

~~APR 30 1974~~ R53
~~MAY 15 1974~~ R20
~~MAY 15 1974~~ R11
~~JUN 15 1974~~ R158
~~AUG 1 1974~~ R37
~~AUG 8 1974~~ R243
~~AUG 20 1974~~ R243
~~OCT 1 1974~~ R377
~~NOV 8 1974~~ R377

~~APR 30 1974~~ R53
~~MAY 15 1974~~ R11
~~MAY 15 1974~~ R85
~~APR 1 1975~~ R296
~~JUN 1 1976~~ R296
~~AUG 1 1975~~ R295
~~OCT 23 1976~~ R299
~~JAN 2 1979~~ R340
M-139

ABSTRACT

INCOME AND EXPENDITURE PATTERNS RELATED TO THE LIFE CYCLE

by Carol Warwick Shaffer

The purpose of this study was to analyze the variation in income, assets, debt and the specific expenditures studied in the 1960 Survey of Consumer Finances in relation to the stages in the life cycle as classified by the Survey Research Center and to interpret the findings with respect to implications for home management. The analysis provides an empirical basis for predicting demands on income over time and provides valuable information for teaching and counseling in the area of family financial management.

The 1960 survey consisted of interviews with 2,972 spending units selected by area probability sampling to represent the population of the United States. The interviews were conducted by well-trained persons using valid and reliable questionnaires. The raw data relevant to the variables of interest in this analysis were obtained from the Survey Research Center and were cross-tabulated. Tables found to be statistically significant at the .001 level or higher, which also provided data of value for support or negation of hypothesis, were reported.

The major findings indicated that it is typical for the income of newly-wed couples to be higher than the mean income of all families, to decline substantially when there are preschool children in the family, then to rise gradually until the head of the family is about 50 years of age. Family income then levels off during the years prior to retirement and at retirement is sharply reduced. The majority of wives are employed outside the home immediately following marriage. Most leave the labor force when there are preschool children in the family. Many return to the labor force when their children are school age or older.

During the young childless stage and the active parenthood stages, the value of assets held by families remains low and funds are primarily invested in equity in their home or held as liquid assets. After children leave home, value of assets increases until the retirement stage. Only during the contracting family stage do families add significantly to value of assets. The pattern of asset holdings is more diversified compared with earlier stages.

Young married couples with children under 18 are most likely to make extensive use of consumer and mortgage credit. The proportion of families with some debt falls off substantially after children leave home. Few older families with no children under 18 have consumer and mortgage debt.

Expenditures for durable goods are a major financial problem for families in the young married childless stage. Among families with children under 6, expenditures for laundry equipment are typical. No sharply increased outlay for durable goods occurs at any of the life cycle stages except during the beginning family stage. During the contracting stage, some replacement of equipment is characteristic, but staggered expenditures for maintenance and replacement of furniture items over the years is more typical than any extensive replacement of many durables within a short period of time.

The main implication for home management is that the analysis of changes in resources available and demands on resources over the life cycle provides empirically based information for long-range financial planning.

INCOME AND EXPENDITURE
PATTERNS RELATED TO THE LIFE CYCLE

By

Carol Warwick Shaffer

A THESIS

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Home Management and Child Development

1964

ACKNOWLEDGEMENTS

The author wishes to express appreciation to the following:

Dr. Jean Schlater for her excellent direction in planning the study and in supervising the preparation of the manuscript.

My committee members -- Dr. Alice Thorpe, Dr. Beatrice Paolucci, Esther Everett, and Dr. Denzel Cline -- who assisted in the formulation of the problem and who read the manuscript in its later stages and suggested revisions.

The Survey Research Center, Ann Arbor, Michigan, for making data available and especially to Dr. Charles Lininger and Dr. James Morgan, staff members of the Survey Research Center, for their cooperation, assistance and suggestions relative to obtaining and using the data needed for this study.

My husband and children who have provided inspiration and encouragement throughout my graduate study.

TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
LIST OF TABLES	iii
 Chapter	
I. INTRODUCTION	1
Growth of Interest in Life Cycle Classification	
Objectives	
Hypotheses	
II. REVIEW OF LITERATURE	9
Prior Research in the Area	
Life Cycle Classification	
III. METHODOLOGY	29
IV. CHARACTERISTICS OF THE LIFE CYCLE STAGES ..	36
V. INCOME	59
VI. ASSET HOLDINGS	97
VII. DEBT POSITION	119
VIII. EXPENDITURES	133
IX. SUMMARY AND CONCLUSIONS	163
Support or Negation of Hypotheses	
Implication for Home Management	
Theoretical Implications	
Usefulness of Data from the	
Survey of Consumer Finances	
BIBLIOGRAPHY	195

LIST OF TABLES

Table		Page
4.1	Age of Head Within Life Cycle Stages	47
4.2	Sex of Head Within Life Cycle Stages	48
4.3	Marital Status Within Life Cycle Stages	49
4.4	Relation of Number of Children to Marital Status	50
4.5	Number of Adults Within Life Cycle Stages	51
4.6	Length of Marriage Within Life Cycle Stages	52
4.7	Number of Children Within Life Cycle Stages	53
4.8	Age of Oldest Child Within Life Cycle Stages	54
4.9	Number of Adults Plus Number of Children Within Life Cycle Stages	55
4.10	Age of Youngest Child Within Life Cycle Stages	56
4.11	Age of Youngest Child Within Age Groups.....	57
4.12	Marital Status Within Age Groups	58
5.1	Family Income Quintiles Within Age Groups	81
5.2	Family Income Quintiles Within Life Cycle Stages	82
5.3	Total Spending Unit Income Within Life Cycle Stages ...	83
5.4	Disposable Income Within Life Cycle Stages	84
5.5	Income Change Within Life Cycle Stages	85
5.6	Education of Head Within Life Cycle Stages	86
5.7	Occupation Within Life Cycle Stages	87
5.8	Capital Income Within Life Cycle Stages	88
5.9	Transfer Payments Within Life Cycle Stages	89
5.10	Employment Income of Head Within Life Cycle Stages ..	90
5.11	Employment Income of Wife Within Life Cycle Stages ...	91
5.12	Proportion of Earned Income Earned by Wife Within Life Cycle Stages	92
5.13	Number of Members Receiving Employment Income Within Life Cycle Stages	93
5.14	Number of Weeks Wife Worked Full- or Part-Time Within Life Cycle Stages	94
5.15	Spending Unit Employment Income Within Life Cycle Stages	95
5.16	Proportion of Total Income Received by Wife Within Life Cycle Stages	96
6.1	Total Liquid Assets Within Life Cycle Stages	111
6.2	Pattern of Liquid Asset Holdings Within Life Cycle Stages	112
6.3	Equity in House Within Life Cycle Stages	113

6.4	Total Value of Real Estate Other Than Own Home Within Life Cycle Stages	114
6.5	Value of Stocks Within Life Cycle Stages	115
6.6	Value of Assets Within Life Cycle Stages	116
6.7	Number and Pattern of Asset Holdings Within Life Cycle Stages	117
6.8	Value of Assets Within Age Groups	118
7.1	Amount of House Mortgage Within Life Cycle Stages ..	129
7.2	Remaining Total Debt on Durables Within Life Cycle Stages	130
7.3	Total Remaining Installment Debt Within Life Cycle Stages	131
7.4	Remaining Total Debt on All Cars Within Life Cycle Stages	132
8.1	Housing Status Within Life Cycle Stages	152
8.2	Length of Occupancy of Housing Within Life Cycle Stages	153
8.3	Monthly Rent Brackets Within Life Cycle Stages	154
8.4	Total Monthly Mortgage Payments Within Life Cycle Stages	155
8.5	House Value Within Life Cycle Stages	156
8.6	Total Expenditures on Repairs and Additions Within Life Cycle Stages	157
8.7	Number of Rooms in House or Apartment Within Life Cycle Stages	158
8.8	Percent Who Bought Durables Within Life Cycle Stages	159
8.9	Net Outlay on Durables Within Life Cycle Stages	160
8.10	Life Insurance Ownership Within Life Cycle Stages ...	161
8.11	Life Insurance Premiums Within Life Cycle Stages ...	162

CHAPTER I

INTRODUCTION

Growth of Interest in Life Cycle Classification

The concept of life cycle is an important tool for the analysis and teaching of the economic problems of families. This concept has received theoretical attention but only limited empirical study. It is a relatively new concept which hypothesizes that the ebb and flow of income and the demands upon it follow rather characteristic patterns as the family progresses through the stages of the life cycle.

In the thirties, Howard Bigelow,¹ a noted family economist, refined the concept of family life cycle, listing seven different stages in relation to the use of money. Gross and Crandall² stated that for some time following this little attention was paid to the influence of the stage of the family life cycle on family financial management and as late as March, 1948, when the Bureau of Labor Statistics published the Workers' Budgets in the United States, the importance of the life cycle was only suggested in the following statement:

It is quite possible that there are significant differences between 'young' families and 'old' families in the amount of income required

¹Howard F. Bigelow, "Toward a Theory of Family Finance," Journal of Home Economics, Vol. 32 (April, 1931), pp. 325-32.

²Irma H. Gross and E. W. Crandall, Management for Modern Families (New York: Appleton-Century-Crofts, 1954), pp. 115-16.

to maintain the same level of living. Such differences need to be explored in further analysis of family living data

When the National Conference on Family Life was held in Washington, D.C., in May, 1948, its entire approach was based on the family life cycle classified into three major stages - beginning family, expanding family, and contracting family. In a paper by Lansing and Kish,³ "Family Life Cycle as an Independent Variable," the authors proposed family life cycle as an alternative variable more significant than the age of a person or the age of the head of the family as a variable in social research. Using data from the 1955 Survey of Consumer Finances, six economic characteristics were related to age classes and to stage in the family life cycle. The economic characteristics were: (1) percent of spending units who own their own homes, (2) percent of spending units who have any debts, (3) percent of spending units including a working wife, (4) percent of spending units with income over \$4,000, (5) percent of spending units who bought a new car in one year, and (6) percent of spending units who bought a television set in one year. For each of these six characteristics, stage in the life cycle proved itself superior in "explanatory" power to age classes. The authors expressed the view that they believed family life cycle should be adopted more widely in social research as an independent variable to be used in place of or parallel to age.

³John Lansing and J. Kish, "Family Life Cycle as an Independent Variable," American Sociological Review, XXII (October, 1957), pp. 512-19.

In home management literature, the concept of variation in income and expenditure patterns related to stage in the life cycle has been extensively discussed in texts such as those by Nickell and Dorsey⁴ and by Gross and Crandall.⁵ Nickell and Dorsey⁶ schematically described both lifetime and annual income profiles based on broad occupational groups. Gross pointed out that "while not statistically derived, these profiles help visualize the flow of incomes for these groups."⁷ Concern for planning with respect to fluctuating annual income and long term income was stressed in home management literature but no statistical data had been analyzed to ascertain the real nature of this problem area.

In family economics literature, one author in particular, Howard Bigelow,⁸ stressed the importance of family life cycle in an analysis of family financial planning. He stressed the importance of seeing the life of the family not as a year-to-year picture, but as a whole, planning for expenditures throughout the entire life of the family. He stated that:⁹

⁴Paulena Nickell and Jean Dorsey, Management in Family Living (New York: John Wiley and Sons, Inc., 1959).

⁵Gross and Crandall, op. cit.

⁶Nickell and Dorsey, op. cit., pp. 252-56.

⁷Gross and Crandall, op. cit., p. 149.

⁸Howard Bigelow, Family Finance (Philadelphia: J. B. Lippincott Company, 1953).

⁹Ibid., p. 386. 331

At first sight it seems an impossible task to make a comprehensive list of all the goods and services a family will need in the 25 to 50 years of its life as a family. But by considering in turn each one of the stages in the usual family cycle, it is possible to break the one impossibly complex problem into a series of problems, each one of which can be solved. By analyzing in specific terms the needs of the family in each of these stages, it is possible to see clearly the characteristic details the problems each stage involves. By studying these problems as phases of a cycle, it is possible to see them not as isolated problems, but as steps in a progression, which must be worked out in their proper order if the family is to live a good life as the years go by. As a result of such analysis it is possible to plan for the present and the immediate future with the long-time well-being of the family clearly in mind.

The only suggestions Bigelow offered for discovering this information he considered so important were that a beginning family can learn what goods and services they will need in each stage of the cycle.¹⁰

(1) by relying on their experiences in families in which they grew up as to what they wanted but could not afford during each of a number of stages of the cycle and; (2) by observation of one or more families with whom they are acquainted to determine definitely what problems arise in each stage of the cycle.

Children in families and family friends rarely are given sufficient information about all phases of income and expenditure problems to insure that this method for determining helpful information with respect to family needs for goods and services as related to stage in the life cycle would be at all adequate. Empirical study of changing demands on income over the life cycle can provide a realistic basis for long term financial planning.

¹⁰ Ibid., p. 386.

Objectives

The purpose of this study is to analyze the variation in income, assets, debt and the specific expenditures studied in the 1960 Survey of Consumer Finances in relation to the stages in the life cycle as classified by the Survey Research Center and to interpret the findings with respect to implications for home management. The analysis of these significant relationships would greatly improve teaching and counseling in the area of family financial management by providing an empirical basis for predicting demands on income over time. Analysis of the data with a view to the formulation of theory in home management would be an important contribution to home management research. The specific objectives of this study are:

1. To determine the relationship between stage in the life cycle and income and expenditure patterns.
2. To interpret the findings with respect to implications for home management.
3. To utilize the supported hypotheses as a possible basis for formulation of theory about income and expenditures in relation to life cycle.
4. To explore the usefulness of data from the Survey of Consumer Finances in home management research and teaching.

Hypotheses

The data are analyzed to ascertain the relationship between significant variables and stage in the life cycle. The analysis focuses on evidence to support or negate the following hypotheses:

I. There is a significant relationship between stage in the life cycle and income, assets, and debt.

A. Income

1. There is a definite decline in the income curve at the stage when the young couple have children under 6 years old.

2. The largest proportion of families with two income earners is found among young childless families and the smallest proportion is found among families with children under 6 years old.

3. There is a shift over the life cycle in the types of income received by spending units as well as in the total amount of income and number of earners.

B. Assets

1. Value of total assets increases from the time children leave home until the retirement of the breadwinner.

2. There are significant changes in the number and pattern of total asset holdings after children leave home.

3. Only in the stage after children have left home will there be a significant increase in families having liquid assets greater than one year's earnings.

C. Debt

1. Credit is used most extensively by the young childless couples and the couples with children under 6 years old.

2. The proportion of families with some debt is highest for families with children and falls off substantially when children leave home and are launched on careers of their own.

3. The proportion of families with mortgage debt will decrease sharply for the older families with no children at home.

II. There is a significant relationship between stage in the life cycle and expenditures for housing, durable goods, and life insurance.

A. Expenditures

1. Housing costs expressed in terms of percent of income are highest for young couples with children and for families in the retirement stage.

2. There is a typical sequential order of purchases of durable goods.

3. The outlay on durable goods will be highest in the young childless stage but will rise again due to replacement after the children leave home.

4. Life insurance ownership is not consistent with the changing need for life insurance over the life cycle.

Chapter II presents a review of prior research on the relationship of stage in the life cycle to income and expenditure patterns

and a brief review of literature dealing with the classification of family life into life cycle stages. The methodology of this study is discussed in Chapter III. In Chapter IV, the interrelationships among demographic variables relevant to classification of spending units into stages in the life cycle are examined in order to understand the characteristics of the typical spending unit in each of the nine stages of life cycle classification used by the Survey Research Center in coding the raw data. Some attention will also be given to the variation within each life cycle classification with respect to demographic characteristics. Chapters V through VIII contain an analysis of the income, asset, debt and expenditure patterns associated with the life cycle stages. The tables referred to in Chapters IV-VIII are placed at the end of each chapter. In the final chapter, Chapter IX, the findings are summarized and interpreted with respect to implications for home management. The supported hypotheses are utilized as a basis for formulation of theory about income and expenditures in relation to life cycle.

CHAPTER II

REVIEW OF LITERATURE

Prior Research in the Area

A number of studies have been undertaken in recent years to ascertain the effect of particular variables on the consumption or savings function. These studies have focused generally on three sets of variables: socio-economic characteristics of the household; financial characteristics; and attitudes and expectations. Perhaps the main analytical work in recent years relating to socio-economic characteristics has been with age and the life cycle. Various early budget studies were concerned in part with the influence of age, but it was primarily the 1935-1936 Consumer Purchases Study with its extensive tabulations that served as a springboard for analysis of the effect of the age factor on consumption.¹ In that study, attempts were made to examine variations in income and in consumption not only by different age groups but by different family types, reflecting to some extent different stages in the family life cycle with a classification of family types based on age of the head, marital status and family size.

Substantial variations observed in income and consumption by age and family types led to further study of these variables in

¹United States Department of Agriculture, Family Incomes and Expenditures, Misc. Pub. No. 339-489 (1939-1941).

postwar years. Many of these studies were carried out at the Survey Research Center of the University of Michigan, based on data collected in the Survey of Consumer Finances, Using data from the 1946 Liquid Assets Survey, and the 1947, 1948 and 1949 Surveys of Consumer Finances which were made available by the Survey Research Center and also the data from the Consumer Purchases Study for 1935-36, Janet Fisher² was able to develop much useful information on the role of the age factor in consumer behavior. In analysis of these data, Fisher presented a hypothetical life cycle pattern and considered how the data used could be related to these hypotheses about the economic life cycle of a family. She pointed out that "in the data presented, information is given about economic status and economic behavior of groups of families (or spending units) classified by age at a particular time . . . there is no information in the Surveys to reveal whether a decline in income is characteristic of the period shortly after marriage, nor do we know what effect supplementary earners and income from capital have upon the income cycle."³ Hence, the data based on age and size of the spending unit did not provide the empirical basis needed for analysis of economic life cycle patterns.

² Janet Fisher, "Income, Spending and Saving Patterns of Consumer Units in Different Age Groups, " in National Bureau of Economic Research Studies in Income and Wealth, Vol. 15, 75-102 (Princeton University Press, 1952).

³ Ibid., p. 101.

In an exploratory study of the determinants of saving, Dorothy Brady⁴ found that, to a large extent, age comparisons of saving rates will in part be a reflection of changes in the direction and magnitude of income. Holding income constant, she found that saving increases uniformly as the age of the wife rises. In addition, Brady showed that not only is family saving influenced by age, family size, and occupation but it may also be influenced substantially by the general level of income in the community where the family resides.

These studies showing the effect of family composition on spending and saving have brought into focus the importance of a life-cycle variable, a variable which would reflect the simultaneous influence of a number of different socio-economic characteristics. This interest stimulated the convening in 1954 of a conference by Consumer Behavior, Inc. (a legal name adopted by the Committee for Research on Consumer Attitudes and Behavior) on the life cycle as related to economic, marketing and sociological behavior of consumer units. The first research using stage in the family life cycle as the classifying variable is reported in the book growing out of this conference.⁵ In one of the papers at this conference, Fisher⁶ outlined some of the research possibilities with

⁴Dorothy S. Brady, "Influence of Age on Saving and Spending Patterns," Monthly Labor Review, Vol. 78 (November, 1955), 1240-44.

⁵Lincoln H. Clark (Ed.), Consumer Behavior, Vol. II (New York: New York University Press, 1955).

⁶Janet Fisher, "Family Life Cycle Analysis in Research on Consumer Behavior," Consumer Behavior, Lincoln Clark (Ed.), Vol. II, 28-36 (New York: New York University Press, 1955).

respect to the economics of family life cycles, citing among the problems which should be explored further, ". . . in how many cases is the wife gainfully employed before her first child arrives and whether or not she goes back to work thereafter? Are there any shifts in housing arrangements? How are immediate and subsequent new expenses financed? As the children grow up, what happens to income and assets? How do consumption patterns shift? Does the wife seek employment full or part time?"⁷

A report on the first really thorough empirical study of consumer finances over the life cycle was presented at this conference by Lansing and Morgan.⁸ This study was based on data from the 1953 and 1954 Surveys of Consumer Finances primarily and in one portion data from 1947-1950 surveys were averaged. This study was the first to use stage in the life cycle as the independent variable rather than age classification.

The families with a head under 45 years of age were called "young" and those with a head 45 or over were called "older." The seven life cycle stages used were:

1. Young, single
2. Young, married, no children

⁷Ibid., p. 31.

⁸ John B. Lansing and James N. Morgan, "Consumer Finance Over the Life Cycle," Consumer Behavior, Lincoln Clark (Ed.), Vol. II, 36-53 (New York: New York University Press, 1955).

3. Young, married, youngest child under six
4. Young, married, youngest child six or over
5. Older, married, has children
6. Older, married, no children under 18
7. Older, single.

Income, assets and debts, and selected expenditures (such as household durables, cars, additions and repairs and life insurance) over the life cycle were studied using this life cycle classification as the independent variable. This analysis revealed a bimodality in the family income with a definite dip in income during the young married stage in which the youngest child was under six. This had never been observed in the studies which drew inferences from data classified on the basis of age. It was found that the wife often received wage and salary income during the young, childless stage. In the stage with preschool children the proportion of wives earning income from wages or salaries was much lower. At later stages the proportion of working wives rose somewhat but never approached the level for the young, married, childless stage. Thus, the wife's income was the factor which accounted for the bimodality of family income.

An analysis of selected expenditure data (on the ownership of homes, cars and television sets) revealed that, to the extent that there is a sequential order for the purchase of these items over the life cycle, it appeared that the car came first, then the television set, then the

house. The findings built up a general picture of young married people buying homes, cars and all sorts of household appliances at a time when spending unit income was fairly low. There was also some evidence of a replacement cycle for such items after the children leave home.

The liquid asset holdings followed a similar bimodal pattern to that of income with asset holdings sharply reduced during the young married stage with children under 6 then rising steadily until one of the couple dies. The proportion of families with debt reached a peak for young families with children and did not drop substantially until the children had all left home.

This study by Lansing and Morgan and the paper by Lansing and Kish discussing the value of family life cycle as an alternative variable more significant than age in social research, seem to offer substantial proof that a more extensive analysis of a wide variety of economic variables as they relate to stage in the life cycle might provide empirical bases for formulation of theory about income and expenditures in relation to family life cycle.

The volume which grew out of the conference called by Consumer Behavior, Inc., includes two other studies relating consumer behavior to stage in the life cycle. Samuel Barton,⁹ using material of the Marketing Research Corporation of America, gave specific examples

⁹S. G. Barton, "The Life Cycle and Buying Patterns," Consumer Behavior, Lincoln Clark (Ed.), Vol. II, 53-57 (New York: New York University Press, 1955).

of the type and quantity of materials consumed at each stage in the life cycle. The focus of this research was to ascertain the potential market for certain products such as strained baby foods, various types of cereals, personal care items, various types of prepared food products, etc. Barton presented information on the manner in which purchasing interest and purchasing trends vary among families of differing age and composition. Donald Miller¹⁰ discussed studies which had implications with respect to the relationship of the life cycle to advertising impact.

Some studies have been conducted on the effect of the life cycle on consumer behavior in Great Britain. Harold Lydall¹¹ has traced the life-cycle pattern in income receipts, in saving and in net worth in Great Britain and drew comparisons with the United States based on some results of the Surveys of Consumer Finances. Although life cycle was the focus of this study, only age was used as a classifying variable, hence the findings actually relate the age of the head of the family to family income, saving and net worth.

James Morgan¹² reviewed recent research in consumer behavior in Consumer Behavior published in 1958. He referred to six

¹⁰Donald Miller, "The Life Cycle and the Impact on Advertising," Consumer Behavior, Lincoln Clark (Ed.), Vol. II, 57-59 (New York: New York University Press, 1955).

¹¹Harold Lydall, "The Life Cycle in Income, Saving, and Asset Ownership," Econometrica, Vol. 23 (April, 1955), 131-50.

¹²James Morgan, "A Review of Recent Research on Consumer Behavior," Consumer Behavior, Research on Consumer Reactions, Lincoln Clark (Ed.), 93-219 (New York: Harper Brothers, 1958).

studies using family life cycle as an explanatory variable. Two of these studies were sociological studies and four were economic studies. Three of the economic studies have been referred to earlier in this chapter. These were the studies by Lansing and Morgan, by Lydall and a U.S.D.A. publication in the Family Income and Expenditure series reporting research by Monroe. The fourth economic study was one by Morgan on "Consumer Investment Expenditures."¹³ In this study of expenditures on household appliances, additions and repairs to homes, and purchases of automobiles, data from seven surveys of Consumer Finances during the years 1947-53 were utilized. Morgan found that demographic factors proved extremely important in explaining cross-section differences. Dates of marriage and birth seemed particularly important. He found that resistance to decreasing investment expenditures was particularly strong among families who had been recently married. These demographic variables were ones used in delineating life cycle stages, i.e., recently married couples would usually be in the young married, childless stage and with the birth of the first child would then be in the young married stage with children under six.

In the review of research by Morgan, he stated that in all of these studies it was found that life cycle was "extremely useful as a crude indicator (1) of the situational changes that affect various

¹³James Morgan, "Consumer Investment Expenditures," Econometrica, Vol. 25 (October, 1957), 602-03.

incentives to spend money (particularly for household furnishings), (2) of the amount of money families have to spend, and (3) of the incentives to save for future purposes."¹⁴ He observed that neglect of the variable is likely to produce spurious correlations in studying spending on household durables by cross-section study.

A recent study by Martin David¹⁵ focused on the impact of family composition on the purchase of selected durable goods, on the consumption of housing and on the consumption of automobiles using data collected in the 1955, 1956 and 1957 Surveys of Consumer Finances. The primary purpose of this study was to demonstrate some systematic relationships between household composition and consumer purchases. The study attempted to narrow the gap between existing formal economic theory of consumer behavior and the behavior of households observed in cross-section studies like the Survey of Consumer Finances. David first presented some theoretical arguments which demonstrated that formal economic theory of consumer behavior logically applies to households. Applying formal theory to differences in the preferences of households with different compositions, a set of hypotheses were developed about the impact of family composition on consumer behavior. Four of the five

¹⁴Morgan, "A Review of Recent Research on Consumer Behavior," op. cit., p. 116.

¹⁵Martin H. David, Family Composition and Consumption, Contributions to Economic Analysis, No. 25 (Amsterdam: North-Holland Publishing Company, 1962).

hypotheses were confirmed. These were:¹⁶

- (1) The age, marital status, and size of the consumer unit must be studied simultaneously if we are to understand how variation in any one dimension affects consumer preferences. There are significant interactions between the marital status of the members of the consumer unit and their ages; and there are significant interactions between marital status and family size.
- (2) Increasing family size is associated with purchase of commodities at quantity rates.
- (3) Increasing family size is associated with a shift from the purchase of commercially produced services to the production of these services in the home.
- (4) Where quality can be measured by average price, increasing family size will be associated with the consumption of lower quality goods.

The data did not prove to be appropriate to test the hypothesis that "the continuous nature of the time dimension suggests that the household should exhibit inertia in its preference structure. Preference patterns are subject to few discrete changes."¹⁷ This study clearly demonstrates the advantages of using life cycle as an independent variable in social research since life cycle classifications are based on a composite of demographic characteristics including the age of the head, marital status, and size of the consuming unit. Changing size is evident in the separation into different stages of families in which there is one adult, families with two adults, and families with or without children.

¹⁶Ibid., pp. 95-96.

¹⁷Ibid., p. 94.

In drawing empirical conclusions from his research findings, David stated that the demographic factors, family size, marital status, and the age of the head of the family were significant and important in explaining consumer demand for housing, automobiles, and durable commodities which he studied. Tendencies observed in the data were:¹⁸

- (1) Large families economize in the consumption of necessities (such as housing) by purchasing large quantities at discount and purchasing poorer quality goods. This pattern of behavior may also extend to the large family's purchase of food and clothing.
- (2) The acquisition of some durables appears to follow a pattern related to age and marital status of the head of the household, rather than family size; furniture and some other durables are acquired more frequently by young couples in the middle income range than by older couples, single persons, and married couples with children. One suspects that purchases of these commodities by older couples and families with children are inhibited both by the other demands on their income and by the stocks which they hold.
- (3) The price of goods consumed increases substantially with family income. The high-income family purchases more expensive housing, durables, and cars than the lower income family. Thus, with a rising average real income we can anticipate demand for higher priced goods--whether they are goods of better quality or greater capacity or both.

David states that a more accurate explanation of the household's purchase of durables and inventory of durables undoubtedly depends on further study of the extent to which assets are acquired at particular stages of the life cycle, at times when the family reaches a critical size, or at times when members of the family reach a particular age.

¹⁸ Ibid., pp. 96-97.

Vernon Lippitt¹⁹ has studied the effect of family composition on expenditures for house furnishings and equipment. Lippitt showed that a classification which takes into account the family life cycle is highly significant in explaining variations in expenditures but family size alone is not a sufficient predictor. Lippitt commented on the importance of the interval since marriage as a factor related to expenditure patterns. He observed that a move to a new residence may influence spending patterns as well as home purchase and therefore it would be desirable to have information on dates of occupancy for surveyed families.

In an article appearing in the American Economic Review, March, 1962, Robert Ferber²⁰ presented a survey of the main empirical research of recent years on household behavior. Principal theoretical developments were also reviewed as an aid to understanding current thinking in the field and as an aid to placing the empirical studies in proper perspective. He noted that:²¹

The great bulk of studies in household behavior in the past fifteen years have dealt with one or more of the following aspects of the subject: (1) Theories of spending or saving behavior; (2) Influence of variables other than income on spending and saving; (3)

¹⁹ Vernon Lippitt, "Determinants of Consumer Demand for House Furnishing and Equipment," Proceedings of the Conference on Consumption and Saving, Vol. I, 225-46. I. Friend and R. Jones (Ed.), (Penna.: Wharton School of Finance and Commerce, University of Pennsylvania, 1960).

²⁰ Robert Ferber, "Research on Household Behavior," The American Economic Review, LII (March, 1962), 19-63.

²¹ Ibid., p. 19.

Determinants of asset holdings; (4) Determinants of specific expenditures; (5) Decision process.

The article focused on determinants of household behavior rather than on the effect of household behavior on other sectors of the economy or on measurement of household behavior. Among research dealing with the influence of variables other than income on spending and saving, studies concerned with the influence of age and the life cycle were cited as being perhaps the main analytical work in recent years relating to socio-economic characteristics. Ferber stated that it was primarily the 1935-36 Consumer Purchases Study with its extensive tabulations that first stimulated analysis on the influence of the age factor on consumption. He remarked on the contributions of work by Janet Fisher in developing useful information on the role of the age factor in consumer behavior and of an exploratory study of the determinants of saving by Dorothy Brady. These early works stimulated interest on the effect of family life cycle on sociological and economic behavior of consuming units.

Ferber observed that the volume growing out of the conference called by Consumer Behavior, Inc., contains a wealth of data on the subject, and he noted that the study of consumer finances over the life cycle done by Lansing and Morgan was the first study which really used a classification of consumer units by stage in the life cycle rather than by age alone. Ferber remarked on Lydall's study comparing Great

Britain and United States data for income, saving and net worth over the life cycle but observed that in this study, also, only age was the classifying variable.

An article by Modigliani and Ando²² in the March, 1963, American Economic Review is entitled "The 'Life Cycle' Hypothesis of Saving: Aggregate Implications and Tests." In this paper it was again age of the individual consumer which was taken into consideration in the formulation of a model for consumption and saving. The model started from the utility function of the individual consumer. The utility of a consumer is assumed to be a function of his own aggregate consumption in current and future periods. The individual was assumed to maximize his utility within the limitations of the resources available to him. These resources were considered to be the sum of current and discounted future earnings over his lifetime and his current net worth. Thus, according to this hypothesis, the current consumption of the individual could be expressed as a function of his resources and the rate of return on capital with parameters depending on age. The individual consumption functions thus obtained were then aggregated to arrive at the aggregate consumption function for the community. Since income minus consumption equals saving, this model also expressed a "life cycle" hypothesis of saving as related to the age of the consumer. The results of a number

²²Franco Modigliani and Albert Ando, "The 'Life Cycle' Hypothesis of Saving, " The American Economic Review, Vol. LIII (March, 1963), 55-84.

of empirical tests for the United States were presented which appeared to support the hypothesis.

This study does not provide information about changing consumption and saving patterns over the stages of the life cycle but does further develop the theoretical foundation of a "permanent income" hypothesis or, more accurately, a "permanent wealth" hypothesis since current net worth and future nonlabor income are considered as well as current and future labor income in the estimation of total resources available over the lifetime.

A number of studies relating economic variables to age and to family composition have been conducted. The bulk of these studies were carried out for the purpose of obtaining empirical data to support economic theory or to provide a basis for improved models of consumer behavior. The majority of the studies have been concerned with aggregate consumption and saving. Only a few of the studies have focused on the family as the consuming unit. The studies which had the most helpful implications for home management were the study by Lansing and Morgan, "Consumer Finance Over the Life Cycle" and the study by David, "Family Composition and Consumption."

Life Cycle Classification

The life cycle is a theoretical construct representing succeeding patterns of family composition and age in the life of an

ordinary family. In analyzing changing income and expenditure patterns over the life cycle, it is useful to classify spending units into several stages. Bigelow²³ based his discussion of income and expenditures over the life cycle on an eight stage classification and theorized the approximate age of the head²⁴ in each stage as follows:

	<u>Stage of Family Cycle</u>	<u>Age of Head in Years</u>
1.	Establishment	23-25
2.	Child bearing and preschool	23-33
3.	Elementary	30-40
4.	High school	38-45
5.	College	42-50
6.	Vocational adjustment	46-52
7.	Recovery	52-68
8.	Retirement	68-78

Evelyn Duvall²⁵ uses a life cycle classification to aid in the understanding of family development. The classification used by Duvall is based on the age of the oldest child. This classification is as follows:

Stage I - Beginning families - married couple without children

Stage II - Child bearing families - oldest child, birth to 30 months

Stage III - Families with pre-school children - oldest child, 30 months to six years

²³Bigelow, Family Finance, op. cit., pp. 15-17.

²⁴Bigelow, unpublished mimeograph prepared for class use, 1961.

²⁵Evelyn M. Duvall, Family Development (Philadelphia: J. B. Lippincott Co., 1962), p. 9.

Stage IV - Families with school age children - oldest child 6-13 years

Stage V - Families with teenagers - oldest child 13-20 years

Stage VI - Families as launching centers - first child gone to last child leaving home

Stage VII - Families in the middle years - empty nest to retirement

Stage VIII - Aging families - retirement to death of both spouses.

Duvall presented two interesting charts - one entitled "Profile of Life of Mid-Century Wife and Mother"²⁶ and the other, "Profile of Life of Mid-Century Husband and Father."²⁷ The approximate ages of the wife and of the husband and the approximate length of each of the life cycle stages as presented in these charts were:

<u>Stage of Life Cycle</u>	<u>Age of Husband</u> (in years)	<u>Age of Wife</u> (in years)	<u>Length of Stage</u> (in years)
I. Beginning families	22.8-24.8	20.1-22.1	2
II. Child bearing families	25.2-27.7	22.5-25.0	2.5
III. Families with pre-school children	28.8-32.3	26.1-29.6	3.5
IV. Families with school children	31.2-38.2	28.5-35.5	7
V. Families with teen agers	38.2-45.2	35.5-42.5	7
VI. Families as launching centers	45.3-50.3	45.3-47.6	6.5
VII. Families in the middle years	50.0-64.5	48.0-61.5	13.5
VIII. Aging families	64.1-71.6	61.4-77.2	7.5-16

²⁶Ibid., p. 15. Based on data from U.S. Census for 1950 from Paul C. Glick, "The Life Cycle of the Family," Marriage and Family Living, XVII, No. 1 (February, 1955), 3-9; and from National Office of Vital Statistics, Births by Age of Mother, Race and Birth Order, United States, 1953. U.S. Department of Health, Education and Welfare, Vol. 42, No. 13 (December 21, 1955), p. 294.

²⁷Ibid., p. 18.

In comparing the life cycle classifications used by Bigelow and by Duvall, a number of similarities and differences can be seen. Bigelow estimated the age of the husband at the time of marriage and the length of the establishment or beginning family period to be about the same as did Duvall. Bigelow classifies child bearing and preschool ages together and implies that the length of these periods will be about 10 years. Duvall estimates only 2.5 years in the child bearing stage and implies the family will have two children with the last child of a completed family born when the husband is about 28 years old. Thus, the child bearing and preschool periods were estimated to cover about 6 years. The elementary school stage corresponds fairly closely with the family with school children, as does the high school stage with the families with teenagers with the exception that most children are in the eighth grade when they are 13 years old rather than in high school. During the college and vocational adjustment stages, the age of the head as estimated by Bigelow approximates the age of the head in the Duvall stage, families as launching centers. The latter two stages in each classification are similar except that Bigelow estimates that the age of the head at retirement will be older than does Duvall.

Fitzsimmons describes the life cycle of the family as follows:²⁸

²⁸ Cleo Fitzsimmons, The Management of Family Resources (San Francisco: W. H. Freeman and Co., 1951).

Adjustment - This is the period in which the husband and wife learn each other's ideals and become accustomed to each other. It . . . , is completed when a way of living has been developed which is as satisfactory as can be realized with the resources at hand

Accumulation - In the accumulation stage . . . the husband and wife acquire the things which come to characterize their family. They accumulate the household goods . . . friends . . . may seek new information and training . . . children are born . . .

Grade School - The third period . . . begins when the first child enters grade school. This period may overlap with the preceding one and may extend into the next. It is not completed until the last child leaves the grades. Additional children may be born

High School - The fourth period . . . begins when the first child enters high school . . . is completed when the last child leaves high school.

College - The fifth stage of many families begins when the first child enters college. It may overlap the preceding stages and is completed when the last child leaves college

Recovery or Rediscovery - This stage begins when all of the children have achieved independence and no longer rely upon their parents This stage is concluded when the husband and wife become old enough to prefer quiet leisure . . . to unnecessary activity

Retirement - Begins when the husband and wife withdraw from active participation in community activities and devote only necessary time to maintenance of their home and economic position

The way that the completion of each stage is described makes it nearly impossible for any family to complete any of the stages except the fifth and sixth stages before they have entered the next stage. This overlap makes this classification a difficult one to use for research in relation to family life cycle. In attempting to classify families according to this classification for a study of the factors affecting farm family goals, Holmes²⁹

²⁹ Emma G. Holmes, "Factors Affecting Farm Family Goals, " Ph.D. dissertation (Purdue University, 1956).

found that many families interviewed did not fit neatly into any one of the three stages to be included in the study - preschool (accumulation), grade school, and high school. For purposes of the Holmes study it was decided to classify the families on the basis of the school attainment of the oldest dependent child.

The Survey of Consumer Finances in 1960 used the following classification of stages in the life cycle:

Young (head under 45 years of age)

1. Unmarried
2. Married, no children, two or more adults
3. Married, youngest child under six, two or more adults
4. Married, youngest child six or over, two or more adults

Older (head 45 years old or older)

5. Married, has children, two or more adults
6. Married, no children, two or more adults, head in labor force
7. Married, no children, two or more adults, head retired
8. Unmarried, head in labor force
9. Unmarried, head retired

This classification differs from the life cycle classification used by Bigelow, Duvall and Fitzsimmons in that younger and older unmarried persons are included as well as married couples.

CHAPTER III

METHODOLOGY

The data available from the Survey of Consumer Finances, conducted by the Survey Research Center at Ann Arbor, Michigan, provide an opportunity to obtain empirical data to utilize in further quantifying and clarifying the relationships between stage in the life cycle and income and expenditure patterns. These surveys have collected data annually in January-March on the demographic characteristics, financial situation, economic attitudes, consumer purchases, and purchase expectations since 1946. The surveys use a national sample of dwelling units selected by area probability sampling to represent the population of the United States. With area probability sampling, the degree of accuracy desired can be specified in advance and then the sample size required to reduce sampling errors to the desired level can be determined. In complex financial surveys, there are response errors which are likely to increase as one increases the sample size. Therefore, for the surveys, samples of around 3,000 were chosen as the best compromise providing acceptable sampling and response errors.

The basic unit for interviewing was the spending unit - defined as a group of people living together, related, and pooling their

income for major items of expense. Husband and wife and children under 18 living at home were always considered to be members of the same spending unit. Both the primary and each secondary unit at each selected dwelling unit were interviewed, with the interview generally taken with the head of each spending unit.

Secondary spending units were classified as related or unrelated. Related secondary spending units were defined as one or more persons living in the dwelling, related to the head of the family, who earn more than \$15 per week and do not pool income with the primary spending unit in the dwelling. Unrelated secondary spending units were defined as a spending unit living in the dwelling, not related to the primary spending unit . . . typically a roomer or a servant residing in the dwelling. While the basic unit for interviewing was the spending unit, some of the variables coded relate to family units. The Survey of Consumer Finances defined family unit as "two or more people living in the same dwelling unit and related to each other by blood, marriage, or adoption. A single person unrelated to the other occupants in the dwelling unit or living alone is a family unit by himself." It is somewhat unusual to include unmarried persons in a classification of family life stages and to call such persons a family. It is more accurate to call the Survey Research Center classifications simply life cycle stages rather than family life cycle stages. In the report of the analysis of data the term "family" will only be used relative to Stage II - Stage VII spending units.

In the actual interviewing, the fixed-question open-answer form was used, except where simple facts were asked. A balance was sought between extremely detailed questioning in fewer areas, and broader investigation of a wider variety of topics. The questionnaire used was the result of several years of development during which pre-tests, split-half experiments, validity checks, and changes from year to year on format and question wording were used to improve the instrument and to develop the best method of obtaining the desired data. Reinterviews in the 1958, 1953, and 1948 Surveys provided an opportunity for various methodological checks.

Each survey, until 1959, used three different sampling fractions, with a smaller fraction of the lower-rent or lower-value dwellings, and a larger fraction of the higher-valued dwellings. The data were then weighted each year to adjust for differences in both sampling and response rates. In 1959 and 1960, a uniform sampling rate was used. In 1961 and 1962 reinterviews involved different sampling ratios once more. The data from the Surveys on Consumer Finances are now readily available to academic researchers.

Data from the 1960 Survey of Consumer Finances are well suited to a study of income and expenditure patterns over the stages of the life cycle. No variation in sampling rate and hence no weightings were used. Interviews were taken with 2,972 spending units carefully selected to be representative of the United States population and skillfully

interviewed by well-trained persons using valid and reliable questionnaires. The raw data relevant to the variables of interest in this analysis were obtained on IBM cards from the Survey Research Center. From 245 variables coded by the Survey Research Center, the following variables were selected for analysis:

- Stage in life cycle
- Age of the head
- Sex of head of spending unit
- Marital status
- Length of marriage
- Number of children under 18
- Age of oldest child under 18
- Age of youngest child under 18
- Number of adults in spending unit
- Number of adults plus number of children
- Non-farm family income quintiles
- Total spending unit income
- Occupation
- Education
- Income change - present income compared to year-ago income
- Disposable income
- Capital income - from rent, interest, dividends and trusts
- Transfer payments
- Head's wage, salary, professional, trade and other self-employment income
- Wife's wage, salary, professional, trade and other self-employment income
- Proportion of earned income earned by wife
- Number of members earning \$600 or more

Number of weeks wife worked full-time or part-time
Spending unit's wage, salary, professional, trade and other
self-employment income
Total liquid assets
Pattern of liquid asset holdings
Equity in house
Total value of real estate owned other than own house
Value of stocks
Value of assets
Number and pattern of asset holdings
Amount of house mortgage
Remaining total debt on additions and repairs
Remaining total debt on durables
Total remaining installment debt
Remaining total debt on all cars
Housing status
When moved into house or apartment
Monthly rent brackets
Total monthly mortgage payments
House value or cost brackets
Total expenditure on repairs and additions during year
Number of rooms in house or apartment
Net outlay on purchased car, 1959-60
Total price of total household durables, 1959
Total net outlay on all household durables
Purchased household durables in 1959
 Television
 Refrigerator
 Washing machine
 Cook stove or range
 Furniture
 Clothes dryer
 Dishwasher
 Air conditioner
 Other durables

Credit or cash payment for household durables purchased
 Families carrying life insurance
 Life insurance premiums
 Ratio of insurance premiums to disposable income

This deck of IBM cards was then prepared for computations using the MISTIC computer based on a program prepared by Francis M. Simms, of the M.S.U. staff, and made available in mimeograph form for use by staff members. Following program instructions, program cards were prepared for the computer. The MISTIC computations included for each table of cross-tabulations the actual and the expected frequency distribution, row percentages, column percentages, contribution to χ^2 of each cell, total χ^2 value and degrees of freedom. The output from the MISTIC computer was on IBM cards and these cards were then sorted and tabulated by IBM. The tables were constructed from these tabulations.

Standard tables of χ^2 values were utilized in evaluating the level of statistical significance of the frequency distributions. In those cases where the tests were not reliable by the criterion given by Dixon and Massey,¹ the χ^2 values were adjusted. Dixon and Massey state that N must be sufficiently large so that none of the expected frequencies is less than 1 and not more than 20 percent are less than 5. In each table in which the above criteria were not met, the contribution to χ^2 of the

¹Dixon and Massey, Introduction to Statistical Analysis (New York: McGraw-Hill Book Company, Inc., 1957), p. 222.

small cell was subtracted from the total calculated χ^2 value which reduced the bias.

Approximately 600 tables were constructed and evaluated with respect to their significance for this study. Tables evaluated as being most significant are reported. The tables included are those found to be statistically significant at the .001 level or better which also provide data of value for the support or negation of the hypotheses. Only a few of the tables included in the report are significant at less than the .0005 level. Some of the tables which are not reported were significant at the .001-.0005 level but were found to include no data which contributed to the support or negation of the hypotheses.

CHAPTER IV

CHARACTERISTICS OF THE LIFE CYCLE STAGES

Relationships Among Life Cycle Stages and Other Life Cycle Variables

Stage I: young unmarried. - The data showed (Table 4.1) that the largest proportion (about 40 percent) of the young unmarried heads of spending units was, as would be expected, in the 18-24 age group. The data further indicated that 50 percent of the heads of spending units who were in the 18-24 year age bracket were unmarried. However, it must be noted that there was only 1 adult in each spending unit in the Stage I classification, while there were 2 adults in the Stage II and Stage III classifications. The data in Table 4.2 showed that a little over half the heads of spending units in the young unmarried group were men and a little less than half were women, while all but a fraction of 1 percent in each of the classifications of married couples had male heads of spending units. The only women who were heads of spending units in these classifications were wives of men who were out of the country. The wives were, no doubt, in approximately the same age bracket as their husbands and, thus, the individuals in the young married stages with no children and with children under 6 account for two-thirds of the total persons in the 18-24 age bracket. The unmarried persons made up only one-third of the total number of persons in this age bracket.

Nearly 33 percent of the persons in this stage were 25-34 and nearly 28 percent were 35-44 (Table 4.1). Thus, not all persons in this classification were young people just out of school. Some had a number of years during which to become established in careers, accumulate home furnishings and add to savings.

About 85 percent of the unmarried individuals under 45 years of age were single (Table 4.3). About 2 percent were widows or widowers, 5 percent divorced, and 7 percent separated. There were probably children in some spending units who were classified in this stage as Table 4.4 indicates that 129 of the spending units in which the head was single, widowed, divorced or separated had 1 or more children. The data do not show how many spending units with children were in this stage with the head under 45 years of age and how many were in Stage VIII or IX with the head over 45. There were 2 or 3 adults in about 8 percent of the spending units in this young unmarried classification (Table 4.5).

Stage II: young married, no children. - The largest proportion (nearly 39 percent) was families with the head 25-34 years of age (Table 4.1), but in nearly as many families, the head was 35-44 and about one-fourth had a head 18-24 years old. It was previously noted that about two-thirds of the individuals in the 18-24 age group were married and were either in this stage of the cycle or were already in Stage III as there were children in the family. Thus, these data

show that typically the head was 18-24 years of age at the time of marriage.

About 30 percent of the couples in this stage had been married only 1 year or less (Table 4.1). Nearly half had been married 3 years or less and nearly 60 percent had been married 4 years or less. The majority were beginning families with a head who was 34 years of age or less and often under 24 years of age. They were typically faced with problems of establishing a home, accumulating home furnishings, and becoming established in occupations.

Some were not recently married as about one-fourth of the families had been married 10 years or more and the head was 35-44 in a little over one-third of the families. These families would not have the typical problems of the beginning family. They would have had many years in which to accumulate home furnishings, add to savings, and become established in occupations.

Stage III: young married, youngest child under 6. - In nearly two-thirds (65 percent) of the families in this stage, the head was 25-34 years old (Table 4.1). About 14 percent of the families married 1 year or less had a child under 6 years of age (Table 4.6). Sixty percent of the couples married 2 years and about 74 percent of the couples married 3 years were in this life cycle stage. About 70 percent had been married 4 years or less. Thus, for many families, the beginning family stage was very short. Quite a few families entered the

active parenthood stage within 1 year after marriage and many entered this stage within 3 or 4 years. However, the largest proportion (39 percent) had been married 10-20 years and 35 percent had been married 5-9 years.

About half of the families in this stage had 1 or 2 children, with the largest proportion (31 percent) having 2 children (Table 4.7), but one-fourth had 4 or more children. In about 2 percent of the families, the oldest child under 18 was 17 years old (Table 4.8). In nearly 15 percent of the families, the oldest child under 18 was 13 years old or older. There were 3 or 4 adults in about 5 percent of the families (Table 4.5). Some of these adults may have been "children" 18 years old or over. There were 5 or more family members in nearly half of the families (Table 4.9).

In almost half of the families in this stage, the oldest child was also under 6 years of age (Table 4.8). The oldest child was 10 or under in 70 percent of the families. Hence, the majority of the families had 1 or 2 children who were preschool or early elementary school age. In many of the families, the head was 25-34 years old and the couple had been married 5 years or more.

Stage IV: young married, youngest child 6 or over. - In a large majority (81 percent) of the families in this stage, the head was 35-44 years old (Table 4.1). The head was 25-34 in all other families in this stage. Most of these couples (82 percent) had been married

10-20 years (Table 4.6). About 10 percent had been married 20 years or more. A number of second marriages was apparent in the fact that 1.8 percent of the families had been married for 4 years or less.

The largest proportion of families (44 percent) had 2 children (Table 4.7). A little over 27 percent had 3-5 children. None of these families had more than 5 children. There were 5 or more family members in about 31 percent of the families as compared with 48 percent of Stage III families (Table 4.9).

In about 36 percent of the families, the oldest child was 10-13 years of age. In nearly 60 percent of the families, the oldest child under 18 was 13 years old or older. There were 3 or 4 adults in about 5 percent of these families (Table 4.5). In some of these families the third and/or fourth adult may have been "children" who were 18 or over.

In a few families in this stage (about 12 percent), the youngest child was 14-18 years of age (Table 4.10). The remainder was about evenly divided, with about 45 percent being families with the youngest child 6-9 years old and 43 percent being families in which the youngest child was 9-14 years old. Thus, in most of the families in this stage, the head of the family was 35-44 years of age. The family included 2 to 5 children of school age, most of whom were primary and junior high school age. Most of the couples had been married 10 years or more. Some had high school age children and a few may have had college age children. It is interesting to note that nearly one-fifth of

the young married couples in which the head of the family was 25-34 years old were in this stage and had only school age children. Hence, in many of these families, the youngest child of a completed family was in school by the time the parents were in their late twenties or early thirties.

Stage V: older married, has children. - A little over half of the families in which the head was 45-54 were in this stage (Table 4.1). Families in this age bracket made up 78 percent of families in this stage. In about 16 percent of the families, the head was 55-64 and in about 5 percent, the head was 65 or over. This was typically high school stage for most families. Table 4.10 shows that in about 79 percent of the families, the youngest child was 14-18 years old. About two-thirds of the families in which the youngest child was 9-18 years old were in this stage.

About 13 percent of the families in this stage had 4 or more children under 18 years of age (Table 4.7). Over half had 2 or more children. Therefore, this stage in the family life cycle would be one requiring large family expenditures as the families are typically composed of 4 or more members and include high school age children. Table 4.5 shows that about one-fifth of the families had 3 or more adults in the spending unit. Some of these families may include "children" 18 years old or over. Since this stage is typically the high school and college stage, expenditures related to childrens' education would be large.

There was a wider range of ages present in families in the older married stage with children than in the other stages with children. In about 5 percent of the families in this stage, the youngest child was less than 2 years old (Table 4.10). About one-fifth of the families had a child who was under 6 years old. These young children were not found only in families in which the head was 45-54 years old. About 9 percent of families in which the head was 65 or over had children who were under 6 years of age (Table 4.11). Many of these older families faced the problems of retirement and of active parenthood at the same time. Nearly 5 percent of the families had a head who was retired (Table 5.7).

About one-third of the families in this stage were composed of 5 or more members and a little over 7 percent had 7 or more members (Table 4.9). There obviously would be many heavy demands on family income at this stage due to the size of the spending unit and the ages of the children. Since these families had a head who was 45 years old or older, perhaps the head was quite well established in his career, hence, earning close to his peak lifetime income if he was still in the labor force.

Over half of the families in Stage V had been married 20 years or more (Table 4.6). During this period, it is possible that durable goods had been accumulated so current expenses for these goods could be reduced. However, items purchased early in marriage are likely to need replacement by this time. The family may have

been able to accumulate savings to help defray the costs of children's education.

Stage VI: older married, no children, head in labor force. -

Twenty-eight percent of the families in which the head was 45-54 and 40 percent of those with a head 55-64 were families in this stage (Table 4.1). Many of these families did have older children (since three-fourths of the families in the 35-44 age group had children), but the children were all 18 or over and most were in college or were launched on careers and families of their own. About 14 percent of the families included 3 or more adults (Table 4.5). Many of these families might have been composed of parents and "children" who were 18 or over. The families in which there were no children for a number of years prior to retirement would have a substantial period of time in which accumulation of savings for retirement years could be more easily accomplished with relatively high income and reduced demands on that income.

About 30 percent of the heads of families in Stage VI were 65 and over but were still in the labor force (Table 4.1). The head might still be employed in some of the families in which the head was in this 65 and over age group and in which there were still children under 18 years of age. Therefore, age 65 was not retirement age for all workers. Economic needs and personal preferences keep many oldsters in the labor force past age 65.

The majority of the families (78 percent) in this stage had been married 20 years or more (Table 4.6). But nearly 8 percent had been married less than 10 years. Perhaps in some cases these were second marriages.

Stage VII: older married, no children, head retired. - As would be expected, in 80 percent of the families in this stage, the head was 65 years old or over (Table 4.1). However, about 18 percent of the families in which the head was 55-64 and 1.6 percent of the 45-54 age group were already in this stage. A smaller percentage of the spending units in which the head was 65 or over were in this stage than were in the older unmarried stage with the head retired. It must be remembered, however, that there were 2 adults or more in the older married spending units and only 1 in most of the unmarried spending units. There were nearly twice as many individuals in the older married families with the head retired as compared with those in the older unmarried stage with head retired.

Stage VIII: older unmarried, head in labor force. - One-half of the persons in this stage were persons in the 45-54 age group (Table 4.1). A little over one-third were 55-64 years old and about 15 percent were 65 or over. Over two-thirds of the persons in this stage were women (Table 4.2). No doubt the reason for this is the longer life expectancy for women than for men. Only about 28 percent of the persons were single (Table 4.3). The largest proportion (nearly 44 percent)

were widows or widowers. Only about 17 percent were divorced and 10 percent separated. About 18 percent of these spending units included 2 or more adults (Table 4.5). Some of these spending units may have included "children" who were 18 or over. There were no children under 18 in spending units in this stage of the life cycle (Table 4.7). There was quite a change in the number of persons who were divorced, separated or widowed when comparing the three age brackets. Nearly one-third of all divorced persons were in the 45-54 age group (Table 4.12). About 20 percent of the persons who were separated and about 14 percent of those who were widows or widowers were in this age group. The percentage of widowed who were 54-64 was nearly double that of the younger age group and nearly one-half of the widowed were 65 or over. The number who were divorced dropped from about 32 percent in the 45-54 age group to about 16 percent in the 55-64 age group. Only about 6 percent of the divorced persons were age 65 or over. The percentages of persons who were separated followed a very similar pattern.

Stage IX: older unmarried, head retired. - The majority of the persons (nearly 72 percent) in this stage were 65 years old or older (Table 4.1). About 38 percent of all heads of spending units who were 65 or over were in this stage. It was pointed out in the analysis of the older married stage with the head retired that although only 35 percent of the heads of spending units were in that stage, there were more individuals as each of these spending units included 2 or more

adults. In many instances, the husband and wife would be in the same age group. A larger percent of persons in this stage were women as compared with older unmarried persons who were in the labor force (Table 4.2). About 36 percent of all women who were heads of spending units were in this stage. Over three-fourths were widows or widowers (Table 4.3), about 20 percent were single and the remaining 10 percent were divorced or separated. There were 2 or 3 adults in about 14 percent of the spending units (Table 4.6). Some of these may have been "children" who were 18 or over. There were no children under 18 in the spending units in this stage of the life cycle (Table 4.7).

TABLE 4.1 AGE OF HEAD WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Age of Head									
	18-24	25-34	35-44	45-54	55-64	65 & over				
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	39.6	50.2	32.6	15.3	27.8	12.5				
Young married:										
no children	24.1	19.1	38.8	11.3	37.1	10.4				
youngest child under 6	9.6	30.7	55.0	64.7	35.3	39.9				
youngest child 6 or over		18.5	8.8	81.5	37.1					
Older married:										
has children				78.6	53.0	16.2	16.5	5.2	5.0	
no children, head in labor force				43.6	28.3	41.3	40.4	15.1	14.1	
no children, head retired				1.6	0.5	18.4	8.5	80.0	35.3	
Older unmarried:										
head in labor force				50.0	18.1	35.3	19.2	14.7	7.6	
head retired				0.5	0.2	27.9	15.5	71.6	38.0	
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ² Total N
Young unmarried	108	366.7	89	19.0	76	5.2	58.3	38.7	40.5	273
Young married:										
no children	41	61.0	66	27.3	63	19.4	36.3	24.1	25.2	170
youngest child under 6	66	3.7	377	393.7	242	61.8	146.3	97.1	101.5	685
youngest child 6 or over		21.0	51	0.6	225	465.1	59.0	39.1	40.9	276
Older married:										
has children		30.9		83.9		87.2	320	624.9	66	1.2
no children, head in labor force		29.8		80.8		84.0	171	91.0	162	203.7
no children, head retired		14.1		38.1		39.6	3	33.7	34	2.3
Older unmarried:										
head in labor force		16.6		44.9		46.7	109	83.7	77	68.7
head retired		16.9		45.8		47.6	62	45.4	62	29.6
Total N	215	583	606	604	401	419				2828

^aRow percent

Degrees of freedom - 40

X² for table - 5082.53^bColumn percentX² of 76 is significant at .0005 level

TABLE 4.2 AGE OF HEAD WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Sex of Head of Spending Unit			
	Man		Woman	
	R%	C%	R%	C%
Young unmarried	54.2	6.2	45.8	28.9
Young married:				
no children	99.4	7.1	0.6	0.2
youngest child under 6	99.4	28.4	0.6	0.9
youngest child 6 or over	100.0	11.5	-	-
Older married:				
has children	99.7	16.9	0.3	0.2
no children, head in labor force	99.7	16.3	0.3	0.2
no children, head retired	100.0	7.7	-	-
Older unmarried:				
head in labor force	35.7	3.3	64.3	32.9
head retired	28.8	2.7	71.2	36.6
	N	χ^2	N	χ^2
Young unmarried	148	30.1	125	167.2
Young married:				
no children	170	4.3	1	24.1
youngest child under 6	683	17.4	4	96.8
youngest child 6 or over	277	7.6	-	42.2
Older married:				
has children	406	10.8	1	60.0
no children, head in labor force	391	10.4	1	57.8
no children, head retired	185	5.1	-	28.2
Older unmarried:				
head in labor force	79	62.6	142	348.4
head retired	64	81.9	156	455.8
Total N	2403		432	2835

Degrees of freedom - 8

 χ^2 of 27.8 is significant at .0005 level χ^2 for table - 1510.76

TABLE 4.3 MARITAL STATUS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Married		Single		Widowed		Divorced		Separated		
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	
Young unmarried	-	-	85.3	68.6	2.2	2.2	5.5	26.8	7.0	37.3	
Young married:											
no children	100.0	8.1	-	-	-	-	-	-	-	-	
youngest child under 6	100.0	32.4	-	-	-	-	-	-	-	-	
youngest child 6 or over	100.0	13.1	-	-	-	-	-	-	-	-	
Older married:											
has children	100.0	19.2	-	-	-	-	-	-	-	-	
no children, head in labor force	100.0	18.5	-	-	-	-	-	-	-	-	
no children, head retired	100.0	8.7	-	-	-	-	-	-	-	-	
Older unmarried:											
head in labor force	-	-	28.6	18.6	43.6	35.7	17.3	67.9	10.5	45.1	
head retired	-	-	19.4	12.7	75.2	62.1	1.4	5.4	4.1	17.7	
<hr/>											
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ² Total N	
Young unmarried	-	203.5	232	773.0	6	15.2	15	17.2	19	40.6	272
Young married:											
no children	171	14.5	-	20.4	-	16.2	-	3.4	-	3.1	171
youngest child under 6	687	58.3	-	82.0	-	65.2	-	13.6	-	12.4	687
youngest child 6 or over	277	23.5	-	33.1	-	26.3	-	5.5	-	5.0	277
Older married:											
has children	407	34.6	-	48.6	-	38.7	-	8.1	-	7.3	407
no children, head in labor force	392	33.3	-	46.8	-	37.2	-	7.8	-	7.1	392
no children, head retired	185	15.7	-	22.1	-	17.6	-	3.7	-	3.3	185
Older unmarried:											
head in labor force	-	164.6	63	51.5	96	270.1	38	260.4	23	91.5	220
head retired	-	166.1	43	10.3	167	989.9	3	0.4	9	6.3	222
Total N	2119		338		269		56		51		2833

Degrees of freedom - 32

X² for table - 3774.44X² of 65.09 is significant at .0005 level

TABLE 4.4 RELATION OF NUMBER OF CHILDREN TO MARITAL STATUS

No. of Children under 18 in the Spending Unit	Marital Status											
	Married			Single			Widowed			Divorced		
	R%	C%		R%	C%		R%	C%		R%	C%	
None	51.2	35.3		23.1	96.9		18.4	86.8		3.8	65.1	
1	89.5	19.7		1.3	1.7		4.3	6.5		2.1	11.6	
2	92.9	21.7		0.6	0.9		2.4	3.9		2.0	11.6	
3	91.8	12.2					1.8	1.6		2.5	8.1	
4	92.6	5.9		1.5	0.6		1.5	0.7		0.7	1.2	
5	90.0	3.0					1.4	0.3		1.4	1.2	
6	88.5	1.1		3.9	0.3					3.9	1.2	
7	90.9	0.5										
8 or more	94.1	0.8					5.9	0.3				
<hr/>												
	χ^2		N		χ^2		N		χ^2		N	
	Tl.N											
None	751	84.8	339	158.4	269	87.8	56	4.3	51	0.2	1446	
1	418	21.0	6	43.9	20	17.0	10	0.9	13	0.3	467	
2	460	31.5	3	52.7	12	30.5	10	1.3	10	2.4	495	
3	259	16.2		33.3	5	20.3	7	0.2	11	0.4	282	
4	125	8.3	2	12.2	2	10.4	1	-	5	-	135	
5	63	3.3		8.3	1	5.5	1	-	5	-	70	
6	23	1.0	1	-		-	1	-	1	-	26	
7	10	7.9		-		-		-	1	-	11	
8 or more	16	1.2		-	1	-		-		-	17	
Total N	2125		351		310		86		97		2969	

Degrees of freedom - 32

Adjusted χ^2 for table - 658.03 χ^2 of 65.09 is significant at .0005 level

TABLE 4.5 NUMBER OF ADULTS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Number of Adults in Spending Unit									
	1		2		3		4		5	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	91.9	40.4	6.6	0.9	1.5	2.1	-	-	-	-
Young married:										
no children	-	-	95.3	8.3	4.1	3.7	0.6	2.4	-	-
youngest child under 6	-	-	95.5	33.2	3.4	12.0	1.2	19.1	-	-
youngest child 6 or over	-	-	91.2	12.9	5.8	8.4	2.2	14.3	-	-
Older married:										
has children	-	-	78.6	16.2	16.7	35.6	4.4	42.9	-	-
no children, head in labor force	-	-	85.5	17.0	12.2	25.1	1.8	16.7	0.3	20.0
no children, head retired	-	-	95.4	8.7	6.5	6.3	0.5	2.4	0.5	40.0
Older unmarried:										
head in labor force	81.5	28.9	13.6	1.5	4.1	4.7	0.5	2.4	0.5	20.0
head retired	86.0	30.7	12.2	1.4	1.8	2.1	-	-	0.5	20.0
Total N	251	609.7	18	155.9	4	11.3	-	-	-	273
Young unmarried										
Young married:										
no children	-	37.5	163	16.2	7	1.8	1	-	-	171
youngest child under 6	-	150.7	656	65.8	23	11.7	8	0.5	-	687
youngest child 6 or over	-	60.8	255	19.9	16	0.4	6	-	-	277
Older married:										
has children	-	89.3	320	4.7	68	60.1	18	23.8	-	407
no children, head in labor force	-	86.0	335	14.1	48	17.7	7	0.2	1	392
no children, head retired	-	40.6	171	13.8	12	-	1	-	2	185
Older unmarried:										
head in labor force	180	356.7	30	99.8	9	2.3	1	-	1	221
head retired	191	415.7	27	105.4	4	8.0	-	-	1	222
Total N	622	1975	191	42	5	2835				

Degrees of freedom - 32	Adjusted χ^2 for table - 2480.12
χ^2 of 65.09 is significant at .0005 level	

TABLE 4.6 LENGTH OF MARRIAGE WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Length of Marriage (in years)									
	1 or less		2		3		4		5 - 9	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried										
Young married:										
no children	29.8	71.8	13.5	30.7	5.9	15.4	9.4	22.5	16.4	8.
youngest child under 6	1.5	14.1	6.6	60.0	7.0	73.9	7.1	69.0	35.2	75.
youngest child 6 or over	0.7	2.8	0.4	1.3	0.4	1.5	0.4	1.4	5.8	5.
Older married:										
has children	0.5	2.8	0.3	1.3	0.5	3.1	0.5	2.8	3.7	4.
no children, head in labor force	1.3	7.0	0.5	2.7	0.8	4.6	0.8	4.2	4.3	5.
no children, head retired	0.5	1.4	1.6	4.0	0.5	1.5	-	-	2.2	1.
Older unmarried:										
head in labor force										
head retired										
Total N	71		75		65		71		322	
Young unmarried										
Young married:										
no children	51	357.1	23	47.3	10	4.3	16	18.4	28	0.
youngest child under 6	10	7.4	45	17.5	48	34.3	49	29.2	242	180.
youngest child 6 or over	2	5.7	1	7.9	1	6.6	1	7.4	16	16.
Older married:										
has children	2	9.9	1	12.4	2	8.8	2	9.9	15	35.
no children, head in labor force	5	5.1	2	10.2	3	6.8	3	7.8	17	30.
no children, head retired	1	4.4	3	1.9	1	3.9	-	6.2	4	20.
Older unmarried:										
head in labor force										
head retired										
Total N	71		75		65		71		322	

Degrees of freedom - 30

X² of 62.61 is significant at .0005 level

TABLE 4.7 NUMBER OF CHILDREN WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Number of Children Under 18 Years of Age																					
	0			1			2			3			4			5			6			
	R%	C%	N	R%	C%	N	R%	C%	N	R%	C%	N	R%	C%	N	R%	C%	N	R%	C%	N	
Young unmarried	100.0	18.7																				
Young married:																						
no children	100.0	11.7																				
youngest child under 6				22.3	36.8	31.0	46.4	21.8	57.9	13.7	75.2	6.3	68.3	2.5								
youngest child 6 or over				27.8	18.5	44.8	27.2	19.5	20.9	5.4	12.0	2.5	11.1									
Older married:																						
has children				45.7	44.7	30.0	26.6	13.5	21.2	3.9	12.8	3.2	20.6	1.5								
no children, head in labor force	100.0	26.8																				
no children, head retired	100.0	12.6																				
Older unmarried:																						
head in labor force	100.0	15.1																				
head retired	100.0	15.2																				
<hr/>																						
Young unmarried	273	123.6		40.1			44.2			24.9			12.0						6.1			
Young married:																						
no children	171	77.4		25.1			27.7			15.6			7.5									
youngest child under 6		354.8	153	27.0	213	93.1	150	121.3	94	134.0	43	50.4	17									
youngest child 6 or over		143.0	77	32.5	124	139.7	54	32.5	15	0.6	7	0.1										
Older married:																						
has children		210.2	186	267.0	122	47.8	55	8.5	16	0.2	13	1.7	6									
no children, head in labor force	392	177.5		57.5			63.5			35.8		8.7										
no children, head retired	185	83.8		27.2			30.0			16.9		-										
Older unmarried:																						
head in labor force	221	100.1		32.4			35.8			20.2		-										
head retired	222	100.5		32.6			35.9			20.3		-										
Total N	1464		416	459		259		125		63		23										

Degrees of freedom - 64		Adjusted X
-------------------------	--	------------

Degrees of freedom - 64

 χ^2 of 107.9 is significant at .0005 level

Adjusted X

TABLE 4.8 AGE OF OLDEST CHILD WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Age of Oldest Child Under 18 Years of													
	0-6				6-10				10-13				13	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried														
Young married:														
no children														
youngest child under 6	46.8	92.8	24.3	70.8	14.0	38.4	3.9	24.1	3.2	25.9	3.2	25.9	3.2	25.9
youngest child 6 or over	0.4	0.3	14.1	16.5	36.1	40.0	13.0	32.1	9.0	29.4	9.0	29.4	9.0	29.4
Older married:														
has children	5.9	6.9	7.4	12.7	13.3	21.6	12.0	43.8	9.3	44.7	9.3	44.7	9.3	44.7
no children, head in labor force														
no children, head retired														
Older unmarried:														
head in labor force														
head retired														
Total N	346		236		250		112		85					

Life Cycle Stages	0-6				6-10				10-13				13	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried														
Young married:														
no children														
youngest child under 6	321	126.0	167	20.2	96	6.8	27	15.1	22	9.9	22	9.9	22	9.9
youngest child 6 or over	1	68.0	39	1.6	100	48.4	36	7.9	25	3.6	25	3.6	25	3.6
Older married:														
has children	24	60.4	30	23.0	54	5.5	49	7.4	38	6.4	38	6.4	38	6.4
no children, head in labor force														
no children, head retired														
Older unmarried:														
head in labor force														
head retired														
Total N	346		236		250		112		85					

Degrees of freedom - 14

X² of 38.03 is significant at .0005 level

TABLE 4.9 NUMBER OF ADULTS PLUS NUMBER OF CHILDREN WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Number of Adults Plus Number of Children									
	1		2		3		4		5	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	91.9	40.4	6.6	2.4	1.5	0.9				
Young married:										
no children			95.3	21.9	4.1	1.6	0.6	0.2		
youngest child under 6					21.5	33.2	30.1	44.1	22.9	55.1
youngest child 6 or over					24.9	15.5	43.7	25.8	20.9	20.4
Older married:										
has children					35.6	32.5	32.2	27.9	16.2	23.2
no children, head in labor force					12.2	10.8	1.8	1.5	0.5	0.7
no children, head retired					6.5	2.7	0.5	0.2	0.5	0.4
Older unmarried:										
head in labor force					4.1	2.0	0.5	0.2	0.5	0.4
head retired					1.8	0.9				
Young unmarried	251	609.7	18	40.2	4	35.3			45.2	27.4
Young married:										
no children		37.5	163	310.9	7	14.7	1	26.3		17.2
youngest child under 6		150.7		180.3	148	14.8	207	76.7	157	112.0
youngest child 6 or over		60.8		72.7	69	14.8	121	123.3	58	32.7
Older married:										
has children		89.3		106.8	145	102.4	131	60.2	66	15.4
no children, head in labor force		86.0	335	503.8	48	3.0	7	51.6	2	35.5
no children, head retired		40.6	171	308.8	12	10.1	1	28.6	1	16.7
Older unmarried:										
head in labor force	180	356.7	30	13.5	9	19.1	1	34.6	1	20.3
head retired	191	415.7	27	16.8	4	27.4		36.7		22.3
Total N	622		744		446		469		285	141

Degrees of freedom - 56

 χ^2 of 97.55 is significant at .0005 level

TABLE 4.10 AGE OF YOUNGEST CHILD WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Age of Youngest Child Under 18 (
	Less than 2		2-3		3-4		4-5		5-6	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried										
Young married:										
no children										
youngest child under 6	46.3	93.8	21.0	90.6	12.0	88.0	10.5	80.0	8.4	77.3
youngest child 6 or over										
Older married:										
has children	5.2	6.2	3.7	9.4	3.2	13.8	4.4	20.0	4.2	22.7
no children, head in labor force										
no children, head retired										
Older unmarried:										
head in labor force										
head retired										
Young unmarried										
Young married:										
no children										
youngest child under 6	318	129.2	144	51.9	95	30.9	72	16.1	58	11.1
youngest child 6 or over		68.5		32.1		21.8		18.2		15.2
Older married:										
has children	21	63.0	15	22.0	13	11.3	18	2.8	17	1.2
no children, head in labor force										
no children, head retired										
Older unmarried:										
head in labor force										
head retired										
Total N	339		159		108		90		75	

Degrees of freedom - 14

 χ^2 of 38.03 is significant at .0005 level

TABLE 4.11 AGE OF YOUNGEST CHILD WITHIN AGE GROUPS

Age of Head	Age of Youngest Child Under 18													
	1 Yr.		2-3 Yrs.		3-4 Yrs.		4-5 Yrs.		5-6 Yrs.		6-9 Yrs.		9-14 Yrs.	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
18-24	66.9	15.4	17.7	8.1	8.9	6.0	1.3	1.0	1.3	1.2				
25-34	43.4	56.0	17.8	47.7	11.1	44.0	7.2	33.7	6.3	35.8	8.7	19.1	5.6	9.0
35-44	15.5	22.4	11.6	34.9	8.5	37.9	8.5	44.9	6.6	42.0	20.1	49.5	22.1	39.5
45-54	5.6	5.3	3.6	7.0	3.3	9.5	4.4	15.3	4.1	17.3	16.9	27.1	32.8	38.4
55-64	3.9	0.8	5.2	2.3	2.6	1.7	2.6	2.0	2.6	2.5	5.2	1.9	36.4	9.7
65 and over			3.7	0.9	11.1	3.1			3.7	1.2	18.5	2.4	37.0	3.5
	N	χ^2	N	χ^2	N	χ^2	N	χ^2	N	χ^2	N	χ^2	N	χ^2
18-24	55	69.6	14	2.7	7	0.1	1	3.4	1	-			1	7.4
25-34	200	74.1	82	16.0	51	6.6	33	0.3	29	0.7	40	9.4	26	44.5
35-44	80	15.1	60		44	0.4	44	3.1	34	1.3	104	13.8	114	2.1
45-54	19	47.0	12	18.5	11	8.8	15	2.3	14	1.0	57	2.0	111	32.2
55-64	3	12.8	4	2.7	2	2.7	2	1.8	2	-	4	4.3	28	11.7
65 and over		6.4		-	1	-	3	-	1	-	5	-	10	5.2
Tl. N	357		172		116		98		81		210		289	
													176	
														1499

Degrees of freedom - 35
 χ^2 of 69.3 is significant at .0005 level

Adjusted χ^2 for table - 678.79

TABLE 4.12 MARITAL STATUS WITHIN AGE GROUPS

Age of Head	Marital Status									
	Married		Single		Widowed		Divorced		Separated	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
18-24	48.3	5.2	45.7	30.1			1.7	4.7	4.4	10.4
25-34	80.4	23.4	13.0	22.9	0.8	1.6	2.3	16.5	3.6	22.9
35-44	80.9	25.0	8.9	16.6	2.8	5.8	3.2	24.7	4.3	29.2
45-54	79.6	23.3	5.8	10.3	7.3	14.6	4.4	31.8	3.1	19.8
55-64	63.6	12.4	9.0	10.6	21.1	28.2	3.4	16.5	2.9	12.5
65 and over	53.7	10.8	7.8	9.5	36.2	49.8	1.2	5.9	1.2	5.2
<hr/>										
	N	χ^2	N	χ^2	N	χ^2	N	χ^2	N	χ^2
18-24	111	17.6	105	223.5		24.0	4	1.0	10	0.9
25-34	495	6.5	80	0.7	5	54.7	14	0.8	22	0.2
35-44	530	7.9	58	4.8	18	37.1	21	0.3	28	2.1
45-54	494	5.4	36	18.9	45	6.1	27	4.7	19	0.1
55-64	262	3.7	37	2.8	87	45.0	14	0.4	12	0.1
65 and over	228	19.2	33	5.9	154	270.8	5	4.3	5	5.6
<hr/>										
Total N	2120		349		309		85		96	
<hr/>										

Degrees of freedom - 20

 χ^2 of 47.4 is significant at .0005 level χ^2 for table - 775.01

CHAPTER V

INCOME

The data obtained from Survey Research Center included information concerning the following income variables: :

Income quintiles.

Total wage, salary, trade, professional and other self-employment income.

Disposable income (income after taxes).

Relation of current year's income to previous year's income.

Education.

Occupation.

Capital income - income from rent, interest, dividends or trusts.

Transfer payments - payments received which are not payments for a currently produced good or currently rendered service (i.e., veterans' benefits, pensions, and welfare payments).

Head's wage, salary, trade, professional and other self-employment income.

Number of family members earning \$600 or more.

The income pattern related to life cycle stages showed an interesting contrast to the pattern related to the age of the head. In relation to the age of the head, the percentage of families in the highest quintile showed a smooth curve rising from about 2 percent in the 18-24 age group to nearly 29 percent in the 45-54 age group and falling again to a little less than 8 percent by age 65 and over (Table 5.1). The percent of families in succeeding life cycle stages who were in the highest

quintile rose from 7 percent in the young unmarried stage to 23 percent for the young married couples with no children, then fell again to 19 percent of the young married families with children under 6 (Table 5.2). The largest proportion of families in the highest income quintile was shown to be families in which the head was classified as "young" and hence was under 45 rather than 45 or over (and classified as "older") and in which there were school age children; but nearly as large a percent were older married families with a head who was still in the labor force.

Stage I: young unmarried. - The individuals in the young unmarried stage of the life cycle typically were earning low incomes. About 58 percent had incomes in the lowest two income quintiles (Table 5.2). The largest proportion had total spending unit income of \$4000-4999 (Table 5.3). Among all spending units in the sample, the median total spending unit income was \$4860 and the mean income was \$5660.¹ Only about 14 percent of the spending units in Stage I had incomes of \$6000 or more. Hence, most of the spending units had about median incomes or lower and very few had incomes larger than the mean income.

With few dependents, persons in this stage had to pay a substantial income tax. The largest proportion (about 23 percent) had

¹Survey Research Center, 1960 Survey of Consumer Finances (Ann Arbor, Michigan: University of Michigan, 1961).

disposable incomes of \$3000-3999 (Table 5.4). About 27 percent had disposable incomes of \$4000 or more and only about 13 percent had disposable incomes of \$5000 or more. However, a large proportion was experiencing stable or rising incomes. A little over 57 percent had incomes which were larger than their last year's income and nearly 25 percent had incomes which were about the same as their last year's income (Table 5.5). The largest proportion of spending units in which the head had a college degree was in this life cycle stage (Table 5.6). Only 29 percent had less than a high school education. The second largest proportion of heads of spending units in the professional, technical or kindred occupational group (16 percent) was persons in this stage (Table 5.7). Therefore, with that educational background and those types of occupations, the prospects were bright for rising future incomes. However, the unemployment rate for this group was higher than the average of the whole group. About 5.5 percent of the total group were unemployed and 6.2 percent of the heads of Stage I spending units were unemployed (Table 5.7); about 18 percent were laborers or service workers. Thus, not all were well established in good jobs.

About 20 percent had income from rent, interest, dividends or trusts (Table 5.8). The head's wage, salary, professional, trade, or other self employment income was the only source of income and the disposable income was \$3000-3999 in the largest proportion of young unmarried spending units.

Stage II: young married, no children. - The income

of families in this stage rose sharply. About 49 percent had incomes in the highest or next to the highest quintile (Table 5.2) and 72 percent had incomes in the upper 3 quintiles. The largest proportion (about 20 percent) had total spending unit income of \$6000-7499 and thus had income higher than the mean income and substantially above the median income of all families (Table 5.3). Less than 5 percent had incomes of under \$2000 and nearly half had incomes of \$6000 or more. Of course, with only 2 members in most of these families, income taxes took a substantial portion of gross income - about 30 percent paid \$1000-1999 and about 6 percent paid \$2000 or more. The largest proportion of these families (19 percent) had disposable incomes of \$5000-5999 (Tables 5.4). Only about 32 percent had disposable incomes of \$6000 or over.

The families in this stage were in most instances experiencing stable or rising incomes. About 60 percent had incomes which were larger than their year-ago incomes and about 18 percent had about the same incomes as they did a year ago (Table 5.5). The head of about 31 percent of the families had a high school education and nearly 17 percent had a college degree (Table 5.6). The unemployment rate was lower for this group than for the total group (Table 5.7). The heads of families were fairly evenly distributed in the several occupational groups. Only about 8 percent as compared with nearly 18

percent of the young unmarried group were laborers and nearly as many, 15 percent, were in the professional, technical and kindred classification.

While 62 percent had total spending unit incomes of \$5000 or more (Table 5.3), the head's wage, salary, trade, professional and other self-employment income was \$5000 or more in only about 36 percent of the families (Table 5.10). About 70 percent of the wives were working and over half of the wives were earning \$1000 or more (Table 5.11). This was the primary reason why the spending unit incomes were so high in relation to the young unmarried stage and to the young married stages with children. Almost 13 percent of the wives earned 50 percent or more of the family earned income (Table 5.12). Fifty-eight percent of the families had 2 members receiving \$600 or more (Table 5.13). About 35 percent of the wives worked 50-52 weeks of the year and about 90 percent of them worked full time (Table 5.14).

About 20 percent of the families in this stage had income from rent, interest dividends, or trusts (Table 5.8). Nearly 17 percent had less than \$500 and none received more than \$2000 from this source. About 20 percent received transfer payments, with 11 percent receiving less than \$500 and none receiving more than \$2000 from this source (Table 5.9). Thus, the spending unit income came predominantly from wage, salary, professional, trade or other self-employment income earned by both the husband and the wife, with the wife earning a

substantial portion of the total family income in the majority of families. In the largest proportion of the families in this stage, the disposable income was \$5000-5999.

Stage III: young married, youngest child under 6. -

The percent of families in this stage who were in the highest income quintile dropped substantially compared with the percent in the preceding life cycle stage. Even though in most instances the head of the family was a little older than in the young married childless stage, about 19 percent rather than 23 percent of the families were in the highest income quintile (Table 5.2). The largest proportion (19 percent) had total spending unit incomes of \$5000-5999 and only 45 percent had total spending unit income of \$6000 or more as compared with about half of Stage II families (Table 5.3). The main reason for this drop in income was that only about 27 percent of the wives in this stage were employed as compared with 70 percent of the wives in the childless stage (Table 5.12). In addition, only 6 percent of the wives worked all year and only about two-thirds of the working wives worked full time (Table 5.14). The largest proportion of families with one income earner (a little over 80 percent) was families in this stage (Table 5.12). The total spending unit income from wages and salaries was \$5000 or over in 56 percent of the families (Table 5.15), and the income of just the head from this source was \$5000 or over in 51 percent of those families (Table 5.10). Thus, the contribution to family income made

by wages or salary income of the wife and other family members was negligible.

Nearly half (48 percent) of the families in this stage were composed of 5 or more members (Table 4.9). Only about 19 percent paid more than \$1000 income tax since they had modest incomes and a number of family members. About 55 percent of the families had disposable incomes of \$5000 or more (Table 5.4). The largest proportion (nearly 19 percent) had disposable incomes of \$4000-4999, but nearly as large a percent had incomes of \$5000-5999 and \$6000-6999.

A slightly smaller percent of families in this stage as compared with the young childless couples had incomes which were larger than their previous year's income but a slightly larger percent had stable incomes (Table 5.5). Compared with the preceding stage, a slightly larger percent had a head with only 1-8 years of education and with a high school education. A slightly smaller percent had a head with a college degree (Table 5.6). The largest percent (about 34 percent) of families with the head in the professional, technical, or kindred occupation were families in this life cycle stage (Table 5.7). The largest proportion, about a fifth, of the families in this stage had a head who was an operative or kindred worker. The second largest percent were craftsmen, foremen, and kindred workers and the third largest percent were in the professional, technical or kindred occupational group.

About 23 percent had some income from rent, interest, dividends or trusts (Table 5.8). Only about 5 percent had more than \$500 income from this source. Nearly 20 percent received transfer payments (Table 5.9). About half of these families received less than \$500 and none received \$3000 or more from this source. Almost all of the income of families in this stage was from wages, salary, professional, trade, or other self-employment income received by the head of the family. The largest proportion had disposable incomes of \$4000 - 4999 but nearly as large a percent were in the \$5000 - 5999 and the \$6000-7499 income groups.

Stage IV: young married, youngest child 6 or over. -

The percent of families in this stage who were in the highest income quintile rose to 30 percent as compared to only 19 percent of the previous stage (Table 5.2). This rise was due to two things. The head of the family was more likely to be 35-44 years of age, while the head of the Stage III family was more likely to be 25-34 years old (Table 4.1). Therefore, the head of the Stage IV family has had more time to become established in his career and merit salary raises. In addition, the percent of working wives rose from only about 27 in Stage III families to about 43 in Stage IV families (Table 5.11). The head's wage and salary income was \$5000 or more in only 53 percent of the families (Table 5.10) but total spending unit income was \$5000 or more in about 75 percent of these families (Table 5.3). The percentage of wives who

worked all year increased from 6 percent in Stage III to 17 percent of wives in Stage IV (Table 5.14). About 34 percent of the families in Stage IV had 2 or more members who earned \$600 or more compared with 17 percent of the preceding stage (Table 5.13).

About 25 percent of the families in this stage had income from rent, interest, dividends, or trusts but again, about 17 percent had less than \$500 from this source (Table 5.7). Only about 14 percent received transfer payment and nearly 8 percent received under \$500 from this source (Table 5.14).

Income taxes were higher for Stage IV than for Stage III families. Only about two-thirds of the former group paid taxes of \$1000 or less as compared with 80 percent of the latter group. The differences between disposable incomes of the families in Stage III and in Stage IV were not as great as were the differences between total spending unit income. For example, 45 percent of the Stage III families and 60 percent of the Stage IV families received total spending unit income of \$6000 or more (Table 5.3), while nearly 30 percent of the Stage III families and about 50 percent of the Stage IV families had disposable incomes of \$6000 or more (Table 5.4). The difference between the percentages fell from a difference of about 19 percent to one of about 12 percent. In the analysis of the characteristics of the families in each stage of the life cycle, it was noted that in more of the Stage III families than in the other stages, there were only 1 or 2 children (Table 4.7).

Thus, smaller families would mean fewer exemptions from gross income for taxable income.

The family income was stable or smaller in a larger percent of the families in Stage IV than in any of the earlier stages (Table 5.5). Just a little less than half received incomes larger than their previous year's income. About 29 percent had the same income and 21 percent had smaller incomes than they had the previous year.

The percent of families in this stage who had more than a high school education was lower than in the preceding stages (Table 5.6). About 46 percent were families in which the head had not completed high school as compared with about 35 percent of the Stage III and Stage II families and only 29 percent of the Stage I spending units.

About a fifth of the heads of the families in this stage were operatives or kindred workers and a fifth were managers, officials or self-employed businessmen (Table 5.7). Only about 8 percent were professional or technical workers compared with 14-17 percent of each of the previous stages. However, a slightly smaller percent of the heads of families in this stage as compared with the earlier stages were unemployed.

In many families in this stage, the total spending unit income was derived in part from the wife's wage and salary income in addition to the income earned by the head of the spending unit. Capital income was a slightly larger portion of total income compared with

preceding stages. The disposable income of the largest proportion (about 23 percent) was \$6000-7499. Thus, the largest proportion had disposable incomes larger than the mean total spending unit income.

Stage V: older married, has children. - The families in this stage were widely scattered among the income quintiles. The largest proportion (about 28 percent) was in the highest income quintile, about 11 percent was in the lowest income quintile, and about 30 percent was in the two lowest quintiles (Table 5.2). The largest proportion (about 16 percent) had total spending unit incomes of \$6000-7499 and about 49 percent had total spending unit incomes of \$6000 or more but 31 percent had less than \$4000 total spending unit income (Table 5.3). About 28 percent paid more than \$1000 federal income tax and about 10 percent paid \$2000 or more. Many of the families with more than 4 children under 18 were in this stage (Table 4.7). It was obvious that many families in this stage who earned less than \$4000 were large families which were composed of 7 or more members. About 40 percent of the families who had 5 or more children had disposable incomes of less than \$4000 (Table 5.16).

The families in this stage were likely to have reached their highest lifetime income. About 42 percent had larger incomes than they had the previous year but 31 percent had about the same amount of income and nearly 26 percent had smaller incomes than in the previous year (Table 5.5).

The largest proportion (43 percent) was families in which the head had 1-8 years of education (Table 5.6). Only 10 percent were high school graduates and about 11 percent had more than a high school education. Only about 3 percent had college degrees. Thus, the educational level was considerably lower than in the preceding life cycle stages. Only 9 percent were in the professional, technical or kindred occupational group (Table 5.7). In 4 percent of the families, the head was retired. The unemployment level was higher (about 6 percent) in this stage than in any of the young married stages. About 18 percent were managers, officials or self-employed, and 15 percent were operatives. The remainder was scattered fairly evenly among the other occupational groups.

The largest percent of families in which there were 3 members who earned \$600 or more were families in this stage (Table 5.13). Only 35 percent of the wives worked as compared with 43 percent of the wives in the young married Stage IV. About one-fifth of the couples had children under 6 and the wives with young children were less likely to work (Table 4.15).

A much larger proportion had income from rent, interest, dividends or trusts than was true of the younger life cycle stages. About 40 percent had some capital income and nearly 20 percent had \$500 or more from this source (Table 5.8). About 20 percent received transfer payments (Table 5.9). The largest proportion (about 24 percent) of the

families in which the head was a farmer or farm manager was families in this life cycle stage (Table 5.7).

The income level, educational level and occupation of the head of the family varied more compared with each of the preceding stages. Similarity existed among the families in this stage in that many more of the families were experiencing a leveling off or a reduction in income and many more had income from rent, interest, dividends, or trusts and from transfer payments.

The largest proportion of families in this stage was in the highest income quintile. The largest percent had \$6000-7499 disposable spending unit income (Table 5.4) as well as total spending unit income (Table 5.3). Both disposable income and total spending unit was higher than mean total spending unit income in about half the families in this stage.

Stage VI: older married, no children, head in labor force. - About a third of the families in this stage were in the highest income quintile. Only about 7 percent were in the lowest income quintile (Table 5.2). The largest proportion was in the \$6000-7499 income group (Table 5.3). About half of the families in this stage had \$6000 or more total spending unit income. Of course, these families had fewer members and hence fewer income tax deductions than the three preceding stages. Therefore, over a third of them paid income taxes of \$1000 or more. About 19 percent paid \$2000 or more in income

taxes. This reduced disposable income and the largest proportion (nearly 19 percent) of the families in this stage had disposable incomes of \$4000-4999 (Table 5.4). Only about 39 percent had disposable incomes of \$6000 or more.

About 60 percent had stable or lower incomes than during the previous year (Table 5.5). The majority had reached their peak lifetime income level and about 23 percent had lower income than the previous year. Many families had probably reached their peak lifetime income in earlier years and now were experiencing declining incomes. Most families in this stage could no longer anticipate stable or rising family incomes in the future.

A much larger percent of the heads of families in this stage had less than a high school education than was true for the earlier stages. Nearly 65 percent had less than a high school education and only about 7 percent had a college degree (Table 5.6). In spite of this lower educational level, the largest proportion (about 21 percent) were managers, officials, or self-employed businessmen and only about 12 percent were laborers (Table 5.7).

About a third of the wives in this stage were working (Table 5.11). Nearly 5 percent of these working wives were earning over \$5000 per year. In about 4 percent of the families, the wives were earning 100 percent of the earned income (Table 5.12). About half of the working wives had worked all year (Table 5.14). About 28 percent

of the families had 2 members earning \$600 or more and a little over 1 percent had 3 members earning \$600 or more (Table 5.13).

In this stage there was an increase in the amount of income received from rent, interest, dividends or trusts. About 40 percent had some income from this source as compared with 20-27 percent in the earlier stages (Table 5.8). About 19 percent of the families who received some capital income received less than \$500 but about 15 percent received \$1000 or more. Therefore, capital income made a substantial addition to total family income for some families in this stage. About 48 percent received transfer payments and about 1.5 percent received \$2000 or more from this source (Table 5.9).

The largest proportion of families in this stage had disposable incomes of \$4000-4999. Many had stable or falling incomes. A larger proportion of total spending unit income came from capital income and from transfer income as compared with preceding life cycle stages.

Stage VII: older married, no children, head retired. - A sharp drop in income was apparent in this stage. By far the largest percentage (about 43 percent) of the families were in the lowest income quintile and about two-thirds were in the two lowest quintiles (Table 5.2). Only about 10 percent were in the highest income quintile. The largest proportion (about 27 percent) received \$1000-1999 total spending unit income (Table 5.3). In these low income

brackets the income tax is low and about the same percentage (28 percent) received \$1000-1999 disposable income (Table 5.4). About 69 percent had disposable incomes of less than \$4000 per year. Only 19 percent had experienced rising incomes as compared with their incomes of the previous year (Table 5.5).

About 42 percent of the families in this stage received income from rent, interest, dividends or trusts (Table 5.8). About 90 percent received transfer payments (Table 5.9). Over one-third received \$1000-1999 in transfer payments and only about 13 percent received more than \$3000 in transfer payments. In about 28 percent of the families, the head of the household still had some income from wages, salaries, professional, trade or other self-employment income (Table 5.10). The wife was still working in about 16 percent of the families (Table 5.11). In nearly 12 percent of these families, the wife was earning 100 percent of the employment income (Table 5.12) but in only about .5 percent of the families was the wife receiving 100 percent of the total income received by the family (Table 5.16).

The income level of families in this stage was sharply reduced as compared with income of previous stages. The largest proportion of families received \$1000-1999 both as total spending unit income and as disposable income. A large percent received transfer income and/or capital income. A few had some income from wages, salaries, professional, trade or other self-employment income

received by the head even though he was considered retired and in some families the wife was still working and receiving some income from employment. Most families in this stage received incomes far below the mean spending unit income.

Stage VIII: older unmarried, head in labor force. - The older married stage with no children and with the head still in the labor force was very different from this older unmarried stage with the head still in the labor force. A much larger proportion of the persons in Stage VIII spending units were in the lowest income quintile as compared with Stage VI (Table 5.2). About 36 percent of these Stage VIII spending units were in the lowest income quintile as compared with only about 7 percent of the Stage VI families. About 62 percent of persons in Stage VIII were in the lowest 2 income quintiles and only about 9 percent were in the highest quintile. The occupations held by the heads of spending units in the two stages in the life cycle differed. The largest proportion (about 24 percent) of the unmarried group was laborers or service workers while the largest proportion (about 21 percent) of the married group was managers, officials, or self-employed businessmen (Table 5.7). The unmarried group were, on the average, better educated. Only about 37 percent of the unmarried group as compared with 45 percent of the married group had less than 9 years of education (Table 5.6). About 10 percent of the unmarried group had college degrees as compared with about 7 percent of the married group.

In the analysis of the characteristics of each of the life cycle stages, it was observed that over two-thirds of the older unmarried group were women (Table 4.2) and that about 72 percent of the group were widowed, separated or divorced (Table 4.3). Thus, in many cases, probably the woman returned to the labor force after the disruption of her marriage. It is less common for women to hold high paying managerial and professional positions and among the women returning to the labor force after long absences from work outside the home, their training would be obsolete. These facts probably help to explain why the individuals in this stage tended to hold low paying positions even though their educational level was relatively high.

The total spending unit income was less than \$3000 for about 45 percent of the persons in this stage (Table 5.3). Only about 27 percent had total spending unit incomes of \$5000 or more. The largest proportion (just over 19 percent) had disposable income of \$2000-2999 and nearly as large a proportion (19 percent) had disposable income of \$1000-1999. About 33 percent of the unmarried group had larger incomes than the previous year while 39 percent of the married group had larger incomes (Table 5.5). The percentage having smaller incomes were nearly the same (about 25 percent) for these two groups, but more of the unmarried group had incomes which were about the same as the previous year.

The unmarried group received less capital income in the form of rent, interest, dividends or trusts. Only about 10 percent of the unmarried group received \$500 or more while about 19 percent of the married group received \$500 or more from this source (Table 5.8). The percentage of these two groups receiving transfer payments was similar. About 14 percent of the unmarried and 13 percent of the married group received \$500 or more in transfer payments (Table 5.9). The majority of the persons in this life cycle stage were receiving incomes below the mean income and below the median income for all spending units.

Stage IX: older unmarried, head retired. - In the previous stage in the life cycle it proved valuable to compare the older unmarried stage with the head in the labor force with the older married stage with no children and with the head in the labor force. A similar comparison of this older unmarried stage with the head retired with the older married stage with the head retired is again of interest. Nearly 76 percent of this unmarried group were in the lowest income quintile as compared with 43 percent of the married group (Table 5.2). Total spending unit income was under \$2000 in 76 percent of the Stage IX spending units as compared with about 36 percent of the Stage VII spending units. About 87 percent of the unmarried group as compared with 57 percent of the married group had total spending unit income of less than \$3000 (Table 5.3). About 89 percent

of the unmarried group had disposable income of less than \$3000 and only 2.7 percent had disposable income of \$5000 or over (Table 5.4). At least their incomes were not continuing to get smaller than this low level in many cases. About a fifth of the group had smaller incomes than in the previous year (Table 5.5). Over half had the same income and about a quarter had higher income than in the previous year.

The educational level was lower in this stage than in any other stage of the life cycle. Nearly 58 percent had 1-8 years of education and nearly 3.7 percent had no education (Table 5.6). Another 15 percent had 9-11 years of education making a total of 77 percent who had less than a high school education. Only 3 percent of the persons in this stage had a college degree.

Nearly 40 percent of persons in this stage had some income from rent, interest, dividends, or trusts (Table 5.8). The amounts received were modest sums in most cases. About 17 percent received less than \$500 and 31 percent received less than \$2000 from this source.

More of the Stage IX than of Stage VII spending units received no income from transfer payments. About 10 percent of the married group and 18 percent of the unmarried group had no income from this source (Table 5.9). The largest proportion (about 35 percent) received from \$1000-1999 from this source. Nearly another one-third received from \$500-999 and only 6 percent received \$2000 or more from transfer payments.

Most of the spending units in this stage had disposable incomes of less than \$2000. There was some income from wage, salary, professional, trade, and other self-employment income in about 17 percent of these spending units (Table 5.15). About 14 percent of the heads of these spending units had some employment even though they were considered retired (Table 5.10). In an analysis of the characteristics of families in each life cycle stage, it was noted that about 19 percent of the heads of spending units in this stage were widowed, divorced or separated. There was more than 1 adult in about 24 percent of the spending units. Probably, in some spending units the additional adults were "children" 18 or over, some of whom were employed and contributing income to the spending unit. In about 13 percent of the 17 percent of persons receiving income from employment, the income received was under \$2000, so the income from this source was not a large addition to total spending unit income (Table 5.15). The small incomes received by persons in this stage were from a variety of sources, employment of the head, employment of other members of the spending unit, capital income and transfer payments. The largest proportion of spending units in this older unmarried stage had disposable income of \$1000-1999 and nearly as large a proportion had disposable income of under \$1000. Very few spending units in this stage had disposable income of more than \$3000. Only about 5 percent had incomes larger than the median income of all spending units

and only about 4 percent had incomes higher than the mean spending unit income.

TABLE 5.1 FAMILY INCOME QUINTILES WITHIN AGE GROUPS

Age of Head	Non-Farm Family Income Quintiles									
	Lowest		Second Lowest		Middle		Next to Highest		Highest	
	R% ^a	C% ^b	R%	C%	R%	C%	R%	C%	R%	C%
18-24	21.4	5.3	40.5	10.1	21.4	5.3	14.5	3.6	2.3	0.6
25-34	10.1	10.9	22.9	24.5	25.2	27.0	25.8	27.7	16.0	17.1
35-44	8.5	9.7	14.9	16.9	23.4	26.6	26.4	30.2	26.8	30.5
45-54	12.5	13.6	18.1	19.6	18.7	20.2	21.8	23.7	28.9	31.2
55-64	26.9	19.3	19.7	14.1	18.9	13.5	14.7	10.5	19.7	14.1
65 and over	55.5	41.2	20.1	14.8	10.0	7.4	5.7	4.2	8.7	6.5

	χ ²		N		χ ²		N		χ ²		N		χ ²		Tl.N	
	N	χ ²	N	χ ²	N	χ ²	N	χ ²	N	χ ²	N	χ ²	N	χ ²	N	χ ²
18-24	28	0.1	53	27.2	28	0.1	19	1.9	3	20.6	131					
25-34	57	27.3	129	2.3	142	7.5	145	9.6	90	4.6	563					
35-44	51	39.2	89	8.0	140	3.4	158	12.6	160	13.6	598					
45-54	71	15.9	103	1.0	106	0.5	124	1.0	164	22.3	568					
55-64	101	9.1	74		71	0.2	55	5.2	74		375					
65 and over	216	246.3	78		39	19.5	22	39.8	34	24.7	389					
Total N	524		526		526		523		525		2624					

^aRow percent Degrees of freedom - 20 χ² for table - 563.64^bColumn percent χ² of 47.4 is significant at .0005 level

TABLE 5.2 FAMILY INCOME QUINTILES WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Non-Farm Family Income Quintiles									
	Lowest		2nd Lowest		Middle		2nd Highest		Highest	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	28.3	8.2	29.7	8.4	18.8	5.1	15.9	4.3	7.3	1.9
Young married:										
no children	5.6	1.9	21.9	7.2	23.8	7.5	25.6	7.9	23.1	7.1
youngest child under 6	6.6	9.0	20.9	27.8	27.2	34.7	26.1	32.8	19.2	24.0
youngest child 6 or over	4.6	2.5	11.8	6.3	21.0	10.8	31.7	16.0	30.9	15.5
Older married:										
has children	11.2	8.8	18.7	14.3	17.4	12.8	24.3	17.6	28.3	20.3
no children, head in labor force	7.3	5.5	15.5	11.3	22.5	15.7	21.1	14.5	33.7	23.0
no children, head retired	43.2	16.6	25.1	9.4	14.2	5.1	7.7	2.7	9.8	3.5
Older unmarried:										
head in labor force	36.3	13.7	26.3	9.6	20.1	7.1	8.4	2.9	8.9	3.1
head retired	75.9	33.8	13.2	5.7	3.3	1.4	3.3	1.4	4.3	1.7
<hr/>										
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ² Total N
Young unmarried	39	6.4	41	7.5	26	0.1	22	1.5	10	12.1 138
Young married:										
no children	9	15.0	35	0.5	38	1.0	41	2.0	37	0.4 160
youngest child under 6	43	52.2	136	0.7	177	15.3	170	9.6	125	0.8 651
youngest child 6 or over	12	28.5	31	7.8	55	0.1	83	15.6	81	13.0 262
Older married:										
has children	42	11.7	70	0.1	65	1.6	91	2.5	106	10.4 374
no children, head in labor force	26	25.4	55	2.9	80	0.8	75	-	120	28.8 356
no children, head retired	79	56.8	46	3.1	26	3.3	14	14.9	18	10.5 183
Older unmarried:										
head in labor force	65	28.6	47	4.3	36	-	15	13.0	16	12.0 179
head retired	161	364.2	28	4.2	7	30.1	7	30.8	9	27.8 212
Total N	476		489		510		518		522	2515

Degrees of freedom - 32

X² for table - 877.9X² of 65.09 is significant at .0005 level

TABLE 5.3 TOTAL SPENDING UNIT INCOME WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Total Spending Unit Income													
	Under \$1,000		\$1,000 - \$2,000		\$2,000 - \$3,000		\$3,000 - \$4,000		\$4,000 - \$5,000		\$5,000 - \$6,000			
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%		
Young unmarried	10.6	15.0	18.0	15.4	14.3	14.3	14.7	13.5	18.7	15.3	9.9	7.6	8.8	6.0
Young married:														
no children	1.2	1.0	3.5	1.9	8.2	5.1	11.7	6.7	13.5	6.9	12.9	6.2	20.5	8.7
youngest child under 6	1.5	5.2	3.5	7.6	6.7	16.9	11.1	25.6	12.4	25.5	19.5	37.5	18.1	30.8
youngest child 6 or over	1.1	1.6	2.5	2.2	5.4	5.5	5.4	5.1	10.5	8.7	14.8	11.5	21.3	14.6
Older married:														
has children	3.0	6.2	7.4	9.4	9.1	13.6	11.8	16.2	9.8	12.0	9.8	11.2	16.5	16.6
head in labor force	3.6	7.3	5.1	6.3	7.1	10.3	9.4	12.5	11.5	13.5	13.0	14.3	17.1	16.6
head retired	8.7	8.3	27.6	16.0	21.1	14.3	10.3	6.4	13.5	7.5	6.5	3.4	5.4	2.5
Older unmarried:														
head in labor force	12.7	14.5	18.1	12.6	14.0	11.4	14.5	10.8	13.1	8.7	11.8	7.3	6.8	3.7
head retired	35.6	40.9	41.0	28.6	10.8	8.8	4.5	3.4	2.7	1.8	1.8	1.1	0.9	0.5
<hr/>														
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	29	5.8	49	11.0	39	6.2	40	4.5	51	11.2	27	1.6	24	5.7
Young married:														
no children	2	8.0	6	9.1	14	0.4	20	0.2	23	0.4	22	-	35	4.7
youngest child under 6	10	28.9	24	36.5	46	6.1	76	0.2	85	0.2	134	26.1	124	7.1
youngest child 6 or over	3	13.3	7	18.7	15	5.1	15	6.8	29	0.4	41	1.1	59	9.8
Older married:														
has children	12	8.9	30	5.4	37	0.1	48	0.7	40	1.3	40	2.5	67	1.5
head in labor force	14	6.0	20	13.1	28	2.5	37	0.4	45	-	51	0.1	67	2.3
head retired	16	0.9	51	44.1	39	25.2	19	-	25	0.5	12	5.5	10	10.1
Older unmarried:														
head in labor force	28	11.2	40	9.3	31	4.4	32	3.4	29	0.4	26	0.1	15	8.6
head retired	79	270.1	91	175.5	24	0.3	10	7.6	6	15.5	4	20.5	2	27.7
Total N	193		318		273		297		333		357		403	

Degrees of freedom - 72

X² for table - 1135.39X² of 125.3 is significant at

TABLE 5.4 DISPOSABLE INCOME WITHIN LIFE CYCLE WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Disposable Income																	
	Under \$1,000			\$1,000 - \$2,000			\$2,000 - \$3,000			\$3,000 - \$4,000			\$4,000 - \$5,000			\$5,000 - \$6,000		
	R%	C%	R%	R%	C%	R%	R%	C%	R%	R%	C%	R%	R%	C%	R%	R%	C%	
Young unmarried	12.5	16.8	18.7	15.6	18.3	15.4	23.4	17.7	13.9	8.8	7.3	5.7	4.0	3				
Young married:																		
no children	1.2	1.0	3.5	1.8	12.3	6.5	14.6	6.9	17.0	6.7	19.3	9.5	12.3	5				
youngest child under 6	1.5	5.0	3.5	7.4	8.2	17.2	13.0	24.6	18.6	29.6	17.6	34.7	18.5	34				
youngest child 6 or over	1.1	1.5	2.5	2.2	5.8	4.9	7.9	6.1	18.1	11.6	14.8	11.8	22.7	17				
Older married:																		
has children	3.0	5.9	7.4	9.2	9.8	12.3	13.5	15.2	11.8	11.1	12.3	14.3	17.9	20				
head in labor force	3.6	6.9	5.9	7.1	8.4	10.2	11.2	12.2	18.9	17.1	13.3	14.9	14.0	15				
head retired	8.7	7.9	28.1	16.0	20.5	11.7	11.9	6.1	13.5	5.8	7.0	3.7	4.9	2				
Older unmarried:																		
head in labor force	14.5	15.8	19.0	12.9	19.5	13.2	14.5	8.8	16.3	8.3	6.8	4.3	2.7	1				
head retired	35.6	39.1	41.0	27.9	12.6	8.6	4.1	2.5	2.3	1.2	1.8	1.2						
<hr/>																		
N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	
<hr/>																		
Young unmarried	34	10.9	51	12.3	50	11.2	64	24.4	38	0.3	20	5.5	11	16				
Young married:																		
no children	2	8.5	6	9.5	21	0.1	25	0.5	29	0.3	33	6.8	21	0				
youngest child under 6	10	31.0	24	38.3	56	6.6	89	-	128	5.1	121	15.7	127	16				
youngest child 6 or over	3	14.2	7	19.4	16	7.8	22	5.1	50	1.4	41	1.4	63	21				
Older married:																		
has children	12	10.0	30	6.0	40	1.0	55	0.2	48	3.2	50	-	73	8				
head in labor force	14	7.0	23	10.8	33	3.2	44	0.7	74	3.3	52	0.3	55	0				
head retired	16	0.6	52	44.4	38	13.3	22	0.1	25	0.4	13	4.2	9	9				
Older unmarried:																		
head in labor force	32	16.8	42	10.8	43	12.3	32	0.5	36	0.2	15	5.5	6	17				
head retired	79	252.4	91	167.9	28	0.3	9	13.2	5	24.6	4	19.9	28					
Total N	202	326	325	362	433	349	365											

Degrees of freedom - 72

X² for table - 1154.20X² of 125.3 is significant

TABLE 5.5 INCOME CHANGE WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Income Change: Present Income Compared to Year-ago Income					
	Larger Now		About Same		Smaller Now	
	R%	C%	R%	C%	R%	C%
Young unmarried	57.5	11.8	24.7	7.3	17.8	7.7
Young married:						
no children	60.9	7.8	18.0	3.3	21.1	5.7
youngest child under 6	59.4	31.6	20.7	15.8	19.9	22.2
youngest child 6 and over	49.6	10.6	29.1	8.9	21.3	9.5
Older married:						
has children	43.0	13.6	31.4	14.2	25.6	17.0
no children, head in labor force	40.0	12.0	36.8	15.8	23.3	14.7
no children, head retired	19.3	2.8	56.9	11.7	23.8	7.2
Older unmarried:						
head in labor force	33.0	5.6	41.5	10.0	25.5	9.0
head retired	25.8	4.4	54.5	13.2	19.7	7.0
	N	χ^2	N	χ^2	N	χ^2
						Total N
Young unmarried	149	7.5	64	4.5	46	2.0
Young married:						
no children	98	7.8	29	10.0	34	-
youngest child under 6	398	26.2	139	27.1	133	1.2
youngest child 6 or over	133	0.8	78	0.8	57	-
Older married:						
has children	171	0.8	125	0.7	102	2.6
no children, head in labor force	151	3.0	139	2.5	88	0.4
no children, head retired	35	28.0	103	34.5	43	0.3
Older unmarried:						
head in labor force	70	7.8	88	5.8	54	1.3
head retired	55	18.8	116	33.0	42	0.5
Total N	1260		881		599	
						2740

Degrees of freedom - 16

 χ^2 for table - 227.01 χ^2 of 41.28 is significant at .0005 level

TABLE 5.6 EDUCATION OF HEAD WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Education of Head of Spending Unit												
	0		1-5 yrs.		9-11 yrs.		12 yrs.		College no degree		College degree		
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	
Young unmarried	-	-	10.1	3.1	19.1	9.5	38.6	14.2	14.2	11.7	18.0	14.6	
Young married:													
no children	-	-	15.8	3.1	20.5	6.5	31.0	7.3	15.8	8.3	17.0	8.8	
youngest child under 6	0.3	5.9	17.5	13.9	17.6	22.5	35.1	33.2	13.7	28.9	15.7	32.9	
youngest child 6 or over	-	-	19.5	6.3	27.1	13.9	29.6	11.3	12.6	10.8	11.2	9.5	
Older married:													
has children	2.2	26.5	37.0	17.4	18.2	13.7	22.4	12.5	8.9	11.1	11.3	14.0	
no children, head in labor force	1.5	17.7	43.5	19.7	20.5	14.8	18.9	10.2	7.9	9.5	7.7	9.2	
no children, head retired	2.7	14.7	60.9	13.0	15.2	5.2	10.3	2.6	7.6	4.3	3.3	1.8	
Older unmarried:													
head in labor force	1.9	11.8	35.7	8.9	19.0	7.6	19.0	5.6	13.9	9.2	10.7	7.0	
head retired	3.7	23.5	57.8	14.6	15.6	6.3	10.6	3.2	9.2	6.2	3.2	2.1	
													Total N
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	Total N
Young unmarried	-	-	27	36.7	51	-	103	16.8	38	1.7	48	9.2	267
Young married:													
no children	-	-	27	12.3	35	0.2	53	1.8	27	2.7	29	4.2	171
youngest child under 6	2	4.8	120	38.7	121	0.8	241	23.1	94	2.8	108	9.9	686
youngest child 6 or over	-	-	54	11.2	75	9.1	82	1.5	35	0.3	31	0.1	277
Older married:													
has children	9	-	150	5.3	74	0.2	91	1.8	36	2.5	46	-	406
no children, head in labor force	6	-	170	21.0	80	0.4	74	7.2	31	4.4	30	5.3	391
no children, head retired	5	-	112	54.8	28	1.5	19	17.1	14	2.5	6	11.1	184
Older unmarried:													
head in labor force	4	-	77	1.8	41	-	41	3.9	30	1.0	23	0.2	216
head retired	8	-	126	52.4	34	1.4	23	19.7	20	1.1	7	13.3	218
Total N	34		863		539		727		325		328		2816

Degrees of freedom - 40

X² for table - 445.22X² of 76 is significant at .0005 level

TABLE 5.7 OCCUPATION WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Occupation											
	Professional technical				Managers, officials & self-employed				Craftsmen, foremen & operatives			
	Retired		Unemployed		employed		Clerical & sales		kindred		kindred & kindred	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	17.2	16.2	6.2	11.0	4.0	3.1	26.4	21.5	9.2	6.8	14.7	9.4
Young married:												
no children	15.2	8.9	5.3	5.8	10.5	5.0	14.6	7.5	17.0	7.9	21.1	8.4
youngest child under 6	0.2	0.3	14.3	33.7	4.5	20.0	12.8	24.7	11.2	23.0	17.6	33.1
youngest child 6 or over	8.7	8.3	4.3	7.7	20.2	15.7	11.9	9.9	19.5	14.8	20.2	13.1
Older married:												
has children	4.7	4.8	9.3	13.1	6.1	16.1	18.7	21.3	9.1	11.0	13.5	15.0
head in labor force	7.7	10.3	3.3	8.4	21.2	23.3	11.0	12.8	16.8	18.0	18.1	16.6
head retired	91.4	43.0	8.6	10.3								
Older unmarried:												
head in labor force	0.5	0.3	12.7	9.6	5.9	8.4	11.3	7.0	21.7	14.3	7.2	4.4
head retired	91.4	51.7	8.6	12.3								
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
<hr/>												
Young unmarried	37.8	47	12.9	17	0.3	11	15.9	72	49.0	25	3.0	40
Young married:												
no children	23.7	26	4.1	9	-	18	0.6	25	1.1	29	2.2	36
youngest child under 6	1	93.3	98	10.7	31	1.2	88	-	77	0.2	121	11.8
youngest child 6 or over												
Older married:	38.4	24	0.7	12	0.7	56	12.8	33	-	54	9.3	56
has children												
head in labor force	19	24.8	38	0.3	25	0.3	76	12.0	37	2.6	55	0.1
head retired	169	801.3	19.0	16	3.4	23.3	21.9	23.9	27.9			
Older unmarried:												
head in labor force	1	28.7	28	1.3	13	0.1	25	0.3	48	18.3	16	5.5
head retired	203	963.8	22.8	19	3.9	28.0	26.2	28.7	33.1			
Total N	393	291	155	357	335	366	428					

Degrees of freedom - 72

X² for table - 2771.46

X² of 125.3 is significant

TABLE 5.8 CAPITAL INCOME WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Rent, Interest, Dividends and Trusts											
	0-No Income				Under \$500				\$500 - \$999			
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	80.2	10.9	15.8	8.3	1.1	2.6	1.8	5.3	0.4	2.8	0.4	5.6
Young married:												
no children	80.1	6.8	17.0	5.6	2.3	3.5	0.6	1.1				
youngest child under 6	77.4	26.5	17.4	23.1	1.9	11.4	2.5	18.1	0.3	5.6	0.2	5.6
youngest child 6 or over	75.0	10.3	17.4	9.3	3.3	7.9	2.9	8.5	0.7	5.6	0.4	5.6
Older married:												
has children	72.1	14.5	19.7	15.3	3.0	10.5	2.0	8.5	1.7	19.4	0.3	5.6
no children, head in labor force	59.5	11.4	21.3	15.9	7.3	24.6	6.0	24.5	2.1	22.2	0.8	16.7
no children, head retired	57.6	5.3	19.0	6.8	6.0	9.7	8.2	16.0	4.4	22.2	3.3	33.3
Older unmarried:												
head in labor force	69.6	7.5	20.3	8.5	7.4	14.0	1.8	4.3	0.5	2.8		0.
head retired	61.6	6.7	16.9	7.2	8.2	15.8	5.9	13.8	3.2	19.4	2.3	27.8
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	218	3.0	43	1.0	3	5.9	5	1.8	1	-	1	-
Young married:												
no children	137	1.9	29	0.2	4	1.2	1	3.9		-		-
youngest child under 6	530	3.6	119	0.4	13	7.9	17	1.5	2	5.2	1	-
youngest child 6 or over	207	0.5	48	0.1	9	0.4	8	0.2	2	-	1	-
Older married:												
has children	290	-	79	0.4	12	1.1	8	2.2	7	0.7	1	-
no children, head in labor force	229	7.5	82	1.8	28	9.8	23	8.0	8	-	3	-
no children, head retired	106	4.8	35	-	11	1.7	15	12.7	8	-	6	-
Older unmarried:												
head in labor force	151	0.1	44	0.4	16	5.9	4	1.5	1	-		-
head retired	135	2.8	37	0.3	18	9.4	13	4.4	7	-	5	-
Total N	2003		516		114		94		36		18	

Degrees of freedom - 64

Adjust:

 χ^2 of 107.9 is significant at .0005 level

TABLE 5.9 TRANSFER PAYMENTS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Transfer Payments											
	None			\$500-999			\$1,000			\$2,000		
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	87.9	11.8	7.3	8.4	2.6	3.3	1.8	2.2	0.4	1.5		
Young married:												
no children	80.1	6.8	11.1	8.0	5.9	4.8	2.9	2.2				
youngest child under 6	80.9	27.4	9.6	27.6	4.8	15.7	4.1	12.2	0.6	5.8		
youngest child 6 or over	85.9	11.7	7.9	9.2	3.3	4.3	2.5	3.0				
Older married:												
has children	79.6	15.9	8.9	15.1	4.2	8.1	3.5	6.1	3.0	17.4	0.7	1.0
no children, head in												
labor force	81.8	15.7	4.9	8.0	5.9	11.0	5.9	10.0	0.8	4.4	0.5	1.0
no children, head retired	9.9	0.9	6.1	4.6	12.7	11.0	37.0	29.1	20.4	53.6	11.1	6.0
Older unmarried:												
head in labor force	74.3	8.0	11.5	10.5	9.2	9.5	2.8	2.6	1.4	4.4	0.9	1.0
head retired	18.1	1.9	9.7	8.8	31.5	32.4	34.7	32.6	4.2	13.0	1.4	1.0
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	240	9.5	20	0.4	7	8.8	5	13.4	1	4.8		
Young married:												
no children	137	1.5	19	1.4	10	0.6	5	5.8				
youngest child under 6	556	7.5	66	1.0	33	6.5	28	14.1	4	9.8		
youngest child 6 or over	238	7.4	22	0.1	9	6.6	7	10.8		6.8		
Older married:												
has children	323	3.2	36	0.1	17	5.8	14	11.1	12	0.4	3	
no children, head in												
labor force	318	5.1	19	5.9	23	1.2	23	2.4	3	4.5	2	
no children, head retired	18	96.9	11	1.2	23	6.7	67	184.6	37	-	20	
Older unmarried:												
head in labor force	162	0.2	25	2.3	20	0.9	6	7.8	3	1.0	2	
head retired	39	87.5	21	0.4	68	167.4	75	186.7	9	2.6	3	
Total N	2031		239		210		230		69		30	

Degrees of freedom - 56

Ad:

 χ^2 of 97.55 is significant at .0005 level

TABLE 5.10 EMPLOYMENT INCOME OF HEAD WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Head's Wage, Salary, Professional, Trade and Other Self												
	Under \$500						\$500 - \$1,000						
	None		\$500		-999		-1,999		-2,999		-4,999		
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	
Young unmarried	4.8	2.2	4.0	14.3	5.1	15.4	19.1	25.2	12.8	16.1	31.5	14.2	19.4
Young married:													
no children	3.6	1.0	2.4	5.2	3.0	5.5	7.7	6.3	13.0	10.1	34.3	9.6	23.7
youngest child under 6	8.2	9.3	0.4	3.9	1.5	11.0	5.0	16.5	8.2	25.8	25.4	28.6	34.4
youngest child 6 or over	11.7	5.3	0.4	1.3	3.3	9.9	3.7	4.9	5.5	6.9	22.3	10.1	32.1
Older married:													
has children	15.7	10.5	3.0	15.6	3.2	14.3	5.2	10.2	6.7	12.4	21.4	14.2	24.9
no children, head in labor force	18.9	12.0	2.1	10.4	2.1	8.8	4.5	8.3	7.9	13.8	23.0	14.6	26.4
no children, head retired	72.3	22.2	6.0	14.3	4.9	9.9	6.5	5.8	4.4	3.7	1.1	0.3	3.3
Older unmarried:													
head in labor force	15.6	5.7	6.0	16.9	7.8	18.7	17.9	18.9	10.1	10.1	22.9	8.3	15.6
head retired	86.0	31.8	6.3	18.2	2.7	6.6	3.6	3.9	0.9	0.9	0.5	0.2	
<hr/>													
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N
Young unmarried	13	35.3	11	1.6	14	3.0	52	50.9	35	9.1	86	12.5	53
Young married:													
no children	6	25.2	4	-	5	-	13	-	22	6.1	58	12.7	40
youngest child under 6	56	55.1	3	13.2	10	6.6	34	5.1	56	0.2	173	4.7	234
youngest child 6 or over	32	12.1	1	5.7	9	-	10	5.1	15	1.8	61	0.1	88
Older married:													
has children	63	6.2	12	0.1	13	-	21	2.5	27	0.5	86	-	100
no children, head in labor force	72	1.2	8	0.6	8	1.6	17	4.4	30	-	88	0.4	101
no children, head retired	133	222.7	11	7.0	9	1.5	12	0.2	8	2.7	2	35.8	6
Older unmarried:													
head in labor force	34	3.4	13	8.2	17	13.9	39	33.0	22	1.6	50	0.2	34
head retired	191	433.5	14	10.3	6	0.2	8	4.2	2	13.4	1	45.9	
Total N	600		77		91		206		217		605		656

Degrees of freedom - 64

X² for taX² of 107.9 is significant at .0005 level

TABLE 5.11 EMPLOYMENT INCOME OF WIFE WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Wife's Wages, Salary, Professional, Trade and Other Se											
	Under \$500			\$500 - 999			\$1,000 - 1,999			\$2,000 - 4,999		
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	100.0	13.0										
Young married:												
no children	30.4	2.5	7.6	8.3	6.4	10.8	19.3	23.2	15.2	17.6	17.0	21.3
youngest child under 6	72.7	23.8	9.9	43.6	5.1	34.3	4.1	19.7	3.1	14.2	4.2	21.3
youngest child 6 or over	57.0	7.5	6.9	12.2	6.1	16.7	8.3	16.2	9.4	17.6	11.2	22.8
Older married:												
has children	65.2	12.6	7.2	18.6	5.4	21.6	6.4	18.3	7.9	21.6	6.2	18.4
no children, head in labor force	66.2	12.2	5.2	12.8	3.1	11.8	6.2	16.9	9.6	25.0	5.2	14.7
no children, head retired	84.2	7.4	3.8	4.5	2.7	4.9	4.4	5.6	3.3	4.1	1.1	1.5
Older unmarried:												
head in labor force	100.0	10.5										
head retired	100.0	10.6										
Total N	273	24.3	15.1	9.9	13.7	14.3	13.1					
Young unmarried	52	44.4	13	1.3	11	3.8	33	69.3	26	32.4	29	52.4
Young married:	499	0.2	68	24.0	35	4.2	28	1.2	21	6.2	29	0.5
no children	158	11.1	19	0.9	17	4.9	23	5.9	26	9.1	31	23.4
youngest child under 6	264	4.5	29	2.0	22	3.7	26	1.6	32	5.5	25	1.6
youngest child 6 or over	256	3.5	20	0.1	12	0.3	24	1.1	37	13.8	20	0.1
Older married:	155	2.4	7	1.0	5	0.4	8	0.2	6	1.4	2	5.3
has children	221	19.6	12.2	8.0	11.1	11.6	10.6					
no children, head in labor force	222	19.7	12.3	8.0	11.2	11.6	10.7					
no children, head retired	2100	156	102	142	148	136	3					
Degrees of freedom - 64												

Degrees of freedom - 64

 χ^2 of 107.9 is significant at .0005 level

Adjusted

TABLE 5.12 PROPORTION OF EARNED INCOME EARNED BY WIFE WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Proportion of Earned Income Earned by Wife											
	0%		1%-33%		34%-49%		50%-67%		68%-99%		100%	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	100.0	0.2										
Young married:												
no children	30.8	3.8	32.0	14.2	24.3	22.4	7.1	20.7	3.6	30.0	2.4	4.8
youngest child under 6	73.0	36.1	17.5	31.6	6.1	23.0	1.5	17.2	0.6	20.0	1.3	10.8
youngest child 6 or over	57.3	11.4	20.3	14.7	12.3	18.6	4.4	20.7	0.7	10.0	5.1	16.9
Older married:												
has children	64.9	19.0	20.3	21.6	7.7	16.9	1.7	12.1	1.0	20.0	4.5	21.7
no children, head in labor force	66.2	18.4	16.9	17.1	8.1	16.9	4.2	27.6	0.5	10.0	4.2	19.3
no children, head retired	82.6	11.0	1.6	0.8	2.2	2.2	0.5	1.7	1.1	10.0	12.0	26.5
Older unmarried:												
head in labor force	100.0	0.1										
head retired	100.0	0.1										
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	3	-										
Young married:												
no children	52	31.3	54	18.1	41	47.2	12	11.6	6	12.0	4	1.1
youngest child under 6	499	5.6	120	0.1	42	5.1	10	4.2	4	1.0	9	12.0
youngest child 6 or over	158	3.0	56	0.8	34	4.2	12	2.6	2	-	14	0.9
Older married:												
has children	262	-	82	1.1	31	0.5	7	1.5	4	-	18	0.3
no children, head in labor force	254	-	65	0.3	31	0.2	16	2.8	2	-	16	0.1
no children, head retired	152	8.1	3	27.5	4	9.0	1	3.3	2	-	22	30.0
Older unmarried:												
head in labor force	1	-	-	-	-	-	-	-	-	-	-	-
head retired	1	-	-	-	-	-	-	-	-	-	-	-
Total N	1382		380		183		58		20		83	

Degrees of freedom - 40

Adjusted X² for table - 220.30X² of 76 is significant at .0005 level

TABLE 5.13 NUMBER OF MEMBERS RECEIVING EMPLOYMENT INCOME WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Number of Members Receiving \$600 or More from Employment Income											
	None				1				2			
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	7.7	5.0	90.5	13.5	1.8	0.9	-	-	-	-	-	-
Young married:												
no children	0.6	0.2	39.8	3.7	58.5	17.8	1.2	9.5	1.2	9.5	1.2	9.5
youngest child under 6	2.2	3.6	80.8	30.3	16.8	20.5	0.3	9.5	0.3	9.5	0.3	9.5
youngest child 6 or over	1.8	1.2	64.1	9.7	33.7	16.6	0.4	4.8	0.4	4.8	0.4	4.8
Older married:												
has children	7.6	7.4	62.8	13.9	27.3	19.8	2.2	42.9	2.2	42.9	2.2	42.9
no children, head in labor force	5.9	5.5	64.7	13.8	28.1	19.6	1.3	23.8	1.3	23.8	1.3	23.8
no children, head retired	61.1	27.0	33.5	3.4	5.4	1.8	-	-	-	-	-	-
Older unmarried:												
head in labor force	14.5	7.6	78.7	9.5	5.9	2.3	0.9	9.5	0.9	9.5	0.9	9.5
head retired	80.2	42.5	18.0	2.2	1.8	0.7	-	-	-	-	-	-
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	Total N
Young unmarried	21	9.3	247	28.2	5	44.6	-	-	-	-	-	273
Young married:												
no children	1	23.4	68	16.4	100	129.0	2	-	2	-	2	171
youngest child under 6	15	73.8	554	27.6	115	3.2	2	1.9	2	1.9	2	686
youngest child 6 or over	5	31.5	177	-	93	26.8	1	-	1	-	1	276
Older married:												
has children	31	14.1	255	0.2	111	11.6	9	-	9	-	9	406
no children, head in labor force	23	21.0	253	-	110	13.7	5	-	5	-	5	391
no children, head retired	113	267.7	62	27.7	10	19.4	-	-	-	-	-	185
Older unmarried:												
head in labor force	32	-	174	6.8	13	21.7	2	-	2	-	2	221
head retired	178	641.2	40	74.7	4	36.4	-	-	-	-	-	222
Total N	419		1830		561		21		21		21	2831

Degrees of freedom - 24

X² of 53.52 is significant at .0005 levelX² for table - 1591.04

TABLE 5.14 NUMBER OF WEEKS WIFE WORKED FULL OR PART-TIME WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Number of Weeks Wife Worked Full or Part-T							
	0		13 or less		14 - 26		27 - 39	
	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	100.0	0.2						
Young married:								
no children	32.3	3.7	5.7	8.0	12.0	21.1	10.1	17.6
youngest child under 6	74.4	35.9	9.4	54.9	3.8	27.8	3.8	27.5
youngest child 6 or over	59.9	11.3	5.0	11.5	5.8	16.7	7.7	22.0
Older married:								
has children	66.8	19.1	4.9	16.8	3.8	16.7	3.8	16.5
no children, head in labor force	69.4	18.4	2.5	8.0	3.6	14.4	3.0	12.1
no children, head retired	86.0	11.2	0.6	0.9	1.7	3.3	2.3	4.4
Older unmarried:								
head in labor force	100.0	0.1						
head retired	100.0	0.1						
	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	3	-	-	-	-	-	-	-
Young married:								
no children	51	29.6	9	-	19	20.2	16	11.0
youngest child under 6	492	4.1	62	16.8	25	0.7	25	0.8
youngest child 6 or over	155	2.5	13	0.2	15	1.0	20	5.9
Older married:								
has children	261	0.1	19	0.4	15	0.4	15	0.4
no children, head in labor force	252	0.1	9	6.3	13	0.6	11	1.8
no children, head retired	153	8.5	1	8.1	3	3.1	4	2.0
Older unmarried:								
head in labor force	1	-	-	-	-	-	-	-
head retired	1	-	-	-	-	-	-	-
Total N	1369		113		90		91	
							60	

Degrees of freedom - 48

X² of 86.88 is significant at .0005 level

TABLE 5.15 SPENDING UNIT EMPLOYMENT INCOME WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Spending Unit's Wage, Salary, Professional, Trade and Oth													
	Under \$500						\$1,000 \$2,000. \$3,000 \$							
	None	\$500	-999	-1,999	-2,999	-4,999								
R% C% R% C% R% C% R% C% R% C% R% C% R% C% R%														
Young unmarried	5.2	2.9	4.0	11.2	4.0	13.6	19.9	26.9	12.9	16.7	31.3	16.0	19	
Young married:														
no children	1.2	0.4	0.6	1.0	1.2	2.5	3.6	3.0	11.8	9.5	23.7	7.6	32	
youngest child under 6	6.8	9.4	0.9	6.1	1.6	13.6	4.0	13.4	7.7	24.8	22.7	29.1	34	
youngest child 6 or over	5.5	3.1	2.9	8.2	2.9	9.9	4.0	5.5	4.8	6.2	15.4	7.9	31	
Older married:														
has children	9.1	7.4	4.8	19.4	2.3	11.1	5.8	11.5	7.0	13.3	19.1	14.3	24	
no children, head in														
labor force	12.1	9.4	4.0	15.3	2.6	12.4	4.8	9.0	6.3	11.4	18.2	13.0	28	
no children, head retired	62.8	23.5	6.6	12.2	4.9	11.1	9.8	9.0	7.1	6.2	2.7	0.9	3	
Older unmarried:														
head in labor force	15.2	6.8	5.5	12.2	6.9	18.5	16.1	17.4	10.6	11.0	24.4	10.0	14	
head retired	82.7	37.2	6.4	14.3	2.7	7.4	4.1	4.5	0.9	1.0	2.7	1.1	0	
<hr/>														
N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N
<hr/>														
Young unmarried	14	23.8	11	0.2	11	1.2	54	60.4	35	10.3	85	21.5	5	
Young married:														
no children	2	25.8	1	4.1	2	-	6	3.1	20	4.2	40	1.9	5	
youngest child under 6	46	44.7	6	13.3	11	3.8	27	9.8	52	-	154	4.9	23	
youngest child 6 or over	15	22.6	8	0.3	8	-	11	3.8	13	2.8	42	1.9	8	
Older married:														
has children	36	16.4	19	1.8	9	0.6	23	1.1	28	0.1	76	-	9	
no children, head in														
labor force	46	6.3	15	0.2	10	0.1	18	3.2	24	0.7	69	0.1	10	
no children, head retired	115	214.3	12	4.8	9	2.6	18	1.8	13	-	5	25.5		
Older unmarried:														
head in labor force	33	0.7	12	2.5	15	12.0	35	24.0	23	2.7	53	3.4	3	
head retired	182	533.3	14	5.1	6	-	9	3.0	2	12.8	6	30.7		
Total N	489		98		81		201		210		530		67	

Degrees of freedom - 64

X² forX² of 107.9 is significant at .0005 level

TABLE 5.16 PROPORTION OF TOTAL INCOME RECEIVED BY WIFE WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Proportion of Total Income Received by Wife											
	0%	1%-33%	34%-49%	50%-67%	68%-99%	100%						
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	100.0	0.2										
Young married:												
no children	30.8	4.0	34.9	11.7	24.3	20.8	7.1	18.5	2.4	21.1	0.6	20.0
youngest child under 6	71.9	37.5	19.5	26.4	6.4	22.3	2.1	21.5	0.2	5.3	-	-
youngest child 6 or over	55.8	11.8	27.9	15.3	13.4	18.8	2.5	10.8	-	-	0.4	20.0
Older married:												
has children	63.3	19.5	25.6	20.4	7.7	15.7	2.0	12.3	1.2	26.3	0.3	20.0
no children, head in labor force	61.6	17.9	25.5	19.3	8.2	15.7	3.7	21.5	0.8	15.8	0.3	20.0
no children, head retired	64.5	9.0	19.1	6.9	7.1	6.6	5.5	15.4	3.3	31.6	0.6	20.0
Older unmarried:												
head in labor force	100.0	0.1										
head retired	100.0	0.1										
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	3	-	-	-	-	-	-	-	-	-	-	-
Young married:												
no children	52	27.1	59	8.4	41	39.8	12	8.8	4	-	1	-
youngest child under 6	491	9.9	133	5.9	44	6.3	14	2.4	1	4.3	-	-
youngest child 6 or over	154	1.9	77	1.7	37	4.8	7	0.3	-	-	1	-
Older married:												
has children	255	0.1	103	0.4	31	1.2	8	1.6	5	-	1	-
no children, head in labor force	234	-	97	0.4	31	0.6	14	0.4	3	-	1	-
no children, head retired	118	0.1	35	1.8	13	1.0	10	3.3	6	-	1	-
Older unmarried:												
head in labor force	1	-	-	-	-	-	-	-	-	-	-	-
head retired	1	-	-	-	-	-	-	-	-	-	-	-
Total N	1309		504		197		65		19		5	
<hr/>												
Degrees of freedom - 40												
Adjusted X ² for table - 132.54												

Degrees of freedom - 40

X² of 76 is significant at .0005 levelAdjusted X² for table - 132.54

CHAPTER VI

ASSET HOLDINGS

The data include information with respect to total liquid assets, number and pattern of liquid asset holdings, equity in own house, value of real estate owned other than own house, value of stocks, value of assets, and number and pattern of asset holdings.

Stage I: young unmarried. - Nearly 27 percent of persons in this stage had no liquid assets (Table 6.1). The largest proportion (nearly 32 percent) had liquid assets of \$1-499. Only 4.4 percent had liquid assets of \$5,000 or more. The largest proportion (24 percent) had liquid assets in the form of a savings account only (Table 6.2). Nearly 22 percent had both savings and checking accounts and about 21 percent had a checking account only.

By far the largest proportion (about 90 percent) had no equity in their own house (Table 6.3). Only 7 percent owned real estate other than their own house (Table 6.4). About 7 percent owned stock and among these a large proportion (about 3 percent) owned stock valued at less than \$500 (Table 6.5).

About 24 percent had no assets (Table 6.6). The largest proportion (about 42 percent) had assets valued at less than \$1,000-

5,000 and only 17 percent had assets worth \$5,000 or more. The largest proportion of persons in this stage (about 69 percent) had only liquid assets (Table 6.7). Since so few were homeowners in this stage, the proportion having equity was much lower than in the later stages. Only about 6 percent had 3 or more types of assets.

Stage II: young married, no children. - Almost 28 percent of families in this stage had no liquid assets (Table 6.1). The largest proportion (31 percent) had \$1-499 in liquid assets. The pattern of liquid asset holdings changed somewhat as the largest proportion (about 33 percent) had both a checking account and a savings account (Table 6.2). About 23 percent had a checking account only and the proportion with a savings account only was 15 percent compared with 24 percent among Stage I spending units.

The percent of renters dropped from 90 percent of the preceding stage to only 68 percent of this stage (Table 6.3). About 11 percent had \$1,000-4,999 equity and another 11 percent had \$5,000-9,999. Only about 8 percent had over \$10,000 equity. There was a slight increase in the percent who had an investment in real estate other than their own home; about 11 percent had this type of investment (Table 6.4). Nearly 12 percent owned stock (Table 6.5). Just over 5 percent owned stock worth \$1,000-4,999 and another 4 percent owned stock worth \$500-999.

Almost 20 percent had no assets (Table 6.6). The largest proportion (nearly 34 percent) had assets worth less than \$1,000. The proportion with assets of \$5,000 or more had increased to just over 30 percent compared with 17 percent among Stage I spending units. A large proportion (nearly 44 percent) had only liquid assets and about 21 percent had liquid assets and equity (Table 6.7). About 14 percent had 3 or more types of assets.

Stage III: young married, youngest child under 6. - A
somewhat larger proportion of this stage had liquid assets. About 21 percent had no liquid assets, but the largest proportion (about 38 percent) had \$1-499 in liquid assets (Table 6.1). Only 4.3 percent had liquid assets of \$5,000 or more. The proportion having some liquid assets invested in U.S. bonds increased (Table 6.2). The percent who had just a savings account and/or a checking account decreased while the percent who had bonds only, bonds plus checking or savings accounts, or all 3 increased.

There was again a sharp increase in home ownership. About 53 percent of families in this stage were homeowners (Table 6.3). Among owners, about 21 percent had \$1,000-4,999 equity and about 19 percent had equity of \$10,000 or more. About 15 percent owned real estate other than their own home (Table 6.4). About 5 percent owned real estate worth \$10,000-24,999, about 3 percent owned real estate worth \$5,000-9,999 and 4.5 percent owned real estate worth \$1,000-

4,999. About 12 percent owned stock (Table 6.5). Just under 3 percent owned stock worth \$5,000 or more. The remaining 9 percent were evenly divided among the 3 groups with less than \$5,000.

About 13 percent had no assets. The proportion having assets worth \$5,000 or more increased to nearly 42 percent. There was from 21-22 percent in each of the first 3 groups: less than \$1,000, \$1,000-5,000, and \$5,000-10,000. Only about 27 percent had just liquid assets (Table 6.7). The largest proportion (33 percent) had liquid assets and equity. The proportion having 3 or more types of liquid assets increased to 24 percent.

Stage IV: young married, youngest child 6 or over. - The percent with no liquid assets again declined to 16.6 percent compared with 21.4 percent of families in the preceding stage (Table 6.1). The largest proportion (nearly 34 percent) were again in the group who had \$1-499 in liquid assets, but nearly as large a percent (almost 29 percent) had \$1,000-4,999. Nearly 8 percent had \$5,000 or more in liquid assets. The largest proportion (nearly 29 percent) had both savings accounts and checking accounts (Table 6.2). Nearly as large a percent (about 24 percent) had all 3 types of liquid assets - bonds, savings account and checking account. About 20 percent had checking accounts only.

The proportion with equity in their own house again increased. About 70 percent were homeowners (Table 6.3). The largest proportion

among the owners (about 26 percent) had equity amounting to \$5,000-9,999 and about 21 percent had \$1,000-4,999 equity. Nearly 20 percent had equity of \$25,000 or more. The asset position with respect to ownership of real estate other than their own home did not change as much. About 18 percent had no assets of this type (Table 6.4).

Among families with this type of asset, the largest proportion (about 5 percent) had \$5,000-9,999 and 12 percent owned real estate other than their homes worth \$5,000 or more. About 15 percent owned stock, but among these families the largest proportion (just over 4 percent) owned less than \$500 worth of stock. About 4 percent owned stock worth \$5,000 or more.

About 9 percent in this stage compared with 13 percent in the preceding stage had no assets (Table 6.6). The largest proportion (nearly 27 percent) had assets of \$5,000-10,000 and another 24 percent had assets of \$10,000-25,000. About 10 percent had assets of \$25,000 or more. Thus, 61 percent had assets of \$5,000 or more compared with about 42 percent of families in the preceding stage with this asset position. About 34 percent of families in this stage had assets of \$10,000 or over. Increased equity in their own homes was the factor which accounted for much of this increase. Comparison of the number and pattern of asset holdings of families in this stage with those in the preceding stage shows that the percentage with more than one type of asset increased from 64 percent to 79 percent (Table 6.7). The classifications

showing the most increase included: (1) liquid assets and equity, (2) liquid assets, equity and stock, (3) liquid assets, equity, and real estate, (4) 3 others, and (5) 4, or all 5.

Stage V: older married, has children. - The proportion of families in this stage with no liquid assets increased compared with the preceding stage. Nearly 23 percent compared with nearly 17 percent of the preceding stage had no liquid assets (Table 6.1). The largest proportion (about 30 percent) had \$1,000-4,999 and about 12 percent had \$5,000 or more liquid assets. Thus, while a larger proportion had no liquid assets, there was also an increase in the percentages with \$1,000 or more. Analysis of the characteristics of this life cycle stage showed that there was more variation within this stage with respect to education, occupation, income, and family size and composition compared with the other stages. About one-third of the families in this stage were composed of 5 or more members and 7 percent had 7 or more members (Table 4.9). The expenditure needs of these larger families probably necessitated using liquid assets to cover current spending. In the largest proportion of families (43 percent), the head had 1-8 years of education (Table 5.6). About 28 percent were in the highest income quintile, but 30 percent were in the two lowest quintiles (Table 5.2). With this variation within the life cycle stage, the increase in both the percent with no liquid assets and the percent with substantial liquid assets was to be expected.

The largest proportion (about 28 percent) of families in this stage had all 3 types of liquid assets and another 24.4 percent had savings accounts and checking accounts (Table 6.2). There was nearly a 6 percent increase (from 5 percent of Stage IV families to 11 percent of Stage V families) in the proportion with U.S. bonds and savings accounts.

The proportion with equity in their own home again increased. Almost 72 percent were homeowners (Table 6.3). The largest proportion (nearly 29 percent) had equity of \$10,000-24,999, and another 23 percent had equity of \$5,000-9,999. The percentage with equity of \$25,000 or more increased from under 2 percent in the preceding stage to nearly 4 percent in this stage.

The proportion who owned real estate other than their own home increased from 18 percent in the preceding stage to 20 percent in this stage (Table 6.4). Among those owning such real estate, the largest proportion (about 6 percent) owned property valued at \$1,000-4,999. About 11 percent owned property worth \$5,000 or more. The proportion owning stock was nearly unchanged compared with the preceding stage. Among the 15 percent owning stock about 5 percent owned stock worth \$1,000-4,999 and nearly 5 percent owned stock worth \$5,000 or more.

The proportion with no assets and also the proportion having assets of \$10,000-25,000 and \$25,000 or more increased slightly compared with the preceding stage (Table 6.6). About 40

percent had assets of \$10,000 or more and 70 percent had assets of \$5,000 or more. There was a 6 percent increase in the proportion who had equity only. Thus, nearly 12 percent of this stage had this type asset only. There were also increases in the proportion who had 2 assets other than liquid assets and equity, and in those who had liquid assets, equity, and real estate. Increased equity in their own home again accounted for most of the increase in value of assets.

Stage VI: older married, no children, head in the labor force. - The proportion with no liquid assets decreased to 16 percent compared with nearly 23 percent in the preceding stage (Table 6.1). The largest proportion (nearly 30 percent) had \$1,000-4,999 in liquid assets. About 12 percent had liquid assets of \$5,000 or more. The largest proportion (29 percent) had savings and checking accounts. About 27 percent had all three - savings accounts, checking accounts, and U.S. bonds, and about 21 percent had a checking account only.

The proportion who were homeowners again increased from about 72 percent in the preceding stage to 76 percent in this stage (Table 6.3). Among those who owned homes the largest proportion (38 percent) had \$10,000-24,999 equity. Nearly 64 percent had equity of \$5,000 or more. About 24 percent owned real estate other than their own homes. The largest proportion (about 7 percent) owned property worth \$10,000-24,999 and about 6 percent owned property worth \$25,000 or more. The percent owning real estate

worth \$5,000 or over rose from about 11 percent in the preceding stage to about 18 percent in this stage. Nearly 19 percent owned stock and the largest proportion (nearly 5 percent) owned stock valued at \$1,000-4,999 (Table 6.5). Another 4 percent owned stock worth \$5,000 or more.

This stage contained the smallest proportion of families who had no assets, about 7 percent (Table 6.6). The largest proportion (about 28 percent) was again in the group who had \$10,000-25,000, as in the preceding stage, but the percent who had assets of \$25,000 or more rose to nearly 26 percent in this stage compared with 11 percent in the preceding stage. Nearly 54 percent had assets of \$10,000 or more and nearly 79 percent had assets of \$5,000 or more. These percentages were 14 and 18 percent higher than the proportions in the preceding stage. Thus, the asset position of families in this stage was substantially better than in any of the other stages.

There was a slight decrease in the proportion having only 1 asset of each of the 3 types. The largest increase was in the percentage who had 4 types or all 5 types of assets.

Stage VII: older married, no children, head retired. - The proportion of families with no liquid assets increased to nearly 21 percent compared with 16 percent in the preceding stage (Table 6.1). The largest proportion (about 35 percent) of families in this stage had liquid assets of \$1,000-4,999. About 24 percent had liquid assets of \$5,000

or over. Thus, the proportion of families with assets of \$5,000 or over increased about 2 percent and the percent with \$1,000-4,999 increased nearly 5 percent compared with the preceding stage. There was an increase in the proportion of families with assets in the form of U.S. bonds and of bonds plus checking or savings accounts. There was also an increase in the proportion with a savings account only. There were reductions in each of the other types of liquid asset holdings.

The proportion of families who owned homes decreased to about 70 percent (Table 6.3). The largest proportion of families in this stage (nearly 36 percent) had \$10,000-24,999 equity in their own homes. This was about a 3 percent decrease compared with the preceding stage. About 60 percent of families in this stage compared with 73 percent of the preceding stage had equity of \$5,000 or more. About 20 percent owned real estate other than their own home (Table 6.4). The largest proportion of families with this type of asset (6 percent) owned real estate worth \$10,000-24,999 and nearly 13 percent owned real estate worth \$5,000 or more. About 13 percent of the families owned stock (Table 6.5). A little over 4 percent owned stock worth \$1,000-4,999 and about 8 percent owned stock worth \$5,000 or more. Since the families in this stage were retired and had little or no current income from wages and salaries, the fact that nearly 8 percent had no liquid assets is evidence of poverty among these elderly families (Table 6.6). Another 7 percent had assets of less than \$1,000. Again,

the largest proportion of families (29 percent) had assets of \$10,000-25,000. The percentage with assets of \$5,000 or over decreased from 78 percent of the Stage VI families to about 61 percent of the Stage VII families. The fact that nearly 40 percent had less than \$5,000 in assets, together with the fact that about 43 percent were in the lowest income quintile and about two-thirds were in the 2 lowest quintiles (Table 5.2) clearly indicates that a large proportion of families in this stage have very limited financial resources. Their resources were undoubtedly insufficient in view of the high cost of medical care, housing and other necessary goods and services, to provide any kind of a "minimum adequate" standard of living. A little over 50 percent did have assets of \$10,000 or more and thus could maintain an adequate level of living even though their current income was low.

Stage VIII: older unmarried, head in labor force. - With respect to assets as well as income it appeared to pay to be married. About 24 percent of this stage as compared with about 16 percent of the Stage VI families had no liquid assets (Table 6.1). The largest proportion (about 30 percent) had liquid assets of \$1,000-4,999. In Stage VI, about 22 percent had liquid assets of \$5,000 or more, but in this stage only about 16 percent had this amount of liquid assets. The pattern of liquid asset holdings was somewhat different from that of Stage VI families. Larger proportions had bonds only, savings accounts and bonds plus a savings account or checking account. Over 4 percent

less had savings and checking accounts and nearly 7 percent less had all 3 types of liquid assets.

The proportion of homeowners was lower than for all of the earlier stages except the young unmarried and the young married with no children. About 37 percent of the spending units in this stage owned homes (Table 6.3). Among homeowners the largest proportion (about 14 percent) had equity of \$10,000-24,999. Another 13 percent had \$5,000-9,999 in equity. Nearly 28 percent had \$5,000 or more in equity. About 20 percent owned real estate other than their own homes (Table 6.4). Among spending units with this type of asset, the largest proportion (6 percent) had real estate worth \$1,000-4,999. Only about 7 percent had real estate worth \$10,000 or over and only about 12 percent had real estate worth \$5,000 or more. About 12 percent owned stocks with the larger proportion of these spending units owned stock worth \$1,000-4,999 (Table 6.5). Only 4 percent had stocks worth \$5,000 or more compared with nearly 10 percent in Stage VI with this amount of stock.

The proportion of spending units who had no assets increased to about 16 percent (Table 6.6). Only the young unmarried stage and the young married couples with no children had larger proportions with no assets. The largest proportion (about 20 percent) had assets worth \$1,000-4,999. Nearly as large a proportion (19 percent) had \$5,000-10,000 and about 18 percent had \$10,000-25,000. Thus,

about 60 percent had fairly substantial assets especially in view of the smaller size of the spending unit but only about 47 percent had assets of \$5, 000 or more compared with 61 percent in Stage VI.

The largest proportion (30 percent) had liquid assets only (Table 6.7). This was in sharp contrast with Stage VI in which just under 10 percent were in this classification. The second largest proportion (about 19 percent) had liquid assets and equity only and about 15 percent had 2 other assets. In the other classifications, Stage VIII was similar to Stage VI.

Stage IX: older unmarried, head retired. - This stage had the largest proportion of spending units with no liquid assets. Nearly 40 percent were faced with the serious problem of having no liquid assets (Table 6.1). Among the spending units with some liquid assets the largest proportion (about 19 percent) had \$1, 000-4, 999. About 18 percent had liquid assets worth \$5, 000 or more. The percentage with this amount of liquid assets was higher than the preceding stage but in Stage VII, about 24 percent had liquid assets worth \$5, 000 or more. The largest proportion (nearly 25 percent) had a savings account only (Table 6.2). The percentage who had bonds only (6 percent) was higher than in any other stage as was the percentage with a savings account only and the percentage who had U. S. bonds and a checking account. The percentage who had a savings account and a checking account was lower in this stage than in any of the other stages.

About half (51 percent) were homeowners (Table 6.3).

Among owners the largest proportion (17 percent) had equity of \$10,000-24,999 and nearly 6 percent had \$5,000-9,999 and \$1,000-4,999. Only about 34 percent had equity of \$5,000 or more. About 16 percent owned real estate other than their own homes (Table 6.4). About 11 percent owned real estate worth \$5,000 or more. About 11 percent owned stocks. A little over 6 percent owned stock worth \$10,000 or more and nearly 8 percent owned stock worth \$5,000 or more.

Nearly 25 percent of the spending units in this stage had no assets (Table 6.6). This stage and Stage I had almost the same percent of spending units with no assets and they exceeded all other stages in this respect by many percentage points. Since about 79 percent were in the lowest income quintile (Table 5.7), a large proportion had total resources which were undoubtedly inadequate for needs even considering small spending unit size. About half of the spending units had assets of \$5,000 or more. About 24 percent had assets in the form of liquid assets and equity, nearly 24 percent had liquid assets only and about 18 percent had equity only.

TABLE 6.1 TOTAL LIQUID ASSETS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Total Liquid Assets Now											
	None				\$1-499				\$500-999			
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	26.7	11.3	31.5	11.2	16.1	12.2	21.3	8.0	1.8	2.		
Young married:												
no children	27.5	7.3	31.0	6.9	16.4	7.8	19.9	4.7	4.1	3.		
youngest child under 6	21.3	22.5	38.4	34.2	15.6	29.7	20.5	19.4	3.1	11.		
youngest child 6 or over	16.6	7.1	33.6	12.1	13.0	10.0	28.9	11.0	6.1	9.		
Older married:												
has children	22.6	14.2	22.1	11.7	13.5	15.3	29.5	16.5	7.6	17.		
no children, head in labor force	16.3	9.9	19.4	9.9	11.7	12.8	30.4	16.4	10.5	22.		
no children, head retired	20.5	5.9	15.1	3.6	4.9	2.5	35.1	9.0	11.4	11.		
Older unmarried:												
head in labor force	24.4	8.3	20.8	6.0	8.6	5.3	30.3	9.2	8.1	10.		
head retired	39.6	13.6	15.8	4.5	7.2	4.4	18.9	5.8	8.1	10.		
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	73	1.8	86	1.9	44	2.5	58	2.0	5	8.		
Young married:												
no children	47	1.6	53	0.9	28	1.8	34	2.2	7	1.		
youngest child under 6	146	0.8	264	31.9	107	4.5	141	6.9	21	11.		
youngest child 6 or over	46	4.7	93	4.1	36	-	80	1.2	17	-		
Older married:												
has children	92	-	90	3.9	55	0.2	120	2.4	31	1.		
no children, head in labor force	64	7.3	76	8.8	46	0.3	119	3.5	41	10.		
no children, head retired	38	0.4	28	9.9	9	8.9	65	6.6	21	7.		
Older unmarried:												
head in labor force	54	0.2	46	3.3	19	2.9	67	1.9	18	1.		
head retired	88	27.4	35	10.7	16	5.3	42	3.9	18	1.		
Total N	648		771		360		726		179			

^a Row percent

Degrees of freedom = 48

^b Column percentX² of 86.88 is significant at .0005 level



TABLE 6.2 PATTERN OF LIQUID ASSET HOLDINGS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Patterns of Liquid Asset Holdings									
	US Bonds only		Savings		Checking		US Bonds & Savings		US Bonds & Checking	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	2.0	7.8	24.0	15.5	20.5	9.6	13.0	15.1	5.0	5
Young married:										
no children	1.6	3.9	15.3	6.1	23.4	6.8	4.0	2.9	8.1	5
youngest child under 6	2.8	29.4	13.1	22.9	19.0	24.0	8.0	25.0	8.3	25
youngest child 6 or over	1.7	7.8	9.5	7.1	20.4	11.0	5.2	7.0	10.8	14
Older married:										
has children	1.3	7.8	10.5	10.7	16.8	12.4	11.1	20.4	7.6	13
no children, head in labor force	1.2	7.8	9.5	10.0	21.3	16.3	5.8	11.1	6.1	11
no children, head retired	3.4	9.8	17.0	8.1	16.3	5.6	8.2	7.0	9.5	7
Older unmarried:										
head in labor force	3.0	9.8	16.8	9.0	21.0	8.2	6.6	6.4	8.4	7
head retired	6.0	15.7	24.6	10.7	20.2	6.3	6.7	5.2	12.7	9
<hr/>										
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	4	-	48	13.6	41	0.1	26	6.7	10	2
Young married:										
no children	2	-	19	0.1	29	0.9	5	2.3	10	-
youngest child under 6	15	0.5	71	0.4	103	0.1	43	-	45	-
youngest child 6 or over	4	0.4	22	3.5	47	0.1	12	2.1	25	2
Older married:										
has children	4	1.5	33	3.0	53	1.3	35	4.2	24	0
no children, head in labor force	4	1.7	31	5.2	70	0.5	19	1.8	20	1
no children, head retired	5	-	25	0.8	24	0.8	12	-	14	0
Older unmarried:										
head in labor force	5	-	28	0.8	35	0.2	11	0.4	14	-
head retired	8	-	33	10.3	27	-	9	0.2	17	3
Total N	51		310		429		172		179	

Degrees of freedom - 48

 χ^2 of 86.88 is significant at .0005 level

TABLE 6.3 EQUITY IN HOUSE WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Equity in House											
	Renter			Under \$500			\$500-999			\$1,000		
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	89.7	19.4	-	-	0.7	5.9	2.2	1.5	2.9			
Young married:												
no children	68.4	9.3	1.2	9.1	0.6	2.9	11.1	4.7	11.1			
youngest child under 6	44.5	24.3	1.5	45.5	1.9	38.2	21.4	36.2	19.1			
youngest child 6 or over	29.6	6.5	1.4	18.2	1.8	14.7	20.6	14.0	25.6			
Older married:												
has children	27.5	8.9	0.5	9.1	1.7	20.6	14.7	14.8	23.1			
no children, head in												
labor force	24.0	7.5	0.3	4.6	0.8	8.8	11.5	11.1	20.7			
no children, head retired	30.3	4.4	-	-	0.5	2.9	9.7	4.4	21.1			
Older unmarried:												
head in labor force	62.9	11.0	0.5	4.6	0.5	2.9	8.6	4.7	12.7			
head retired	49.1	8.7	0.9	9.1	0.5	2.9	15.8	8.6	15.8			
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	245	126.0	-	-	2	-	6	28.0	8			
Young married:												
no children	117	22.1	2	-	1	-	19	1.2	19			
youngest child under 6	306	-	10	4.1	13	2.8	147	24.0	131			
youngest child 6 or over	82	13.7	4	-	5	-	57	7.6	71			
Older married:												
has children	112	26.2	2	-	7	-	60	0.1	94			
no children, head in												
labor force	94	36.9	1	-	3	-	45	2.2	81			
no children, head retired	56	8.4	-	-	1	-	18	2.7	39			
Older unmarried:												
head in labor force	139	16.9	1	-	1	-	19	5.1	28			
head retired	109	1.1	2	-	1	-	35	0.3	35			
Total N	1260		22		34		406		506			

Degrees of freedom - 48

X² of 86.88 is significant at .0005 level

TABLE 6.4 TOTAL VALUE OF REAL ESTATE OTHER THAN OWN HOME WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Total Value of Real Estate Owned Other											
	0				Less than \$500				\$500-999			
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	93.0	10.8	-	-	-	-	-	-	1.5	3.5	1.8	4.
Young married:												
no children	88.9	6.5	0.6	6.3	1.8	8.8	0.6	0.9	2.9	4.		
youngest child under 6	84.8	24.9	0.3	12.5	0.6	11.8	4.5	26.7	3.4	21.		
youngest child 6 or over	82.3	9.8	-	-	1.8	14.7	4.0	9.5	5.1	13.		
Older married:												
has children	80.1	14.0	1.2	31.3	1.5	17.7	6.1	21.6	4.7	17.		
no children, head in labor force	75.7	12.5	1.3	31.3	1.6	17.7	3.4	11.2	4.7	16.		
no children, head retired	79.9	6.3	0.5	6.3	1.6	8.8	5.4	8.6	2.2	3.		
Older unmarried:												
head in labor force	79.8	7.5	-	-	2.3	14.7	6.0	11.2	4.6	9.		
head retired	83.5	7.8	0.9	12.5	0.9	5.9	3.7	6.9	4.1	8.		
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	253	3.4	-	-	-	-	4	4.6	5	2.		
Young married:												
no children	152	0.8	1	-	3	-	1	5.2	5	0.		
youngest child under 6	580	0.3	2	-	4	2.2	31	0.3	23	0.		
youngest child 6 or over	228	-	-	-	5	-	11	-	14	1.		
Older married:												
has children	326	0.4	5	-	6	-	25	4.1	19	0.		
no children, head in labor force	292	2.4	5	-	6	-	13	0.5	18	0.		
no children, head retired	147	0.2	1	-	3	-	10	0.8	4	1.		
Older unmarried:												
head in labor force	174	0.2	-	-	5	-	13	1.8	10	0.		
head retired	182	-	2	-	2	-	8	0.1	9	0.		
Total N	2334		16		34		116		107			

Degrees of freedom - 48.

 χ^2 of 86.88 is significant at .0005 level

TABLE 6.5 VALUE OF STOCKS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Value of Stocks									
	Inapprop.		Less than \$500		\$500-999		\$1,000		\$5,000	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	92.8	10.1	3.0	10.2	0.4	1.8	2.3	5.4	0.8	
Young married										
no children	88.3	6.2	1.8	3.9	4.1	12.3	5.3	8.0	-	
youngest child under 6	87.8	24.6	3.2	28.2	3.1	36.8	3.2	19.6	1.5	2
youngest child 6 or over	84.7	9.6	4.4	15.4	3.7	17.5	3.3	8.0	0.7	
Older married:										
has children	85.0	14.2	3.7	19.2	1.0	7.0	5.4	19.6	1.7	1
no children, head in labor force	81.4	13.0	2.6	12.8	1.6	10.5	4.9	17.0	3.1	2
no children, head retired	83.6	6.3	2.2	5.1	1.6	5.3	4.4	7.1	2.2	
Older unmarried:										
head in labor force	87.7	8.0	1.8	5.1	1.8	7.0	4.6	8.9	2.7	1
head retired	88.6	8.0	-	-	0.5	1.8	3.2	6.3	1.4	
<hr/>										
	N	χ^2	N	χ^2	N	χ^2	N	χ^2	N	
Young unmarried	246	1.2	8	0.1	1	3.6	6	2.0	2	
Young married:										
no children	151	0.1	3	-	7	-	9	0.7	-	
youngest child under 6	596	0.1	22	0.5	21	3.8	22	1.0	10	
youngest child 6 or over	232	0.1	12	2.5	10	3.5	9	0.3	2	
Older married:										
has children	345	0.1	15	1.2	4	2.2	22	2.1	7	
no children, head in labor force	316	1.1	10	0.1	6	0.5	19	0.8	12	
no children, head retired	153	0.2	4	0.2	3	-	8	0.1	4	
Older unmarried:										
head in labor force	193	-	4	0.7	4	-	10	0.2	6	
head retired	195	0.1	-	6.1	1	-	7	0.4	3	
Total N	2427		78		57		112		46	

Degrees of freedom - 48

 χ^2 of 86.88 is significant at .0005 level

TABLE 6.6 VALUE OF ASSETS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Value of Assets											
	Less than \$1,000			\$1,000 - \$5,000			\$5,000 - \$10,000			\$10,000 - \$25,000		
	None	\$1,000	-5,000	\$1,000	-5,000	-10,000	\$1,000	-5,000	-10,000	\$10,000	-25,000	\$25,000 & over
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	25.4	17.7	41.7	22.4	15.9	8.9	7.6	3.4	4.2	2.0	5.3	4.4
Young married:												
no children	19.9	9.0	33.9	11.8	15.8	5.7	15.8	4.6	10.5	3.3	4.1	2.2
youngest child under 6	13.1	23.2	22.6	30.9	22.7	32.6	21.5	24.8	14.0	17.3	6.2	13.3
youngest child 6 or over	8.8	6.3	12.8	7.1	17.5	10.2	26.6	12.5	24.1	12.2	10.2	8.9
Older married:												
has children	9.1	9.8	10.1	8.3	16.5	14.3	24.4	17.0	28.6	21.4	11.1	14.3
no children, head in labor force	7.1	7.1	5.8	4.5	8.7	7.0	24.7	16.1	28.2	19.7	25.5	30.8
no children, head retired	7.7	3.7	7.1	2.6	14.3	5.5	23.1	7.2	29.1	9.8	18.7	10.8
Older unmarried:												
head in labor force	16.1	9.2	17.1	7.5	20.3	9.4	19.4	7.2	18.0	7.2	9.2	6.4
head retired	24.5	14.0	11.1	4.9	13.9	6.4	19.4	7.2	18.1	7.2	13.0	8.9
Total N	379	492	492	470	584	584	543	315	2783			
Degrees of freedom - 40	X ² for table - 534.13											
X ² of 76 is significant at .0005 level												

Life Cycle Stages	Value of Assets											
	Less than \$1,000			\$1,000 - \$5,000			\$5,000 - \$10,000			\$10,000 - \$25,000		
	None	\$1,000	-5,000	\$1,000	-5,000	-10,000	\$1,000	-5,000	-10,000	\$10,000	-25,000	\$25,000 & over
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	67	26.8	110	85.9	42	0.2	20	22.6	11	31.9	14	8.4
Young married:												
no children	34	4.9	58	25.5	27	0.1	27	2.2	18	7.1	7	7.9
youngest child under 6	88	0.2	152	9.1	153	13.5	145	0.1	94	10.7	42	15.4
youngest child 6 or over	24	4.8	35	3.7	48	0.1	73	4.2	66	2.9	28	0.3
Older married:												
has children	37	6.0	41	13.1	67	-	99	2.3	116	17.3	45	-
no children, head in labor force	27	11.8	22	30.4	33	15.1	94	2.6	107	14.6	97	67.8
no children, head retired	14	4.7	13	11.4	26	0.7	42	0.4	53	8.6	34	8.7
Older unmarried:												
head in labor force	35	1.0	37	0.1	44	1.5	42	0.3	39	0.3	20	0.9
head retired	53	18.9	24	5.3	30	1.2	42	0.2	39	0.2	28	0.5
Total N	379	492	492	470	584	584	543	315	2783			

TABLE 6.7 NUMBER AND PATTERN OF ASSET HOLDINGS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Number and Pattern of Asset Holdings											
	Liquid assets			Equity			Other			Liquid assets		
	R%	C%		R%	C%		R%	C%		R%	C%	
Young unmarried	68.9	23.1	1.9	1.9	1.9	1.0	6.1	7.8	2.1	14.6	13.8	0.5
Young married:												
no children	43.8	9.7	5.8	3.9	2.9	12.1	21.2	3.9	12.4	7.8	4.4	3.3
youngest child under 6	26.9	26.1	7.5	21.6	1.3	24.2	32.9	26.3	7.5	20.7	6.7	22.1
youngest child 6 or over	13.4	5.5	5.9	7.2	2.0	15.2	39.5	13.4	6.7	7.8	10.7	14.9
Older married:												
has children	13.2	8.0	11.9	21.2	0.8	9.1	36.5	18.0	7.3	12.4	10.0	20.4
no children, head in labor force	9.6	5.7	8.2	14.4	0.6	6.1	37.5	18.3	7.1	12.0	9.3	18.8
no children, head retired	16.4	4.6	10.5	8.7	1.8	9.1	33.9	7.7	8.2	6.5	11.7	11.1
Older unmarried:												
head in labor force	36.0	10.9	7.0	6.3	2.2	12.1	19.4	4.8	15.1	12.9	3.8	3.9
head retired	23.7	6.5	18.3	14.9	1.2	6.1	24.3	5.5	7.7	6.0	5.3	5.0
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	142	157.9	4	10.4	2	-	16	34.9	30	7.7	1	13.3
Young married:												
no children	60	19.1	8	1.1	4	-	29	3.9	17	2.0	6	1.7
youngest child under 6	161	0.8	45	0.7	8	-	197	1.1	45	1.2	40	0.4
youngest child 6 or over	34	13.7	15	1.9	5	-	100	6.8	17	1.3	27	3.7
Older married:												
has children	49	20.7	44	5.1	3	0.8	135	4.4	27	1.0	37	3.5
no children, head in labor force	35	34.9	30	-	2	-	137	5.9	26	1.2	34	1.9
no children, head retired	28	5.2	18	0.9	3	-	58	0.7	14	0.1	20	4.3
Older unmarried:												
head in labor force	67	8.9	13	0.5	4	-	36	7.6	28	8.1	7	3.3
head retired	40	0.1	31	19.5	2	-	41	2.2	13	0.3	9	1.0
Total N	616		208		33		749		217		181	

Degrees of freedom - 64

X² foX² of 107.9 is significant at .0005 level

TABLE 6.8 VALUE OF ASSETS WITHIN AGE GROUPS

Age of Head	Average Value of Assets (Stock, Liquid Assets, Equity in Home, Business and Other Real Estate)															
	None				Less Than \$1,000				\$1,000 - \$5,000				\$5,000 - \$10,000			
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
18 - 24	30.3	16.1	50.0	22.0	14.5	6.8	2.6	1.0	0.9	0.4	1.8	1.3				
25 - 34	16.6	23.6	29.0	33.9	22.9	28.5	17.4	17.9	10.2	11.1	4.0	7.5				
35 - 44	13.0	19.4	14.2	17.5	17.3	22.8	25.0	26.9	20.4	23.4	10.1	20.3				
45 - 54	10.1	14.5	10.8	12.7	15.7	19.7	23.3	24.1	27.1	29.7	13.1	25.0				
55 - 64	14.1	13.3	9.9	7.7	11.4	9.4	21.6	14.7	25.3	18.3	17.6	22.2				
65 and over	13.5	13.1	7.7	6.2	15.2	12.9	22.2	15.5	23.1	17.2	18.3	23.8				
	N		X ²		N		X ²		N		X ²		N		X ²	
	Total N															
18 - 24	69	37.4	114	132.1	33	0.7	6	35.4	2	39.9	4	17.7	228			
25 - 34	101	1.5	176	42.0	139	13.4	106	2.7	62	25.8	24	27.5	608			
35 - 44	83	1.4	91	4.8	111	0.1	160	6.5	131	0.5	65	0.4	641			
45 - 54	62	8.8	66	17.2	96	0.5	143	2.5	166	19.7	80	2.3	613			
55 - 64	57	0.1	40	14.2	46	6.9	87	0.3	102	7.8	71	16.0	403			
65 and over	56	0.4	32	23.9	63	0.6	92	0.6	96	3.3	76	20.2	415			
Total N	428	519	488	488	594	594	559	559	320	320	2908	2908				

Degrees of freedom - 25

X² of 55 is significant at .0005 levelX² for table - 584.95

CHAPTER VII

DEBT POSITION

Stage I: young unmarried. - A small percentage (about 5 percent) of the spending units in this stage had mortgage debt on a home (Table 7.1). A little less than 4 percent owed less than \$7,499 and a little over 1 percent owed \$10,000-15,000. About 18 percent owed \$1-500 on durables (Table 7.2). In the area of installment debt and debt on cars, the percentages of spending units having debt rose sharply; nearly 36 percent had installment debt (Table 7.3). About half of these persons with some installment debt owed less than \$500 and half owed \$500-5,000. About 20 percent had debt on cars (Table 7.4). About 10 percent owed \$100-1,000 on their cars and 10 percent owed \$1,000-5,000.

Stage II: young married, no children. - In this stage, about 25 percent as compared with 5 percent of the previous stage had mortgage debt on a house (Table 7.1). A little over 17 percent owed \$5,000 or more. About 30 percent had debt on durables and nearly 5 percent owed \$500-2,000 (Table 7.2). The largest proportion (about 16 percent) owed \$200-500 on durables. The largest proportion of families having debt on durables were families in this life cycle stage.

Among all types of debt owed by families in this stage, installment debt was owed by the largest proportion. The proportion who owed installment debt was much larger than in the previous stage. Nearly 63 percent had some installment debt (Table 7.3). Nearly 35 percent owed more than \$500 and about 6 percent owed \$2,000-5,000.

The percentage of spending units with debt on cars rose from 20 percent in Stage I to 38 percent in Stage II (Table 7.4). Nearly 14 percent owed \$1,000-5,000 on their cars. Thus, the percent who had debt and the percent with substantial amounts of debt rose sharply as compared with the preceding stage, especially in the areas of mortgage debt, installment debt and debt on cars.

Stage III: young married, youngest child under 6. - The percentage of families who had mortgage debt again rose sharply in this stage as compared with the preceding stages. Nearly half (48 percent) had some mortgage debt and about 37 percent owed \$5,000 or more (Table 7.1). The largest proportion (about 11 percent) had \$5,000-7,500 remaining mortgage debt. The largest proportion (about 43 percent) of the families who owed \$15,000 or more on their house mortgages was in this stage.

About 39 percent of the families in this stage had debt on durables (Table 7.2). The largest proportion (about 14 percent) owed \$200-500 and a little over 3 percent owed more than \$500. Nearly 69 percent had installment debt and a little over 37 percent owed \$500-5,000

on this type of debt (Table 7.4). The largest proportion (about 16 percent) owed \$500-1,000. The largest proportion (25 percent) of families who owed \$3,000 - 5,000 on installment debt was in this life cycle stage. Only about 4 percent of the families who had no installment debt were in this stage. The proportion of families having some installment debt was larger in this stage than in any of the other life cycle stages.

About 36 percent of the families in this stage had debt on cars (Table 7.4). A little over 14 percent owed \$1,000-5,000. The largest proportion (about 10 percent) owed \$500-1,000. The proportion of debt and the amount of debt on cars was about the same as in earlier stages while other types of debt were larger in this stage than in preceding stages. Acquiring a car before marriage or while in the young married stage without children appeared to take precedence over purchases of a house and furnishings in many families. Changing housing requirements with the arrival of children may often result in the postponement of car replacement and in a concentration of expenditures on the house and/or home furnishings.

Stage IV: young married, youngest child 6 or over. - The largest proportion of families who had a mortgage on their house was families in this stage. Nearly 57 percent had mortgage debt and nearly 41 percent owed \$5,000 or more on this type of debt (Table 7.1). The largest proportion (about 16 percent) owed \$5,000-7,500 and nearly 4

percent owed \$15,000 or more on their house mortgage. Thus, the highest proportion of families who owed substantial amounts on their home mortgages was in this stage.

The percentage of families having debt on durables was lower for this stage than for the preceding stage. A little less than 30 percent of the Stage IV families compared with nearly 40 percent of the Stage III families had debt on durables (Table 7.2). The largest proportion (about 14 percent) owed \$200-500 on this type of debt and about 2 percent owed \$500-2,000.

The proportion of Stage IV families who had installment debt was about 63 percent as compared with 69 percent of the Stage III families (Table 7.3). However, a large proportion of the Stage IV families owed over \$500. About 34 percent of the Stage III and a little over 37 percent of the Stage IV families owed over \$500 on installment debts. The largest proportion (about 16 percent) of the Stage IV families owed \$1,000-2,000 and 2 families in this stage owed \$5,000 or more. Thus, while slightly fewer families in this stage had installment debt as compared with the preceding stage, those having installment debt owed larger amounts.

The percentage of families in this stage who had debt on cars was higher than among families in the preceding stage. About 40 percent of the families in this stage as compared with 36 percent of families in the preceding stage had debt on cars (Table 7.4). About 16

percent owed \$1,000-5,000 and the largest proportion (about 11 percent) owed \$500-1,000. The percentage of families having no debt on cars was lower for this stage than for any of the other stages.

Stage V: older married, has children. - The percentage of families having mortgage debt was lower for this stage than for any of the younger families with children. About 46 percent had mortgage debt (Table 7.1). The largest proportion owed \$2,500-5,000 while in the earlier stages, larger proportions owed over \$5,000. Thus, not only did fewer families in this stage as compared with younger families with children have mortgage debt, but the remaining amount of debt was substantially lower.

The percentage of older married families with children who had installment debt was about 25 percent as compared with 30-40 percent of young families with children (Table 7.2). The largest proportion (about 8 percent) had only \$1-100 remaining debt on durables and only 2 percent owed over \$500.

In this stage, a little over half the families had installment debt while nearly two-thirds of the families in each of the three preceding stages had installment debt (Table 7.3). The largest proportion (about 15 percent) owed \$200-500 and about 25 percent owed over \$500. Three families in this stage owed \$3,000-5,000 and another 3 families owed \$5,000 or more. Thus, a few families still owed substantial amounts on installment debt, but there was a reduction in the percentage

of families having installment debt and families with this type of debt owed smaller amounts than did younger married families.

Only about 24 percent of families in this stage had debt on cars and only about 9 percent owed more than \$1,000 (Table 7.4). One family did owe \$5,000 or over on their car. The largest proportion (about 7 percent) owed \$1,000-2,000 and nearly as large a proportion (about 6 percent) owed \$200-500. Thus, fewer families had debt and those with debt owed smaller amounts than did the younger married families with children. In comparison with the young married families with no children, families in this stage had more debt on house mortgages and on additions and repairs but had less debt of other types.

Stage VI: older married, no children, head in labor force. -

In the remaining life cycle stages, the percentages of families with mortgage debt and the amounts owed became lower in each succeeding stage. A little less than 32 percent of families in this stage had mortgage debt (Table 7.1). About 16 percent owed more than \$5,000 and about 4 percent owed \$10,000 or more. About 8 percent owed \$1-2,500 and another 8 percent owed \$2,500-4,999.

About 16 percent of the families in this stage had debt on durables (Table 7.2). The largest proportion of these families (about 7 percent) owed \$100-200 and only 1 family owed more than \$1,000 on durables. About 39 percent had installment debt and about 18 percent owed \$500-5,000 on this type of debt (Table 7.3). This was a sharp

reduction from the preceding stage in which 55 percent had installment debt and about 25 percent owed over \$5,000. The largest proportion of the Stage VI families (about 10 percent) owed \$200-500, 3 families owed \$3,000-5,000 and none owed over \$5,000. Thus, the percentage of families with installment debt was lower in this stage than in any of the preceding stages. The amounts owed were similar to those owed by the young unmarried spending units and lower than the amounts owed by families in the other preceding stages.

About 18 percent of families in this stage had debt on cars (Table 7.4). The largest proportion (about 5 percent) owed \$500-1,000 and only 7 percent owed \$1,000-5,000. Thus, fewer families in this stage than in any of the preceding stages had debt on cars and the amounts owed were smaller than in any earlier stage.

Stage VII: older married, no children, head retired. - About 15 percent of the families in this stage still had mortgage debt and a little over 4 percent still owed \$5,000 or more (Table 7.1). There was 1 family in each of the 3 highest brackets of mortgage debt: \$10,000-12,499, \$12,500-14,999, and \$15,000 and over. Mortgage debt of \$10,000 or over could result in serious financial burdens for families in which the head was retired. There were other employed members in some of the families (Table 5.11 and Table 5.13) and a few families had substantial capital income (Table 5.8) and/or transfer payments (Table 5.9). Therefore, the families with mortgage debt could be among the

families in this stage who had quite adequate total incomes.

About 7 percent of families in this stage had debt on durables (Table 7.2). Nearly 5 percent owed only \$1-100 and none owed over \$1,000. The percentage of families in this stage who had installment debt was only about 12 percent compared with about 39 percent in the preceding stage (Table 7.3). The largest proportion (about 5 percent) had only \$1-100 debt of this type. About 6 percent owed over \$500 but none owed \$3,000 or more. About 4 percent of this stage compared with 18 percent of the preceding stage had debt on cars (Table 7.4). About 2 percent owed \$1,000-3,000 and another 2 percent owed \$200-1,000. Thus, the proportion of families in this stage who still had debt outstanding dropped substantially in each type of debt. However, the fact that some families did still owe money rather than owning debt-free durables and having substantial liquid assets for income replacement during the retirement stage indicates that these families would have serious financial problems unless they had adequate sources of current income such as capital income or transfer payments.

Stage VIII: older unmarried, head in labor force. - About 12 percent of the spending units in this stage had some mortgage debt (Table 7.1). The largest percentage (about 5 percent) had \$2,500-5,000 debt of this type. A little under 4 percent owed over \$5,000 and one person owed \$15,000 or more. In these spending units with substantial mortgage debt, the head could have a number of years to work before

retirement as this life cycle stage included unmarried persons 45 years old or over. Thus, this high debt level may not be too burdensome for some of the spending units in this stage. About 13 percent of the persons in this stage had debt on durables (Table 7.2). About 6 percent owed \$1-100 and none owed more than \$1,000. About 32 percent had installment debt (7.3). The largest proportion (nearly 9 percent) owed \$200-500. About 11 percent owed over \$500 and 1 spending unit owed \$5,000 or more. About 10 percent had debt on cars (Table 7.4). Just under 4 percent owed \$1,000-2,000 and none owed more than \$2,000.

Fewer spending units in this stage had mortgage debt than in any of the earlier stages except the young unmarried stage. The amount owed was smaller than in any of the preceding stages except the young married stage with no children. With respect to the other types of debt, the Stage VIII spending units included a smaller percentage of spending units with debt and the amounts owed were less than that of all of the preceding life cycle stages, except the Stage VII families - the older married stage with the head retired. Debt on durables, installment debt and debt on cars was lower among these Stage VII families.

Stage IX: older unmarried, head retired. - Only about 5 percent of spending units in this stage still had home mortgages (Table 7.1). A little over 2 percent owed \$5,000 or more and 2 spending units owed \$15,000 or more. Since only about 5 percent had total spending unit incomes of \$5,000 or more (Table 5.3), this mortgage

debt might be burdensome for these spending units. Nearly 96 percent had no mortgage debt, thus, more spending units in this stage than in any other stage did not owe any mortgage debt. A little less than 4 percent had debt on durables and none had more than \$200 debt of this type (Table 7.2).

Nearly 10 percent of the spending units in this stage had installment debt (Table 7.3). About 5 percent owed \$1-100 and none owed over \$2,000. Only a little over 1 percent owed \$500-2,000. Less than 2 percent had debt on cars and these spending units owed \$500-1,000 (Table 7.4). None owed more than \$1,000.

The percentage of spending units in this stage who had debt of some type was sharply reduced compared with the other life cycle stages. The amounts owed were also low in most cases. The fact that there were some spending units with debt is cause for some concern, however, because the majority received low total spending unit income and any debt was likely to be a financial burden.

TABLE 7.1 AMOUNT OF HOUSE MORTGAGE WITHIN LIFE CYCLE STAGES

Life Cycle Stages	None	Amount of House Mortgage									
		\$1-2,499		\$2,500		\$5,000		\$7,500		\$10	
		R% C%		R% C%		R% C%		R% C%		R% C%	
Young unmarried	94.9	13.5	1.5	2.5	1.5	2.3	0.7	0.9			0.7
Young married:											
no children	75.4	6.7	2.9	3.1	4.1	4.0	4.7	3.7	5.3	6.3	3.5
youngest child under 6	52.0	18.6	5.0	21.4	6.1	23.7	11.4	36.3	9.9	47.2	8.4
youngest child 6 or over	43.3	6.3	5.8	10.1	10.1	15.8	16.3	20.9	9.0	17.4	10.1
Older married:											
has children	54.3	11.5	10.3	26.4	11.6	26.6	10.6	20.0	5.7	16.0	3.9
no children, head in labor force	68.4	14.0	8.2	20.1	7.7	17.0	8.2	14.9	3.6	9.7	2.0
no children, head retired	85.4	8.3	7.6	8.8	2.7	2.8	1.6	1.4	1.1	1.4	0.5
Older unmarried:											
head in labor force	87.8	10.1	3.6	5.0	5.0	6.2	1.4	1.4	0.9	1.4	0.9
head retired	94.6	11.0	1.8	2.5	1.4	1.7	0.5	0.5	0.5	0.7	0.5
Total N	1916	159	177	215	144	122					

	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N
Young unmarried	259	30.1	4	8.4	4	10.0	2	16.9		13.9	2
Young married:											
no children	129	1.6	5	2.2	7	1.3	8	1.9	9		6
youngest child under 6	357	24.8	34	0.5	42	-	78	12.9	68	31.4	58
youngest child 6 or over	120	24.1	16	-	28	6.6	45	27.4	25	8.5	28
Older married:											
has children	221	10.6	42	16.1	47	18.3	43	4.8	23	0.3	16
no children, head in labor force	268		32	4.6	30	1.3	32	0.2	14	1.8	8
no children head retired	158	8.7	14	1.3	5	3.7	3	8.7	2	5.8	1
Older unmarried:											
head in labor force	194	13.3	8	1.6	11	0.6	3	11.3	2	7.6	2
head retired	210	24.0	4	5.7	3	8.5	1	14.9	1	9.4	1
Total N	1916	159	177	215	144	122					

aRow percent

bColumn percent

Degrees of freedom - 56

X² of 97.55 is significant at .0005 level

TABLE 7.2 REMAINING TOTAL DEBT ON DURABLES WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Remaining Total Debt on Durables											
	None			\$1-99			\$100-199			\$200-499		
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	89.9	11.1	3.4	4.9	3.0	4.5	3.7	4.4				
Young married:												
no children	69.0	5.4	4.1	3.8	6.4	6.2	15.8	11.9	4.1	14.6		
youngest child under 6	61.6	19.3	10.0	37.0	10.8	41.3	14.1	42.3	3.4	47.9		
youngest child 6 or over	69.3	8.8	6.9	10.3	7.2	11.2	14.4	17.6	1.8	10.4		
Older married:												
has children	75.0	13.9	8.4	18.5	7.2	16.2	7.4	13.2	1.7	14.6		
no children, head in labor force	83.3	14.9	4.6	9.8	6.9	15.1	4.1	7.1	0.8	6.3		
no children, head retired	93.0	7.9	4.9	4.9	1.1	1.1	0.5	0.4	0.5	2.1		
Older unmarried:												
head in labor force	86.9	8.8	5.9	7.1	3.2	3.9	3.2	3.1	0.9	4.2		
head retired	96.4	9.8	3.2	3.8	0.4	0.6						
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	241	5.6	9	4.1	8	4.8	10	6.2				
Young married:												
no children	118	1.5	7	1.6	11	-	27	12.7	7	-		
youngest child under 6	421	21.4	68	12.4	74	21.7	96	30.7	23	11.1		
youngest child 6 or over	192	2.2	19	0.1	20	0.3	40	14.1	5	-		
Older married:												
has children	303	0.3	34	2.2	29	0.4	30	0.2	7	-		
no children, head in labor force	325	1.9	18	2.2	27	0.2	16	7.5	3	2.0		
no children, head retired	172	6.0	9	0.8	2	8.1	1	13.0	1	-		
Older unmarried:												
head in labor force	192	2.7	13	0.1	7	3.5	7	6.5	2	-		
head retired	214	10.6	7	3.9	1	12.2		17.9		-		
Total N	2178		184		179		227		48			

Degrees of freedom - 48
 χ^2 of 86.88 is significant at .0005 level

TABLE 7.3 TOTAL REMAINING INSTALLMENT DEBT WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Total Remaining Installment D																	
	No debt			\$1-99			\$100-199			\$200-499			\$500-999			\$1,000		
	R%	C%		R%	C%		R%	C%		R%	C%		R%	C%		R%	C%	
Young unmarried	64.1	11.8		4.8	7.6		6.6	10.9		7.0	5.8		7.7	7.3		6.2	6.5	
Young married:																		
no children	37.4	4.3		2.9	2.9		7.6	7.9		17.5	9.1		15.2	9.0		12.9	8.4	
youngest child under 6	31.3	14.5		8.4	33.9		7.7	32.1		15.1	31.6		16.5	39.2		13.8	36.3	
youngest child 6 or over	36.8	6.9		3.6	5.9		4.7	7.9		15.9	13.4		12.3	11.8		16.3	17.2	
Older married:																		
has children	45.2	12.4		7.9	18.7		6.9	17.0		15.2	18.8		10.6	14.9		10.3	16.0	
no children, head in																		
labor force	61.2	16.2		4.1	9.4		6.1	14.6		10.2	12.2		7.7	10.4		6.9	10.3	
no children, head retired	83.8	10.4		4.9	5.3		2.2	2.4		3.2	1.8		2.7	1.7		2.7	1.9	
Older unmarried:																		
head in labor force	67.9	10.1		7.2	9.4		5.0	6.8		8.6	5.8		6.3	4.9		3.6	3.1	
head retired	90.5	13.5		5.4	7.0		0.5	0.6		2.3	1.5		0.9	0.7		0.5	0.4	
<hr/>																		
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	175	7.1	13	0.7	18	0.3	19	5.1	21	1.6	17	2.7						
Young married:																		
no children	64	7.3	5	2.7	13	0.9	30	5.2	26	4.3	22	2.4						
youngest child under 6	215	58.5	58	6.6	53	4.2	104	7.4	113	26.8	95	15.6						
youngest child 6 or over	102	12.9	10	2.7	13	0.6	44	4.4	34	1.2	45	14.7						
Older married:																		
has children	184	4.0	32	2.3	28	0.8	62	4.6	43	0.1	42	0.5						
no children, head in																		
labor force	240	5.8	16	2.5	24	0.1	40	0.7	30	2.4	27	2.4						
no children, head retired	155	34.7	9	0.4	4	4.3	6	11.2	5	10.1	5	8.6						
Older unmarried:																		
head in labor force	150	10.1	16	0.5	11	0.3	19	1.7	14	3.2	8	7.6						
head retired	201	61.6	12	0.1	1	11.0	5	16.7	2	18.7	1	18.6						
Total N	1486		171		165		329		288		262							

Degrees of freedom - 64

X² of 107.9 is significant at .0005 levelX² f

TABLE 7.4 REMAINING TOTAL DEBT ON ALL CARS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Remaining Total Debt on All Cars											
	None			\$1-99			\$100-199			\$200-499		
	R%	C%		R%	C%		R%	C%		R%	C%	
Young unmarried	79.3	10.0		1.1	6.8	3.0	5.3	6.7	9.7	6.3	9.5	
Young married:												
no children	62.4	5.0	2.9	16.7	3.5	13.6	7.7	8.6	10.0	9.1	8.2	7.8
youngest child under 6	63.7	20.4	2.2	50.0	2.3	36.4	8.2	36.8	10.1	37.1	9.2	35.2
youngest child 6 or over	59.6	7.7	1.8	16.7	2.9	18.2	8.4	15.1	11.3	16.7	10.9	16.8
Older married:												
has children	76.0	14.3	0.7	10.0	1.5	13.6	6.4	17.1	5.5	11.8	6.9	15.6
no children, head in labor force	82.0	14.9	0.5	6.7	0.5	4.6	4.4	11.2	5.4	11.3	4.1	8.9
no children, head retired	96.2	8.3					1.1	1.3	0.5	0.5	1.6	1.7
Older unmarried:												
head in labor force	90.1	9.3		1.4	6.8	3.2	4.6	1.8	2.2	3.6	4.5	
head retired	98.7	10.2				1.3	1.6					
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	214	0.4	-	3	-	8	3.0	18	-	17	-	
Young married:												
no children	106	4.1	5	-	13	1.6	17	3.0	14	1.0		
youngest child under 6	436	13.6	15	8.2	16	2.6	56	9.9	69	12.6	63	8.8
youngest child 6 or over	164	9.6	5	-	23	4.5	31	9.1	30	9.0		
Older married:												
has children	307	-	3	-	26	0.8	22	0.8	28	0.2		
no children, head in labor force	319	1.9	2	-	2	0.8	21	0.9	16	3.1		
no children, head retired	177	10.0	-	-	2	6.3	1	10.2	3	6.5		
Older unmarried:												
head in labor force	199	5.8	-	3	-	7	2.0	4	7.7	8	2.6	
head retired	219	15.1	-	-	-	12.0	3	9.3		14.1		
Total N	2141		30	44	152	186		179				

Degrees of freedom - 64

Adjus

x² of 107.9 is significant at .0005 level

CHAPTER VIII

EXPENDITURES

The data include information concerning expenditures for housing, for life insurance and for the following durable goods: (1) television, (2) refrigerator, (3) washing machine, (4) cook stove or range, (5) furniture (including piano or organ), and (6) clothes dryer. The data provide an opportunity to analyze both the timing of such expenditures and the amounts as related to stage in the life cycle.

Stage I: young, unmarried. - The largest proportion (nearly 47 percent) of the persons in this stage was classified as non-farm related secondaries (Table 8.1). Another 1.1 percent were classified as farm-related secondaries. Thus, nearly half of the young unmarried persons had not yet established homes of their own but were still living with parents or other relatives. About 29 percent were primary renters. The other persons (about 24 percent) in this stage were scattered among the other housing classifications with no more than 5 percent in any classification. Nearly 43 percent had moved into their house or apartment within 2 years prior to the survey (Table 8.2).

Over two-thirds of persons in this stage paid no rent (Table 8.3). Among persons who paid rent, the largest proportion

(about 10 percent) paid \$50-74 per month. The largest proportion of persons had disposable incomes of \$3000-3999 (Table 5.4). Thus, among those paying rent, rental costs were roughly 21 percent ($\frac{\$65 \times 12}{\$3500}$) of disposable income. The data on value of owned homes and monthly mortgage payments were not significant for this stage since only about 10 percent were homeowners and less than 5 percent paid monthly mortgage payments (Tables 8.4 and 8.5). Few homeowners naturally resulted in small percentages who made expenditures on additions and repairs. About 9 percent had made this type of expenditure and about 3 percent had spent only \$1-49 (Table 8.6).

Many persons in this stage lived in small housing units. The largest proportion (about 29 percent) of persons living in a 1-room apartment (or house) was in this stage (Table 8.7). Nearly 9 percent lived in 1 room and nearly 55 percent lived in housing units with 3 rooms or less.

Persons in this stage made relatively few purchases of durable goods. About 12 percent had bought some furniture during the year and nearly 6 percent bought television sets (Table 8.8). Only 3 percent or less had purchased each of the other types of durable goods. Only about 30 percent had made any expenditures on durable goods (Table 8.9). Nearly 21 percent spent \$1-300 and less than 3 percent spent \$500 or more.

Nearly 78 percent carried life insurance (Table 8.10). The largest proportion (about 36 percent) paid premiums of \$1-49 and 58 percent paid premiums of \$1-99 (Table 8.11). Only about 16 percent paid \$200 or more in life insurance premiums. Thus, while a large proportion had some life insurance, the face values carried were low.

Stage II: young married, no children. - Nearly 6 percent of the families in this stage were still living with relatives and were classified as non-farm or farm related secondaries (Table 8.1). The largest proportion (about 59 percent) were primary renters. Just under 8 percent owned mortgage free homes and 24 percent were primary owners who had a mortgage on their homes. Nearly half (about 49 percent) had moved into their house or apartment within 2 years prior to the survey (Table 8.2). Only 25 percent had moved prior to 1957.

Among renters, the largest proportion (24 percent) paid \$50-74 monthly rent (Table 8.3). Disposable income for the largest proportion of families in this stage was \$5,000-5,999 (Table 5.4). Thus, for many families rental costs amounted to only about 14 percent of disposable income ($\frac{\$65 \times 12}{\$5,500}$). Among families making mortgage payments, the largest proportion (about 9 percent) paid \$75-99 per month (Table 8.4). Therefore, for many families, mortgage payments amounted to roughly 19 percent ($\frac{\$87 \times 12}{\$5,500}$) of disposable income.

About one-third were homeowners and about 17 percent owned homes valued at \$10,000-19,999 (Table 8.5). About 4 percent owned homes valued at \$20,000 or more. About 30 percent had made expenditures for repairs or additions (Table 8.6). About 11 percent spent \$500 or more and the same proportion spent \$1-99. Families in this stage lived in larger housing units than did persons in the preceding stage. The largest proportion (about 24 percent) lived in housing with 4 rooms and another 28 percent lived in housing with 3 rooms. About 37 percent lived in housing with more than 4 rooms and less than 1 percent lived in 1 room.

The proportion who bought durables increased greatly in this stage compared with the preceding stage. Nearly 32 percent bought furniture and 18 percent bought a television set (Table 8.8). Thus, the percent who made expenditures of these 2 types were about 3 times the percent in the Stage I spending units. Nearly 8 times more Stage II families bought washing machines and ranges. A few families (1.2 percent) bought clothes dryers. About 18 percent (6 times the percentage of Stage I spending units) spent \$500 or more on durables and about 41 percent spent \$200 or more. Thus, purchases of durable goods increased sharply in this life cycle stage.

Life insurance ownership also increased as about 85 percent in this stage carried life insurance (Table 8.10). The largest proportion (31 percent) paid premiums of \$100-199 and about 21 percent

paid \$200-499 (Table 8.11). Nearly 27 percent paid premiums of \$200 or more. Thus, the amount of life insurance carried was substantially higher in this stage relative to the preceding stage.

Stage III: young married, youngest child under 6. - Only about 1 percent of families in this stage were related secondaries (Table 8.1). The largest proportion (nearly 49 percent) were primary owners with a mortgage and an additional 6 percent were owners of mortgage free homes. About 38 percent were primary renters. Nearly twice as many families in this stage were homeowners compared with the preceding stage.

Home ownership reduced mobility. More families in this stage had moved to their present house or apartment before 1957 (Table 8.2). About 27 percent had moved in 1950-56. Among renters, the largest proportion (14 percent) again paid \$50-74 (Table 8.3). The largest proportion of families in this stage had disposable income of \$4,000-4,999 (Table 5.4). Thus, typical rent payments represented roughly 17 percent ($\frac{\$65 \times 12}{\$4,500}$) of disposable income. Among homeowners the largest proportion (about 15 percent) paid monthly mortgage payments of \$50-74 (Table 8.4). Therefore, for many families the monthly mortgage payment was roughly 17 percent of disposable income. About 12 percent paid monthly mortgage payments of \$100 or more. Since nearly 15 percent of Stage III families were in the \$5,000-5,999 and almost as many were in the \$6,000-7,499 income bracket, it

is possible that the families making these larger mortgage payments were among the families with larger disposable incomes.

About 42 percent of families in this stage owned homes valued at \$10,000 or more and 8 percent owned homes valued at \$20,000 or more (Table 8.5). Families in this stage had a much larger investment in housing compared with families in the preceding stages. Nearly 39 percent had made expenditures for additions or repairs (Table 8.6). The largest proportion (nearly 9 percent) had spent \$200-499 and nearly 7 percent had spent \$1,000 or more. No doubt, finishing off extra bedrooms and recreational areas to make the housing more suitable for children was the reason for much of the increase in this type of expenditure.

The largest proportion of families in this stage (28 percent) lived in housing units with 5 rooms (Table 8.7). Almost as large a percent (25 percent) lived in 6 room housing units. Nearly 68 percent lived in housing with 5 or more rooms. These expanding families needed much larger homes than did families in the earlier stages. This need for larger housing units was no doubt in part the reason for the sharp increase in home ownership as the larger sized units are often not available in rental housing.

Laundry equipment was needed by more families in this stage. The purchase of washing machines increased to 14 percent compared with just under 9 percent in the preceding stage (Table 8.8).

Purchases of clothes dryers rose to 4.4 percent compared with 1.2 percent of Stage II families. The percentage of families who had made no expenditures for durables increased about 1 percent (Table 8.9). About 23 percent spent \$100-299 and about 15 percent spent \$500 or more. Thus, the larger proportion spent less than \$300 and the proportion spending \$500 or more decreased about 3 percent compared with the preceding stage.

The need for life insurance is greatest for families with children under 6 years of age. However, the percentage of families who carried life insurance (about 85 percent) remained about the same as in Stage II (Table 8.10). The 15 percent with no life insurance would be in serious financial difficulties in the event of the death of the breadwinner. Even if the mother could work to provide income, child care costs would reduce the income available for other family expenditures. As in the preceding stage the larger proportion (nearly 35 percent) paid premiums of \$100-199 but another 33 percent paid \$200-499 and 7 percent paid \$500 or more (Table 8.11). Thus, the amount of life insurance protection purchased by the families with such protection had been increased compared with the preceding stage.

Stage IV: young married, youngest child 6 or over. - About two-thirds (nearly 68 percent) of families in this stage were homeowners. The larger proportion (about 55 percent) had a mortgage on their home (Table 8.1). About 26 percent were primary renters. Thus, home

ownership increased substantially in this stage relative to earlier stages. The proportion with mortgage free homes was just about 2 times the proportion in the preceding stage. The larger proportion of families in this stage who paid either rent or mortgage payments paid \$50-74 per month (Tables 8.3 and 8.4). This represented an expenditure of only about 12 percent relative to disposable income ($\frac{\$65 \times 12}{\$6,750}$). Under 4 percent paid rent of \$100 or more and 11 percent paid monthly mortgage payments of \$100 or more. Thus, housing costs were a slightly reduced proportion of family income in this stage.

In this stage, 53 percent owned homes valued at \$10,000 or more and nearly 12 percent owned homes valued at \$20,000 or more (Table 8.5). Thus, families in this stage owned somewhat more costly homes and the increase in disposable income was the reason for housing requiring smaller proportions of income. Over half the families had made expenditures on additions and repairs (Table 8.6). The largest proportion (nearly 13 percent) spent \$1,000 or more. Nearly 33 percent spent \$200 or more on additions and repairs. The larger proportion of families in this stage (about 22 percent) had moved into their current housing in 1950-54 (Table 8.2). Among renters, the larger proportion (about 20 percent) had moved in 1957-60 but among homeowners, the larger proportion (about 50 percent) had moved before 1957. About 31 percent occupied housing with 5 rooms and another 29

percent occupied housing with 6 rooms. Nearly 97 percent had housing with 4 or more rooms (Table 8.7).

The percentages buying each type of durables were from 2 to 6 percent lower than in the preceding stage (Table 8.8). Only about half had spent any money on durables and the larger proportion (about 14 percent) had spent \$100-199 (Table 8.9). About 12 percent had spent \$500 or more. Thus, expenditures for durables were substantially lower among families in this stage compared with the Stage II families.

There was some increase in life insurance ownership. Nearly 90 percent carried life insurance (Table 8.10). The largest proportion (about 36 percent) paid \$200-499 annual premium for life insurance and 12 percent paid \$500 or more (Table 8.11). Thus, the amount of protection carried by families in this stage was higher than in the preceding stage.

Stage V: older married, has children. - Nearly 67 percent of families in this stage were homeowners (Table 8.1). About 23 percent of families in this stage compared with 13 percent of Stage IV families owned mortgage free homes. The proportion of renters again decreased to about 21 percent. Among renters, a slightly larger proportion (about 6 percent) again paid \$50-74 rent (Table 8.3) and among families making mortgage payments nearly 15 percent paid \$50-74 (Table 8.4). Disposable income was \$6,000-7,499 for the larger proportion of Stage V families. So housing costs relative to income

were the same for this stage as for the preceding stage for most families.

About 49 percent owned homes valued at \$10,000 or more and about 18 percent owned homes valued at \$20,000 or more (Table 8.5). This was about a 7 percent increase in the percentage owning homes worth \$20,000 or more and a 10 percent decrease in families owning homes worth \$10,000-20,000. The analysis of interrelationships among life cycle variables indicated that families in this stage tended to be larger than families in the other stages (Table 4.7). Table 8.⁷~~8~~ shows that 27 percent of families in this stage compared with about 16 percent of Stage IV families occupied houses with 7 or more rooms. Thus, the larger family size and the need for a larger home undoubtedly accounted for the larger proportion owning homes valued at \$20,000 or more.

About 45 percent (compared with about 53 percent of Stage IV families) had made expenditures on additions or repairs and the larger proportion (about 11 percent) spent only \$200-499 (Table 8.6). The larger proportion of families in this stage (31 percent) moved into their apartment or house in 1940-49 (Table 8.2). Nearly 64 percent of owners had purchased their homes before 1957 and even among renters the larger proportion (about 13 percent) had moved before 1957.

The percentage of families who bought television sets, washing machines, furniture and clothes dryers again decreased by

about 1 or 2 percent, but the percent who bought refrigerators and cook stoves or ranges increased (Table 8.7). Slightly less than half the families had spent anything on durables and the larger proportion (about 28 percent) spent \$100-399 (Table 8.8). Only about 10 percent spent \$500 or more. Thus, most families in this stage made few additions to durables.

Need for life insurance had not decreased much as many of these families had a number of children. In some families the children were older and nearer to the age when they would support themselves. However, with the need for life insurance still quite pressing, the proportion who carried life insurance decreased from about 90 percent among Stage IV families to 84 percent of Stage V families (Table 8.10). The largest proportion (about 33 percent) paid premiums of \$100-199 while in the preceding stage the largest proportion paid \$200-299 (Table 8.11). The percent paying \$200 or more decreased by about 7 percent in this stage compared with the preceding stage. This reduction in the proportion with life insurance protection and in the amount of insurance protection was undoubtedly greater than any slight decrease in need for protection due to ages of the children. It was more likely due to the pressure of demands for spending for present needs relative to current family income.

Stage VI: older married, no children, head in labor force. -

About the same proportion (about 68 percent) of families in this stage

compared with the preceding stage owned homes (Table 8.1). However, a larger proportion owned their homes mortgage free. Nearly 38 percent were homeowners who had no mortgage. About 20 percent were primary renters. The largest proportion of farm families (about 27 percent) was families in this stage in the life cycle. The farm families made up about 9 percent of families in this stage. The largest proportion (about 26 percent) had moved into their house or apartment in 1940-49 (Table 8.2). Nearly 70 percent had moved to their current housing prior to 1955 and 81 percent had moved in prior to 1957. Thus, most families continued to occupy housing they had lived in during earlier stages.

Among families paying rent and families making monthly mortgage payments the largest proportions were paying \$50-74 (Tables 8.3 and 8.4). The largest proportion had disposable income of \$4,000-4,999 (Table 5.4). Thus, rent and mortgage payments were somewhat larger percentages of disposable income compared with the two preceding stages amounting to roughly 17 percent ($\frac{\$65 \times 12}{\$4,500}$). About 56 percent owned homes valued at \$10,000 or more and nearly 17 percent owned homes valued at \$20,000 or more (Table 8.5). The percent of families who had made expenditures on additions or repairs increased slightly compared with the preceding stage. About 48 percent had made some expenditures of this type (Table 8.6). The largest proportion (about 14 percent) spent \$200-499 and nearly 14 percent spent \$500 or

more. These increases were perhaps needed either to make a home formerly suitable for a family with children better adapted to the needs of the contracting family or to do work which the home had needed but which was postponed until this stage because of other demands on family income in earlier stages.

The largest proportion (about 29 percent) of families in this stage occupied housing with 5 rooms (Table 8.7). Nearly 70 percent occupied housing with 5 or more rooms and about 90 percent occupied housing with 4 or more rooms. Thus, although many families in this stage were composed of only 2 members, most of them continued to occupy housing with many rooms.

The percentages who purchased television sets, washing machines, cook stoves or ranges, and furniture again decreased 2-3 percent compared with the preceding stage (Table 8.8). The percentages purchasing refrigerators and clothes dryers were within a fraction of a percent of being the same as Stage V. There was no evidence of an increase in purchases of durables in this stage. About 40 percent, nearly 10 percent less than in the preceding stage, had made any expenditure on durables (Table 8.9). The largest proportion (nearly 9 percent) spent \$200-499 and only about 8 percent spent \$500 or more on durables.

About 85 percent of families in this stage carried life insurance (Table 8.10). This was 1 percent higher than in the preceding

stage. The largest proportion (about 30 percent) paid \$200-499 annual premium (Table 8.11). About 48 percent paid \$200 or more in annual premiums. Thus, the proportion carrying life insurance and the amount carried was higher than all other stages except Stage IV. About 5 percent more Stage IV families carried life insurance and about 4 percent more Stage IV families paid \$200 or more in annual premiums. Thus, Stage VI families had only slightly less life insurance coverage than did Stage IV families. Although the need for life insurance was much lower among these older childless families, the extent of coverage remained at approximately the maximum level for any stage.

Stage VII: older married, no children, head retired. -

Over half (about 55 percent) of the families in this stage owned mortgage free homes (Table 8.1). Almost 15 percent owned homes and had a mortgage, therefore, about 70 percent were homeowners. About 24 percent were primary renters. Among those paying rent the larger proportion (about 7 percent) paid \$25-49 (Table 8.3). Among those paying mortgage payments, the larger proportion (about 4 percent) also paid \$25-49 (Table 8.4). The largest proportion of families in this stage had disposable incomes of \$1,000-1,999 (Table 5.4). Therefore, housing costs for those making rent payments or mortgage payments were roughly 29 percent of disposable income ($\frac{\$37 \times 12}{\$1,500}$).

About 30 percent of families in this stage owned homes valued at \$10,000 or more. About 7 percent owned homes valued at

\$20,000 or more (Table 8.5). The value of the homes owned was much lower than in the preceding stages. A large proportion still lived in quite large homes. The largest proportion (about 25 percent) occupied housing with 6 rooms (Table 8.7). Nearly 63 percent lived in housing with 5 or more rooms. Obviously, many families had remained in the same housing they had lived in during earlier stages. The largest proportion (about 34 percent) had moved to their house or apartment in 1939 or earlier (Table 8.2). About 26 percent had moved in 1940-49. However, about 25 percent had moved in 1959-60. Thus, a small percentage had moved from the old family home into other housing. About 42 percent made some expenditure on additions and repairs (Table 8.6). The largest proportion (13 percent) spent \$200-499.

The percent buying televisions decreased less than 1 percent (Table 8.8). The percent buying each other type of durable decreased about 2-4 percent. Only about 24 percent had made expenditures on durables and largest proportion (nearly 10 percent) spent \$100-199 (Table 8.9). The proportion carrying life insurance decreased to about 69 percent (Table 8.10). The largest proportion (about 36 percent) spent \$50-99 annually on life insurance premiums and only about 20 percent paid \$200 or more (Table 8.11). Thus, the proportion who carried life insurance and the amount carried was lower for this stage. The need for life insurance coverage was also lower for these families.

Stage VIII: older unmarried, head in labor force. - The

housing status of spending units in this stage was very different than the other life cycle stages. Nearly 4 percent were related secondaries (Table 8.1). The largest proportion (about 33 percent) were primary renters. About 34 percent were homeowners and nearly 23 percent owned mortgage free homes. Nearly 9 percent neither owned nor rented. Among those who paid rent, the largest proportion (nearly 14 percent) paid \$25-49 and nearly 11 percent paid \$50-74 (Table 8.3). Among those with mortgage payments, the largest proportion (nearly 4 percent) paid \$50-74 (Table 8.4). The largest proportion of persons in this stage had disposable incomes of \$2,000-2,999 (Table 5.4). Among those paying \$50-74 in rent or mortgage payments, these payments amounted to roughly 31 percent of typical disposable income ($\frac{\$65 \times 12}{\$2,500}$). For those paying \$24-49, these payments amounted to roughly 17 percent ($\frac{\$37 \times 12}{\$2,500}$).

Only about 18 percent in this stage owned a home valued at \$10,000 or more and only about 4 percent owned a home valued at \$20,000 or more (Table 8.5). About 25 percent had made expenditures on repairs and additions (Table 8.6). The largest proportion (about 25 percent) lived in housing with 3 rooms (Table 8.7). About 67 percent lived in housing with 3, 4 or 5 rooms. The largest proportion (about 20 percent) moved into their current housing in 1940-49 (Table 8.2). Nearly as many (almost 14 percent) moved in 1939 or before. Thus,

most persons in this stage lived in smaller housing than did older married couples and the largest proportion had lived in this housing for many years.

About the same percent had bought furniture (9 percent) and cook stoves or ranges (2.3 percent) as in the preceding stage (Table 8.8). None had bought clothes dryers. About 2 percent had purchased each of the other types of durables. Only about 20 percent had made any expenditures on durables and the largest proportion (about 6 percent) had spent \$100-199 (Table 8.9).

The percent carrying life insurance (69.2 percent) was the same as in the preceding stage (Table 8.10). The amount of coverage was much lower. The largest proportion (35 percent) paid \$1-49 in annual premiums. Nearly as many (about 30 percent) paid \$50-99. Only about 20 percent paid \$200 or more in premiums.

Stage IX: older unmarried, head retired. - The largest proportion of persons in this stage (nearly 16 percent) were owners and had no mortgage (Table 8.1). Another 5 percent were owners and had a mortgage. About 34 percent were primary renters. The related secondaries were a smaller percent of this stage than the preceding stage. Only a little under 5 percent were related secondaries in this stage. The largest proportion (31 percent) had moved into their present housing in 1939 or before (Table 8.2). Only about 19 percent had moved since 1957, thus, many continued to live in housing they had occupied during earlier stages.

Among those paying rent, the largest proportion (15 percent) paid \$25-49 (Table 8.3) . So few made mortgage payments that the proportions are not significant but a slightly larger proportion (1.4 percent) paid \$50-74 (Table 8.4) . The largest proportion of spending units in this stage had \$1,000-1,999 disposable income (Table 5.4) . The typical rent payments represented roughly 29 percent of the typical disposable income . About 20 percent owned homes valued at \$10,000 or more and 5 percent owned homes valued at \$20,000 or more (Table 8.5) . About 26 percent had made expenditures on repairs and additions (Table 8.6) . The largest proportion (about 7 percent) had spent \$100-199. These proportions were slightly above the preceding stage, but in both the older unmarried stages such expenditures were much below those in any of the married stages .

The largest proportion (27 percent) occupied housing with 4 rooms (Table 8.7) . About 43 percent occupied homes with 5 or more rooms . In the analysis of the interrelationships among life cycle variables it was noted that over three-fourths of the persons in this stage were widows or widowers (Table 4.3) . Probably many of these widows or widowers continued to live in housing they had occupied in earlier stages when their larger families needed housing with many rooms . During this stage, large housing might prove difficult to maintain .

Few persons in this stage had bought any durables. A slightly larger percent had bought refrigerators and cook stoves or ranges compared with the preceding stage (Table 8.8). Only 18 percent had spent anything on durables and none had spent \$500 or more (Table 8.9). Only 2.3 percent had spent \$300 or more. Only about 47 percent carried life insurance (Table 8.10). The largest proportion (1.8 percent) paid \$100-199 in annual premiums. Slightly under 8 percent paid \$200 or more on life insurance premiums. Thus, many of the persons who carried life insurance still carried quite large amounts of life insurance even though the need for protection was undoubtedly much less than during earlier stages.

TABLE 8.1 HOUSING STATUS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Housing Status											
	Non-farm related secondaries				Primary owner has mortgage				Owner has no mortgage			
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	46.9	68.5	4.8	1.5	4.8	2.2	28.6	8.9	4.4	46.2	3.3	69.2
Young married:												
no children	4.7	4.3	24.0	4.6	7.6	2.2	59.1	11.6				
youngest child under 6	0.9	3.2	46.9	36.2	6.4	7.3	38.4	30.2				
youngest child 6 or over	0.7	1.1	54.5	17.0	13.0	6.0	25.6	8.1				
Older married:												
has children	0.3	0.5	43.7	20.0	23.1	15.7	21.4	10.0				
no children, head in labor force	0.5	1.1	30.6	13.5	37.5	24.5	20.4	9.2				
no children, head retired	1.1	1.1	14.6	3.0	55.1	17.0	23.8	5.0				
Older unmarried:												
head in labor force	12.7	15.0	11.3	2.8	22.6	8.3	33.0	8.4	4.5	38.5	0.9	15.4
head retired	4.5	5.4	5.4	1.4	45.5	16.8	34.2	8.7	1.8	15.4	0.9	15.4
<hr/>												
N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N
128	671.9	13	61.6	13	34.7	78	0.5	12	-	9	-	-
Young unmarried												
Young married:												
no children	8	1.0	41	3.0	13	14.9	101	44.2	-	-	-	-
youngest child under 6	6	34.1	322	52.7	44	70.7	264	12.9	-	6.3	-	-
youngest child 6 or over	2	14.5	151	47.4	36	8.7	71	2.4	-	-	-	-
Older married:												
has children	1	24.9	178	19.9	94	0.7	87	11.8	-	-	-	-
no children, head in labor force	2	22.0	120	0.1	147	49.4	80	13.8	-	-	-	-
no children, head retired	2	8.5	27	16.6	102	100.9	44	3.0	-	-	-	-
Older unmarried:												
head in labor force	28	12.4	25	28.3	50	0.2	73	0.4	10	-	2	-
head retired	10	1.3	12	47.7	101	62.1	76	0.8	4	-	2	-
Total N	187	300	300	600	600	874	26	13	1	1	1	1
<hr/>												
Percent												
Young married	15.5	10.0	8.3	2.0	7.5	2.5	10.1	0.5	4.4	4.5	0.5	1.0
Older married	1.1	1.6	5.7	0.4	1.5	1.1	2.4	0.1	0.5	0.4	0.1	0.1
Older unmarried	1.6	2.1	1.7	0.1	0.3	0.1	0.3	0.0	0.5	0.2	0.0	0.0

Adjust

Degrees of freedom - 94

 χ^2 of 107.9 is significant at .0005 level

TABLE 8.2 LENGTH OF OCCUPANCY OF HOUSING WITHIN LIFE CYCLE STAGES

Life Cycle Stages	When Moved into House or Apartme											
	1939						1950-54					
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	5.6	2.5	9.5	2.8	11.1	2.9	11.1	4.2	5.6	3.0	14.3	
Young married:												
no children			7.0	2.6	11.4	3.7	7.0	3.3	8.9	5.9	16.5	
youngest child under 6	1.2	2.9	4.7	7.2	19.2	26.4	18.2	36.3	13.2	36.9	16.2	
youngest child 6 or over	2.2	2.2	16.6	10.5	22.1	12.5	16.6	13.6	11.1	12.7	11.4	
Older married:												
has children	7.0	9.8	31.0	28.0	25.6	20.5	13.7	16.0	6.5	10.6	4.7	
no children, head in												
labor force	20.2	27.8	25.5	22.7	23.6	18.7	11.0	12.7	6.0	9.8	6.8	
no children, head retired	33.5	21.3	25.6	10.5	10.8	3.9	4.6	2.4	9.1	6.8	7.4	
Older unmarried:												
head in labor force	18.7	11.2	19.9	7.7	17.5	6.0	10.2	5.1	9.6	6.8	7.2	
head retired	31.3	22.4	17.2	7.9	13.1	5.4	10.6	6.3	9.1	7.6	7.1	
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	7	3.4	12	4.1	14	4.2	14	0.4	7	1.9	18	
Young married:												
no children		17.4	11	9.3	18	4.9	11	4.6	14	-	26	
youngest child under 6	8	57.3	31	58.6	127	-	120	12.9	87	10.3	107	
youngest child 6 or over	6	19.0	45	-	60	1.3	45	2.5	30	0.9	31	
Older married:												
has children	27	5.7	120	45.0	99	8.5	53	0.1	25	3.5	18	
no children, head in												
labor force	77	29.6	97	16.2	90	4.1	42	1.3	23	4.5	26	
no children, head retired	59	81.5	45	7.7	19	6.4	8	9.9	16	-	13	
Older unmarried:												
head in labor force	31	9.0	33	0.8	29	0.2	17	1.1	16	-	12	
head retired	62	74.6	34	-	26	3.7	21	1.0	18	-	14	
Total N	277		428		482		331		236		265	

Degrees of freedom - 56

 χ^2 of 97.55 is significant at .0005 level

TABLE 8.3 MONTHLY RENT BRACKETS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Monthly Rent Brackets											
	0		\$1-24		\$25-49		\$50-74		\$75-99		\$100-	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried:	67.9	9.5	3.7	12.4	6.7	7.4	10.1	9.0	5.6	9.6	3.4	
Young married:												
no children	40.9	3.7	1.8	3.7	12.9	9.1	24.0	13.6	11.7	12.7	7.0	
youngest child under 6	61.0	21.6	3.4	28.4	10.1	28.0	14.4	32.2	7.1	30.6	2.5	
youngest child 6 or over	73.2	10.6	1.5	4.9	5.4	6.2	10.5	9.6	5.1	8.9	2.9	
Older married:												
has children	79.1	16.4	2.3	11.1	5.5	9.1	6.1	8.0	4.5	11.5	0.8	
no children, head in												
labor force	79.7	16.2	1.0	4.9	4.6	7.4	8.0	10.3	2.6	6.4	1.5	
no children, head retired	76.2	7.4	1.6	3.7	9.2	7.0	7.0	4.3	4.3	5.1		
Older unmarried:												
head in labor force	62.0	7.2	3.6	9.9	13.6	12.4	10.9	8.0	6.8	9.6	1.4	
head retired	65.1	7.4	7.8	21.0	15.1	13.6	6.9	5.0	4.1	5.7	0.5	
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	182	-	10	0.7	18	1.2	27	0.1	15	-	9	
Young married:												
no children	70	18.6	3	-	22	3.5	41	27.9	20	11.3	12	
youngest child under 6	412	5.2	23	0.6	68	1.5	97	8.2	48	2.7	17	
youngest child 6 or over	202	1.0	4	2.0	15	3.3	29	-	14	0.1	8	
Older married:												
has children	314	6.9	9	0.5	22	4.5	24	8.2	18	0.8	3	
no children, head in												
labor force	310	7.6	4	4.7	18	7.4	31	2.8	10	6.4	6	
no children, head retired	141	1.8	3	1.0	17	0.1	13	2.4	8	0.5		
Older unmarried:												
head in labor force	137	1.3	8	0.4	30	6.1	24	-	15	0.6	3	
head retired	142	0.3	17	18.2	33	10.5	15	3.0	9	0.9	1	
Total N	1910		81		243		301		157		59	

Degrees of freedom - 56

 χ^2 of 97.55 is significant at .0005 level

A.

TABLE 8.4 TOTAL MONTHLY MORTGAGE PAYMENTS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Total Monthly Mortgage Payments											
	None		\$1-24		\$25-49		\$50-74		\$75-99		\$100-	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	95.6	13.5			0.7	1.5	2.2	2.1	1.1	1.3		
Young married:												
no children	75.9	6.7	0.6	2.9	3.5	4.5	5.3	3.1	8.8	6.6	4.7	
youngest child under 6	52.7	18.6	1.0	20.0	4.6	23.1	15.2	35.8	14.6	43.4	6.6	
youngest child 6 or over	43.8	6.2	1.5	11.4	8.8	17.9	20.4	19.4	14.6	17.5	6.6	
Older married:												
has children	55.3	11.6	2.0	22.9	8.2	24.6	14.8	20.8	10.1	18.0	5.2	
no children, head in labor force	70.0	14.1	1.6	17.1	5.7	16.4	9.6	12.9	6.2	10.5	4.1	
no children, head retired	86.9	8.3	2.7	14.3	4.4	6.0	3.3	2.1	1.1	0.9	1.1	
Older unmarried:												
head in labor force	89.1	10.2	0.9	5.7	2.7	4.5	3.6	2.8	1.8	1.8	1.4	
head retired	95.5	10.9	0.9	5.7	0.9	1.5	1.4	1.0			0.9	
Total N	1928		35		134		288		228		115	

	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	261	29.1	-	-	2	9.3	6	17.3	3	16.6		
Young married:												
no children	129	1.3	1	-	6	0.6	9	4.1	15	0.1	8	
youngest child under 6	358	24.9	7	0.3	31	0.1	103	16.1	99	35.0	45	
youngest child 6 or over	120	24.6	4	-	24	9.2	56	27.8	40	14.2	18	
Older married:												
has children	224	10.4	8	1.7	33	9.7	60	8.3	41	2.0	21	
no children, head in labor force	271	0.1	6	-	22	0.7	37	0.2	24	1.7	16	
no children, head retired	159	8.9	5	-	8	0.1	6	8.7	2	11.1	2	
Older unmarried:												
head in labor force	196	13.5	2	-	6	1.9	8	9.4	4	10.7	3	
head retired	210	23.2	2	-	2	6.9	3	16.9		17.8	2	
Total N	1928		35		134		288		228		115	

Degrees of freedom - 56

 χ^2 of 97.55 is significant at .0005 level

TABLE 8.5 HOUSE VALUE WITHIN LIFE CYCLE STAGES

Life Cycle Stages	House Value or Cost Brackets															
	\$1				\$2,500				\$5,000				\$7,500			
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
0																
Young unmarried	89.7	19.9	1.1	4.6			1.1	2.0	1.5	2.1	1.5	1.3	1.5	2.6		
Young married:																
no children	66.7	9.3	0.6	1.5	2.3	3.1	4.1	4.7	4.7	4.1	4.7	2.6	4.7	5.1		
youngest child under 6	43.1	24.1	2.0	21.2	3.2	16.8	3.6	16.7	6.3	22.1	12.2	26.8	8.0	35.3		
youngest child 6 or over	28.9	6.5	1.4	6.1	4.7	9.9	6.9	12.7	5.1	7.2	16.6	14.7	9.4	16.7		
Older married:																
has children	27.0	8.9	3.0	18.2	4.2	13.0	7.6	20.7	9.1	19.0	12.5	16.3	5.2	13.5		
head in labor force	23.5	7.5	2.3	13.6	5.6	16.8	5.9	15.3	7.1	14.4	17.4	21.7	5.9	14.7		
head retired	28.7	4.3	3.2	9.1	6.5	9.2	9.7	12.0	11.9	11.3	12.4	7.4	5.4	6.4		
Older unmarried:																
head in labor force	62.0	11.1	0.9	3.0	6.8	11.5	4.1	6.0	8.6	9.7	5.4	3.8	2.7	3.9		
head retired	46.4	8.4	6.8	22.7	11.7	19.9	6.8	10.0	9.0	10.3	7.7	5.4	1.4	1.9		
<hr/>																
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	245	135.2	3	1.8		12.6	3	9.1	4	11.6	4	22.7	4	8.1		
Young married:																
no children	114	21.4	1	-	4	1.9	7	0.5	8	1.2	8	6.3	8	0.2		
youngest child under 6	296	-	14	0.3	22	3.0	25	3.5	43	0.4	84	0.9	55	7.8		
youngest child 6 or over	80	13.4	4	0.9	13	-	19	1.3	14	1.3	46	7.8	26	7.6		
Older married:																
has children	110	25.1	12	0.7	17	0.2	31	4.2	37	2.9	51	0.8	21	0.1		
head in labor force	92	35.8	9	-	22	0.8	23	0.3	28	-	68	14.1	23	0.1		
head retired	53	9.3	6	-	12	1.4	18	6.9	22	6.8	23	0.3	10	-		
Older unmarried:																
head in labor force	137	17.6	2	1.9	15	2.2	9	0.6	19	1.0	12	6.3	6	3.1		
head retired	103	0.5	15	18.7	26	24.2	15	0.9	20	1.5	17	2.3	3	7.0		
Total N	1230		66		131		150		195		313		156			

Degrees of freedom - 72

 χ^2 for table - 627.64 χ^2 of 125.3 is significant at

TABLE 8.6 TOTAL EXPENDITURES ON REPAIRS AND ADDITIONS WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Total Expenditures on Repairs and Additions											
	0			1-49			50-99			100-199		
	R%	C%	R%	R%	C%	R%	R%	C%	R%	R%	C%	C%
Young unmarried	90.8	13.9	3.0	4.8	1.1	2.4	1.9	2.7	1.9	2.0		
Young married:												
no children	69.8	6.7	6.5	6.6	4.7	6.4	1.8	1.6	5.9	4.0		
youngest child under 6	61.5	23.8	6.4	26.5	4.8	26.4	6.7	24.7	8.8	24.0		
youngest child 6 or over	46.7	7.3	8.0	13.3	4.4	9.6	8.3	12.4	11.6	12.8		
Older married:												
has children	54.7	12.5	8.2	19.9	5.0	16.0	8.7	18.8	11.1	18.0		
no children, head in labor force	51.9	11.4	5.7	13.3	6.7	20.8	7.2	15.1	14.4	22.4		
no children, head retired	58.2	6.0	4.4	4.8	7.1	10.4	9.8	9.7	13.0	9.6		
Older unmarried:												
head in labor force	74.9	9.3	3.2	4.2	1.8	3.2	5.5	6.5	5.9	5.2		
head retired	73.9	9.3	5.0	6.6	2.7	4.8	7.2	8.6	2.3	2.0		
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	246	33.6	8	4.0	3	6.8	5	9.3	5	15.1		
Young married:												
no children	118	1.3	11	0.1	8	-	3	6.0	10	1.7		
youngest child under 6	421	0.2	44	0.3	33	0.2	46	-	60	-		
youngest child 6 or over	129	11.4	22	2.0	12	-	23	1.3	32	2.3		
Older married:												
has children	221	4.3	33	3.6	20	0.2	35	2.6	45	2.4		
no children, head in labor force	202	7.4	22	-	26	4.4	28	0.2	56	13.4		
no children, head retired	107	0.7	8	0.7	13	2.9	18	2.8	24	3.6		
Older unmarried:												
head in labor force	164	5.0	7	2.7	4	3.4	12	0.4	13	2.1		
head retired	164	4.3	11	0.3	6	1.5	16	0.1	5	11.0		
Total N	1772		166		125		186		250			

Degrees of Freedom - 48

X² of 86.88 is significant at .0005 level

TABLE 8.7 NUMBER OF ROOMS IN HOUSE OR APARTMENT WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Number of Rooms (Not Counting Bathrooms)									
	1		2		3		4		5	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	8.9	29.4	17.0	19.8	28.6	11.9	17.9	3.7	11.6	2.0
Young married:										
no children	0.6	2.9	5.0	8.3	28.0	16.7	29.2	8.7	18.0	4.5
youngest child under 6	0.6	11.8	1.8	12.5	8.5	21.1	21.4	26.7	28.3	29.5
youngest child 6 or over			0.4	1.0	3.4	3.3	19.3	9.7	31.2	13.0
Older married:										
has children	0.3	2.9	0.8	3.1	4.7	7.0	16.2	12.1	25.2	15.6
no children, head in labor force	1.0	11.8	2.3	9.4	6.5	9.3	20.6	14.7	29.2	17.3
no children, head retired	0.6	2.9	2.8	5.2	8.3	5.6	22.7	7.6	22.7	6.3
Older unmarried:										
head in labor force	2.3	11.8	8.2	14.6	23.4	14.8	21.1	6.7	22.8	6.0
head retired	4.4	26.5	12.2	26.0	13.7	10.4	26.8	10.2	18.1	5.7
<hr/>										
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	10	-	19	-	32	34.4	20	0.6	13	8.3
Young married:										
no children	1	-	8	0.6	45	46.2	47	5.0	29	3.4
youngest child under 6	4	2.7	12	7.0	57	2.8	144	-	191	2.5
youngest child 6 or over			1	8.2	9	13.3	52	0.4	84	3.7
Older married:										
has children	1	3.5	3	9.7	19	12.9	65	4.5	101	-
no children, head in labor force	4	0.2	9	2.0	25	6.0	79	0.1	112	2.3
no children, head retired	1	-	5	0.5	15	0.9	41	0.2	41	0.5
Older unmarried:										
head in labor force	4	-	14	9.0	40	26.7	36	-	39	0.4
head retired	9	-	25	38.9	28	1.9	55	3.2	37	4.3
Total N	34		96		270		539		647	

Degrees of freedom - 56

X² of 97.55 is significant at .0005 level

TABLE 8.8 PERCENT WHO BOUGHT DURABLES WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Percent Who Bought Each Item in 1959					
	Television (Includes Radio-TV Combi- nation)	Refrig- erator (Excludes Deep- Freeze)	Washing Machine (Includes Washer - Dryer Comb.	Cook Stove or Range	Furniture (Includes Piano, Organ)	Clothes Dryer (Excludes Washer - Dryer Comb.
Young unmarried	5.9	2.6	1.1	1.5	11.7	
Young married:						
no children	17.5	11.7	8.8	8.2	31.6	1.2
youngest child under 6	14.4	8.7	14.0	7.6	27.4	4.4
youngest child 6 or over	12.4	6.9	10.1	4.0	21.3	3.3
Older married:						
has children	11.3	7.6	9.1	7.6	19.7	2.5
no children, head in labor force	8.4 7.6	7.9 4.3	7.7 4.3	5.6 2.7	13.5 9.2	2.3 0.5
Older unmarried:						
head in labor force	5.0	2.3	2.3	2.3	9.1	
head retired	3.2	4.1	2.3	3.2	5.4	
<hr/>						
Degrees of freedom - 8						
χ^2 for each item relative to life cycle stage	52.13	31.44	76.69	31.69	122.26	24.09
χ^2 significant at .0005 level	27.8	27.8	27.8	27.8	27.8	
χ^2 significant at .005 level						21.92

TABLE 8.9 NET OUTLAY ON DURABLES WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Total Net Outlay on All Durables											
	0		\$1-99		\$100-199		\$200-299		\$300-399		\$400-499	
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%
Young unmarried	70.3	11.6	9.7	18.3	6.7	7.0	4.5	4.8	4.1	6.8	1.9	5.5
Young married:												
no children	44.4	4.6	8.9	10.6	4.7	3.1	10.7	7.2	6.5	6.8	5.9	11.0
youngest child under 6	45.1	18.6	4.7	22.5	11.1	29.2	11.7	31.7	8.3	34.6	4.0	29.7
youngest child 6 or over	49.1	8.1	3.0	5.6	14.0	14.8	9.6	10.4	7.4	12.4	5.2	15.4
Older married:												
has children	51.4	12.5	5.3	14.8	10.8	16.7	9.1	14.5	8.3	20.4	5.3	23.1
no children, head in labor force	61.3	14.6	3.9	10.6	8.7	13.2	11.8	18.5	4.4	10.5	1.8	7.7
no children, head retired	73.9	8.3	2.7	3.5	9.8	7.0	5.4	4.0	2.2	2.5	1.6	3.3
Older unmarried:												
head in labor force	79.4	10.6	4.6	7.0	6.0	5.1	3.7	3.2	3.2	4.3	0.9	2.2
head retired	82.0	11.1	4.5	7.0	4.5	3.9	6.3	5.6	1.4	1.9	0.7	2.2
<hr/>												
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²
Young unmarried	189	6.4	26	11.2	18	1.8	12	6.0	11	1.4	5	1.6
Young married:												
no children	75	5.8	15	4.8	8	3.7	18	0.6	11	0.2	10	3.7
youngest child under 6	305	20.9	32	0.2	75	2.6	79	5.8	56	7.2	27	1.1
youngest child 6 or over	133	4.1	8	2.4	38	6.9	26	0.2	20	1.2	14	3.1
Older married:												
has children	204	3.4	21	-	43	1.2	36	-	33	4.4	21	5.1
no children, head in labor force	239	0.5	15	1.2	34	0.1	46	3.7	17	1.4	7	2.6
no children, head retired	136	7.5	5	2.0	18	0.1	10	2.5	4	4.2	3	1.5
Older unmarried:												
head in labor force	173	16.2	10	0.1	13	2.5	8	6.7	7	2.5	2	3.7
head retired	182	20.9	10	0.1	10	5.3	14	1.7	3	7.6	2	3.8
Total N	1636		142		257		249		162		91	

Degrees of freedom - 64

X² of 107.9 is significant at .0005 levelX² for

TABLE 8.10 LIFE INSURANCE OWNERSHIP WITHIN LIFE CYCLE STAGES

Life Cycle Stages	Do You Carry Life Insurance?			
	Yes		No	
	R%	C%	R%	C%
Young unmarried	67.8	8.3	32.2	14.4
Young married:				
no children	85.4	6.6	14.6	4.1
youngest child under 6	85.0	26.3	15.0	16.9
youngest child 6 or over	89.9	11.2	10.1	4.6
Older married:				
has children	84.0	15.4	16.0	10.6
no children, head in labor force	85.0	15.0	15.0	9.7
no children, head retired	69.2	5.8	30.8	9.3
Older unmarried:				
head in labor force	69.2	6.9	30.8	11.1
head retired	46.9	4.7	53.2	19.3
	N	χ^2	N	χ^2
				Total N
Young unmarried	185	4.0	88	14.5
Young married:				
no children	146	1.1	25	3.8
youngest child under 6	584	3.8	103	13.7
youngest child 6 or over	249	4.6	28	16.8
Older married:				
has children	342	1.6	65	5.9
no children, head in labor force	333	2.1	59	7.7
no children, head retired	128	2.0	57	7.4
Older unmarried:				
head in labor force	153	2.4	68	8.7
head retired	104	28.3	118	102.9
Total N	2224		611	2835

Degrees of freedom - 8

 χ^2 of 27.84 is significant at .0005 level χ^2 for table - 231.13

TABLE 8.11 LIFE INSURANCE PREMIUMS WITHIN LIFE CYCLE STAGES

Total Amount Spending Unit Paid in Premiums During 1959													
	\$1-49		\$50-99		\$100-199		\$200-499		\$500-999		\$1000 & over		
	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	R%	C%	
Young unmarried	35.7	17.2	22.3	9.0	26.1	7.1	15.3	4.4	-	-	0.6	2.2	
Young married:													
no children	18.3	7.4	23.7	8.0	31.3	7.1	21.4	5.1	2.3	2.5	3.1	8.9	
youngest child under 6	8.4	14.2	16.4	23.3	34.8	33.1	33.3	33.4	5.5	24.8	1.6	20.0	
youngest child 6 or over	7.6	5.5	14.7	9.0	29.8	12.3	35.7	15.5	11.3	22.3	0.8	4.4	
Older married:													
has children	8.7	8.6	16.7	14.0	32.8	18.4	30.0	17.7	8.1	21.5	3.7	26.7	
no children, head in labor force	13.8	12.6	17.8	13.7	24.8	12.8	29.9	16.2	9.4	23.1	4.4	28.9	
no children, head retired	24.8	8.0	36.2	9.8	19.1	3.5	18.1	3.5	1.0	0.8	1.0	2.2	
Older unmarried:													
head in labor force	35.0	14.8	29.9	10.6	15.3	3.6	14.6	3.7	3.7	4.1	1.5	4.4	
head retired	58.5	11.7	15.4	2.6	18.5	2.1	4.6	0.6	1.5	0.8	1.5	2.2	
<hr/>													
	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	N	X ²	Total N
Young unmarried	56	36.6	35	0.7	41	0.4	24	8.4	-	9.5	1	-	157
Young married													
no children	24	0.4	31	1.3	41	0.3	28	1.7	3	3.1	4	-	131
youngest child under 6	46	20.8	90	2.4	191	6.8	183	7.2	30	0.3	9	0.9	549
youngest child 6 or over	18	11.0	35	2.6	71	0.1	85	6.1	27	11.1	2	2.1	238
Older married:													
has children	28	11.4	54	1.1	106	1.8	97	0.8	26	2.2	12	3.1	323
no children, head in labor force	41	1.1	53	0.4	74	1.6	89	0.7	28	5.6	13	5.9	298
no children, head retired	26	4.7	38	15.5	20	3.5	19	3.3	1	4.5	1	-	105
Older unmarried:													
head in labor force	48	29.9	41	8.0	21	8.6	20	8.2	5	1.3	2	-	137
head retired	38	71.5	10	0.5	12	2.4	3	12.3	1	-	1	-	65
Total N	325		387		577		548		121		45		2003

Degrees of freedom - 40

 χ^2 for table - 349.10 χ^2 of 76 is significant at .0005 level

CHAPTER IX

SUMMARY AND CONCLUSIONS

In home management literature, the concept of variation in income and expenditure patterns related to stage in the life cycle has been extensively discussed. Concern for planning with respect to fluctuating annual and long-term income was stressed but no statistical data had been analyzed to ascertain the real nature of this problem area. The purpose of this study was to analyze the variation in income, assets, debt and specific expenditures studied in the 1960 Survey of Consumer Finances as related to the stages in the life cycle as classified by the Survey Research Center and to interpret the findings with respect to implications for home management. The specific objectives of the study were:

1. To determine the relationship between stage in the life cycle and income and expenditure patterns.
2. To interpret the findings with respect to implications for home management.
3. To utilize the supported hypotheses as a possible basis for formulation of a theory about income and expenditures in relation to life cycle.
4. To explore the usefulness of data from the Survey of Consumer Finances in home management research and teaching.

Support or Negation of Hypotheses

Income. - The following 3 hypotheses were related to the income pattern over the stages of the life cycle.

1. There is a definite decline in income at the stage when the young couple have children under 6 years of age.
2. The largest proportion of spending units with 2 income earners is found among young childless families and the smallest proportion is found among families with children under 6 years of age.
3. There is a shift over the life cycle in the types of income received by spending units as well as in the total amount of income and number of earners.

Total spending unit income did show a definite decline during the stage when the young couple had preschool children (Table 5.3). The disposable income pattern did not, however, reveal this decline (Table 5.4). The exemptions allowed for the additional family members resulted in tax savings for the group as a whole. The data clearly show that families in which the wife worked following marriage then left the labor force when children arrived experienced a sharp drop in disposable income as well as in total spending unit income. Analysis of the data in Table 5.12 showed that nearly 70 percent of wives in the young married stage with no children were earning income while only 27 percent of the wives with preschool children were employed outside the home. Nearly 38 percent of the young wives with no children earned

one-third or more of total spending unit income while only about 10 percent of the wives with preschool children earned this proportion.

The data in Table 5.13 support the second hypothesis. Just over 58 percent of the young married families with no children, by far the largest proportion, were families with 2 income earners. The smallest proportion of families with 2 income earners was, of course, found to be among the families in which the head was retired as the wife was likely also to be of retirement age. Among families in the stages prior to retirement, the smallest proportion of families with 2 income earners were found to be families with children under 6 years of age.

The analysis of Tables 5.8 through 5.13 clearly shows that the types of income received by spending units as well as the total amount of income and the number of earners shifts markedly over the life cycle. The types of income and typical level of disposable income for each of the life cycle stages were found to be as follows:

Stage I: young unmarried. - The head's wage, salary, professional, trade or other self-employment income was the only source of income in most spending units. In the largest proportion of spending units, disposable income was \$3,000-3,999.

Stage II: young married, no children. - The spending unit income came from wages, salary, professional, trade or other

self-employment income earned by both husband and wife. In the largest proportion of spending units, disposable income was \$5,000-5,999. Thus, the typical income was about equal to the median income of the whole sample, \$4,860; in many families, income was as high as the mean income of the sample, \$5,660.

Stage III: young married, youngest child under 6. - Almost all the income was from wage, salary, professional, trade or other self-employment income received by the head of the family. In the largest proportion of families, disposable income was \$4,000-4,999; but in nearly as large a percent, disposable income was \$5,000-5,999 or \$6,000-7,499.

Stage IV: young married, youngest child 6 or over. - In many families, the spending unit income was derived in part from the wife's wage and salary income in addition to the income earned by the head of the spending unit. Capital income was a slightly larger portion of total income than for families in any of the preceding stages. In the largest proportion of families, disposable income was \$6,000-7,499 - larger than the mean income for the whole sample.

Stage V: older married, has children under 18. - The income level, educational level and occupation of the head varied more among families in this stage compared with each of the preceding stages. There was similarity among families in this stage in that many more were experiencing a leveling off or reduction of income and had

income from rent, interest, dividends, or trusts and from transfer payments. The largest proportion of families was in the highest income quintile, having disposable income of \$6,000-7,499. In about half the families in this stage, both disposable and total spending unit income were higher than the mean total spending unit income of the whole sample.

Stage VI: older married, no children, head in the labor force. - The largest proportion of families in this stage received disposable income of \$4,000-4,999. Many had stable or falling incomes. A larger proportion of total spending unit income came from capital income and from transfer payments compared with preceding life cycle stages.

Stage VII: older married, no children, head retired. - Income was sharply reduced compared with earlier stages. In the largest proportion of spending units, disposable income was \$1,000-1,999. Nearly 90 percent received income from transfer payments. A large proportion received income from rent, interest, dividends or trusts. A few had some income from employment income received by the head even though he was considered retired. In a few families, the wife was receiving income from employment. Most families in this stage received incomes far below mean spending unit income.

Stage VIII: older unmarried, head in labor force. - In the largest proportion of spending units, disposable income was \$2,000-

2,999. Nearly as many had disposable incomes of \$1,000-1,999. A little over half received disposable income of less than \$3,000. The persons in this stage received less capital income than did Stage VI families. The percent of these two groups who received transfer payments was similar. The majority received incomes below the median income of the whole sample.

Stage IX: older unmarried, head retired. - The largest proportion of spending units in this stage received disposable incomes of \$1,000-1,999. Nearly as many received disposable incomes of less than \$1,000. Few spending units had disposable incomes of more than \$3,000. Only about 5 percent had incomes higher than the median and the mean spending unit income. These small incomes were received from a variety of sources - capital income, transfer payments and employment of the head or other members of the spending unit.

Assets. - The following 3 hypotheses were related to the asset position of families over the stages of the life cycle:

1. Value of assets increases from the time children leave home until the retirement of the breadwinner.
2. There are significant changes in the number and pattern of asset holdings after children leave home.
3. Only in the stage after children have left home will there be a significant increase in families having liquid assets greater than one year's earnings.

Table 6.6 includes data which support the first hypothesis. The older married families with no children under 18 and with the head still in the labor force include the smallest proportion of families with no assets and the largest proportion of families with assets worth \$25,000 or more. The largest proportion with assets of \$10,000 or more and with \$5,000 or more also were families in this stage. This life cycle classification includes all older married couples with no children under 18 and with the head in the labor force and therefore includes families with the age of head ranging from 45-64. The data in Table 6.8 indicate that within this twenty year age span families were adding to assets. The proportion of families with assets worth \$5,000 or more increased from 63.5 percent among families with the head 45-54 to 64.5 percent among families with the head 55-64. The proportion with assets worth \$10,000 or over increased from about 40 percent to nearly 43 percent and the proportion with assets worth \$25,000 or more increased from about 13 percent to nearly 18 percent. Thus, the data provide support for the hypothesis that the value of assets increases from the time children leave home until retirement of the breadwinner.

The second hypothesis is clearly supported by the data in Table 6.7. The proportion of families having liquid assets only was lowest among Stage VI families (under 5 percent) and the proportion having 4 or all 5 types of assets was highest (nearly 27 percent)

compared with all the other stages. There were many changes in number and pattern of asset holdings among Stage VI families compared with the earlier stages. The proportions of the Stage VI families who had only 1 type of asset - liquid assets, equity or other - decreased relative to the preceding stage. The proportion having 2 assets other than liquid assets and equity and the proportion having liquid assets, equity and stock decreased slightly compared with the preceding stage. The proportions in each of the other classifications of number and pattern of asset holdings increased compared with the preceding stage. The greatest increase (just over 4 percent) was the increase in the percent having 4 or all 5 types of assets. Thus, the data show that there were significant changes in the number and pattern of asset holdings.

The data in Table 6.1 show that the proportion of families who had liquid assets of \$5,000 or more increased sharply from about 12 percent among Stage V families to about 22 percent among Stage VI families. The median income of the whole sample was \$4,860 and the largest proportion of Stage VI families had disposable incomes of \$4,000-4,999. Thus, the Stage VI families who had liquid assets of \$5,000 or more had liquid assets greater than the median annual income and greater than the disposable income of the largest proportion of families in this stage. The proportion of Stage VI families who had liquid assets of \$10,000 or more was nearly 12 percent compared with

under 5 percent of Stage V families. The proportion of families with liquid assets of \$25,000 or over increased from 1.2 percent of Stage V families to 3.6 percent of Stage VI families. In the stages prior to Stage V, the percentages of families who had liquid assets of \$5,000 or more ranged from 4.3 percent to 7.9 percent. Almost 3 times as many of the Stage VI families had liquid assets of \$5,000 or over compared with the percentages in earlier stages with this level of liquid assets. Thus, the data clearly support the hypothesis that only in the stage after children have left home will there be a significant increase in families having liquid assets greater than 1 year's earnings.

Debt. - The following 3 hypotheses were related to debt position over the stages of the life cycle:

1. Credit is used most extensively by the young childless couples and the couples with children under 6 years of age.
2. The proportion of families with some debt is highest for families with children and falls off substantially when children leave home and are launched on careers of their own.
3. The proportion of families with mortgage debt will decrease sharply for the older families with no children at home.

The data show that the young married couples with children under 18 years of age, both in the stage with the youngest child under 6 and in the stage with the youngest child 6 or over, were the groups who most extensively used consumer and mortgage credit. Among young

childless couples, a substantially smaller percentage had mortgage debt and debt on additions and repairs compared with families with children. The proportion of young childless families who had debt on durables, installment debt and debt on cars was almost the same as the proportions of young married families with the youngest child 6 or over. The largest proportion of families with debt on durables and installment debt was among young families with the youngest child under 6 years of age. The largest proportion of families with house mortgages, and debt on cars was among families with the youngest child 6 or over. Thus, the data show that the first hypothesis is not entirely supported. While young childless couples and young couples with children under 6 are extensive users of credit, the young families with children 6 or over are also likely to have debt of many types and more extensively use mortgage credit, and credit for car purchases than do the other 2 young married groups (Tables 7.1 - 7.4). The amounts owed by the Stage IV families are likely to be larger than the amounts owed by families in the preceding stages.

The second hypothesis is clearly supported by the data. Tables 7.9 - 7.12 show that the largest proportion of families with no debt of each of the types analyzed were families who had no children under 18 years of age. The largest proportion of families with mortgage debt and debt on cars was young married families with the youngest child 6 or over and the largest proportion of families with debt on durables

and with installment debt was young families with the youngest child under 6 years of age (Tables 7.1 - 7.4).

The third hypothesis is supported by the data. Table 6.1 shows that there is an increase from 54 percent of older married families with children with no house mortgage to a little over 68 percent of the older married couples with no children who have no debt of this type. This trend continues and by the time the head is retired, a little over 85 percent of the couples and nearly 95 percent of older unmarried spending units had no debt of this type. The analysis of the interrelationships among life cycle variables showed that among the persons in the older unmarried stage, over three-fourths were widows or widowers and about 10 percent were divorced or separated. Thus, a large percentage of these persons may have grown children who have been launched on careers of their own and examination of mortgage debt is relevant data to consider with respect to this hypothesis.

The analysis of Tables 7.1 - 7.16 clearly shows that credit is used extensively by young married families, but (in partial negation of the first hypothesis) credit is used most extensively by young married couples with children. The young childless couples are the third largest users of short term consumer credit and rank fifth as users of mortgage credit. The data do show that the proportion of families with some debt was highest for families with children and fell off substantially when children leave home. The data also show that the proportion of families

with mortgage debt decreased sharply for the older families with no children at home.

Expenditures. - It was hypothesized that there was a significant relationship between stage in the life cycle and expenditures for housing, durable goods and life insurance. The following 4 specific hypotheses were related to expenditures over the life cycle stages:

1. Housing costs expressed in terms of percent of income are highest for young couples with children and for families in the retirement stage.
2. There is a typical sequential order of purchase of durable goods.
3. The outlay on durable goods will be highest in the young childless stage but will rise again due to replacement after the children leave home.
4. Life insurance ownership is not consistent with the changing need for life insurance over the life cycle.

The data needed to accurately analyze housing costs as a percent of income were not available from the survey data. Only very rough relationships between typical monthly rent payments and monthly mortgage payments and typical disposable income for each life cycle stage could be calculated. On the basis of this rough approximation of housing costs relative to income it was found that rent and mortgage payments among the young unmarried persons and young childless

couples who were making monthly mortgage payments amounted to a larger percent (about 20 percent) of typical disposable income compared with young families with children. Young married childless couples who were renters paid only about 14 percent of disposable income for monthly rent payments. Young married couples with the youngest child 6 or under paid roughly 17 percent of disposable income for monthly rent or mortgage payments. Housing costs then fell to approximately 12 percent for Stage IV and Stage V families and rose to about 17 percent among Stage VI families. Among retired families, monthly rent payments or monthly mortgage payments as a percent of disposable income rose sharply to about 29 percent. Thus, these rough estimates at least seem to support the portion of the hypothesis relative to housing costs for retired families. Typical monthly rent and mortgage payments were a much larger percent of typical disposable income for the retired stages. Of course, a large proportion (55 percent of Stage VII families and nearly 46 percent of Stage IX families) owned mortgage free homes and no data concerning taxes, repair, maintenance, depreciation, interest foregone on equity, etc., were available to accurately ascertain housing costs for this group of retired families. While the rough relationships between typical monthly rent and mortgage payments give some basis for relating such expenditures to typical income of each stage, they cannot be considered sufficient to provide either support or negation of the first hypothesis.

The second hypothesis is supported by the data in Table 8.8.

The data show that young unmarried persons are most likely to buy television sets and furniture items. Among young married childless couples, the percent who bought all types of durables increased sharply with especially large increases in the percent who bought refrigerators, washing machines, and cook stoves or ranges. During the young married stage with the youngest child under 6, the percent purchasing laundry equipment again increased. The percent who bought washers was nearly 2 times and the percent who bought clothes dryers nearly 4 times that in the preceding stage. The percent who purchased each type of durable was lower among Stage IV families. The percent who bought refrigerators and cook stoves or ranges rose again among Stage V families. This increase was probably due to need for replacement of these items among these older married families who had first purchased equipment during the time they were in Stage II. The percent who purchased refrigerators again rose a fraction of a percent among Stage VI families and almost the same percent of the Stage V and Stage VI families (2.5 percent and 2.3 percent respectively) bought clothes dryers. The percent who bought furniture decreased about 6 percent but the percent who bought television sets, washing machines and cook stoves or ranges only decreased about 2 or 3 percent. Thus, many of the Stage VI families were replacing household equipment. Nearly 8 percent of the Stage VII families bought television sets but percentages buying each

other type of durable decreased sharply during this and the following two stages.

Only the first part of the third hypothesis was supported. The data in Table 8.9 clearly show that the outlay on durable goods was highest in the young childless stage. In this stage, 19 percent spent \$500 or more on durables and nearly 8 percent spent \$1,000 or more. The following stage - Stage III - included the next largest percent (14 percent) who had spent \$500 or more while among the families in this stage only 3 percent had spent \$1,000 or more. Among older married families with no children there was no increase in the outlay on durables as had been hypothesized. The percent who spent \$500 or more remained quite high relative to the preceding stage (8.2 percent among Stage VI compared with 9.9 percent among Stage V families) but the percent spending \$500 or more did continue to decrease among these families whose children had left home.

The fourth hypothesis was very clearly supported by the data in Tables 8.10 and 8.11. A slightly larger percent of families in the young married stage with no children carried life insurance compared with the percent of young married families with the youngest child under 6 and of older married families who had children (Table 8.10). These families with young children had much greater need for life insurance protection than did the young childless couples. When children leave home the family's need for life insurance is greatly reduced

but the data show that the percent who carried life insurance remained high.

The data in Table 8.11 concerning the total amount the spending unit paid in life insurance premiums during 1959 also reveal the fact that life insurance ownership is not consistent with the changing need for life insurance over the life cycle. The percent of families paying \$200 or more in premiums did not rise to the highest level among young married families with the youngest child under 6 even though life insurance need is greatest among these Stage III families. The highest percent (48 percent) paying premiums of \$200 or more was among Stage IV families.

Among Stage V families only about 42 percent paid \$200 or more in premiums. Analysis of the interrelationships among life cycle variables showed that about one-fifth of the families in this stage had a child who was under 6 years old (Table 4.15). About one-third of the families in this stage were composed of 5 or more members and a little over 7 percent had 7 or more members. Thus, while the need for life insurance protection remained very great, a smaller percent had coverage (Table 8.10) and paid \$200 or more in premiums (Table 8.11) compared with the preceding stage.

The largest proportion of families who paid \$1,000 or more were among families in Stage VI - the older married stage with no children and with the head in the labor force. The percent who paid

\$200 or more in premiums (nearly 44 percent) was higher than in the preceding stage. Thus, while the need for life insurance protection was less the proportion with coverage (Table 8.10) remained high and the percent who paid larger premiums (Table 8.11) was high among families in this stage. The families in this contracting stage may have planned to use their life insurance program primarily as a means of investment of savings in anticipation of need for funds during the retirement stage. If wisely selected and adequately balanced by some variable-dollar investments to provide a hedge against inflation, this level of insurance could be a wise choice. All too often this level of life insurance results simply from failure to reappraise life insurance programs and change them as the need for life insurance changes.

In summary, the data supported the hypotheses that (1) there is a typical sequential order of purchases of durable goods, (2) the outlay on durable goods will be highest in the young childless stage, and (3) life insurance ownership is not consistent with changing need for life insurance over the life cycle. The data did not support the hypothesis that outlay on durable goods would rise again due to replacement after children leave home. There was evidence that these families were replacing equipment but total outlay for durables did not increase. The data available were not adequate to either support or negate the hypothesis that housing costs expressed in terms of percent of income are highest for young couples with children and for families in the retirement stage.

Implications for Home Management

Bigelow¹ stressed the importance of seeing the life of the family not as a year-to-year picture but as a whole, planning for expenditures throughout the entire life of the family. He suggested considering in turn each of the stages of the life cycle and analyzing the needs of the family in each of these stages in order that financial problems might be seen, not as isolated problems, but as steps which must be worked out in their proper order if the family is to live the good life. He further suggested that a young couple might find out what they will need in the way of goods and services by relying on their experiences in families in which they grew up and by observing one or more families of their acquaintance.

The empirical data available from the Surveys of Consumer Finances offer a vastly improved way of finding out the nature of financial problems which are likely to be important in each stage of the family life cycle. These empirical data provide information concerning income pattern and source, asset position and investment patterns, debt position, and expenditure patterns for selected durable goods over the stages of the life cycle. It is clearly evident that survey data are extremely useful in home management teaching. The analysis of the empirical data representative of the United States population can be made

¹ Bigelow, op. cit., p. 396.

available to students to provide a basis for more accurately anticipating financial problems over the stages in the life cycle.

The data indicated that the spending units interviewed in the survey had experienced certain changes in amount and pattern of income, assets, and debt and had followed a certain sequential order in purchasing consumer durables to stages in the life cycle. The following summary of changes in resources available and demands on resources over the life cycle provides empirically based information for long range financial planning:

Stage I: young unmarried. - Many persons in this stage were not yet established in good jobs. Only 29 percent had less than high school education. The largest proportion of spending units in which the head had a college education was in this life cycle stage. Even with this relatively high educational level, unemployment was higher than for the whole sample. The largest proportion of spending units had disposable income of \$3,000-3,999. About 18 percent were laborers or service workers. Thus, the data imply that important financial problems in this stage were those related to choosing a career, obtaining satisfactory employment and achieving promotions and salary increases.

Stage II: young married, no children. - Nearly 70 percent of wives in this stage worked outside the home. In the larger proportion of spending units, disposable income was \$5,000-5,999 - about equal to the mean income for the sample and higher than the median income.

The data indicated that the relatively high income level was primarily due to the additional income earned by the wife. Thus, in long range financial planning, a majority of families need to consider the effects of the wife's employment on family income and expenditures.

The percent of spending units who had debt and the percent with substantial amounts of debt rose sharply, as compared with the preceding stage, especially in the areas of mortgage debt, installment debt and debt on cars. Few families in this stage had any substantial amount of assets. Hence many could buy a home only if they obtained a large mortgage loan. Many could buy furniture and a car only if they used consumer credit. The data point out that the selection of shelter, home furnishings and cars and the wise use of consumer and mortgage credit were typical financial problems during this life cycle stage.

Stage III: young married, youngest child under 6. - Since 29 percent of wives worked outside the home, compared with 70 percent in Stage II, a sharp reduction in family income was experienced by many families. Anticipation of this decline in family income is essential to realistic long range financial planning. Among families in which the wife continued to work, financial problems relative to providing child care and housekeeping services would be important.

The sharp increase in home ownership from about one-third in the preceding stage to over one-half in this stage, clearly indicates that financial problems involved in purchase of a home are likely to be

typical during this stage. In a large proportion of families in this stage, disposable income was \$4,000-4,999. With the addition of a family member many costs such as food or clothing would rise. Thus, limited resources and many competing expenditure needs would make it difficult for families to buy a home large enough and so located that it would continue to serve future family needs. However, home ownership often seems like a necessity in this stage. In some marketing situations, landlords are reluctant or even unwilling to rent to families with young children. Rental property suitable for children's needs is difficult to find in some housing markets. Thus, obtaining suitable housing that families in this stage can afford is often a pressing financial problem.

The largest proportions of families with debt on durables and with installment debt were among Stage III families. Thus, wise use of consumer credit was again an important problem area.

Specific types of expenditures likely to be important for Stage III families were indicated by the data. Many families in this stage made expenditures for additions and repairs. No doubt, many families had the problem of deciding whether it would be best to move to other housing or to improve and adapt their present housing to better meet the needs of small children. Families in this stage included the largest proportion of families who bought laundry equipment. Decisions concerning the best way to cope with the greatly increased laundry of

the family with young children appeared to be important in this stage.

Although families in this stage have a greatly increased need for life insurance protection and a need for a much higher amount of coverage, few families had substantially improved their life insurance programs. Consequently, the data point out an area in which families have a special need for improved consumer education.

Stage IV: young married, youngest child 6 or over. - Home ownership and expenditures on additions and repairs again increased. Adequate housing becomes more important to families with school age children. Rental housing is less likely to provide separate bedrooms for children, quiet areas for study, and space for varied recreational interests important to families with school age children. The characteristics of the neighborhood such as location of school and playground facilities are more important to the family unit with children over 6 years of age than to families with only preschool children. Hence, in this stage, many families are particularly concerned with financial problems relative to buying or building a home suitable for family needs.

In the largest proportion of families disposable income was \$6,000-6,999. In this stage, the proportions with debt on durables and installment debt were lower but families who had debt owed larger amounts compared with the preceding stage. The largest proportion of families who had a mortgage on their home was families in this stage. Thus, use of mortgage and consumer credit were still important

financial problems. Fewer families made expenditures on furniture and equipment, but more were making expenditures for housing, additions and repairs and automobiles.

The data showed that many more families in this stage had substantial assets - 61 percent had assets of \$5,000 or more and 34 percent had \$10,000 or more. Thus, financial problems relative to wise investment of these assets were important for Stage IV families. Many had the bulk of these assets invested in equity in their own homes.

Stage V: older married, has children. - About 30 percent of the families in this stage were in the highest income quintile and another 30 percent were in the 2 lowest quintiles. Among low income families, many of whom had 4 or more children, provision of necessary current consumption goods and services was the main financial problem. The data showed that larger proportions had no liquid assets and also no assets of any type compared with the young married couples with children. Hence, many families had used up past savings to meet current needs.

Debt use was lower compared with younger families with children. Over half the families in this stage had stable or lower incomes compared with the preceding year. Therefore, in considering credit use they would have to face the fact that they were not likely to have an increase in income which would make credit repayment easier to finance during the coming year.

Most families in this stage made very few additions to owned durables. Since families in this stage tended to be larger than in other stages, the need for life insurance was great but life insurance ownership decreased compared with Stage IV. Many families in this stage faced financial problems concerning the provision of current necessities for large families within the limitations of incomes which were lower than average and were no longer rising but had leveled off or were falling somewhat.

Other families in this life cycle stage had larger than average income and were investing in expensive, relatively large homes and in many other types of investments. The proportion having assets of \$10,000-25,000 and \$25,000 or more increased slightly compared with earlier stages. Consequentially, for many families in this stage, financial problems included those concerning the wise investment of substantial assets. Use of mortgage debt and consumer debt were much less important for most persons in this stage compared with younger families. Most families had lived in their current housing for 3 or more years. Thus, few had financial problems relative to acquiring different housing. There was some evidence of a need for replacement of durables. The data showed that there was a slight increase in the percent who bought refrigerators and cook stoves or ranges compared with Stage IV families. However, total outlay for durables was lower.

Stage VI: older married, no children, head in labor force. -

About a third of the wives in this stage were working. For many women in this stage, work outside the home might add greatly to psychic income. The woman who had been busy at home caring for children during earlier stages might find that work outside the home made the transition to the "empty nest" easier to accomplish.

Value of assets increased sharply in this stage, indicating that financial problems relative to wise investment of assets are typical in this stage. Families in this stage no longer had the same housing needs but most continued to live in the same housing they had occupied during earlier stages. The percentage making expenditures on additions and repairs increased slightly. Hence, adapting housing to better suit their changed needs may have been important financial problems for some families in this stage. There was no evidence of any large expenditure for furniture and equipment for any large scale replacement of home furnishings. Life insurance needs had changed greatly in comparison with the earlier stages when there were dependent children in the family. Less coverage was now needed but the proportion who had insurance increased slightly and the amount carried was higher than for all other stages except Stage V. Families in this stage should have been making investment decisions which included the role of investment in life insurance along with other investments designed to provide a secure income during the future retirement years.

Stage VII: older married, no children, head retired. - The data indicate that the most difficult financial problems in this stage were likely to be those related to adjustment of spending patterns to sharply reduced disposable income. The largest proportion of families in this stage received only \$1,000-1,999 annual disposable income. Nearly 21 percent of families in this stage had no liquid assets so these families had no possibilities of supplementing current income by the use of past savings. A little over 50 percent did have assets of \$10,000 or more and thus, among these families financial problems concerning the best plan for using these savings to supplement current income without the risk of outliving available funds were very important. A few families in this stage still had debt and thus were faced with financial problems of debt repayment in addition to meeting current needs out of reduced income.

A large proportion still lived in large homes. Obviously, many had remained in the same housing they had occupied in earlier stages. The large home is often difficult to maintain in view of lessened physical energy and failing health. Yet, psychologically, it is often stressful for families in this stage to face giving up the old family home and moving to other quarters.

The effect of the working wife on family income and expenditures has extremely important implications for education relative to family financial management. It is important to alert families to the

probability of sharply decreased total family income when the working wife drops out of the labor force with the arrival of children approximately 1 or 2 years after marriage. Unless long range family financial plans include recognition of this income pattern, they are likely to be totally inadequate. Plans should probably include either planning to save most of the wife's earnings during the young married childless stage so the assets would be available to supplement current income during the expanding family stages or planning to spend this portion of total income on durables which would adequately serve the family's needs during the expanding family stage, so the family need not make these expenditures later when income is lower and costs of non-durables higher. Home management education should include alerting students to the recurring family decisions concerning whether the wife should work during different stages in the family life cycle. It should provide training which would better enable students to make such decisions over their lifetime and also aid families currently facing these decisions. Such education would need to include helping families accurately anticipate all job related expenses which would have to be paid if the wife worked so these could be subtracted from gross increase in money income to estimate net earnings. In addition, it should aid in the accurate assessment of possible psychic costs and psychic income of the family if the wife were to work.

The findings indicate that large proportions of U.S. families have allocated resources in ways which leave them in risky financial positions. Mortgage and consumer credit were extensively used and the asset position of many families was not strong. Any economic downturn which resulted in reduction of current income would be likely to cause serious financial problems. Most investment was of the fixed-income type, such as savings accounts, U.S. bonds or life insurance. The only variable dollar investment which had been made by many families was the equity in their own homes. Thus, very few had provided for an adequate hedge against inflation. This was likely to be a special problem for retired families whose current income was mainly fixed since a large proportion was from transfer payments. The life insurance programs of a large proportion of U.S. families were found to be inconsistent with the need for life insurance. The premature death of the breadwinner in families with young children would leave many families in serious financial difficulties. It is obvious that home management education can play a vitally important role in promoting improved decision-making relative to these problem areas.

Theoretical Implications

The supported hypotheses provide a basis for the theory that it is typical for the income of newly-wed couples to be higher than mean income of all families, to decline substantially when there are

preschool children in the family, then to rise gradually until the head of the family is approximately 50 years of age. Family income then levels off during the years prior to retirement from the labor force. At retirement family income is sharply reduced.

The majority of wives are employed outside the home immediately following marriage. Most leave the labor force when there are preschool children in the family. Many return to the labor force when all their children are school age or older.

During the young married stage with no children, family income is derived from the wife's employment income as well as from wage, salary, professional, trade or other self-employment income received by the head of the family. During the young married stage when the youngest child is under 6 years of age, employment income received by the head of the family constitutes most of the total family income. After children are school age, total family income is more likely to be derived from several sources. Many more wives work and their employment is added to that of the head of the family. A portion comes from capital income for some families with school age children. After children leave home, most families no longer experience rising income over the years but instead have stable or falling incomes. A larger portion of total income comes from capital income and transfer payments. At retirement family income comes mainly from transfer payments and capital income.

Few families are able to accumulate liquid assets equal to one year's earnings prior to the time children leave home and become self-supporting. During the young childless stage and the active parenthood stages, the value of assets held by families remains low and funds are primarily invested in equity in their own home or held as liquid assets. After children leave home, value of assets increases until retirement of the breadwinner. Investment funds are likely to be invested in 3 or more different types of assets. Thus, only during the contracting family stage do families add significantly to value of assets. The pattern of asset holdings is more diversified compared with earlier stages.

Young married couples with children under 18 years of age are most likely to make extensive use of consumer and mortgage credit. The proportion of families with some debt falls off substantially after children leave home and are launched on careers and families of their own. Few older families with no children at home have mortgage debt on their homes.

Expenditures for durable goods are a major financial problem for families in the young married stage with no children. Among young families with children under 6, expenditures for laundry equipment are typical. No sharply increased outlay for durable goods occurs at any of the life cycle stages except during the beginning family stage. During the older married stage after children leave home, some

replacement of household equipment is typical but a steady maintenance and staggered expenditures for maintenance and/or replacement of furniture items over the years is more typical than any extensive replacement of many durables within a short period of time after children leave home.

Usefulness of Data from the Survey of Consumer Finances

The data from the Survey of Consumer Finances are extremely useful in home management research and teaching. The survey data are obtained from a carefully selected sample representative of the United States population. Thus, generalizations may be made on the basis of the Survey findings which are applicable to the entire U.S. population. The data collected include many items which are important to research workers and teachers. Stage in the life cycle has been found to be one of the most useful frameworks for examining and predicting many home management problems, especially those concerned with family financial management. The Surveys of Consumer Finances use stage in life cycle as a classifying variable and thus offer one of the few sources of data which provide an opportunity to analyze the relationship between stage in the life cycle and a number of economic variables of value in home management research and teaching.

While Surveys of Consumer Finances have been conducted each year for several years, the data have not been thoroughly analyzed

using stage in the life cycle as a classifying variable. Such analysis of surveys conducted in years in which there was a very different economic situation would add substantially to data useful in home management research and teaching.

Changing levels of education were evident in the survey data. Substantially larger proportions of young persons had high school and college educations than did older persons. The possible changes of income and expenditure patterns related to stage in the life cycle as the better educated persons move through the later life cycle stages would be important problem areas for home management research. The data available over the years from the Survey of Consumer Finances could provide an opportunity for studying these important problem areas.

BIBLIOGRAPHY

- Bigelow, Howard F. Family Finance. Philadelphia: J. B. Lippincott Company, 1953.
- Bigelow, Howard F. "Toward a Theory of Family Finance," Journal of Home Economics, Vol. 32 (April, 1931), pp. 325-332.
- Brady, Dorothy S. "Influence of Age on Saving and Spending Patterns," Monthly Labor Review, Vol. 78 (November, 1955), pp. 1240-44.
- Clark, Lincoln R. (Ed.), Consumer Behavior. Vol. II. New York: New York University Press, 1955.
- David, Martin H. Family Composition and Consumption. Contributions to Economic Analysis, No. 25. Amsterdam: North-Holland Publishing Company. 1952.
- Dixon, Wilfred J., and Massey, F. J. Introduction to Statistical Analysis. New York: McGraw-Hill Book Company, Inc., 1957.
- Duvall, Evelyn M. Family Development. Philadelphia: J. B. Lippincott Co., 1962.
- Ferber, Robert. "Research on Household Behavior," The American Economic Review. Vol. LII. (March, 1962), pp. 19-63.
- Fisher, Janet. "Income, Spending and Saving Patterns of Consumer Units in Different Age Groups," in National Bureau of Economic Research Studies in Income and Wealth. Vol. 15, pp. 75-102. Princeton, N. J.: Princeton University Press, 1952.
- Fitzsimmons, Cleo. The Management of Family Resources. San Francisco: W. H. Freeman and Co., 1951.
- Gross, Irma H. and Crandall, E. W. Management for Modern Families. New York: Appleton-Century-Crofts, 1954.
- Holmes, Emma G., "Factors Affecting Farm Family Goals," Ph.D. dissertation, Purdue University, 1956.

Lansing, John and Kish, J. "Family Life Cycle as an Independent Variable," American Sociological Review. Vol. XXII, (October, 1957), pp. 512-519.

Lippitt, Vernon, "Determinants of Consumer Demand for House Furnishing and Equipment," Proceedings of the Conference on Consumption and Saving. Vol. I, pp. 225-246. Friend, I. and Jones, R. (Ed.). Penna.: Wharton School of Finance and Commerce, Univ. of Pa., 1960.

Lydall, Harold. "The Life Cycle in Income, Saving, and Asset Ownership," Econometrica. Vol. 23 (April, 1955), pp. 131-50.

Modigliani, Franco and Ando, Albert. "The 'Life Cycle' Hypothesis of Saving," The American Economic Review. Vol. LIII (March, 1963), pp. 55-84.

Morgan, James. "Consumer Investment Expenditures," Econometrica. Vol. 25 (October, 1957), pp. 602-03.

Nickell, Paulena, and Dorsey, Jean. Management in Family Living. New York: John Wiley and Sons, Inc., 1959.

United States Department of Agriculture. Family Incomes And Expenditures. Misc. Pub. No. 339-409 (1939-1941).

ROOM USE ONLY

~~JAN 20 1966~~

~~MAY 8 1966~~

~~MAY 10 1966~~ ML

~~MAY 10 1966~~ 190