both Mr. and Mrs. Lee, the fathers paid the bills for the operating expenses and the mothers managed the grocery money. At the present, Mr. and Mrs. Lee cooperate in writing the checks and recording their expenditures for all items.

David, like his parents, is generous with his money. When asked if David would assume the same financial habits of his parents, Mrs. Lee indicated that he would and then reconsidered her statement. She told of his buying pop corn and candy with his wages and then concluded, "You almost have to be a family of thrift to learn it very well." But it was generally agreed that David will follow the same patterns of financial management as his parents when he becomes independent of his parents.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

Mr. Lee affirms that ideally the money should be handled by one member of the family--the person who knows the value of money and who better can handle the pocketbook. In many cases, this should be the wife who is usually more "Scotch" in her spending habits. This one-person-philosophy seems to be practiced in the Lee family but he is the one to have the responsibility. There are many ways Mr. Lee dominates the financial management process of the family. He tells the children they must reduce unnecessary spending in order to buy an expensive item. He would offer any prize money the family might win to his wife to spend as she pleased. He gave the oldest girl extra money when her allowance ran low at the beginning of the week in spite of his wife's objections. He furnishes David with spending money when he wants it. He indirectly "controls" David's extra earnings in that they are added to Mr. Lee's savings account and inaccessible to David without his father's consent. He has been saving a fund for David's college education. He feels obligated to care for his family as long as he is able and as long as they need his aid regardless of their age, abilities or earning capacities.

Of course, if a strict budget system were incorporated in the family, it would be more a group project because each member would help plan it. Then everyone in the family would automatically abide by the budget, so claims Mr. Lee.

Mr. Lee assumes responsibility in teaching David the value of money. This has been done primarily by using comparisons with other families as a technique to show David that those things he might desire take work, saving, and sacrifice since "all good things cost." According to Mr. Lee, David's purchasing his own clothing should be included as part of his training in managing money. Then, if he makes a mistake, it is his own fault and he would learn from the experience. All children should be on their own at a certain age. Also, Mr. Lee claims that David, like other boys his age, wants to earn his own money so he will not have to come to him for spending money.

The high school student should have a more active part in the financial management process of the family than they do, but parents habitually assume the responsibility and do not even think of including the children. If the income is adequate and regular, parents do not want to bother their children with financial problems. But if depression years come, the children are more conscious of the lack of income and have more influence in the management process. Perhaps they even have to contribute their earnings and, as a result, earn a right to be concerned about the outlay of the income. They are at the age when they are in high school where they should be aware of the financial problems a family entails.

This participation of the high school student, however, depending upon the socio-economic level and the attitudes of the parents, suggests Mr. Lee. The wealthy have so much money that they do not need to budget their expenditures. A certain other type of people do not sense the obligations associated with children and family living. They spend all of their money on various forms of vice. The third group, of which Mr. Lee claims to be a member, believes that children are entitled to the same privileges as adults and should be included in family activities when they are young. Then as they reach high school age, they begin to make their own friends and find their own recreation. Parents can feel that they have not slighted their children in any way. In contrast, some parents leave the young children home with baby sitters, or give them nothing but education with the idea that it is the only thing important in life. The next category of parents are those who just allow their children to grow and anything they do is perfectly acceptable to the parents.

Mr. Lee reveals that if he had lived the life he wanted and managed money in the way he best saw fit, he would be more secure than he is now and more prepared for his retirement years.

Mother

In managing the family finances, Mrs. Lee does not seem to have an important role by herself. Most of her participation has been in cooperation with her husband and she includes him in discussing the process. She analyzes the situation with this explanation. To her, finances are one of the hardest things to manage. To some people, Mrs. Lee has observed, the techniques seem so easy, but it is more difficult for her. For this reason, she is more content to let her husband take the lead in the management process. But she is consoled with the thought that there are probably many women who are worse managers than she. It is her philosophy that "everyone sort of averages out....What one person can do well, another can not and it all evens out in the end." So she does not worry at all about money matters.

When the allowance method was first tried with her oldest daughter and it proving to be unsuccessful, Mrs. Lee suggested that her husband not be so lenient in his giving money, but to no avail. Since then, she has not employed any techniques to teach David to handle money other than to recommend that he save money and not be such a liberal spender. But too many of these suggestions, she feels, might lead to his being stingy and she does not want that to happen. She hopes her children do as she says and not as she practices.

Mrs. Lee remarks that it has never been the custom of their family to discuss matters as a unit. David has been exposed to the process of handling money, but she has never made a conscious effort to tell him that this amount is for groceries and that much of Mr. Lee's income goes for gasoline.

It is not her desire to keep up with other people. She is satisfied with what she has even though her husband encourages her to buy more. Should the family win $50.00 prize money, however, she would use it to help pay for a new gas furnace they are contemplating. She suspects her friends might spend it for something entirely different depending upon the value they placed on the money.

Mrs. Lee does not think David is old enough to be independent in his clothing selections nor has he had enough experience to make the choices by himself.

High School Student

David has no money of his own to manage. He does not receive an allowance. He must depend upon his father, who is usually a generous giver, for all his spending money. Mr. Lee even adds David's checks to a family savings account in the Lee name.

Though he has about $300.00 of his own money in his father's savings account, he is not always allowed to spend it as he wants. Last summer when David wanted to purchase a canoe, he suggested that the money be taken from his savings, but his parents refused the request. Their denial, however, was mainly because they did not approve of the nature of the purchase and not just because they were trying to prevent his spending his savings.

The main reason for the family savings is David's college education. David is not required to pay board at home when he works because, as he suspects, his parents would just add this to his college savings along with his pay checks. This is also what would probably be done with any money the family would win as prize money. If he should have a war bond mature, he would investigate the source of the greater interest and then either let it mature further or bank it. Admits David, "I am money hungry at this point. I am all out for the extra dollar."

But David's habits do not bear out this statement. When David works and earns money, he buys pop corn or candy to treat the children in the neighborhood, when he brings his pay check home, he throws it on the table and says, "Well, here it is, anyone who wants it can have it."

When David goes to college, it is thought that his parents will establish a bank account in his name at school, but David will be expected to make monthly reports of his general expenditures so that his parents can make adjustments if David's checking account is not sufficient for his needs. Also, they can keep an accurate check on how David is spending his money.

As David suggests, "You just can't live in a house and not know what is going on, particularly with the finances." He sees his parents pay the bills and hears their conversations about money problems. This David recognizes as his parents' efforts to train him to handle money.

But David claims not to have anything at all to do with the managing of the family income and he does not believe that he should have a part in the process. However, he is old enough, he thinks, (a junior or senior high school student being the right age) to have a voice in family decisions; David has this privilege though it is questionable whether his parents accept his opinions. Such suggestions pertain to style, color or make, and not the amount of the purchase or the method of payment.

Finances are of little interest to David because there is always something else to do. And this feeling, he suspects, prevails among most students of high school age. The main desire of this particular group is to have three meals a day on the table and as long as they have these, they are satisfied. However, if there were a question as to where the next meal was coming from, David admits that he would become more concerned with the finances of the family. He would probably work and contribute to the income. But, "I don't have to worry about the next meal at all."

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG FAMILY MEMBERS

Each member of the Lee family interviewed implied that a high school student does not ordinarily qualify to participate in the financial management process of the entire family. Their reasons offered were: they don't contribute to the family income (Mr. Lee); they do not have enough knowledge of the principles of handling money (Mrs. Lee); and the parents do such a good job that an adolescent does not want to assume part of the responsibilities (David).

But there were a variety of attitudes concerning other details in the management process. Mr. Lee outlined his ideal arrangement for managing an income--one that would adequately provide security in his retirement years. Then he hastened to add that his opinions usually did not take precedence over those of his wife's. But in conclusion, he expressed the belief that disagreements within a family are actually factors binding them into a unit.

Another issue on which Mr. and Mrs. Lee disagreed was that of increasing their level of consumption. While she was content with the material goods she had, Mr. Lee kept urging her to buy more and to "keep up with the Joneses."

Each parent assumed some responsibility for teaching David to manage money though to each it was a casual type of "guidance," and did not seem important to either parent. In some cases, Mr. and Mrs. Lee had different theories on the home training David should receive. For example, Mr. Lee thought David's selecting his own clothes should be a major aspect of his practical education but Mrs. Lee thought David lacked the experience and maturity necessary to shop intelligently.

According to Mr. Lee, David did not relish asking him for spending money and his son was desirous of earning his own. But David did not uphold his father's analysis of the situation. As he threw his pay check on the table inviting his parents to vie for it, David seemed to be displaying resentment over his parents' control of his spending. This action did not indicate an eagerness to earn his own money.

ABSTRACT OF THE MONROE FAMILY INTERVIEWS

Father--Metallurgist (Professional and salaried)
Mother--Housewife
John--Employed and living at home
Harold--Junior in high school
Randolph--Grade three in elementary school

Each member of the Monroe family defined "family financial management" as the process of budgeting the income to cover necessary expenditures such as food, utilities, insurance as well as church and philanthropic donations.

Mrs. Monroe disregarded any similarity to the financial pattern of her home when she was a girl with her home now. She was reared in the country where there were few opportunities to earn money and less chances to spend it. Nothing was gleaned of the background of Mr. Monroe.

Since Harold was a young boy, he has received an allowance from which he is responsible for school expenses and church contributions. This does not cover such pleasures as ice cream after school and other candy. For the past two or three years, he has been given a clothing allowance and even though his parents might purchase a sweater or a shirt for him, he is still expected to pay for it. Harold supplements this money by cutting lawns, selling produce from the garden and working part time in the neighborhood YMCA, but he is encouraged to put his earnings in a savings account rather than spend them unnecessarily. Both parents mentioned their role as "counselors" to the boys in financial matters.

He has had experience and training outside of the home in handling money as treasurer of several organizations and business manager of city church rallies. At present he has a leading position on the business staff of the school annual publications.

Harold plans to enroll next year in a college that offers a complete course in chemical engineering

The final decisions of large expenditures are ultimately made by the parents; however, the children are consulted and several cases were cited in which the children were major influences in the parents' final selection.

DEVELOPMENTAL PATTERN

There is no relationship between Mrs. Monroe's experience in family financial management when she was a girl and now. She was reared on a farm where the needs differed from the urban necessities in those days and even from rural requirements now. Since there were no lunches served at school and no movies to see, an allowance was superfluous. Her father gave her money for church. She could earn extra money by raising a calf on the farm or saving old iron and newspapers and selling them to the junk man. Nothing is known concerning the background of Mr. Monroe.

Harold's ambition is to become a chemical engineer like his father. Some of Harold's ideas about the "not much good" chemical engineering department in the city university are probably reiterations of his father who has more immediate contact with the profession.

All three members indicated that Harold would probably continue with the plan of his parents; however, Harold himself fancies that he will attempt a more definite budget system than the plan under which his parents operate.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

Mr. Monroe promotes thriftiness in his three sons. He held a joint account with his oldest boy during his college years. In this way, he could add to the boy's account and keep a close check on his son's expenditures. When the boy reached age 21, Mr. Monroe withdrew his name and gave the full responsibility of the account to his son. He acts as a counselor to his boys through encouraging Harold to save his earnings and his youngest son to purchase defense bonds and stamps with his pennies. He also gives concrete help in financial matters. For instance, Mr. Monroe helped Harold set up the treasurer's books for his first experience in such an office.

Mr. Monroe seems to take an active interest in improving the home. At his instigation, he and his wife selected and purchased a home freezer because he thought they ought to have one.

In his opinion his boys are not included in the financial management to the extent that they might want to be. He feels, however, that while their main interest is in finances that are more immediate to them--clothes, spending money, school expenses and the operation of the car--they perhaps should have more contact with the running expenses of the house. By paying for their own clothing and their own school expenses from their allowance, he thinks they are able to see how much money it requires to clothe and feed them. When Harold had a recent accident with the car, his father insisted that Harold pay the damages from his savings. Since he is capable of driving a car to school, he should be responsible for earning money to operate it and care for it. Then, too, he is aware of the expenses involved in maintaining a car.

Mr. Monroe feels the experiences Harold has had in handling money as treasurer of various organizations is practical because he has had the opportunity to see how the money comes in as well as how it is spent. He has learned to make budgets and has had definite goals toward which to work.

It is his philosophy that before purchasing an item, the boys should save the amount required rather than borrow part of the money. This he tries to instill in his sons' spending habits. His eldest son did just this when he bought his bicycle and again when he purchased his car.

Mother

Mrs. Monroe's part in the family financial management process is to direct the clothing and refreshment expenditures of the boys. When Harold was younger, she took him with her when they bought his clothes. Now she sometimes takes the initiative in purchasing clothing for Harold, but he is expected to reimburse her for the correct amount. She disclosed the fact that Harold is not encouraged to spend money for ice cream and candy after school because they would ruin his appetite for supper. She requests that he come home and snack from the refrigerator so that she is assured that he is getting wholesome food between meals.

In the interview with Mrs. Monroe, most of the references to her role in the financial management process and her philosophy of managing money included her husband as a partner. Several times she mentioned the two of them acting as "counselors" to the boys in financial problems indicating that they had close contact with the boys' spending habits. When the boys would baby sit or sell produce for extra money, she and her husband would see that they did not spend their earnings foolishly.

Contrary to her husband's belief, Mrs. Monroe feels that the boys have taken an active part in the management of the financial affairs of the family and this is as it should be. She elaborated on the details of purchasing the new television-recorder-radio console for which each boy wanted a different feature. Mrs. Monroe was pleased that by selecting the combination they were able to satisfy each member of the family. She does not think that there have been any problems within the family concerning the boys' handling their money. Agreeing with her husband, should the family win $50.00 as prize money, Mrs. Monroe would put it into a fund for something special for the family as a whole.

High School Student

From the allowance Harold receives, he is supposed to pay for his own clothes, his school expenses and his church contributions. In addition he is urged to put extra earnings into a bank savings account to be used primarily for college expenses. To this, he would also add any supplemental money he might receive such as maturing government bonds. Harold also stands such expenses as repair on the car when he has an accident and articles of clothing which his mother purchases. According to his mother, Harold feels that he is restricted in his freedom to do as he pleases. He often asks why he can not drive to school when some of his friends are allowed to most of the time.

In most cases, Harold does his own shopping for clothes because he can better select current fads that are popular with his high school friends. But, he is just as content to wear hand-me-downs from his older brother.

Harold is aware that his parents do most of the managing of the finances and, like other high school students his age, he abides by their decisions because he claims to lack the knowledge to dispute their judgment. According to Harold, he is sure that he is "typical" in that he has neither the interest nor the desire to know anything more about the management of the family income than he does. He is too busy with his own school and scout activities to bother with such details. Since he does not contribute to the family income, he has no right to expect to help manage it.

But Harold does understand that he might be an influence on a family purchase or that he might be consulted on something that would effect all members of the family such as buying a new home. For such a large expense, he suspects that the family would discuss the seriousness of paying out so much money and each one would assume his duty in cutting expenditures to permit the purchase. His interest in the home proper was again conveyed when Harold said that any prize money the family would win would go on something for the house "because we consider the house something for the whole family and that would be an easy way to divide it [the $50.00]".

When Harold manages his own money, he imagines he will probably be more careful in budgeting and recording expenditures than his parents. This increased interest evidently develops from his experiences in handling the treasurer's books of several organizations.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG FAMILY MEMBERS

In general, Mr. and Mrs. Monroe were in agreement over the financial management practices of the family. It was Harold who proposed attitudes and opinions dissimilar to his parents.

Mr. and Mrs. Monroe each suggested that Harold should be more familiar with the spending of money for such things as household expenses and car operation because then he would get more mature ideas. Harold, however, pointed out that he was too busy with his own activities for such responsibilities that rightly should be his parents.

A detailed explanation of how the family decided upon the new TV set was offered by Mr. and Mrs. Monroe. Harold disregarded his participation in the selection. He stated frankly that for a large priced item which the parents could readily pay for without the children having to cut their spending "like a car or television, the decision would be up to Mom and Dad."

The term "counseling" was popular with both Mr. and Mrs. Monroe in describing any techniques they had used to teach Harold to manage money. They "counseled" against unnecessary spending and "counseled" for the advantages of establishing bank accounts. In such spending as for sweets after school or in saving his earnings, Mr. and Mrs. Monroe have even assumed the position of insisting that Harold follow their "counsel." They kept a check on his savings account. They did not give him sufficient allowance to allow for extra refreshments after school. They required Harold to pay for clothes even though his mother selected them. They limited the spending of Harold's earnings over and above his allowance

But in spite of Mr. and Mrs. Monroe's apparent control over Harold's spending, he did not seem to be too dissatisfied with his status. His mother told of how he sometimes complained that he was "held down" and Harold said he was "not sure how strict other parents are" but he concluded that he would continue his parents' management procedure with perhaps more emphasis on budgeting.

The Monroes all agreed that the family's prize money of $50.00 should be spent on something extra upon which the whole family would decide--for example, a vacation fund or something for the house. If one particular member should win the money, they all hastened to add, it would be his **own** to spend as he wished.

ABSTRACT OF THE MORGAN FAMILY INTERVIEWS

Father--Chemist (Professional and salaried)
Mother--Housewife
Susan--Senior in college
Cora--Sophomore in college
Ann--Was graduated in June from high school
David--Freshman in high school

The three definitions for "family financial management" given by the Morgan family were similar in content. Ann confined her meaning strictly to a budgeting process. Her mother suggested that "a certain amount of dollars must stretch so far" while Mr. Morgan mentioned the administration of funds with emphasis upon how the family income is spent and for what items.

Mr. Morgan can not recall any instruction at all in financial management when he went to school. Neither was there any in his home that he can remember. Mrs. Morgan's mother had to beg for every cent of money her husband would give her for food and household expenses; however, he was a firm believer in education and was most liberal in his giving for such purposes as music and dancing lessons. Since her father has been ill within the last few years, Mrs. Morgan's mother has been caring for children to earn the income. Now, as chief breadwinner, she manages the money and both she and her husband are happy in spite of the new and reversed situation. Mrs. Morgan's parents refuse any financial aid the Morgans offer them and insist that her earnings are sufficient.

Ann is one of two Morgan girls; however, the parents have legally adopted two other children but only with the consent of their own children. To eliminate any jealousy that might arise among the children, Mr. and Mrs. Morgan initiated an allowance system for clothing and expenditures giving each girl $10.00 a month for clothing Each is required to buy all her own clothing except for unusually large expenditure items from this money. The oldest girl learned to sew so that she might increase her wardrobe for less money. As a result, Cora, too, learned to make her own clothes and because of her height is better able to get the correct sizes. Ann prefers to spend the major part of her clothing allowance on a record collection and she is allowed to do so. This plan has continued through the years and when the girls go to college the amount is increased to $15.00 per month to meet the additional demands.

The children do not know the exact income of their father primarily because it is the policy of his firm to maintain a secrecy of salaries among their employees and this principle has carried over into the Morgan household. Mr. Morgan handles most of the money; however, Mrs. Morgan is not limited in her expenditures. They each have access to a joint checking account.

The three Morgan girls were all to be enrolled in college in the fall. The parents started planning for this added expenditure when the girls were young and they figure it costs them about $1000.00 per girl per year to pay for their room, board, books, tuition and the monthly clothing allowances. At the same time, they are building a similar fund for the young boy if he should want to go to college. Each girl is encouraged to earn extra money baby sitting and by working during the summer months. Ann is currently working as a laboratory assistant in the same company for which her father works. She is planning on studying physical therapy in college.

The final choice in selecting large expenditure and household items is the parents and the children rarely offer suggestions.

DEVELOPMENTAL PATTERN

Mr. Morgan thinks that the family now patterns its management process from that which he observed of his parent's but he does not remember there was ever any specific mention of money in his family. With this background and because his company prohibits comparison of earnings among its employees, Mr. Morgan does not believe children should know the amount of the family income or participate in the financial management of the income. And they do not.

Mrs. Morgan's father only gave money generously to the family when it was to be used for instruction of any kind. Other spending money was given by him when he was "in the right mood." At that time, it was a typical patriarchial family pattern. Being accustomed to having her father dole out the money to the family, Mrs. Morgan is content to let her husband manage the family finances, but, she still feels that she must justify every expenditure even though her husband considers it a nuisance. She squeezes pennies perhaps, as she suggests, because her mother was forced to do the same thing.

The interest in education that was uppermost in Mrs. Morgan's home is still present because she said that the family had consented to being interviewed because it was for the benefit of aiding one's advanced education. It was their duty to cooperate and they would expect other families to do the same should their children seek a graduate degree. The Morgans encourage their children's training because they feel that an education and employment are more insurance than money in the pocket. They have saved money throughout the years to assure all four of their children an equal opportunity to attend college.

Mrs. Morgan points out that they have three girls in college at one time, which is, indeed, an unusual situation. The girls themselves are aware of the concern of their mother over the financial burden and have grasped the meaning of it. Ann affirmed this attitude when she stated that all the money coming into the home has to go into college expenses.

Predictions of the various family members indicate that Ann will probably follow the procedures she has learned in her family, but Mr. Morgan says that some modification is likely to occur in compromising with her husband's past experiences.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

Mr. Morgan manages most of the money of the family and he trusts his wife's judgment in her spending habits. His interest in the household operation is evidenced when he insisted that Mrs. Morgan have hired help when the children were younger. This past fall, while his wife was in the hospital, Mr. Morgan purchased an automatic washer and dryer to lighten her work. He also frequently does the family marketing taking the children with him.

When the family gets extra money such as bonus or prize money the children are not told because, as he says, the money is just added to the general checking account. Since his income is not adequate to cover the present expenses, he is required to use savings previously provided for the additional costs of this period.

For most large expenditure items, he would leave the final decision up to his wife unless she asked for his advice and help.

Mr. Morgan does not seem to regard the management of money as a problem in his family. For this reason, he does not feel that high school students should take an active part; however, if the circumstances should become critical, he would expect Ann to be a more active participant. He has not used any special techniques to teach his children the management of money. This should be a part of their formal schooling.

The socio-economic level of the family influences the type of financial management a family follows, presumes Mr. Morgan. To defend the accusation of his children that he is rather conservative in his spending habits compared to other families, he reasons that his children cite examples of the very wealthy or those who talk about the money they have. His children do not recognize the fact that those who have less are generally quiet about it. Nor do they fathom the amount of dollars that are necessary to maintain the house and family. Since his children are college bound, he does not give them the same privileges as parents of children who are completing their high school education simultaneously with their final years of formal schooling. These children are receiving now what Mr. Morgan expects his children to get their last few years in college. Yet, he agrees with his children to a certain extent when he compares other families of his own socio-economic class.

Mother

Mrs. Morgan has her own check book for their joint bank account and is urged to use it freely. But in spite of her husband's generosity, she claims that she still worries about money matters and tries to be thrifty in her spending habits. When the time approached that all the girls would soon be entering college, she dismissed the hired help to save that additional money.

She appears to be entirely engrossed in her home and the happiness of her children. Mrs. Morgan expresses the pleasure she gets from the physical facilities of their home which is "big enough to accommodate big people." Every room in the house is lived in and enjoyed by all members of the family. She is particularly pleased to boast that their living room has a chair for each member of the family--six in all. However, she did say that more stylish furnishings were being sacrificed for the girls' education at the present time.

Evidence of her sentimentality is exhibited when she states that she does not change a thing in the girls' rooms while they are away at school. She can just imagine how they would react if they should come home and find something different.

There is enthusiasm displayed as she tells about the plan she and her husband devised to eliminate jealousy among the girls over the amount of clothes to which they were entitled. When the adopted girl became a member of the family she had very few clothes and these were not in keeping with the friends she would make in her new surroundings so the Morgans discarded all her old garments and bought her an entirely new outfit. The new clothes were so nice that the adopted girl began demanding more and more. Mrs. Morgan felt sorry for the girl because she had been deprived of so much; therefore, she could not resist the requests for new things. Finally Mrs. Morgan's own girls began to question the fact that they were not receiving as much as they should. As a result, she and Mr. Morgan attempted to control the conflict that was developing.

Mrs. Morgan taught them good shopping habits when she took them to buy clothes. She explained in detail how this experience made the girls more careful in their selections when they were little and how the two older girls since then have learned to sew in order to increase the quantity and quality of their clothing for the money spent. When the girls are dissatisfied with their purchases, Mrs. Morgan lets them make their own trading arrangements among themselves. She is happy that, because of their individual colorings and sizes, they are unable to pass on their clothing to each other.

She realizes that perhaps the girls do not have as much as they would like, but what they have, they want. Because of their early experiences in managing their own money and making their own mistakes, she feels that they are better adjusted, are more mature and more capable of handling financial problems than many other students their own age.

She brags about the fact that with their over-all program of financial planning they have arranged it so that each child knows what is available. They have taken the little boy into consideration and he knows that when his turn comes, he will have the same opportunities as his older sisters. This, she feels, makes for good mental health for the children because they feel secure since they are all treated alike.

This carefully organized plan, Mrs. Morgan observes, has helped to eliminate money problems for the parents also because they know that so much money must be set aside each month and this eliminates future worries. According to Mrs. Morgan, money is a very personal problem and the whole philosophy of one's life is tied up into the money part of family living. "It is funny how so much happiness can be involved and wrapped up in money matters."

High School Student

When Ann was about eleven years old, she and her fourteen year old sister were asked whether they would consent to the family's adopting two other children. She understood that if they approved the action, it would mean that their advantages would be cut in half because there was just so much money and with two other persons in the family, it would have to be split that many more ways. Both Ann and Susan decided to share with the new children. This was a rather grave decision for the girls so young to make; however, following a waiting period before the final acceptance of the application, Ann and her sister were still in favor of the new situation.

Rather than share a room with her older sister when the family moved into their new home, Ann asked that she might be allowed to have the small room in the attic. She did her own decorating and remodeling and the room now, according to her mother, has more personality than any other in the house. Evidently Ann has a flair for interior decorating.

Ann is quite methodical and has taken an interest in her own financial accounts that the other children in the family have not. She has developed this interest on her own initiative probably from observing her parent's habits.

For her college major, Ann has decided to study physical therapy which will require schooling out of the state. She will get the same amount of money the other girls have received and any additional expenses entailed in her out-of-state training will be her own responsibility. Though she is not particularly enthusiastic over the prospects of college in the fall, she realizes that professional training is an asset.

"Being lazy of nature", Ann does not take an active part in the financial management process of the family income and, what is more significant, she does not want to because it would be a "bother." Should she show more interest, Ann is sure that her family would resent the intrusion because she would be interferring in matters that did not pertain to her. This, she feels, is the general opinion of most high school students her age. Yes, Mr. and Mrs. Morgan would listen to any suggestions she might propose concerning a large expenditure purchase, but the decision would be made by the parents alone and probably even before the children were given a chance to offer recommendations. "There is not family participation in our family. It just exists."

Ann explains that since it is her parents' home, it should be operated as they wish and furnished according to their tastes. She should not interfere with their plans; however, her mother comments that Ann is discontent over the fact that the dining room serves more as an all-purpose room than a place for the purpose of serving meals. When she has her own home, she will have the privilege of maintaining it as she pleases.

Ann approves of the clothing allowance system and acknowledges the fact that, because of it, she has learned the principles of wise buying as well as how to manage her money. However, she maintains, that her parents are strict in the amount they give their children in comparison with other families. She recognizes this allowance as a method of self-training on her part since neither parent has ever sat down and explained the basic theories of managing money.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG FAMILY MEMBERS

When Mrs. Morgan expressed her attitudes toward the financial management process of the family, she spoke with the most conviction. She was the most worried over the family money problems. On the other hand, she was extremely enthusiastic with the plan that she and her husband had instigated to give the children equal experience in handling money.

In contrast, Mr. Morgan did not even suggest the plan as a special technique he and his wife had used in teaching the children to handle money. Nor did he seem to acknowledge any financial problems entailed in educating three girls at once. Mr. Morgan indicated that "in families where the income must be planned so carefully" (implying that this was not necessary in his family) the high school student's participation would be more welcome. He continued, "If planning in our home were critical . . ." yet, certainly Mrs. Morgan considered it such.

A third attitude was expressed by Ann who did not feel that she participated in the process of managing the family finances. But then she really did not want to be bothered with it anyway.

Mrs. Morgan showed the most interest in the thesis subject. The day following the interview, she even called to clarify a statement she thought might have been misinterpreted. Mr. Morgan, during the interview was building kitchen cabinets and he continued the work throughout the entire conversation. He seemed to answer the questions dutifully and not because he was interested in the project or family finances. Ann assumed still a different degree of interest and responded to the questions in a joking manner. She was obviously not concerned with anything that pertained to family finances. These three different reactions concerning money matters were emphasized by their discussion of financial management. Mrs. Morgan's background situation explains her interest in finances. Ann probably knows that for the present, money is to be used sparingly and the careful managing of the income should be the responsibility of the parents.

All three members of the family agreed that Mr. and Mrs. Morgan were not as generous in their giving money to the children as other parents. This suggests that this problem has evidently been discussed among the family members. While Mr. Morgan retionalized the issue, Mrs. Morgan claimed the children were content with the situation as it existed and were aware of the reasons for the limited funds. But Ann seemed to resent the circumstances. "My parents are being pretty stiff when they put us on this clothing allowance."

ABSTRACT OF THE PARKER FAMILY INTERVIEWS

Father--Lawyer (Professional and paid by fees)
Mother--Part time librarian in neighborhood library
Harry--Was graduated in June from high school
Bill--Grade eight in junior high school

To Mrs. Parker, "family financial management" meant managing and helping to execute the family budget. Harry, the adolescent, emphasized the family's getting together and discussing money matters in his definition of the phrase while Mr. Parker laid stress upon the role of one person whose duty it was to earn the money and pay the bills.

The patterns and habits used now in the Parker family, according to Mr. Parker, are similar to those used in his home when he was a boy. Mrs. Parker did not volunteer any information about her background.

When the Parker boys were young, their parents gave them money so they might make their own purchases instead of their parents buying everything for them. In this way they not only learned to make their own choices but also learned the principles of buying. They were encouraged to deposit and withdraw money from their own savings accounts. In addition to this training at home, Harry was treasurer of his Boy Scout troop and had had some training in the eighth grade on the theories of budgeting.

His allowance was discontinued the summer after his junior year in high school when he started working. Harry's summer jobs have included counseling in a camp for underprivileged boys, helping to build houses and working for an exterminator. From his wages he pays his own dating expenses and for the majority of his clothes; still he is able to save a portion of them.

Harry plans to enroll in a college of business administration in the fall. Here he will train to become a stock broker.

All members of the family help to select a new purchase. Plans are usually made for the final selection as a family group but not at specifically designated times.

DEVELOPMENTAL PATTERN

In separate interviews, Mrs. Parker expressed the belief that their present pattern of financial management was designed by her and her husband together. This was probably because living conditions and family interests at present differ from when she was a girl. She cites television in particular as a factor which keeps the family home more as compared to previous years when they frequently left home for a movie.

Contrarily, Mr. Parker relates the methods he and his wife use to those he knew in his own home when he was a boy. Just as Harry eggs him until he is forced to give in to his wish, so did he play the role of a "goading boy" who aggravated his father until he received what he wanted.

Mr. Parker can remember having big ambitions for his own future and he boasts that he lived to see most of them realized. Harry, too, aspires toward high goals for his future professional field and is eager to make "big money." Neither father nor son considered $50.00 prize of much value; however, were it a larger sum of money, each might find a use for it. Here can be seen a similarity in their attitudes toward money.

Harry's interest in the stock market and making investments is likely influenced by his father who is a lawyer by profession but deals in real estate as a vocation.

During the interviews, Mr. Parker and his son also displayed similar personality traits--i.e., Harry turned the television on louder so that the rest of the family could not hear his discussion and, as he did so, laughingly admitted they would be straining to hear his every remark. Mr. Parker enjoyed making comments for the entertainment of his wife and sons in the other room.

Though Mrs. Parker feels that Harry may have his own ideas on finances, the two males predict that Harry will continue the same financial plans to which he has been exposed with possible modifications of his own.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

Mr. Parker denies the fact that he is the head of the household on the grounds that families are no longer living in an era of paternalism. Yet, there is evidence of his control over money matters. The final decision for the new car the boys want is his and he does not consider it a necessary expenditure at the present.. Then, even though the family would have a major part in the decision of an item to purchase, the paying for it is a definite duty of the father who is chief wage earner of the family. His son recognizes him as the sole manager of the family purse and claims him to be a good one. He is the parent whom the boys approach when they want something. The final purchase of the television was his responsibility because he knew the dealer and received personalized service, both of which he deems important. Mr. Parker himself defines family financial management as a responsibility of one family member. For the Parkers, he is it.

Mr. Parker also assumes a major role in training the boys to make choices. Rather than give them their material needs like most fathers, he allows them to handle the money, in order that they themselves might have the experience of buying. Instead of borrowing, he recommends that they make a purchase only after they have the necessary cost price. Other than this, he claims never to have restricted any of their spending as long as they are able to pay for it.

Laughingly, Mr. Parker says that the only part his high school son takes in the financial planning is to nag him into what he would like to have, but he is sure that this is typical of all boys that age. Mr. Parker confesses he was guilty of the same thing.

Being familiar with the organization of corporations, Mr. Parker compares the family council plan of managing money to a board of directors. However, he conceives it as impractical in a family situation because no one person has either the knowledge or the time to make an elaborate budget plan for presentation to the family so that it might be discussed and voted upon. Then, too, it would be particularly hard to try to get all members of the family to agree. He suggests that it might be a good idea to incorporate more family cooperation in money matters, but time and patience would prevent its successful operation because parents are not prepared or trained for this type of management. Besides, in an efficient system of managing, the family should plan for the in-come as well as the out-go. This is impossible in most cases and oft times unsuccessful by those who do attempt it--namely, Greek restaurant owners who operate the enterprise as a family project.

He considers family cooperation in financial matters possible but impractical since it would require a gradual training process to educate families to realize its benefits. People are seldom interested in how they get to the top, but rather they are concerned about when they will achieve their financial success and thus gain happiness.

He jokingly proposes in conclusion, "I would like to hear what the other members of the family had to say. We can have a family council to see if we should have a family council."

<u>Mother</u>

There is little mention of Mrs. Parker's role in the managing of the family finances even though she does augment the income by working part time in the neighborhood branch library. She maintains that her family is a unit working together. For example, the whole family joins in the purchasing of a large expenditure item; or $50.00 would increase a special family vacation fund.

Mrs. Parker seems more concerned than her husband over their methods of training the boys to manage money. She does not feel that the boys have assumed much responsibility in establishing the family budget, but, of course, participation in managing also includes earning a portion of the family income. This is not customary in families of their position. She told of just having read a book depicting a large family which was forced to help plan their activities together because of the inadequate income of the father. Under those conditions, family cooperation is more apt to be necessary because all members should understand the outlay of money.

Mrs. Parker suggests age should determine the amount of participation of the high school student--the older they are, the more they should be consulted. Mrs. Parker wishes that she and her husband had encouraged the boys to become more aware of money management but when Harry and his brother were younger she did not think they would have been interested. Now after evaluating the situation, she imagines they might have developed an interest.

The boys, too, she suspects, are not too pleased with the way the money is being managed because they want the family to move from the apartment building into a home of their own. They are also quite desirous of the family's getting a new car.

High School Student

In the Parker family, Harry professes to contribute ideas and suggestions but not dollars and cents to the financial management program. This is sufficient for his age group. "Sure, I am interested in the family money; I can't imagine any of my friends who would not be."

Since he is almost entirely financially independent of his parents, Harry has had the responsibility of managing his own money. According to both Harry and his parents, he has been successful in this. Not only does he pay for current recreation and school expenses, but he has also saved enough for college incidentals.

Harry examplifies the role his father assigns high school students--that of driving the parents into buying something the adolescent wants. He has decided the family should have a new car. Already, Harry has resolved it will be a Pontiac convertible and he has even started his campaign to promote the possibilities with his father.

Harry seems to have very definite ideas concerning future plans for himself. He has his goals aimed at financial success--concentrating on the brokerage business. But triumph in this field, he assigns to "being smart" and Harry wonders if he has this qualification. He is to be a confirmed bachelor throughout his college career and even admits that for a $10.00 wager someone might offer him, he would make it a point to win the bet. Yet Harry usually thinks in terms of larger sums of money. The money he will earn for the part time work in conjunction with his college education is more than adequate to finance a college boy's training. Harry, however, concludes that it actually amounts to very little.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG FAMILY MEMBERS

There was a difference in opinion as to the origin of the financial management method Mr. and Mrs. Parker employed. Mr. Parker emphasized the similarities between the family in which he was a boy and the family in which he is father. Mrs. Parker thought that she and her husband had developed their own method of managing finances because there was so much difference in living conditions at that time compared to the present. From the content of the interviews, Mr. Parker's explanation seems the more probable.

Mrs. Parker considered the management process in their family a project in which all members were included; however, her opinions seemed to be dwarfed by those of her husband. Mr. Parker denied the possibility of an authoritarian control over his family by one person, but Harry regarded him as the parent who had the most influence on the family income. There was no mention made by Harry of his mother's handling the family money.

Each person recognized his role as well as the role of the other members in making decisions for large expenditure items. Mr. Parker and his wife sought the opinions and suggestions of Harry and his little brother, both of whom felt free to voice an opinion. But the final choice was usually Mr. Parker's and he wrote the checks for payment.

Harry and his brother were eager for a new car and each member of the family pointed out the efforts of the boys in trying to convince their father of its necessity. This subject must have frequently been discussed in the Parker family with Mr. Parker having the final say in the conversations.

High school students do not qualify to participate in the financial management process of the family. This idea was expressed by all members of the Parker family. Mr. Parker stated that they can not be as familiar with the expenditures as the one who actually writes the checks. According to Mrs. Parker, children must have an income to participate in the management process. Harry said his father did it well enough and Harry's participation did not need to extend as far as the financial details.

ABSTRACT OF THE REED FAMILY INTERVIEWS

Father--Manufacturer's agent (Proprietor and paid by profits)
Mother--Housewife
Rita--Junior in college
Joyce--Senior in high school

The Reed family members offered similar definitions to the phrase "family financial management." Mrs. Reed said that it referred to living within certain boundaries of one's income. Joyce and Mr. Reed both suggested that it meant budgeting the income for food, clothing, shelter and pleasures, but Mr. Reed added the importance of the family goals in guiding the savings and expenditures of the family.

Mr. Reed came from a farm home where the income of the family was spotty and irregular. Mrs. Reed did not volunteer information concerning her childhood environment, but she compared the spending habits of her mother with her own and decided that, in basic philosophy, they were about the same. But as to the actual mechanics of handling money the methods of management differed in the two generations of parents.

Most of the training in handling money that Joyce has received has been from her parents; however, she cited a seventh grade mathematics class as teaching her the basic principles of budgeting. Each daughter in the Reed family is on both a personal and a clothing allowance. These have been increased as the girls have gotten older and their decision making responsibilities have expanded. The purposes of the allowances have been to teach them the value of money and to help build their characters. Mr. Reed refuses to supplement Joyce's allowance in an effort to teach her to live within the alloted amount of money. However, she is urged to earn extra money baby sitting or working part time for her father. If she wants additional money, she may do extra household chores for which she is paid.

Both Reed girls are included in family activities--working together, looking for a new home, or taking a trip together. Their mother says, "We have all sort of just grown up together and done things together." The planning for these projects is done during dishwashing time or while the family is convened informally. In making a large expenditure purchase like the new automobile, all members of the family do the final deciding.

DEVELOPMENTAL PATTERN

The developmental pattern of financial management in the Reed family is rather hard to trace. Joyce, the adolescent, realizes the importance of family background as an influence on the spending habits of the family and she suggests that their habit of buying things together is a result of her parents' training, but she does not designate from which parent this practice comes.

Mr. Reed claims that the method of handling money now in his family differs from his boyhood experiences. As a boy, Mr. Reed lived on a farm and the income of his parents was quite irregular because of the seasonal demand for farm products, whereas in his present position, the family income is somewhat steadier and more predictable.

On the other hand, however, Mrs. Reed claims the present method of handling money in the Reed household is similar to her husband's family. But she realizes that she has some of the habits of her parents. For example, her philosophy that a little money saved from one item may be justly spent for something else is a direct carry over from her mother.

Mrs. Reed seems to be a major influence in the family choices and Joyce has acquired some of her mother's tendency to dominate others. When Joyce referred to her part in changing a friend's vacation site from Florida to Northern Ohio, she was showing her control over the decisions of her friends.

Each parent feels that Joyce will continue the financial management pattern as it now exists into her own home provided her husband also receives a regular income. In her own thinking, Joyce supports this forecast.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

In this family, the father has some control of the purse strings. He says that he often does not advance money to his daughters, not because he does not have it, but in an effort to teach them to live within their allowance. He thus assumes some of the responsibility of training his daughters in the use of money. His willingness to hire Joyce for part time work is another technique he, as a parent, employs to teach her the value of money.

His part in the selection of particular items, however, is rather passive. He mentions several times that the decisions of the various family members are strongly influenced by his wife. He joined in the shopping for a new car after Mrs. Reed and the girls had done the initial shopping. From the content of Mr. Reed's conversation and from the absence of references to his role in financial management by Mrs. Reed and Joyce, it may be thought that he is not too important in the decision making process.

He does not think that high school students participate to a great degree in the financial management process of the family but this does not mean they should not. Joyce, he imagines, is just now getting to the age where she should take a more active part, but as yet neither of his daughters is in a position where she can make final decisions without "expert" help. At the high school level, students usually don't know the total income of the family. Mr. Reed suggests that the amount of managing and working together as a group depends to a great extent upon the income of the family--a limited wage requiring more of the student's participation than a more liberal income.

In response to the question regarding the use of $50.00 in prize money, Mr. Reed thinks they would probably just add it to their savings because it is such a small sum. "Really, now days $50.00 is not a lot of money at all!"

Mother

The mother's role in the financial management process of the family is more important than Mr. Reed's. Mrs. Reed is referred to as the "expert" in helping Joyce decide on her clothing purchases. If the family should buy a television, they would "put the final wishes of Mrs. Reed into operation. . . .She has a major influence in most of our decisions." The preliminary shopping for the new car was done by Mrs. Reed and the girls.

Mrs. Reed is obviously desirous of her family's bettering themselves. Should the family win a $50.00 prize of money, it would be put into an educational fund--not for school, but rather for either a trip or opera tickets. In the family group discussion following the more formal interviews, Mrs. Reed leads the conversation asking the most questions about college possibilities for Joyce, the ratio of men to women at the different colleges, the details of the thesis findings up to the time of their interviews and the responses of the others to the various questions.

She is more family-oriented and frequently refers to activities and the planning sessions as projects of the family and not prompted by one particular person. Of all the Reeds, she expresses the most enthusiasm over the family cooperation and activities in which they all participate. When she tells her friends in bridge table conversations about the fun her family has doing things together, she is surprised that there seems to be so few others who share this group unity. As Mrs. Reed observed, "Most of my friends do not talk in front of their children nor bring their children into the conversation of money nor let them participate in family planning....They just think they are mere children and why should they have a voice?" Because of her daughters' participating in the money management process, Mrs. Reed thinks her family is exceptional.

She does not feel that the average high school student is very active in family financial management but, because they are adolescent, they should assume a certain number of responsibilities. By handling their own money, they are able to decide if something is worth the money and to make the final choice themselves.

High School Student

Joyce has the responsibility of planning her own budget for both clothing and personal spending. She also works part time for her father to supplement these allowances. These experiences she regards as the extent of her individual role; however, as a family member, she is a part of all their projects.

She mentions that she and her sister first joined their mother in shopping for the new car. For the family to get a television set, Joyce implies that there are two other members of the family (her parents) who have to be convinced of its value. Just her expression while telling this indicates that she and her sister have already begun their campaign to promote parental interest. These examples illustrate that Joyce probably sides with either her sister or mother to get what she wants.

The active part Joyce is urged to take in family financial management she ascribes to the PTA and church affiliations of her parents. They have taught her how to participate and encouraged her to share in their planning because they realize the importance of such training in their daughter's informal education. A high school student taking a part in family planning is not typical of her friends. Though her clique members have similar backgrounds, many of their parents are not as active in community activities. The difference in their policy as compared to Joyce's parents, she suggests, is undoubtedly due to the way the parents were reared.

Joyce is happy to be accepted in the financial management process of the family "because we all enjoy it so much. It is really fun." Her frequent references to "we", meaning the family, and her insistence that $50.00 would be spent on a family fishing trip support this attitude.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG FAMILY MEMBERS

The Reeds did not agree on the development of their management system. While Mr. Reed denied the possibility of the system of managing the income being derived from his family, Mrs. Reed suggested that it was patterned after he husband's experience. She did, however, recognize some of her own habits as being similar to her mother's.

Neither was there total agreement of the three as to the roles of the individual family members. Much enthusiasm was expressed by Joyce and her mother over the family activities (a fishing trip) and projects (selecting a new car or buying a new home). These were considered both "fun" and "enjoyable." Mrs. Reed even went to the extent of assuming that Joyce would give up the opportunity of doing something with friends her own age in order to take part in a family activity. But this enthusiasm and excitement was primarily expressed by the mother and daughter. There was little mention made by Mr. Reed to "family" cooperation. He pointed out that his wife definitely influenced the decisions and the management policies in the family. Mrs. Reed evidently did not regard herself as being so important in the family's managing their income.

The Reed family was different from other families--a fact which was agreed upon by both Joyce and her mother. But it was not recognized as such by Mr. Reed. First, the two women had observed that other families did not include children in planning and carrying out the ideas as much as the Reeds did. Second, high school students did not usually know the financial status of their parents like Joyce did. In the third place, Joyce thought it strange that some of her friends had to wait for their father's pay day before they were given their allowance.

Following the individual interviews, Mrs. Reed asked how her husband and daughter had responded to particular questions. She noticed the similarity in their attitudes and said, ". . . . I think it is interesting to note that we would all put it [$50.00 prize money] to a good cause and that it would not be wasted." She realized that living together as a family unit made the ideas and opinions of the various members more in accord.

ABSTRACT OF THE RYAN FAMILY INTERVIEWS

Father--Salesman (Sales and paid by commissions)
Mother--Housewife
Betty--Married and living away from home
George--Was graduated in June from high school

"The policies governing the financial set-up of the family," is the definition Mrs. Ryan gave for the phrase "family financial management." George included in his interpretation, the process of buying things for the home. Mr. Ryan did not offer a definition at all.

Mr. Ryan, whose father died when he was six years old, was one of seven children. When he was a boy, he carried 125 daily newspapers and for that he was paid $1.25 per week. This money was put into a bank account and with his savings he was expected to buy his own clothes. Mrs. Ryan does not recall being taught how to manage money when she was young.

George received a dollar a day for an allowance while in high school. His parents realized that there would be times when this amount was inadequate and they were willing to supplement it for something special. This summer, George is working full time at a neighborhood filling station. The money he earns is his to manage as he pleases; his parents put no curtailments on his spending. George is putting the greater proportion of his earnings into personal luxuries and his car which he purchased at the beginning of the summer and has been working on during his leisure hours.

George plans to enroll the fall quarter in agriculture at the state university and he will select an area in which to specialize later in his college career.

Since Mr. Ryan is paid on a commission, he figures his income on a yearly basis. This estimate determines the probable amounts to be spent on various expenditures throughout the year. Then the Ryans are careful not to spend too much during one season when money might be more affluent.

The selection of large expenditure items in the Ryan family is done by the person most interested. For example, mechanical devices are a hobby with Mr. Ryan and for such a purchase as a television set he would probably have the final say on the instrument. Mrs. Ryan and her daughter are better qualified to judge the style and color of the cabinet because of their interior decorating ability.

DEVELOPMENTAL PATTERN

Mr. Ryan claims that he has not retained any financial habits he learned as a boy because in those years everything was different for him than it has been for George. Since he had no father, he had additional financial responsibilities. As a result, he started working when he was very young in order to pay for his own clothing.

Mrs. Ryan is not conscious of her parents' influence in her financial practices now. She does not remember her parents teaching her anything about money management at all.

Since each denied the possibilities of his financial policies being similar to his parents', it may be assumed that Mr. and Mrs. Ryan have developed their own methods of financial management. This is prompted by the fact that he is paid on a commission and hence, his income is irregular; they have been forced to adopt their own management process.

Chances are George will continue the techniques of management to which he has been exposed by his parents, but he suspects he will be freer in his spending habits--an observation he has made during his summer work experience.

Both Mr. and Mrs. Ryan are artistically inclined--he in wood crafts and she in painting and interior decorating. Their daughter majored in art in college. George, also, is interested in making things with his hands. Recently he built his own full sized boat in the basement. He put a new top on his convertible and when he drove into a garage for some supplies, he was immediately offered a job on the basis of his craftmanship. These personal traits of the children have resulted from their heredity and parental influence.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

Mr. Ryan takes an important part in selecting large expenditure items because he is the family authority on the mechanism of the purchase. Any decisions concerning the car are his entirely because to him, a salesman, the car is essential.

According to Mr. Ryan, high school students do not participate in the financial management process of the family, nor does he think they would like to do more. They are interested in other things; for instance, George's chief interest is his car. There has been no effort on Mr. Ryan's part to teach George to handle money. Children should not even be informed of the size of their father's income. But George's summer responsibilities have been valuable in training him to manage money. Mr. Ryan presumes that the ability to handle money just comes "automatically" because "where there is a will, there is a way." As George earns his own money, he acquires with it the ability to manage it.

Mr. Ryan has never expected the children to contribute money for their support even though they have earned considerable sums in part-time jobs and during the summer months. This, he acknowledges as their own, and they are entitled to keep it and spend it as they please.

He knows that the children have had all they ever wanted with one exception. George asked for a motor scooter and his parents forbid him to have one. Mr. Ryan, like other parents of his acquaintances, always tries to give his youngsters more than he had himself as a boy even if it sometimes creates a financial burden. But in modern society, parents don't want their children to be "back numbers." It is simply "trying to keep up with the Jonses." For this reason, Mr. Ryan comments that couples without children are generally able to save large sums of money. This same generosity to his children is evidenced in Mr. Ryan's desire to give the $50.00 prize money the family might win to his wife and insist that she treat herself.

He does not see the value in giving his children a large allowance because he is sure that if they had more than they needed for the essentials, they would lord it over others and spend it just because the money was in their pockets. Then should the children have a harder time earning money when they become independent, they would have trouble adjusting to the new situation.

Mother

Though perhaps it is not an ideal arrangement, Mrs. Ryan feels that high school students in most families do not take an active part in the financial management process. She thinks the perfect system is a family council plan in which the children know the exact amount of the family income and how it is spent. But this is impractical because living is a day to day procedure and there is not as much anticipation of future goals as there should be. Rather than manage as a family group, parents naturally assume the responsibility of disbursing the income. This is primarily due to the difficulty involved in getting the whole family together.

She disagrees with her husband's idea that the children should not be told of their father's salary. When they show enough interest to pose the question, they should be told. Even though a person's income is one of his "most jealously guarded secrets" she does not think it should be withheld from the children. But this difference of opinion is characteristic of most families she has noticed. When even the husband and wife do not share the same theories of financial management, it does not seem wise to Mrs. Ryan to include the children in the discussions.

The family council plan, she ventures, is more prevalent in the middle income bracket where the families are forced to plan their incomes. In comparison, the lower income families do not have enough money to "budget" and the wealthier class has such large earnings there is no need to skimp on expenditures.

Other than the designated allowance while George was in high school, she has not used any methods to teach him to manage money. Mrs. Ryan reveals her opinion of this when she says, "I think it is possible without any mechanism to give the children attitudes and feelings about how to handle money. It is really amazing how much they learn from observation that you don't realize they are learning at the time." This, she believes, is the extent of parents' influence in teaching their children how to handle money. She supports her stand further using her daughter to illustrate the statement. Betty had no financial responsibilities at home; she was not specifically trained to handle money and she was usually given all she wanted. When Betty was married, she became money-minded and turned out to be an exceptionally good manager, according to her parents, because it was a new "adventure." Mrs. Ryan believes that if her daughter had had financial obligations when she was younger, this new role of a housewife managing her own money would not be "new" and "exciting."

Mrs. Ryan looks upon George's summer employment as a valuable instrument in teaching him to manage his own money because he has had to make his own decisions of how to spend his earnings without being expected to meet family obligations.

Most extra money that comes into the house, Mrs. Ryan thinks, would be put into a general fund because the income of her husband usually fluctuates. Prize money would not be considered as a separate income over and above his commission. This situation actually happened to the family when George was much younger so she speaks from experience.

<u>High School Student</u>

George's summer job has been his first full time employment opportunity. It entails the responsibility of handling money in that it is his duty to close the filling station at night and balance the books making sure that the number of gallons of gas sold during the day corresponded with the dollars in the cash drawer.

Several times during high school, George hinted that his allowance did not compare in size to those of his friends, but his parents purposely made it small with the understanding that George could request more if a special occasion arose. They let him spend his allowance and his earnings as he wanted unless he was contemplating a purchase of which they did not approve.

If the family should win prize money, George assumes that his parents would have little trouble spending it because "there is always some bill laying around somewhere."

There is not too much participation on his part in the management process of the family, George indicates. But it is not necessary for him to be more active because if an article is required all the members of the family do not have to be present to discuss the purchase. It is just bought. He is concerned only when the money expenditure relates to his own immediate interest such as college. Other decisions he leaves to his parents because he thinks they are capable of doing a better job than he could. Circumstances might alter the extent of his desire to take part, however. Should the financial decision involve an extremely large expenditure, or should his father have financial difficulties, George states that his interest in the management process would be increased. This same attitude is prevalent among his friends.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG FAMILY MEMBERS

An "automatic" transition of spending habits from parents to children or unconscious training on the part of the parents when children were observing--both of these were suggested by Mr. and Mrs. Ryan as being important for a high school student to learn to manage money.

All three Ryans implied that it was actually impractical for a high school student to have a major role in the family management of the income. Mrs. Ryan thought they were too busy with their own activities and would have no time for financial problems of their parents. Mr. Ryan and George recognized that interest in such matters usually did not exist in high school students, particularly George. In addition, George pointed out, it was really the parents' responsibility, not the students'.

Mrs. Ryan mentioned a matter of disagreement with her husband. It was her opinion, contrary to Mr. Ryan's, that children should be answered directly when they expressed enough interest to ask a question involving financial details. To illustrate, she cited George's inquiry regarding his father's income. Mrs. Ryan wanted to tell George, but Mr. Ryan recommended ignoring the issue.

While Mr. and Mrs. Ryan both indicated that George would be included in the discussion of a possible large expenditure purchase, George had the feeling he "would not have too much to say" in the matter. George offered two reasons for his attitude. First, the family did not usually buy goods requiring a large enough outlay of money to warrant his participation. In the second place, if the article were needed, his parents would get it in spite of his opinion.

ABSTRACT OF THE SMITH FAMILY INTERVIEWS

Father--Architect (Professional and salaried)
Mother--Housewife
Patricia--Junior in high school
Lenore--Freshman in high school

All three members of the Smith family who were interviewed agreed that the phrase "family financial management" meant the budgeting of one's income so that no amount of money is wasted or spent unnecessarily.

Mr. Smith, who was reared in an orphanage did not have the type of familial background in which he could participate in financial management. Mrs. Smith's father gave his wife only enough money for food and Mrs. Smith, as a girl, received just those things which were considered necessary. While living at home and working, Mrs. Smith was required to pay room and board to her parents.

Patricia and her sister each receive $3.00 per week allowance from which Patricia is expected to pay for her school transportation. lunches, recreation, sorority dues and church contributions. The parents buy Patricia's clothes. The first few years in high school she earned extra money baby sitting and during the early part of the summer she worked as a counselor in a camp for crippled children.

The Smith's now employ an envelope system of budgeting. Each week, when Mr. Smith brings home the pay check, he and his wife subtract predetermined amounts for the various expenditures necessary in maintaining a home such as utilities, food, and insurance. It is sometimes necessary to borrow from one envelope in order to have enough in another. This budgeting system has been explained to Patricia and she understands that her parents use such a procedure because their income is "limited."

Discussions over financial matters are not carried on during the meal hours because that time is usually reserved for Mr. Smith to relate his experiences of the day. Instead, someone broaches the subject at some other time when all of the members of the family are together. On these occasions, the family sometimes considers financial details. The ideas of the children are sought; however, the final decision in the matter is in the parent's jurisdiction.

DEVELOPMENTAL PATTERN

The financial pattern of this family was initiated entirely by Mr. and Mrs. Smith without their parental influence. Mr. Smith lived in an orphanage during his youth and did not have a chance to experience financial problems frequently found in a family situation. Mrs. Smith's father gave his wife only the required household money and, according to Mrs. Smith, it is probable that her mother did not even know the exact income of her husband. With such backgrounds Mr. and Mrs. Smith have established their own pattern of management--the use of envelopes.

In spite of the financial habits of her parents, Patricia tends to be a "little more reckless with her money." She spends all the money she earns on herself. As she gets older, her parents believe that she will realize the importance of budgeting and follow her parents' system of budgeting, particularly if her husband is salaried as Mr. Smith.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

"Father just brings home the pay," affirms Patricia concerning her father's role in the financial matters of the family. He functions in the management process, too. He pays the bills for the operating expenses of the home and helps his wife make decisions concerning large expenditure items.

It is his viewpoint that high school students do not participate much in family financial management. The main reason he attributes to the fact that parents do not start teaching their children when they are younger and are not willing to guide them along the way. The same basic principle of early parental instruction applies to any learning situation the child experiences. To illustrate, Mr. Smith recalled Patricia's first cake in which she used soda instead of baking powder. At the time she did not realize there was a difference in the two leavening agents. He thinks children should be taught especially to recognize the value of money. Then they would understand, as the younger Smith girl did not, that $.63 is out of proportion to the worth of three tomatoes. If children would learn the lessons early, then they would profit by their mistakes.

With the expenses they are required to meet, Mr. Smith thinks that their system of budgeting is the best way possible to manage money. He has not consciously tried to teach Patricia how to use her own money; however, he does try to make her realize that things cost so much and that "money does not grow on trees." When Patricia complains that her friends have something new, he explains the importance of their buying only necessities. Mr. Smith hopes that, with Patricia's recent work experiences, she will realize it takes effort to earn money.

Both of his daughters have entirely different spending habits and he compares Patricia to Lenore, his younger daughter to illustrate this.

Patricia spends all the money she makes on herself but Lenore saves her earnings and prefers to buy bonds. When special celebrations occur, Lenore is the one who remembers them with a present. She is the more cheerful giver and the more generous of the two girls. Mr. Smith predicts that Lenore's spending habits will more nearly resemble the strict budget system than Patricia's.

Mother

It is suspected that Mrs. Smith works part time to increase the family income; however, there was no mention of it made by the family during the interviews.

Mrs. Smith is responsible for the allowances of the children. When they want more money, they ask their mother. One day, when Patricia was particularly upset over the small amount of money she was getting, Mrs. Smith showed Patricia the exact categories the pay check included and how the money is needed to meet the necessary expenditures. This supports the probabilities that Mrs. Smith receives most of the children's complaints about money matters. She also purchases most of their clothes.

In about ninety per cent of the families, Mrs. Smith realizes that the high school student does not participate in family financial management. This is true especially in families of "limited means" like the Smiths because there is not enough money left over after the requirements are deducted to warrant an adolescent's interest and help. She thinks it is just "foolish to drag them into the planning."

This emphasis on limited funds is contrary to her response when asked what the family would do if they were to win $50.00 in prize money. "If we won $50.00, I would probably put it on my home. If you would speak in terms of more money, it would be easier to think of what to do with it." Such an attitude toward the "small" sum of $50.00 is unexplainable.

Managing money is an important part of the Smith family members, but it is also a private matter. Mrs. Smith cautions her daughters of this fact since financial management is "the subject most talked about in the family." Though they are not included in any planning, she does not feel they should be oblivious to the parents' spending habits. They should at least be aware of the fact that the Smith policy is to buy something only when they are able to pay for it so that they do not incur debts. But the girls have a hard time understanding this philosophy and Mrs. Smith has difficulty making it clear particularly when other families within the same salary bracket continue to live beyond their income.

High School Student

Patricia, being more careless with her money than her parents, spends most of her earnings on herself and she wants to buy the most expensive items. Since she has been working, she indicates that she has been more careful in her spending habits. She has even been keeping "notes" to determine the amount she has spent and saved. With the money she will soon receive from a matured defense bond, Patricia plans to start her own bank account. This is probably what she would do with her share of any prize money the family might win since she guesses that it would be divided equally among the family members to spend as each wished.

Her parents give her an allowance which is supposed to take care of her own school expenses as well as her sorority obligations. This latter creates a problem for her and she has to "pinch pennies" to make ends meet. If she wants more money, she asks her mother who invariably refuses. Yet Patricia can not understand why her parents regularly continue her allowance during the summer months since she does not have school expenses to cover.

Of all the Smiths, Patricia expresses the most discontent for the strict budgeting under which her parents function. According to Patricia, her parents do not give her as much for clothing as she would like. When her friends talk about how much money they spend for clothes, Patricia remains quiet because she knows that she can not equal their expenditures. Her parents are not unaware of this attitude and attempt to explain the necessity for the limited allowance. Both parents believe that Patricia is beginning to understand their philosophy of spending.

Patricia admits that family financial management is a subject about which she knows very little. She would like to be better informed on the principles of buying and managing. This same desire is typical of most of her friends who realize they are neither old enough nor sure enough of themselves to assume additional responsibility in family financial management. When she is a year or so older and attending college, she hopes she will be in a better position to understand financial problems.

Patricia appreciates her parents' practice of refusing to show their concern over money matters. She can never tell when they are worried about financial problems and yet she knows that they must be periodically.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG FAMILY MEMBERS

In most cases, Mr. and Mrs. Smith and Patricia shared similar ideas of the roles of the individual members in the financial management process and they were all aware of the problems involved. Some of their attitudes, however, differed slightly.

They all agreed that Pat did not participate in the financial management process of the family to any great extent but their reasons varied. A limited income which met only the necessary expenditures was attributed by Mrs. Smith as the cause for the situation. In Patricia's estimation, it was her lack of understanding the management process. But she assumed this would be corrected as she went farther along in school. Patricia's opinion supported Mr. Smith's feeling that parents should be blamed for not teaching young children the principles of handling money and not continuing to guide them as they grew older.

According to both parents, Patricia often displayed discontent when she did not get as much allowance as some other high school students. Mr. and Mrs. Smith felt that she was beginning to understand the reasons behind the small allotment and Patricia herself mentioned the need for strict budgeting in her family. While her parents seemed to consider the problem solved, Patricia still claimed she was hesitant in talking about new clothes with her friends.

Neither Mr. Smith nor his wife were sure of Patricia's future financial management practices. Both guessed that her husband's source of income and financial background would influence her habits. But Patricia thought she would probably manage money like her parents do. When she predicted this, she could not have been too unhappy with their present plan.

ABSTRACT OF THE SNYDER FAMILY INTERVIEWS

Father--Divisional sales manager of local industry (Manager and salaried)
Mother--Housewife
Helen--Junior in high school
Ralph--Grade eight in junior high school
Peggy--Grade four in elementary school

Similar definitions were offered by all three members of the Snyder family for the phrase "family financial management." Each regarded it as a systematic planning and budgeting of a person's savings and expenditures so as not to waste money. There was particular emphasis on saving for educational goals--the idea added by Mrs. Snyder who was a former school teacher herself.

Mr. Snyder's father was a teacher and the parents invested a large amount of money in retirement funds and insurance policies. The china pitcher on the cupboard shelf was the family bank. The income of his father was adequate to support the family but it did not provide extra money for indulgence. Both Mr. Snyder and his sister worked their way through college. In contrast, Mrs. Snyder was an only child. She was usually given all the money she wanted when she asked for it. However, when she entered high school her mother began limiting her clothing expenditures and she was required to stay within the alloted sum.

When each of the Snyder children approached age five, they were given a small allowance with which they could do as they wished. This allowance has been increased in proportion to their needs as they have grown older. Now Helen is expected to take care of her school lunches and transportation, her church obligations and her sorority dues. If any of the children want additional money for something special, they bargain among themselves establishing their own interest rates for the loans. Besides this source of money, Helen is given free use of the family charge account in the downtown stores to buy clothing and supplies. She also worked part time during the summer months taking inventory for a department store.

The family sometimes holds "family councils;" however, the matters discussed are more apt to be disciplinary problems than financial.

Mr. and Mrs. Snyder do not make a practice of talking about money in front of the children nor do they tell the youngsters their father's income. Helen and the others are not included in the selecting of large expenditure items for the house. Rather, the parents do the deciding and then bring the purchases home to "surprise" the children

DEVELOPMENTAL PATTERN

Though Mr. Snyder was accustomed to a china pitcher on the shelf as a youth, he has since changed his saving habits to use modern bank facilities. This illustration he offers to exemplify the genesis of family financial management patterns. He does believe, however, that from his family he acquired a general awareness of the planning and saving that prevailed. But, he jokingly admits that he was a better manager then than he is now because money matters were simpler in those days. His father, a school teacher, had a specific purpose in mind for his savings--provisions for the retirement years. Mr. Snyder was never given much money to spend and, like his father, had to put himself through college as did his brother and sister. Helen is so impressed by the way her father and paternal relatives have financed their own college educations that she has insisted she be allowed to do the same, irregardless of the fact that her parents have offered to support her through college. Helen has consented to her parents' giving her sufficient money for the first year of college because it is rumored to be the most difficult, but after this start, she wants to be financially independent.

On the other hand, Mrs. Snyder, who was an only child, got money as she wanted it. Her parents gave her more than she needed and did not care how she spent the money. She became more conscious of the value of money in high school when her mother gave her the entire year's clothing allotment in a lump sum. Mrs. Snyder recalls that she spent the greater percentage of the money for one angora sweater. Soon she regreted the extravagance because she was forced to wear the sweater many times since she could not afford new changes of clothing. Partially as a result of this experience, Mrs. Snyder is more aware of the need to develop good judgment and thrift in her children.

Both Mr. and Mrs. Snyder recognize their pattern to be greatly influenced by Mr. Snyder's background. When the two were considering marriage, Mr. Snyder was much concerned over their differences in childhood training and he was doubtful that his wife would have the ability to manage his income. Starting a home and making a small salary at the same time put Mrs. Snyder to a test and she proved capable of staying within her husband's salary. As she views the change, "Now, I am more 'penny-wise' and he is more 'dollar-wise'."

Of great concern to the parents is Helen's tendency to be too "penny-wise"--to make sacrifices of strong desires for the sake of saving money. Neither parent knows where she acquired this trait.

Mr. Snyder notes that Helen is quick to develop her own plan of managing money. But Helen thinks she will follow her parents procedures as she has observed them. There is already evidence of this. She watched her parents put their money into various envelopes and followed their example by using tin cans instead.

THE ROLES OF INDIVIDUAL FAMILY MEMBERS IN THE FINANCIAL MANAGEMENT PROCESS AND THEIR ATTITUDES TOWARD THOSE ROLES

Father

Mr. Snyder's role in the family financial management pattern was not clearly defined either by himself or by the other members of the family. However, his attitudes toward the roles of other members and regarding the use of money are definitely put forth.

Mr. Snyder is happy to have Helen use the charge-a-plate as she wants because he considers it an outward sign to her that he recognizes her adult-like status. But he maintains that she is not aware of the distinction between a cash payment at the time of the purchase and the same payment at a later date with a charge account. After saying this he reconsidered his accusation and decided he was a bit unfair in judging his daughter's abilities.

In the opinion of Mr. Snyder, high school students only cooperate in family financial management on problems that effect them directly, such as who is going to camp and to what camp they should go. However, they should take a more active part because the items that are of special interest to them are only a very small proportion of the total money problems a family faces. Helen should be urged to do more grocery shopping yet he doubts if she would demonstrate more than an initial interest in any project that did not relate to her immediate realm of thinking. She would soon tire of the responsibilities involved after the novelty of helping to manage money for the family items wore off. He thinks that many parents are reluctant to include the children in the managing of the income and would resist such a law if it were proposed. This type of information is confidential and children have a tendency to reveal family secrets "in the school locker rooms." Of course, Helen could be trusted in such matters.

Age is a determining factor in the amount of participation a child assumes in financial matters. He compares Helen's interest as a "young lady" to that of her younger sister and brother.

Rather than include the children in the selection of a large expenditure item, Mr. Snyder (and his wife) would rather surprise them with the new purchase. He gets pleasure out of watching the children's eyes and he assumes that neither Helen nor her sister and brother are eager to help make the final selection. Helen showed little enthusiasm when she took a trial ride in the car being considered and little Ralph cried at his disappointment over getting rid of "Bessie," their old car.

Mr. Snyder has not used any techniques for teaching Helen how to manage money but suggests that perhaps he should have. Both he and his wife have tried to show her where she has spent her money foolishly and each has been particularly concerned with her being "tight-fisted." Mr. Snyder relates how she will buy cheap slips from the basement departments that wear only a short time instead of spending an additional amount for a more durable slip. On another occasion, she was given $30.00 to buy a new formal for a sorority dance but she bought a $5.00 one that did not fit and was out of style. She knew when she bought it that the dress would have to be remade before she could wear it, but she saved $25.00 for other purposes. To him, this was senseless.

Evidently there is some disagreement among the family members as to what should be done with money the family earns. He suspects that the family, if they won $50.00 in prize money, would "chew it around every evening for a week or so. We have these sessions every so often when something comes up."

Mother

Mrs. Snyder serves as an advisor to her children in managing their allowance. Under her direction, the children make their own plans for spending and savings. Then she occasionally questions them as to how their plan is working. In addition, Mrs. Snyder gives Helen money for clothing when she needs it.

In an effort to extend the food dollar, she recently made her own survey of the advantages of shopping in a supermarket as compared with an independent grocery. Though the neighborhood store enables her to save more time for reading, she continues to patronize the large supermarkets because of the lower prices. The difference was great enough that, in this instance, Mrs. Snyder has decided the money saved was more important than the time consumed.

Mrs. Snyder confesses that Helen needs to shop around by herself. Even though Helen has made some unwise purchases, she learns through these mistakes. However, the children are not permitted to spend as much as they might like. They often times lack sufficient judgment to make intelligent decisions. In families like the Snyders, parents are usually so capable of handling the money that they do not have the patience to allow their children to make errors and learn from their own experiences.

Experience is important in training children, advances Mrs. Snyder, even perhaps more important than judgment. She claims they are born with judgment, but it is not fully developed until they reach adulthood through a series of successes and failures. "They live in experience and through this they learn to spend wisely."

According to Mrs. Snyder, some girls Helen's age have further experience in financial matters. If there are more children in the family or if the mothers work, then the high school girls have additional responsibilities at home doing the marketing or clothing the little brothers and sisters.

In comparing her family to others of her acquaintances, she boasts that her children can manage their money better than her friends because those with whom she associates tend to indulge their children. The allowances she and her husband have given their children have been useful aids in teaching the value of money. However, she too, is aware that Helen is not as free in her spending habits as other girls her age. She even expresses relief in the fact that Helen's high school sorority has frequent social activities that create financial demands on her budget.

Mrs. Snyder claims that though they do not talk about money in front of their children, they try to impart to them the impression that they do not make a habit of buying everything they want just because they want it. She was amused at her children's lack of conception of their father's income. When someone mentioned the approximate income of the President, Ralph imagined it to be "just about as large as his father's." Children should not know when their parents are having financial difficulties. Come what may, there will always be food on the table and clothing in the closets so that Helen and the younger children will feel secure at all times. Yet she knows children, like everyone else, want to have some money they know they can spend for any whim they might have. This is a normal impulse.

The family wants record changing attachments for their victrola and if they won $50.00 prize money, this is what Mrs. Snyder thinks they would do with it.

High School Student

Both of Helen's parents accuse her of being extremely "tight-fisted" a "tight wad" and "stingy". She gives up a movie or horseback riding, both of which she particularly enjoys, so that she might save the money. She may use the charge accounts at her discretion, but, according to her father, she will charge a $5.00 hair brush in a fancy plastic case and pay the same amount in cash for a new dress. Her father also observes that she is perhaps stingier with her own money than she is with her parent's.

She is constantly saving for college. When she worked during the first part of the summer, she was disappointed because she was not asked to work many hours. The money she did earn was invested in government bonds. She is trying to arrange a plan with her father whereby he can invest her money in stock of his company so that her money will draw more interest. But if a government bond were to mature, it would be put into her college fund.

It is Helen's opinion that high school students do not take an active part in financial management of the family income, nor should they have the right to expect to take part. If the family would win prize money, she would not have anything to say in deciding its ultimate use. However, she indicates that some students have a more adult judgment than others irrespective of their age. Her offering suggestions to her parents has been limited to such things as choosing the wall paper for her bedroom.

Helen is a very determined person. She wanted a horse and saved her money in a coffee can so that she might buy one. Then when her parents said they had no room for the animal in the city, she began tearing up the garage to install a hay manger so that she could prove it was possible to make a stable in half of the garage. She refuses financial aid beyond the first year of college because she wants to support herself and, what is more, she is sure that she can do it.

She has not had any training in handling money outside of her allowance, purchasing some of her own clothes, and occasionally buying the groceries. Helen knows that she will be able to manage her money when she is independent. She has solved her problems so far without disturbing her savings. At first, Helen expects to have some difficulty but she reasons that this initial trouble is inevitable. If she were not going to college, these first problems would come at an earlier age.

SUMMARY OF AGREEMENTS AND DISAGREEMENTS AMONG THE FAMILY MEMBERS

Mr. and Mrs. Snyder both agreed that Helen had free use of the charge account and they allowed her to spend it as she wanted without any parental guidance. To them, this was both a symbol of her becoming an adult and a method of giving her experience in shopping by herself. By making decisions on her own accord, her parents have hoped Helen will develop an adult judgment. However, Helen was not permitted so much freedom with her own allowance. According to Mr. Snyder, Helen's plan of managing her money was developed under her mother's guidance and Mrs. Snyder sometimes checks with Helen to see how she is progressing.

"Judgment" was considered by all three Snyders as an attribute to be desired in high school students. Perhaps this was mentioned because of a recent discussion in the family regarding the development of this characteristic. Mr. Snyder implied that Helen displayed poor judgment when she continued to buy many inexpensive slips. Helen's making unwise purchases was considered by Mrs. Snyder to be one of the experiences by which Helen would increase her judgment. Helen herself suggested that "judgment" was not directly related to age. She pointed out that some adults had childish judgments. The family concluded that judgment could only be obtained by experience.

Mr. and Mrs. Snyder mentioned Helen's tendency to be "tight-fisted" and seemed worried about the matter. But Helen made no reference to it.

It was possible that she did not recognize it to be as serious as her parents assumed. She had established certain goals she wanted to achieve--buying a horse and financing her way through college. Saving every possible penny was probably her way of attaining these aims. But in so doing, it was possible that she was not being as "tight" as her parents believed. Rather, Helen might just have been failing to show mature judgment in her means of attaining the end. This trait might change as she gains more experience.

Helen and her parents were of the opinion that Helen was capable of handling her own money and to a certain extent had successfully done so. Mrs. Snyder said that at least Helen knew how to manage money and from observing others this was not the general rule of many other adolescents. Then Mrs. Snyder and her husband both proceeded to illustrate where Helen had handled money foolishly or made mistakes in buying.

It was generally expressed that Helen did not participate to any degree in the management of the family income. But each one suggested that the situation would be different under other circumstances, vis., the age and maturity of the children, the size of the family, and if the mother worked.

CHAPTER V

CHAPTER V

FINDINGS

An attempt has been made in this chapter to survey the agreements and disagreements regarding the roles of the individual members in the family financial management process and their attitudes toward those roles. The purpose is to show the rights and duties which are inherent in the roles of each member of the family as well as their opinions which might form a pattern in the 12 case studies.

When it seemed important, the responses were looked at in three different ways. First, the statements of all 38 persons were viewed to determine any major resemblances or variations existing within the total group. The second way in which the responses were considered was to see how many families as a unit agreed or disagreed on the separate phases of the management process. Then, the reactions of those in the various family positions (father, mother and high school student) were compared to pick out any agreements or disagreements among them.

These three methods of comparison begin with the definition of the phrase "family financial management." Next the developmental pattern of the financial management habits from generation to generation is discussed and this is followed by details of the management processes used within the families and the attitudes of the individual members toward these. The latter two topics will include such practices as the method of training the high school student to handle money and the amount of management of the family income in which the high school student participates. In conclusion, evidences of long-time goals are pointed out. It will be noted that sometimes not all the persons or families are accounted for since only major similarities and dissimilarities are emphasized.

Findings of the Responses of the Total Group

Definition of "Family Financial Management"

Each of the 38 persons interviewed was asked to define the phrase "family financial management." Of those who ventured a definition (only two could not express its meaning and these were a mother and son from the same family) 18 responses considered management to be the first of the three step process[1]--i.e., the act of planning or, as those interviewed said, "budgeting" and nothing more. The next most frequently given definition (seven people) suggested that it meant simply "living within your income." As Mrs. Morgan said, "We have a certain amount of dollars and they have to stretch so far." Some emphasized the second step of the management process or the controlling of the money plan--for example, "making the best buys" (Mrs. Snyder), "taking care of the financial responsibilities that are naturally entailed in the daily process of living" (Tom Hudson) or "doing something yourself rather than hiring it to be done" (David Lee). The least recognized phase of the

1 See Introduction, p. 4.

management process was that of evaluating the plan itself as well as how it was carried out. This probably does not mean that they did not evaluate, but rather they did not seem to consider it a part of management.

It is interesting to note that even when the word "family" was stressed by the interviewer, only two persons (and these were both high school students) included all the members of the family in their conception of managing the income. Taking an opposite point of view, three fathers (Mr. Parker, Mr. Adams, and Mr. Lee) delegated the responsibility of "family" financial management to only one person. The rest just eliminated "family" from the explanation of the phrase and concentrated on the managing of the finances.

Developmental Pattern

In tracing the intergenerational similarities of family financial management patterns, the parents were asked to compare the practices of their childhood years with those under which they now operate.

The observation most evident was the number of adults (ten mothers and six fathers) who indicated that their present management habits were not derived from those of their parents. The most frequently mentioned reason offered by these 16 adults for this situation was the fact that they, as adolescents, had not been given money of their own with which they could buy what they pleased. Some blamed a paternalistic control of the family income where the wife and children only got money when the father gave it to them. Two of the mothers admitted that they had been indulged as children and neither maintained this practice in her own home. Other explanations cited a rural environment and broken homes as the major causes of the change in the management practices.

Mr. Davis, who said, "We as adults tend to force the situation into which we were brought up onto our children," expressed the viewpoint of four of the fathers and one mother as they recognized similarities in the process of management between the two generations. Mr. Davis continued:

> "We handle money pretty much like my parents; however, we have departed to the extent that we recognize the fact that living today is not like it was in 1910 or 1915."

Mr. Snyder, too, realized that alterations had occurred in the method of management though he thought the basic plan was the same.

> "In our family now we use a bank instead of a china pitcher on the cupboard shelf. I think I got a general awareness of the planning and saving in my family, but I was a much better manager when I was ten than I am now because money matters were much simpler then."

The five pairs of parents who agreed that there was no similarity to either side have probably devised their own systems of financial management. These observations tend to indicate that when two people marry, they do not necessarily continue their parents' practices in handling money. Modern inventions such as movies and television, a rise in economic status, as well as ever-changing living conditions--all these help to promote the change in the basic management practices from generation to generation. Many of these adults were reared under the "old patriarchial pattern" (Mrs. Morgan) that prevailed in their youth and there is still evidence of it being important, particularly in the matter of managing finances.

Marvin B. Sussman suggests in his study of family continuity that the child-rearing philosophy and practices of the parents are partially responsible for the carry-over of habits from one generation to another. Children are more apt to follow their parents' practices if "cordiality" and "family-mindedness" exist within the family unit. Parents who encourage their children to become responsible and self-reliant are, in a measure, paving the way for their children to adopt their family practices and philosophies.[2]

From the descriptions many of the parents gave of their family life when they were children, it is doubtful that the factors Dr. Sussman deemed so important were much in evidence in these 12 cases.

> "In my own family there was no say-so as to family financial management." (Mrs. Davis)

> "My parents always bought things for us until we were able to work and then we started buying our own. But until we worked, we never had any money of our own." (Mrs. Baker)

> "In my family, my father just gave mother the grocery money or the household money and I doubt if mother ever knew how much money Daddy made." (Mrs. Smith)

However, as will be elaborated upon later, both "family-mindedness" and encouraging the children to become more responsible were somewhat more typical practices of these middle-class families.

But to what extent would the modern adolescent continue the family methods of money management in his own home? Seventeen parents and

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2 Sussman, Marvin B., Family Continuity: a Study of Factors which Affect Relationships Between Families at Generational Levels, Doctoral thesis, Yale University, 1951, p. 13.

high school students (representing 10 of the 12 families) stated without any hesitation that the adolescent would manage the finances in his own home in much the same manner as his parents. Another group of 14 persons agreed that the teen age student would probably continue the same practices but his final plan might be changed slightly by several conditions: 1) a compromise between his habits and those of the partner he would marry; 2) supplemental reading to improve his methods with more emphasis on budgeting; and 3) the source of income. Only four parents said that they thought their children might develop different methods of money management.

This was the prediction of the majority of those interviewed for the future money management habits of the high school student. Here may be noted a discrepancy in beliefs and actual happenings. As has been discussed previously,[3] most of the parents did not think they had carried over their childhood experiences, yet they expected their children would. There are at least two explanations for this. First, all of the teen age children selected for the study were from similar socio-economic backgrounds while their parents were reared in a variety of environmental situations. Secondly, the probabilities of the students following their parents' habits as stringently as expected may not come about in reality. Unforeseen conditions are apt to change the children's future money management practices in the same way that most of the parents interviewed had recognized influences causing differences between their current process of money management and that of their own parents.

3 See page 111.

The comments of the family members, particularly those of the adolescents, might be taken as indices of the amount of satisfaction the high school students felt toward the management process under which their parents operated. If this be the case, 13 of the 14 youths indicated that they would adopt their parents' system of management as it was or with some modification because it was "fun" (Joyce Reed) or "their system is good" (Pete Jackson). The fourteenth girl had already initiated her own strict budget system of managing money while her parents used a very casual type. Still the mothers and fathers (17 in all) were generally agreed that their adolescent child would follow their system. This large proportion of family members with similar forecasts might be taken as an indication that the high school student is not unhappy with the process of management with which he is most closely associated.

Details of The Management Processes and Attitudes Toward Them

Methods of budgeting money.

It was thought that the exact method the families employed of handling money was too personal a matter in which to make inquiry. However, the information was provided voluntarily by at least one person from eight families.

Perhaps the most casual method of management of those described was like the Bakers.

> "To me, the best budget is how much we have spent. There is absolutely no need to know just for what the money is spent because who cares. Every year we make out a statement of how much has been made and how much has been spent and that shows what is left. To me that is all one needs to know." (Mr. Baker)

A more formal system of handling money was used by the Smith family as described by Patricia:

> "I know they operate on a budget system and put aside a certain amount each week in the envelopes; I have seen the envelopes. They always do that first. Of course, sometimes they have to borrow from one envelope to pay for something out of another."

Several of the people, thinking that management meant only budgeting, explained that they did not "stick to a budget. We just try to look ahead and plan, but we also try to live within our means." (Mrs. Jackson) This attitude of the parents is probably due to the fact that they have learned through experience how much money must be spent for specific items and they are unaware that they still "budget" their incomes. It has become habitual through years of repetition.

High school students have had less experience in handling money than their parents. For this reason they put particular emphasis on the budgeting step of the management process. As Marian Davis said,

> "[A budget] is a means of telling how much you can afford if you want something else and do not know if you can afford to buy it. You just look at the budget and it is there."

While there was no mention of the parents recording their expenditures, this was the practice of at least six of the high school students who accounted for their own money in account books or on scraps of paper. In some instances, this was done at the instigation of the parents in an effort to show their children how much was required to support them.

<u>Training the student to manage his money</u>.

For this investigation the methods the parents used to teach their adolescent children to manage money were considered more important than the system of management they themselves employed. Therefore, all those interviewed were asked what special techniques had been practiced by the parents in the home. Their answers may be grouped as follows: 1) there was no conscious effort on the part of the parents; 2) the children were given an allowance; 3) the students had had additional opportunities to handle money; 4) the parents offered advice and guidance; 5) the parents became an example for their children. Experience out of the home included part and full time employment, formal training in school, and serving as treasurer of organizations. Each of these will be discussed more in detail.

Eleven parents from eight families claimed that they had not consciously used any techniques to train their children in money management. Three of these suggested that this was a part of their obligation that they as parents had probably neglected; high school students should be taught the value of money. Five more fathers and mothers explained why it was not necessary to include this training in home education. Their reasons were similar. They suggested that this knowledge just came "automatically" or "on her own" or "they just grow into it."

But not all of these 11 parents actually meant what they stated so emphatically, for three went on to mention later that one of the reasons for giving their children an allowance was to let them manage money for themselves. Fourteen of the total group of 38 specifically mentioned an allowance as a means of teaching the student to manage his own money. The usual practice was to start the child on an allowance when he was young and then increase it as he grew older and assumed more responsibilities.

The allowance was the most common way by which the high school students received their own spending money. Two of the boys earned enough by outside employment and their parents had discontinued the allowance at least during the summer months. One boy was given money whenever he needed it. The rest of the students were expected to pay for their school expenses such as supplies, lunch, and transportation as well as church contributions and recreation from a set amount of money. Any money over and above these necessities they could spend for whatever they pleased. If the teen age student made a mistake in managing his own money most of the parents considered that a part of his education and hoped that he would profit from the experience. As Ann Morgan told it:

> "Mom and Dad have put us on our own allowance and we are supposed to stay within that. I guess it is a sort of self-training and we are in a bad way if we do not learn to train ourselves."

Two of the mothers explained that the allowances were purposely made low so that the children would not think that money was so easy to obtain. In both these cases, the allowance was sometimes supplemented when the children asked for more funds.

In addition to their own allowances for school and personal expenses, five of the high school students received a clothing allowance from which they were to buy all except costly articles of clothing. This appeared to be a separate allowance, but again the children were given the liberty of allocating it to whatever they wanted to buy. It was not necessarily restricted to clothing purchases.

Giving children other opportunities to handle money was mentioned as another form of teaching them to manage. For example, Helen Snyder had taken over the responsibility of buying the family groceries on a few occasions when her mother was not able to do it. After his children were old enough, Mr. Hudson gave them the weekly savings for their college education to deposit themselves. Mr. Parker allowed his son to buy small items for himself instead of his buying them and giving them to the boy. Five of the high school students were permitted to use their parents' charge accounts for their clothing and supplies and, in some cases, without any limitations.

The other most frequently mentioned technique the parents used and that which was proposed by five of the 14 high school students in addition to several of the fathers and mothers (representing seven families) was the parents' roles as "counselors" or "advisers". Either the father or the mother advised the children on certain expenditures or assumed the responsibility of having them realize the value of the dollar. Often they helped them to set up a budget system for their allowances.

To have the parents set an example was mentioned by two of the adolescents as an important part of their training.

> "They have not sat down and showed us or taught us family finances but rather they have just taught us by example." (Ann Morgan)

Most of these 24 parents encouraged their children to earn extra money when they had the opportunity either by baby sitting or doing jobs around the home and neighborhood. They believed this experience to be valuable for the adolescent. As Mr. Smith said, "By Patricia's working this summer I think that she is beginning to realize that money is perhaps a little bit harder to get." Then, too, Mr. Ryan suggested, "George got a lot of beneficial training in handling money when he worked at an oil station all summer....He was responsible for balancing the gallons of gas sold with the money intake."

Of the total group of 14 high school students, all but two were either working currently or had been at some time during the summer. For at least six, this was their first summer of work experience. Included among their jobs were a camp counselor, secretary, inventory taker, laboratory technician, bakery utility man, exterminator, nurses's aid and assistant draftsman. The two unemployed were assigned duties around their home for which they were responsible.

When the high school students were asked if they had had any training outside of the home, most of them first thought of their formal schooling and little mention was made of their work experience. Five of the students recalled some instruction in mathematics classes in junior high school but as to its value as an educational device, their opinions differed. Joyce Reed thought the training was useful.

> "We learned what comes first when you are making out a budget, what you think of first and then how to divide the budget into percentages."

But Jane Baker took an entirely different attitude.

> " We had to keep a record of all our expenditures for a week but it was really a farce because we had to record all that we had spent and sign the paper that we had spent that much. Then it was collected and the teacher said that they were fine. Nothing else happened after that."

Another girl said that she had been taught some of the principles of buymanship in seventh and eighth grade home economics classes but she did not remember any of them.

These students are juniors and seniors in high school and not one of them mentioned having had any formal training in money management since they were 12 and 13 years of age at which time it was limited to mathematics classes. Though it was only mentioned by one girl, her explanation points out a logical reason for the situation as it existed in this particular middle class group of families. "I have not had any training in high school because I have not taken a general business course." Since Patricia Smith, like all the rest of the students are college bound, the course of study they follow is geared to prepare them for college entrance and not so much for practical application and adult responsibilities. The latter are usually found in the curricula followed by those students completing their formal education with high school graduation.

In addition to schooling, three of the boys had served as treasurers of Boy Scouts or church organizations which gave them the opportunity to see "how the money came in and how it was expended." They also "are trained to set up budgets and have definite goals toward which they must work." (Mr. Monroe)

In spite of nearly half of the parents denying the use of any conscious techniques to teach their children to handle money, and regardless of the lack of formal schooling on the subject, the general opinion among the parents and the children was that the students would be capable of handling their own money when they became independent. After all, in many cases, they were "doing it now." Only three (two mothers and a girl) suggested that there might be some trouble at first or that they might need temporary guidance.

Pete Jackson admitted, "I can't think of any training here at home. But I must have learned from somebody, I don't know where." Mrs. Ryan appeared to have the answer:

> "I think it is possible without any mechanisms to give the children attitudes and feelings about how to handle money. It is really amazing how much they learn from observation that you do not realize they are learning at the time."

If the parents and students had not assumed the adolescents to be prepared to handle their own money, it would have been a reflection on the parents' poor training. However, from the responses concerning methods of teaching the children to manage money, it is generally evident that neither the parents nor the students think the type of training they have received is inadequate, scarce as it appears to be in some cases.

Participation of High School Students in the Money Management Process

The importance of each member of a democratic family unit having the opportunity to participate in all group activities and actually assuming that right was noted in the Introduction. The management of the family finances may be considered a family project.

In this particular study, it was assumed that the high school students did not participate to any great degree in the management of the family finances--at least not to the extent that is generally recommended. Each person interviewed was confronted with this assumption in order to obtain his reaction. This section of the chapter is an attempt to summarize their responses and attitudes toward the student's participation in the management process of the family.

Attitudes toward the subject of the project.

When the subject of the study was first introduced to the 38 persons involved, only three of the total group showed any skepticism toward the value of such an investigation. These three were all fathers, two of whom had obtained advanced college degrees themselves, but in the exact sciences. They also controlled their family purses, perhaps more so than in most of the other families, and believed that it was necessary for one person to handle the family income rather than to depend upon the cooperation of the whole family.

The rest of the persons sanctioned the topic and agreed that it merited further study. It was considered to be "basic for future life and therefore one in which it is a good thing to get in on early." Robert Hudson expressed the attitude of several others when he said, "It is an important subject because you ought to know what is going on in regard to financial things and how the family is budgeting the income." Several suggested that it was a subject about which "too few knew too little," and such a study might "enlighten" those who had "often wondered how [they] could be better managers." "You have to have financial planning and management." Four of this group agreed that it was an important subject but seemed to regard it as particularly valuable for "some" not necessarily themselves.

Attitudes toward a "family council".

A "family council" system of money management, in which the older children would cooperate, was proposed to each one of the 38 in an effort to get his opinion of such a plan. Their viewpoints were divided with the parents doing most of the commenting. Mr. and Mrs. Lee both suggested that it was not their practice because they had really never "given it much thought." It was tried in the Davis household but because of lack of interest, the system was abandoned for money management but retained for occasional disciplinary matters. Seven other persons (four fathers, one mother and two students) agreed that it was probably an ideal arrangement but not the usual practice. Practicality stood in the way. The time factor prevented such a management pattern.

> "I don't see that there is too much accomplished by it all. We have a very small family and a large family would never be able to get together. It is hard enough with ours because Pete has Sea Scouts and Joan has her sorority and they both have lessons in the winter." (Mrs. Jackson).

> "Living is just a day to day experience. We don't take a long look forward like we ought to do. We all tend to take the easy way out and do things the easiest way possible; therefore, we don't follow the family council plan because it is often times terribly hard to even get the whole family together." (Mrs. Ryan).

It is interesting to note that three students who discussed the "ideal" system denied the existence of a "family council" but then explained that they had informal sessions in which they debated or discussed financial matters. According to writers in the field of family economics,[4]

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4 Gross, I. H. and Crandall, E. W. Unpublished book, Home Management, Chapter "The Management Process", pp. 93-97 of the manuscript.

a family council should actually be a pleasant, informal and spontaneous get-together of the family members primarily for the purposes of planning and evaluating. This was not the conception these high school students seemed to have had when they said there was no such system in their family.

Several other people made specific reference to the recommendations proposed in current literature. Dr. Paul Popenoe, who writes a syndicated column appearing in a local newspaper, was cited by two of the mothers as being one who advocated the adolescent's independence in managing his own money and at the same time taking a part in the family financial management process. But neither of these women followed his advice entirely. As Mrs. Morgan said,

> "Sometimes I feel that children that are not raised according to the books are better adjusted. We feel that it is better to handle the money as we do whether it agrees with Popenoe's way or not."

Four other parents expressed another attitude toward the writers' suggestion that the high school students should take an active part. It was good council but needed to be "educated into the families.... starting in the school." (Mr. Morgan) Mr. Parker commented,

> "Writers look longingly at the average American home and write about it. But it is really impractical to plunge right in the middle. You have to gradually introduce one thing at a time and maybe after a while, this will grow in importance."

These responses suggest that parents are not ready to accept fully the recommendations propounded. However, the larger proportion of those interviewed (35 out of 38 persons) who considered the high school student's participation an important part of the management process of the family finances, indicates that the trend is directed toward acceptance. But to what extent are the young people actually allowed to enter in the management of finances? How do the family members feel toward their roles in the management process? What factors affect the participation of the high school student? Are the students encouraged to plan for and select large-expenditure items? How do the families in this study think they compare with others as to the role of the adolescents in the management of the finances? These and other questions will be discussed in the following pages.

Degree of participation of high school student.

The answer to the first question may be stated very simply. High school students are not allowed to participate to any great degree in the management process of the family finances. This was the belief of the total group of 38 persons; however, four stated that whereas it was the general pattern in other families, it was not the situation in theirs because they were exceptions.

This does not mean to imply that the adolescent was excluded entirely from the management process. But his participation was limited either to contributing ideas and suggestions in making a particular purchase and/or managing his own money rather than that of the whole family. He seemed to have little to do with such practices as making of a family budget, deciding upon the financial details of a purchase or, in some cases, even helping to determine the amount of his own allowance, Mr. Snyder expressed it another way:

> "You are making a right assumption I think except they cooperate in our family on such things as who goes to camp and what camp they are going to and items that involve them in particular. But these items are only minor in frequency in proportion to the amount of financial planning and the expenditures that goes on in the family that only affect them indirectly."

There were many explanations proposed for the lack of participation on the part of the high school student. That which was mentioned by many (three fathers, three mothers and eight students from 10 families) pointed out that the parents were capable of making the decisions; they had developed the habit and hence did not have the patience to allow their children to make mistakes. The eight adolescents just assumed it to be a responsibility of the parents and were content to abide by their judgments.

> "I have always thought that these were the sort of problems that are just taken care of by the parents." (Marian Davis)

> "I think the mother and father can best see where the money goes and can do a better job at the planning....They know better than I do what the whole financial status of the family is." (Jane Baker)

> "The high school student takes in confidence his parents' judgment and assumes that it is sound." (Robert Hudson)

These quotations illustrate the faith the high school student has in his parents' decisions. With this, evidently they are not too interested in the financial management process of the family. Nineteen persons (six fathers, five mothers, and eight students) supplied this as another reason for lack of participation. They were too busy with their own activities to be concerned with the financial details of the family. Typical remarks were:

> "I don't want to participate any more because it is such a bother to me. I guess I am just lazy of nature." (Ann Morgan)

> "Personally, I don't want to know anything more about it. I am too busy with other things." (David Lee)

> "I think the children that age are not too much interested in the family income. I don't think they should be interested at all. They have long enough to worry about it when they get out of school." (Mr. Jackson)

Mrs. Parker added,

> "I think that perhaps we could have stimulated more interest in the family finances but then we did not think they would be interested. Now that I think of it, they might have been."

Her feeling, along with that of others interviewed, shows that a third cause for the small amount of ~~an~~ adolescents' participation in the management process of the family income might have been due to a deficiency in training that could have been corrected earlier. As Mrs. Monroe viewed the situation,

> "If things were worked out so that they had more responsibility they would get more mature ideas than they do when they just earn money of their own."

The students themselves supported this. Six of the 14 admitted that they did not know enough about money management and they lacked the experience that was necessary for them to participate.

> "We do not participate as much as we should in family financial management because it is something we don't understand....I would like to know what to spend my money on." (Patricia Smith)

Four parents suggested that high school students were not qualified to do much planning; they lacked mature judgment and experience.

Another reason for the high school student's inactive part in the management of the family income was that he did not have a right to have any control over the management of his parents' income. This theory was advanced by four persons (two fathers and two high school students):

"If I tried to become too interested, the family would probably think I was trying to run the whole business." (Marian Davis)

"I do not think they [high school students] are interested in the family finances because they might take a position of differing with their parents. This is a position most children would rather shrink from or he might be slapped away from." (Mr. Baker)

These are only the major reasons proposed by the 12 family groups interviewed. It should be noted that the number of answers accounted for in previous paragraphs exceeded 38 responses. This was because several explanations were sometimes suggested by one person.

Attitudes toward the high school student's participation.

The majority of the teen agers (all but four) stated that they did not want to take a more active part in the management process of the family nor should they have more of an opportunity than was given them. To be sure, if they wanted to express an opinion, most of them felt free to do so and their ideas might be considered, but they were content with the existing circumstances. David Lee summarized the attitude that seemed to prevail among the adolescents:

"I am not particularly interested in the finances. There is always something else that is better to do. I don't think I should have anything to do with it. I don't think any students my age are interested in the spending of the family income. All we are particularly interested in is getting three meals a day and if we get that, it is enough."

An interesting observation is that while this feeling was prominent in this age group, the parents took an opposite viewpoint. All but a very few suggested that their children should take a greater part and might even want to do so. They seemed to feel guilty over their neglect of this aspect of their training.

> "Maybe they should have more contact with the running expenses of the house." (Mr. Monroe)
>
> "I think that if you would sit down and think it over and talk about it you would conclude that you should have given the high school student more of a part in the financial planning because of his age." (Mr. Lee)

Factors affecting the participation of the high school student.

Different circumstances might alter the extent of the high school student's participation in the money management procedure of the family. Those factors most frequently offered by the group were the age of the child and the economic status of the family.

The first--age of the child--was mentioned as being a determinant by 13 individuals (three fathers, four mothers and six students). It was generally agreed that as the child reached high school graduation he should be taking a greater interest in the management process of the family; however, two additional persons thought that maturity was equally as important as chronological age.

Referring to the economic status of the family, 11 (four fathers, two mothers and five students) suggested that in the lower income families the cooperation of the whole family was more apt to be required. As Mr. Reed explained,

> "If the income is limited, the parents are more forced to explain the reasons why their children's wants are limited... there is more explaining required to the teen agers as to why the daughter can not have a new formal like the others. Then I think...the children have to contribute to the family income by working and they are in closer contact with the family income and expenditures."

Other factors stated as affecting the degree of participation of the teen age student were: the number of children in the family; whether the mother worked; the education of the parents; the size of a single expenditure; and the size of the community. As the size of the family and the cost of a single item increased, so should the responsibility of the high school student in the management of the family money. The mother's working would give the adolescent more opportunity to handle money. Highly educated parents with special training in family economics should see the value of allowing the child to share in money management. A larger community would have more activities demanding the time of the students away from home, thus decreasing their interest in family money management.

<u>Purchasing large expenditure items</u>.

It has been shown that the feelings of the parents and their children indicated that the high school student did not participate to a large extent in the financial management process of the family. In order to obtain more concrete evidence of the actual participation of the family members in one specific aspect of the management process, each of the 38 was asked to either describe the process of selecting and buying an item that was recently acquired for the home or else to tell of how a large expenditure purchase might be chosen.

Seventeen of the entire group reported that the final decision for the items was usually left up to both of the parents. Four other persons claimed that only one of the parents would do the final choosing depending upon the item being bought. For instance, if it were a car, the father would undoubtedly have the final decision but if it were a piece of furniture or something for the home the mother would be the major influence. Six delegated the responsibilities for deciding upon all purchases to one parent--three to the father and three to the mother.

This total of 27 responses indicated that the parents either singly or cooperatively made the final decisions on all large expenditure items for the whole family. But this does not mean that the children were eliminated from the selection procedure at all. Only seven persons intimated such a situation. The rest who left the final decision in the hands of the parents added that the children would be aware of the pending purchase. In most cases, the whole group would talk about it and each would have an opinion as to the style and make they wanted. This, however, limited the student's participation to the planning step of the management process. Three of the mothers claimed that though their children were given the opportunity to voice an opinion, they were seldom interested in such details and were satisfied with the decisions of the parents.

The remaining 11 persons, representing six families (two individuals from each of five families and one from the sixth), considered the purchase of a large expenditure item to be more a family project--one in which they all took an active part in the planning and actual purchase. But often times the participation of the high school student was limited to choosing the size, shape, color, and make rather than the price or the method of payment for the item. In no instance was the child expected to pay for a part of the item.

Comparisons with other families.

References to other socio-economic classes with regard to the high school students' participation in the family financial management process has been discussed previously. While this was mentioned by only a few persons, the entire group was asked to compare their family's management practices with those of their friends and neighbors. Ten (three fathers, three mothers and four students) could not compare their habits with others of their acquaintances. This was perhaps, as five persons supposed, because they did not ordinarily discuss finances with their friends. "Finances are one of our most jealously guarded secrets." (Mrs. Ryan)

> "I don't go around talking about my financial problems to others and they do not come to me to talk about theirs." (Harry Parker)

The remaining people ventured a comparison of their management practices. That most prevalent among the high school aged group in particular was that their family was "typical" or "average" with those of their friends--this being the response of nine students, five fathers and three mothers. This is probably because, as Joyce Reed said, "Those girls that I go around with have about the same background as I do."

Ten other persons suggested that their family practices were not as liberal as those of their friends. The children sometimes came home with stories of how much money other students were getting for an allowance compared to their own.

> "According to the boys' stories they are held down. They tell about how others who can drive to school and this looks too extravagant to us. We do not think Harold is capable of managing it and we do not see the necessity of it." (Mrs. Monroe)

This was usually the time when the parents felt an obligation to explain to their children the necessity of limiting their allowance or of curtailing their expenditures. Of the ten persons making such comparisons, it is to be noted that two family units accounted for six of the responses. When it was a problem in the family, evidently each one was aware of it and it had been a familiar topic of conversation.

Three persons had observed that their system of management differed from others with which they were familiar. Mrs. Reed and her daughter remarked that their family cooperation on all types of activities was not generally found in those of their friends. Mrs. Snyder thought her children to be better "handlers of the dollar" than most others their ages.

Evidences of Long-Time Goals

"If the family were to win a $50.00 prize, for instance on a radio quiz contest, what would you do with it?" Each of the 38 persons were confronted with this situation and it was hoped their responses would suggest long-time goals. The answers were varied.

Eighteen of the entire group suggested saving the prize money for something in the future--a vacation trip, an extra pleasure, or college. The latter was mentioned most frequently by the high school students (five in all) perhaps because they were more concerned with their own aims. The majority of the students would put a matured war bond in their college savings also. Robert Hudson explained the practice that seemed to be most popular with the students:

"When my money goes toward college, it is put into sort of a hazy fund. It goes just into a general college fund, not to be designated for such and such."

Most of the adolescents were going to train to be professional people--i.e., engineers, teachers, an architect, a physical therapist, a missionary and a stock broker. Very few did not know what they were planning to be and these were the juniors in high school.

Five persons indicated they would add the additional money to their general checking account. It was noted, however, that these five represented only two family groups both of which ordinarily received an irregular income through fees and commissions. Five more people, four of whom were mothers, specified a particular item such as a gas furnace, a radio or a record player for which the money would be spent immediately. Six others (five fathers and one student) decided they would give the money to other members of the family--perhaps dividing it equally among the group or giving it to their wives to spend on themselves. In addition, a father and son would give the greatest proportion of the winnings to charitable organizations.

Two persons (a father and son) did not think it was a large enough sum of money with which to bother.

"If you had said $1000.00, it would make it a lot easier to decide where we would spend it, but if it were only $50.00 we would probably squander that." (Mr. Parker)

It was amazing how many others (about one-sixth of those interviewed) agreed that $50.00 did not amount to too much money, but they did suggest a possible use for it.

Findings of Agreements and Disagreements
Among Family Members

In discussing the previously mentioned topics, it was almost impossible to separate the three methods of looking at the material. This portion of the chapter is an elaboration of the agreements and disagreements among family members within the same family unit. Here will be shown, as far as possible, those persons within each family unit who shared the same beliefs and attitudes.

There are several possibilities for agreement or disagreement. Either all family members may have the same idea on a particular subject or they may all foster unlike opinions. It is also conceivable that the mother and father may have beliefs that are similar but unlike the high school students. In some instances, either the father and the teen age student or the mother and the adolescent may agree on certain topics. In most instances, it was only possible to compare the responses to subject matter on which the majority of the persons replied.

When defining the phrase "family financial management," all members within each of six family groups proposed different meanings of the phrase. This points out the need for more understanding of the management steps, at least among this particular selected sample. It also tends to indicate that money management is not a subject in which all members take an equal part, because if they did, they would surely be in more agreement as to its meaning.

In contrast, only one family group offered similar meanings of the phrase. In three of the other families, it was the father and the high school student who agreed that financial management, in essence, meant "budgeting." A mother and her two teen age children united in their belief that budgeting was the major aspect of money management. In the twelfth family group, neither the mother nor the son ventured a definition of the phrase. It is interesting to note that in this group, the father appeared to dominate the money management process of the family.

Only the parents were asked to compare their present financial management habits with those they were presently practicing. It was found that of the 10 pairs[5] of parents, five agreed between themselves that there was no conscious carry-over of financial practices from their youth. Another set of parents agreed with each other also, but they suggested that they had incorporated their parents' practices into their own management process. Between the parents of the other four families, there was disagreement as to the origin of their pattern of management.

Concerning the probabilities of the high school student transferring the money management process of his parents to his own home in the future, it was found that half of the families were agreed among themselves that he probably would. In most of the other six cases, the father was the parent expressing the greater degree of doubt.

It has been noted on page 117 that 11 parents (including three pairs of mothers and fathers) agreed that they had not consciously trained their children in the use of money. In addition to this rather large

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5 The information concerning childhood experiences was not offered by two of the fathers making their records incomplete in this respect.

proportion of parents making such a claim, only one high school student made such an observation. In this respect, he shared the same opinion as both of his parents. The rest of the students recognized some effort on the parts of their parents to teach them to manage money.

Though 11 parents stated that they did not employ any technique to teach their children to manage money, all but two pairs of them went on to explain the value of such things as the allowance or work experience in training their children. When the specific methods of training used by the parents were studied, it was found that the allowance was suggested most frequently by all members of the family. This was the case in four total family groups. Parental guidance and direction as a method of training was recognized both by the parents and the adolescents in three other families. Three more mothers and their children recognized similar ways in which the adolescents were taught to manage money, but in each family the method pointed out was different. While these mothers thought the plan or method to be successful and appreciated by the children, two of the adolescents did not share the same satisfaction.

One fact upon which all the family groups agreed was that the high school student did not participate to any degree in the management process of the family income. The explanations proposed for this were so varied that it was difficult to determine agreement or disagreement within each of the twelve families. Two members within each of four families suggested that the responsibility should be given to the parents. These combinations included three fathers and their children as well as one mother and her child. Another common explanation for the high school student's small amount of participation was his lack of interest. This was proposed by two complete family units and two sets of mothers and fathers together. In two other families, the high school student shared the same opinion as his mother in one instance and his father in the other. With so many parents giving the high school student's lack of interest as a reason for his small amount of participation, it appeared that they were not assuming the responsibility for causing little desire to participate.

While six students said they did not have enough knowledge of how to manage money, this was agreed with by only one mother. However, two pairs of parents pointed out where their teen age children had immature judgment and, therefore, were not qualified to participate.

One of the factors mentioned as influencing the child's degree of participation was his age. Two members each from four families expressed this opinion. They included: two fathers and adolescents; one mother and high school student; and one father and mother.

When comparing the descriptions of purchasing large expenditure items, it was found that seven of the family groups were agreed among themselves. Five of them put the final responsibility in the hands of the parents after the family had been consulted. The other two families agreed that the final decisions were family activities in which all members participated. In the other five family units studied, it was generally the student who viewed the procedure of selecting a large expenditure purchase differently from his parents. They either felt more a part of the selection process than their parents indicated or else they took an extreme point of view and thought themselves less important than their parents meant for them to be.

In comparing their families' financial management habits with those of other families, five entire family groups were in agreement. These were comprised of: 1) one family who did not compare their family with others; 2) two families who believed themselves to be "average" and "typical" of their friends; and 3) two families who expressed the belief that they were not as liberal in giving their children money as they had observed their friends to be. Two other family units were in complete disagreement in how their own management practices compared with others. In both cases, the students felt they were like others, but the parents either did not venture a comparison or felt themselves to be more conservative than their acquaintances. Within each of the remaining five families, there was agreement between two persons. One pair of parents believed that they were like others in managing their money, but their daughter felt it depended upon many outside influences. Two fathers sided with the children in observing that their management habits were similar to their friends. In the last two families, it was the mothers and students who shared like opinions as to how their family compared with others.

Among the 12 family groups, there was only one in which all the members indicated exactly the same use for $50.00 in prize money the family should win. This was a family in which the income fluctuated from month to month; every one of them suggested that the money would just be considered another source of income. It was true that in four other family units, all the family members suggested that they would put the money for a particular "good" cause, but the exact objectives were not well defined within the group. Each of the members of two family groups suggested different objectives entirely for the use of the money. In four of the family groups, it was the mother and the adolescent who shared similar opinions as to what purpose the money should be put. The parents together mentioned about the same uses for the money in two more of the families, while in the remaining three cases interviewed, it was the father and high school student who agreed on the destination of the prize money. From these findings, it appeared that the parents were more in accord with their children on the matter of what to do with an unexpected amount of income than with each other.

Findings Concerning Roles and Attitudes of Individual Family Members

For most topics reported in the findings, it has already been shown how the individuals in the various family positions reacted to certain aspects of money management. This portion of the chapter will put particular emphasis on the different attitudes and opinions which appear to be characteristic of either the father, mother, or high school student.

Of the entire group of 36 persons interviewed, 18 people limited management to budgeting; half of whom were high school students. The other nine responses were divided between the fathers and mothers. This part of the management process is probably the one in which the children have received the most training and therefore believe to be the most important. Several of them mentioned having been instructed in setting up a budget in junior high school. It was the mothers in particular who stressed the necessity of living within one's income as the meaning of "family financial management." Three fathers seemed to dismiss the belief of family cooperation being desirable in the management of the family income and they stressed the necessity of one person being responsible for the management of the family income.

More mothers (ten) than fathers (six) reported they were not continuing their parents' management habits in their present family practices. Four fathers specifically referred to their childhood experiences as the foundation for the management practices they now follow. From these findings, it may be assumed that the husband has dominated the present money management process in many of these cases. All of the students predicted that they would adopt their parents' money management habits in their own homes; however, six of the 14 suggested circumstances that might alter the degree of transference. It was the mother who tended to agree with the children. The father was of the same opinion in most cases, but he was the parent more apt to be cautious about too definite a prediction.

When discussing the types of training given by the parents in money management, six fathers stated that they had not used any particular method. Five mothers made similar remarks but then went on further to explain what experiences the children had received to teach them the value of money. This shows that though perhaps they did not realize it as being important, they were employing various techniques. The students evidently were more conscious of their parents' teachings than their mothers and fathers because only one of them made no reference to evidences of parental training. To many of the adolescents, guidance and counseling was considered important.

In all the methods of training the high school student to manage money, the mother assumed the more important role of the parents. In fact, two of the fathers suggested that if there were any schemes used, they did not know of them but perhaps their wives would. The mothers were major influences in the children's expenditures for clothing, recreation and pleasure as well as showing mistakes in buying that might have been corrected. The fathers gave the children their allowances and aside from occasional advice and help on financial problems, they usually turned over the responsibility of the actual teaching to the mothers.

The parents knew very little about the students' learning experiences in school but were more familiar with the fact that their children had served as treasurers in various organizations. In these cases, the father had been consulted when his child had assumed the position.

In explaining why high school students usually did not participate in the money management process of the family, the students (eight) either suggested that the parents could manage the money better than they and it was their duty, or that they were not interested in the management of the family income (eight adolescents). Six of the youths admitted they did not know enough about money management to participate. It should be noted that the persons discussing the student's degree of participation in family financial management often named several explanations. The parents together were generally in agreement with the children on these matters, but they were equally divided on their responses. The parents suggested that lack of maturity, judgment and experience were the reasons.

All but four of the adolescents claimed that they did not want to take a greater part in the management process of the family income. On the other hand, the parents were of the opinion that they should be more active in their participation.

In suggesting the factors that affected the degree of the high school students' participation, the students mentioned age and the economic status of the family as being important. While there was a tendency for the mothers to be more conscious of age, the fathers pointed out the economic level of the family to be a decided influence on the children's participation.

When procedure for selecting and purchasing large expenditure items was described by the fathers, mothers and students, it was found that there were few differences in their responses. The mothers appeared to stress the family's participation in all aspects of the buying of the items--not just in the planning and discussing the proposed purchases. Three of the high school students thought that, while they were given an opportunity to express an opinion, it would not have much influence on the parents' final decisions. But these attitudes were indeed not typical of the group of high school students, the majority of whom seemed content with their present amount of participation.

Each was asked to compare the money management practices of the family with those of his friends. The students (nine) thought the process employed in their own home was very similar to those of their friends. The fathers, in five of these cases, agreed with their children. The mothers' responses were too divided to show any pattern to be characteristic of their position in the family.

Possible uses for $50.00 prize money were compared, but again there were many different responses. It may be concluded, however, that the women appeared to be the most interested in spending the money for the home or a family pleasure, that the men seemed the most generous in wanting to give to others and that the students were perhaps the most college-minded and felt the $50.00 would be saved for that purpose.

CHAPTER VI

CHAPTER VI

SUMMARY AND CONCLUSIONS

With the democratic organization of family living has come the emphasis upon the importance of each individual within the group. The area of home management, too, has recognized the human element in its subject matter and has attempted to make management a process in which all members of the family should participate.

But little has been done to determine to what extent the adolescent in his junior or senior year in high school does participate in the management of the family finances. That was the primary purpose of the study. In addition, an attempt was made to find out his reaction toward his participation as well as the attitude of each of his parents. The developmental pattern of the adolescent's role was traced in an effort to point out those background factors that might have influenced it as well as the roles and attitudes of each his parents.

The case study method was employed with the use of the interview as a means of gaining the information. This was thought to be the best method for getting attitudes and opinions since the facial expression and voice inflections could be observed and judged in addition to the verbal responses.

Twelve families were asked to cooperate in the research project. These were selected according to predetermined criteria--occupation of chief breadwinner, the source of known income, the type of house, the dwelling area, the religious preference, and the school year of the teen age child in the family. It was found that the majority of the men were either professional or proprietors and managers, therefore, receiving their incomes mostly from salaries. The houses were all rated "very good" or "good" and the residential neighborhood was judged to be "above average." All 12 families attended the local Methodist church and each had at least one boy or girl who had been in either the junior or senior class in high school the previous school year. Using an Index of Status Characteristics, the group of families finally chosen was thought to be homogeneous in its socio-economic class; they all were rated upper-middle. The particular suburban area in which the families lived was near the home of the investigator and all were personal acquaintances.

No set pattern of interviewing was followed because it was felt that informal conversation, yet one that was guided by the investigator, would furnish a freer flow of response than the question-answer approach. Only remarks concerning the roles of the various members in the management of family finances were encouraged; details of family income, expenditures and financial difficulties were avoided because of the intimacy of the subject. Each of the 38 persons (two sets of twins were included in the study) was interviewed separately in an effort to gain only his own feelings.

During the interview, notes were taken and immediately following the conversation were recorded in complete form. When this part of the project was finished, the interviews of the persons within the 12 family units were compared: 1) to pick out the details of the money management process; 2) to trace the genesis of the management practices and attitudes; 3) to point out the roles and attitudes of the fathers, mothers, and adolescent children; and 4) to show on what issues the family members agreed or disagreed. The family groups were then compared with each other in an attempt to pick out any patterns that might come to light as being typical of this particular selected group of families.

It was not the purpose of this study to judge the money management practices of these 12 families, but rather to try to determine the roles of the individual members (particularly the high school student) and their attitudes toward these roles. With such a small sample, it was impossible to draw any conclusions regarding the money management process of the sample; however, generalizations can be made pointing out those items on which the largest number of persons commented. Along with the following generalizations, personal opinions of the investigator are interspersed.

The first portion of the findings dealt with the attitudes and opinions of the entire group of 38 persons. To the majority of the persons interviewed, "family financial management" meant only planning the expenditures or budgeting. A few mentioned the act of controlling the plan but practically no one referred to the evaluation step of the management process. Also, when defining the phrase, most of the persons ignored the word "family" completely. Some stressed the importance of one individual handling the money income. Very few verbally recognized the managing of the family income to be a project in which the entire family cooperated.

Most of the money management habits used by the parents in this study were not like those of their childhood experience. In some of the cases, there was evidence of the paternal influence still existing; however, most of the pairs of parents had developed their own management practices after they were married. But the predictions of the parents and the children were that the students included in the study would be more apt to continue those ways of managing finances to which they were accustomed. This was taken as an indication that the student seemed satisfied with the management system his parents used.

Nearly half of the parents stated they used no special techniques to teach their children to manage money. Actually this was not the case for some went on to explain the importance of their children's allowance as a device for teaching them the value of money. Other techniques considered to be important were: giving the children some responsibility in handling family money; guiding the children's expenditures; experiencing outside work; and serving as treasurer of various organizations. The home training of the children in money management tended to be more a responsibility of the mother than the father, particularly with regard to clothing and recreation expenditures.

As early as 1900, an educational committee of the Lake Placid Conference[1] reported that there were many children from all socio-economic classes who did not have the opportunity to take part in activities at home and it was up to the schools to supply this deficiency.

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1 Lake Placid Conference on Home Economics, Proceedings of the first, second and third conferences, Lake Placid, New York, 1901.

In more recent times, there has even been a greater increase in the number of out-of-the-home activities requiring the time of the teen age student, thereby decreasing his home interest to a greater extent. But from the findings of this study, it appeared that the school was not assuming much responsibility for teaching these upper-middle class students money management practices

No one believed they were using the so-called "family council" system of money management. They seemed to think it was a formal meeting of the family members in which a vote was the customary manner of reaching a final decision. Perhaps the term should be renamed because the word "council" itself denotes a formal gathering operating under the laws of parliamentary procedure.

All of the entire group of 36 persons agreed that the high school student did not participate to any great degree in the management of the family finances. The parents were capable of doing the managing and the students were content to let them take the full responsibility. Many of the children had no interest in the family finances when they were not concerned directly by the decisions.

Sometimes the students, if they were interested, would help in the final selection of an item; however, the parents only encouraged them to help choose the physical characteristics of the purchase and not to make decisions regarding the monetary details. The latter became the responsibility of the parents who usually cooperated in the decisions. Often times the final choice of an article was left to the "expert" on that particular purchase--i.e., the father would select the automobile and the mother would choose household necessities.

On the whole, the students did not want to participate more than they were doing already. They did not feel they had the right to influence their parents opinions; parents should have the responsibility. The reason for the limited participation of the high school student that perhaps had the most significance to the home economist was that many of these 14 students lacked the training or experience necessary to share in managing money.

However, the high school student was not eliminated from the money management process of the family entirely. They participated to some extent, but their participation was usually limited to one aspect of the first step of the management process, that of planning for a future purchase The exact amount of the income or any financial difficulty that might occur in the family, was, as a rule, withheld from the child's knowledge. He had no part in budgeting the family income. He only had the responsibility of managing his own money and, in some cases, this was under the guidance and direction of one or both parents.

It was hard for many of these 38 persons to compare their own financial management process with that of others because money matters were generally not a common topic of conversation among friends. Many suspected that the management system in their family was much the same as that of their acquaintances. Others had observed that the parents in some of these families were less liberal in giving money to their children and more liable to curtail the children's wants and wishes.

All of the 14 students were college bound and it was for this purpose they thought any prize money might be put. But most of the mothers were more interested in either providing an extra pleasure which the whole family could enjoy or else improving the home. The fathers generally were of the opinion that the money would be divided equally among the family group or given to their wives to spend on themselves.

For this group of 12 families, it is almost too late to encourage more family participation because the teen age children were already making plans to leave home for college. Any promoting of the concept that the children should become active in the money management process of the family finances should be done, as suggested by several of the parents, when the children are young. Therefore, the value of democratic participation in the managing of family finances needs to be instilled in parents long before the children reach adolescence.

The next section of the findings was an attempt to point out the major aspects of family financial management on which the various members of the family units agreed or disagreed. No precise conclusions can be drawn because there were no consistent patterns of agreement or disagreements among family members. For this reason, only the broadest generalizations can be made.

Each individual family that was selected for the research project had been established for at least 18 years and from the subjective viewpoint of the investigator appeared to have good family relations among the group members. There were few issues discussed upon which there was a rabid disagreement among family members. The main source of disagreement between the parents appeared to be concerning the method they should use to train their children to manage money.

On many of the topics on which the entire family were in full agreement, it was obvious that there had been recent family conversations about the matter. A popular meaning attached to the phrase "family financial management" by most of the family groups was "budgeting." This was mentioned in families which were either conscious of the need for it or were attempting to demonstrate the necessity of budgeting to their children.

When there was disagreement among the family members, it seemed to be the high school students who did not share the same opinions and beliefs as their parents. There are two possible explanations for this. The parents, since they knew the investigator, were perhaps making the financial management process and the attitudes of each of the members toward it appear rather optimistic. The children, on the other hand, expressed their true feelings with little thought to how it sounded. Or perhaps, the parents were just unaware of their children's apparent disagreement over financial matters since there was not much discussion of finances within the family groups.

From an over-all observation, it may be concluded that when the members within the family disagreed on one aspect of the money management process, they were apt to disagree on several others. It may be further generalized that when the adolescent had an opinion on a money matter that was similar to one of his parents, the tendency was for him to agree with that particular parent on other situations.

While it was relatively simple to pick out the high school students' opinions and attitudes, it was more difficult to determine the beliefs that were characteristic of either the mother or the father. This was because the parents tended to be more in accord with each other's statements and opinions than with their children.

Little information was obtained about the exact methods of management employed by the families; however, there was evidence that the children put more importance on budgeting and recording their expenditures than did their parents.

It was found that in this particular upper-middle class group of families, there was still a slight tendency for the father to dominate the money management process of the household. Evidently the practices of managing the family income were satisfactory to the students because so many indicated that they would adopt their parents' habits in their future homes.

In training the children to manage money, the mothers were more aware of the methods employed than were the fathers who seemed to shift the responsibility to their wives. Also the women tended to be more family oriented in discussing the purchase of a large expenditure item and in determining a use for $50.00 prize money.

While the children said they were content with the degree of financial management they had been permitted in the family, the parents believed that they should have stimulated more interest and should have encouraged more participation.

Suggestions for Further Study

The purpose of a case study approach is to suggest hypotheses and ideas for further investigations. From the information obtained by talking with the selected sample included in this study, several possibilities can be presented as leads for a deeper or perhaps more statistical analysis.

The development of the individual's attitudes toward money and his practices of money management might be further investigated. It was generally found that the mothers and fathers in the study differed from their parents in the methods of money management. Yet, they each felt that the modern adolescent would continue the same attitudes toward money that his mother and father had. It may be hypothesized, then, that the next generation will be more like the present than the present is like the last. In other words, how much is one generation like another? How do money management habits and attitudes transfer from the parents to the children when the subject appears to be so apart from the adolescent's realm of interest and the parents do not seem to teach them money management?

If it can be assumed that children's participation in the money management process of the family is desirable, then it is necessary to begin this habit when the children are young. At what age should it be started? How does it develop as the child is included in more and more family financial discussions and decisions? More detailed case studies of individuals tracing their money management practices would perhaps reveal the value of starting their participation early in the child's experiences. The attitudes of the individual toward money during his lifetime could be related to outside influences such as the business cycle of inflation and deflation, the various stages of the family life cycle, the age a person married or the occurrence of some family crisis.

There have been quite a few research projects done on the methods families employ in managing their money, but further study would perhaps show how the high school student manages his own money. It would indicate the methods he himself uses as well as point to the origin of some of those methods--whether it be from school, from his parents, or from mere observation.

Statistical analysis of data is impossible with such a small sample of families. Therefore, it is recommended that in future studies of this nature, a larger number of participants be chosen so that the interview could be accompanied by a questionnaire or definite schedule of questions. These could be analyzed quantitatively. However, it must be realized that in doing this, the informal casual discussion of money management might be sacrificed for more objective data.

Only a small sample of 12 upper-middle class families were included in this project. A further study could be to select a sample from another socio-economic class (preferably the lower class) and to compare the degree of participation of the high school student in the two classes.

It was generally agreed that in this particular socio-economic class there was a limited amount of participation on the part of the high school student in the money management process. It was suggested that in the lower income group family cooperation would be more typical. Let it be suggested for additional study, that the lack of communication between generations in the upper socio-economic class of people is a mechanism to enhance the class status and prestige of this particular group of families.

There were many reasons offered for lack of full family cooperation in the money management process. Further study might delve more deeply into these with the intention of determining which of those are actually defense mechanisms on the part of the family members and which are valid excuses.

Since the adolescents did not appear to be interested in the management of the family income, and since they were the family members to be more in disagreement with their parents than their parents were with each other, it may be hypothesized that these two factors are, in reality, manifestations of the adolescent's desire for independence from family ties. On the other hand, other possible causes for this particular sample of families might be: 1) these adolescents had few financial or material needs that were not satisfied by their parents; 2) there was no pressure to be more informed; 3) they were just lazy.

Many persons mentioned the age of the student as a factor affecting the amount of participation children should have. Another research project might be directed toward other age groups in an effort to determine the kind and extent of participation at the different age levels.

Though there was no definite indication of it in the comments of these particular 30 persons, the role of the high school student in money management might be influenced by the sex of the adolescent. This introduces another possibility for further study--a comparison of the boys' and girls' degrees of participation in the family financial management process.

The ordinal position of the child in the family was not considered in discussing financial management; yet, many of the parents had difficulty separating one of their children from the rest. This opens another possible subject for research. To what extent do older and/or younger children influence the participation of a specific age child in the management of the family income? To what extent does an "only" child cooperate with his parents in money management compared with several children in the family?

Schools, particularly high schools, are publicly supported institutions for the purpose of training youth for adult responsibilities. Do they do this in the area of financial management for those students who follow a college preparatory course? These 14 students claimed to have received little financial training in school. It would, therefore, be interesting to study the curricula as outlined by the educators to find out if they had intended to include it. Perhaps they have delegated it to home economics classes, forgetting that in high school, the majority of students are not enrolled in family life courses.

But then, on the other hand, just because the students did not point to a specific course in which they learned money management, that does not necessarily mean that they did not have the training in school. Perhaps it was not the fault of the school curricula. Maybe the children were exposed to the subject but did not remember it or recognize it as being a part of their training in money management.

A few of the parents stated that they did not include the children in the money management process of the family because children had a tendency to discuss private matters outside of the home environment. Another hypothesis to be tested might be stated as follows: Children are proud of their families and when they are entrusted with confidential information and realize it to be private, they will not discuss it among their friends.

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APPENDIX

CHARACTERISTICS OF SAMPLE[a]

Adolescent	Year in High School	Siblings	Position in Family	Father's Occupation [4][b]	Source of Income [3][b]	Type of House [3][b]	Dwelling Area [2][b]	Index of Status Characteristics Total Rating[c]
Jane Baker	Senior	1 Brother	Younger	Prof. and Accountant Professional (1)[d]	Salary and Fees (3)[d]	1 1/2 story brick, small yard - well cared for (3)[d]	(3)[d]	28
Marian) Davis Paul)	Senior Junior	---	Twins	Chemist Professional (1)	Salary (4)	2 story brick Large Excellent Condition (3)	(3)	31
Thomas) Hudson Robert)	Senior Senior	---	Twins	Teacher Professional (2)	Salary (4)	2 story brick In good repair (3)	(3)	35
Pete Jackson	Junior	1 Sister	Younger	Pur. Agent Business man (2)	Salary (4)	2 story brick Well landscaped lawn (3)	(3)	35
David Lee	Senior	2 Sisters	Youngest	Chief Clerk for R.R. Business man (1)	Salary (4)	Stucco - lawn well cared for (3)	(3)	31
Harold Monroe	Junior	2 Brothers	Middle	Metallurgist Professional (1)	Salary (4)	Bungalow 1 1/2 story (3)	(3)	31
Ann Morgan	Senior	2 Sisters 1 Brother	Middle	Chemist Professional (1)	Salary (4)	2 1/2 story brick corner lot (2)	(3)	28
Harry Parker	Senior	1 Brother	Older	Lawyer Professional (1)	Fees (3)	Modern Apt. Bldg. Downstairs Apt. (3)	(3)	28
Joyce Reed	Junior	1 Sister	Younger	Manufacturer's Agent Proprietor and Manager (1)	Profits (3)	2 story brick (3)	(3)	28
George Ryan	Senior	1 Sister	Younger	Salesman Clerical Sales and Kindred (2)	Commission (3)	Brick, large excellent repair, well landscaped lawn (3)	(3)	32
Patricia Smith	Junior	1 Sister	Older	Architect Professional (1)	Salary (4)	2 story frame (3)	(3)	31
Helen Snyder	Junior	1 Brother 1 Sister	Oldest	Divisional Sales Mgr. Proprietor and Mgr. (1)	Salary (4)	Large home Spacious lawn (3)	(3)	31

a. Based on the Index of Status Characteristics from Social Class in America by Warner, W. Lloyd, Meeker, Marchia and Eells, Kenneth, Science Research Associates Inc., Chicago, Ill. 1949, pp. 131-158.

b. The numbers in brackets indicate the weight given to each item by Warner, et al., in determining social class.

c. Totals ranging from 25 to 33 are upper-middle class; totals ranging from 34 to 37 are indeterminant and may be classified either upper-middle or middle. For the purpose of this study they were considered upper-middle.

d. Numbers in parentheses indicate ratings on a seven point scale in which (1) receives the highest rating.

3017 Boudinot Avenue
Cincinnati 38, Ohio
August 2, 1952

Dear Mr. and Mrs. :

To complete the requirements for my Master's degree at Michigan State College I am required to write a thesis.

The subject I have chosen is concerned with the role of the junior and senior class high school student in the family financial management process. This refers to the amount of his participation in the managing of the family income and his attitudes and feelings toward his participation from both the student's and his parents' point of view. Gathering information on this subject will require individual interviews with and each of you as her parents at your conveniences.

Your family could help me by expressing these attitudes and impressions. I am not interested in family financial details of income, expenditures or problems at all. Would you consider participating in this project among yourselves? I will call you for your decision later this week.

Thank you for your interest.

Sincerely,

Denise Francq