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Young Farm Families-

- **Their Income,**
- **Expenditures,**
- **Satisfactions,**
- **And Needs**

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CONTENTS

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YOUNG FARM FAMILIES THEIR INCOME, EXPENDITURES, SATISFACTIONS, and NEEDS[1]

CHRISTINE H. HILLMAN[2]

INTRODUCTION

Many young farm couples are interested in ways whereby they can become not only more satisfactorily established in farming but in all phases of farm family living as well. They are aware of the fact that success in either of these areas may be contingent upon success and satisfaction derived from the other.

The extent to which farm family living is dependent upon income is an issue of primary concern to those endeavoring to become established in farming at the present time. Likewise, the degree of association between income, farm and home expense, the farm enterprise, the economic area in which a specific farm is located, kind of farming or operational agreement under which one farms, the composition of the family or household and the social forces which impinge upon families are matters of importance.

This study was undertaken in an effort to shed more light on certain aspects of the subject and particularly as they affect the younger farm family in Ohio.

OBJECTIVES

The objectives of this study were threefold: (1) To seek to identify cash expenditures for family living as evidenced by itemized records

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[1]The study is a contributing project to the North Central Regional Cooperative Research Project NC-32 entitled "Factors Affecting Financial Security of Rural Families."

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kept by young Ohio farm families, (2) to gain insight into the interrelationships existing between income and expenditures as evidenced by records kept by families in different disposable cash income classes and (3) to analyze conditions that appear to influence allocation of money, a family's level of living and their future plans.

LOCATION OF SAMPLE

Ohio, perhaps not so much as some other states, nevertheless has within her boundaries a considerable range of cultural, economic, educational and social variation. Striking contrasts may be noted in types of agricultural enterprises, in the extent of industrial facilities, levels of living, and nature of educational and social opportunity.

Various specialists have found it expedient to divide the state into sub-areas on the basis of certain criteria important from their various points of view. Economic areas as devised for the 1950 Census were used for this study.[3] Furthermore, the phase of the study herein reported was designed to include only one economic area of the state, namely: Economic Area 3, and again was delimited to the extent that only so-called non-metropolitan counties were considered for study.

Economic Area 3 is in the middle western part of Ohio and consists of 16 counties. The non-metropolitan area (12 counties) is composed of highly productive land, gently rolling to level. Cultivation of practically all land is possible except on stream banks. This area has not only the largest number of farms in the state and is highly mechanized but the level of living of farm operator families is considered among the highest in the state.[4]

Few farms are located more than five miles from a local trade center that may serve most of the day-to-day needs of the farm and home. Family living is influenced by the greater number of larger cities and industrial centers.

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[3]Procedures used in making this functional grouping of economic areas are described in the following publication: Bogue, Donald J., State Economic Areas, A Description of the Procedure Used in Making a Functional Grouping of the Counties of the United States. Dept. of Commerce, Bureau of the Census, 1951. For a discussion and description of the areas with specific reference to Ohio see Andrews, Wade H. and Westerkamm, Emily M., Rural-Urban Population Change and Migration in Ohio 1940-1950. Ohio Agricultural Experiment Station Bul. 737:3-10. November 1953.

[4]For Ohio the average farm operator level of living index in 1950 was 148, which means that the farm level of living in the state was about 50 percent better than the United States average in 1945 (index of 100). The average in 1950 for the United States from the same index was 122.

In the compilation of facts relative to agricultural and industrial data for all Ohio counties (88), those contained in Economic Area 3 consistently rank among the first in the average value per farm of farm products sold, in the average value of farm land and buildings in dollars per farm, and in the average size of farms.[5] Farms in the non-metropolitan counties in the area average 132.3 acres in size. The average size reported for all farms in Ohio was 105.2 acres in 1950.

Economic Area 3 was selected in order to increase the homogeneity of the physical and financial resources of farm families to be included in this study.

METHOD OF STUDY

From the 12 non-metropolitan counties contained in the area, three counties were selected at random, two including 14 townships each and one including 10 townships. Four townships from each of the 14 township counties and two townships from the 10 township counties then were selected at random. This sampling was selected in order to facilitate the compilation of the individual sampling units.

A list of farm operators and their ages was compiled for each sample township. From this list 12 operators who appeared to qualify for the study were drawn randomly. In case of refusal to cooperate or selection of operator not qualifying for the study the following rule was applied: Another operator's name was drawn randomly from the same age category and the same township.

To qualify for the study, it was necessary (1) that both husband and wife be living in the home, (2) that neither the husband nor wife be more than 35 years of age, (3) that the couple be living on and utilizing a tract of land outside of incorporated limits and of more than three acres in size, and (4) that the couple consider themselves as being engaged in full-time farming, that is to say, obtaining the major portion of their income from farming.

Families were contacted and their cooperation in making information available was enlisted during the early months of 1956. Return visits for purposes of keeping in touch with the family's progress with records kept for the study and to answer questions as they might arise continued through the year. Early in 1957 records covering income and farm and home expenditures for the economic year January 1,1956-December 31, 1956, were completed and totaled by cooperating families.

[5]Andrews, Wade H. and Snow, Lorenzo H., Comparative Population, Agricultural and Industrial Data for Ohio Counties, 1940-1950. Ohio Agricultural Experiment Station Mimeo AD 248.

This information along with other pertinent data were recorded on originally designed schedule forms for 120 families. When tabulated, 14 of this number were considered incomplete leaving a total of 106 usable schedules to be included in the final reporting of the study.

The investigator initiating the original contact with participating families made all subsequent visits to their homes and recorded the final information secured as well as writing a detailed case study relative to the families.

LIMITATIONS AND SUGGESTED USES OF THE DATA

With reference to data presented, it should be remembered that families in the study were probably above average in their abilities to manage the production of a farm, in their knowledge of markets in which they sell, and in their abilities to secure and use income. The fact that they were sufficiently interested to make records and other information available for research and educational purposes is indicative of interest in problems concerning farm and home financial management and advancement.

It must be kept in mind also that only families in one economic area of the state were studied. A complete coverage of the state more nearly representative of all economic areas and records from all types of abilities and different stages in the life cycle of individual families is needed. Furthermore, a study of a given population for a period of only one year has limited use when questions arise concerning changes in income and expenditures over a period of years or how the same families would adjust to these changes.

DESCRIPTION OF FAMILIES

Data pertinent to the study were recorded for 106 families. Information was secured from both the husband and wife representing each home.

The average age of farm operators was 30.7 years; the range from 22 to 35 years. The average age of wives was 28.2 years; the range from 21 to 35 years.

Couples had, on an average, been married 9.8 years. The range was from three to fifteen years.

Six couples or 5.7 percent of the group had no children; 100 couples had a total of 278 children or an average of 2.7 children per family. Of the latter, approximately 13 percent of the homes contained only one child, 31 percent two children, 33 percent three children, 14 percent four children, and 9 percent of the families had five or more. The largest number reported by any one family was eight. Approximately 41 percent of the children were under six years of age; 29.1 percent were between the ages of six and eight; 18.3 percent were between nine and eleven years; and 11 percent were twelve years of age or older.

With but three exceptions all families lived as separate units; that is, homes were not shared with relatives or others. The size of household as represented by these families (4.7) was higher, however, than that reported for all Ohio farm households (3.7) in the 1950 census.

The formal schooling of both the operators and their wives was generally high. Only nine or approximately 8 percent of the operators had less than a ninth grade education; 10 had attended college and 87 had between nine and twelve years of schooling. The wives had slightly more formal schooling than did their husbands; only four had less than nine years of education and 91 had between nine and twelve years. Eleven had attended college.

Farm operators, for the most part, had been born and reared in the county where they presently farmed; all but one had been farm reared. Few wives had been reared more than 50 miles from their present place of residence but approximately 26 percent had lived in a small town or middle-sized city until the time of marriage.

TENURE STATUS

Operators were classified as full-owners, part-owners, tenants, or as having a partnership arrangement.[6] When thus arranged, 54 or 51 percent of the total group operated as tenants, 22 or 21 percent under a partnership arrangement, 21 or 20 percent as part-owners, and 9 or 8 percent owned all land operated. When grouped according to age and by tenure status, operators under 25 years more frequently farmed with a partnership arrangement; those between the ages of 25 and 29 as tenants, and there was an increasing trend toward land ownership between the ages of 30 and 35 (Table 1). No operator under 25 owned land. Two or 5 percent of those between the ages of 25 and 29 owned all land operated and five or 12 percent in this age category were

[6]In this study the term (1) full-owner is used to describe the one who owned all land operated during the schedule year, (2) part-owner is used to describe one who owned the land on which his home was located, who may or may not have operated any land personally owned but who, in any case, rented 50 percent or more of all land operated during the year in question, (3) tenant describes those who rented all acreage operated but does not differentiate between cash renters and share renters, and (4) partnership is used to describe the tenure status of those operating land under a family farming arrangement which usually involved two generations.

TABLE 1.—Number of Farm Operators By Age Groupings and Percentage of the Number in Each Tenure Status Category. (106 Records)

Age Groupings	Number	Tenure Status Percentage of the Number			
		Owner	Part-Owner	Partnership	Tenant
Under 25	14	—	—	78	22
25-29	41	5	12	17	66
30-35	51	14	31	8	47

part-owners. Forty-five percent of those between the ages of 30 and 35 were either owners or part-owners of some land.

HOUSING

The typical farm house occupied was a two-story frame structure. For the most part, houses were large; approximately 67 percent had six or more rooms exclusive of hallways, utility rooms and space provided for attics and basements. Few houses were less than 25 years old; the majority were estimated to be 50 or more years old.

Data relative to the general physical condition of dwellings were secured through the direct questioning of families and by the personal observations of the interviewer. Exteriors and interiors were rated good, fair, poor or dilapidated as to general appearance. On this basis the majority rated only fair or below, both inside and out. When grouped by tenure status (Table 2), it will be noted that the exterior condition of houses occupied by owners and those having a partnership arrangement more frequently received a better rating than did those occupied by tenants. The interior conditions of houses lived in by part-owners and those having a partnership arrangement more frequently rated "good" than did those houses lived in by families in either of the other two classifications. Only a small percentage of all dwellings were perceived as being in a dilapidated condition.

LEVEL OF LIVING

Level of living as measured by the presence or absence in the home of certain household furnishings, equipment, and conveniences would indicate that most families enjoyed a fairly high degree of material well-being. All families had the benefit of electricity, a power-driven washing machine and cooking stove, a mechanical refrigerator, a self-heating iron, and radio. Ninety-seven percent had television; 89 percent had

TABLE 2.—The Physical Condition of Housing Occupied By Families Categorized By the Percentage of the Number of Farm Operators in Each Tenure Status Classification. (106 Records)

	Physical Condition of Housing Percentage of the Number							
	Exterior Condition				Interior Condition			
Tenure Status	Good	Fair	Poor	Delapi-dated	Good	Fair	Poor	Delapi-dated
Owner (N=9)	44	34	22	—	34	43	35	—
Part-Owner (N=21)	33	34	19	14	43	47	8	2
Partnership (N=22)	45	50	—	5	50	42	—	8
Tenant (N=54)	22	38	40	—	38	52	10	—

telephones. Seventy-four percent of the group had an electric vacuum sweeper, 48 percent owned at least one musical instrument which in the majority of cases was a piano. There was no correlation between the number of any one or all of the above items possessed and the tenure status of families, age of the head of household, or the length of a couple's marriage.

Less frequently reported were such facilities for comfort as central heating, a completely equipped bathroom and hot and cold running water. Houses occupied by families classified as tenants contained fewer of the latter conveniences than did houses occupied by owners or those with a partnership arrangement. Beyond this there was no other relationship worthy of note.

Each of the families possessed at least one automobile, lived on all-weather roads and within easy access to shopping and community centers.

SOCIAL PARTICIPATION

Application of the Chapin Participation Index scoring the families on extent and intensity of membership, attendance, contributions, committee activities, and offices held in formal organizations shows that farm owners and those with partnership arrangements more consistently received a higher rating than did those operating as tenants.[7] The for-

[7]Chapin, F. S., 1939, "Social Participation and Social Intelligence," American Soc. Review, 4:157-168. The Chapin scale, at least partially standardized, has been used in numerous formal social participation studies. It allows one point for membership, two points for attendance, three points for paying dues or donations to an organization, four points for committee membership, and five points for office holding. The total number of points devised in this manner yield an individual's participation score.

mer group belonged, on an average, to 4.9 different formal organizations; the latter group belonged, on an average to 3.5.[8] Only three families out of the 106 reporting belonged to no organization at all. One of these operated under a family partnership arrangement; the other two operated as tenants.

Membership in an organization may be evidence of identification with community but it is possible to have membership and yet remain practically uninfluenced by such, due to lack of attendance or participation. Such inactivity was found to be true here. In this study the approach was with the family as a unit. In enumerating the organizations in which families participated, each organization was counted in which at least one member of the family 10 years of age or older maintained membership. Families receiving a score of 15 or more on the Chapin scale were classified as "active" participants and those with less than 15 "inactive" or "low" participants. The average score received by actives was 29.4; that of the inactives was 7.8. Most families participated in fewer organizations through attendance, activity on committees and through program participation than through either membership or the payment of dues to organizations or both.

Husbands were more active participants than wives. Of the 106 male interviewees, 27 were active on committees and 11 held one or more offices. Of the 106 female interviewees, 12 were active on committees and only nine held an office in one or more organizations. In each case where the wife was considered an active participant her husband was an active participant also. A review of the tenure status of active participants shows that each was representative of those having either owner, part-owner or partnership status according to the definitions used for the study. Furthermore, all were high school graduates and the majority had attended college.

Low participation was explained in a number of ways. The most frequent response given was the presence of small children in the home. Some gave lack of time, the inconvenient day or hours when meetings were scheduled, disinterest in certain program content, and fatiguing work at home. Evidence was such as to lead to the conclusion that

[8]By "formal" is meant those organizations that have officers, regular meetings and programs, as contrasted with "informal" where persons engage in such activities as picnics, card clubs, conversation or dancing. Belonging to a church is counted as an affiliation with a formal organization.

the majority of families would be interested in greater participation in formal organizational activity if they could free themselves from some of their more demanding responsibilities of home and farm. Findings relative to low participation in community organizations were similar to those reported in another study of young Ohio farm families.[9]

DISPOSABLE INCOME

The average disposable income received by families (gross cash receipts including gross farm income, labor earnings off the farm, any earnings on investments, gifts and inheritances and net borrowings less all curent expenditures for farm business operations, including interest payments, taxes and outlays for farm machinery and farm buildings)[10] from all sources for the year reported was approximately $3,400. This was supplemented by income in kind (farm furnished food[11] and housing[12]) valued, on the average, at $829.

Investments included improvements on housing and farm buildings if farms were owned, livestock and machinery purchases, any net principal payments over borrowings having to do with the farm business and the like. These are not to be confused with later reference to "direct savings" by family members such as social security payments,

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[9]Hillman, Christine H., Factors Influencing the Lives of a Group of Young Farm Families, Ohio Agricultural Experiment Station Bul. 750, 1954.

[10]Gross cash receipts as defined here is the same as that used in another study, "Family Cash Living and Other Outlays as Related to Gross Cash Receipts," by Ruth Crawford Freeman and Ruth E. Deacon, Bul. 614, University of Illinois Agricultural Experiment Station in cooperation with Cornell University Agricultural Experiment Station, 1957.

[11]Value of products used in the home are based on home management records kept by Ohio farm families, 1953, 1954, and 1955. Published data. Dollars Buy Ohio Farm Family Living for 1955: MM-135, Home Management, The Ohio Agricultural Extension Service, September 1956.

[12]Based on the relationship of tax valuations to market prices, it was estimated that the dwelling on the average farm had a value of approximately $4,800. One-tenth of this amount ($480) was assumed to be the annual rental value of the dwelling. The average dwelling in this sample would rent for considerably more than $480 a year in an urban location and its market value or cost to a family would also be relatively higher. With the increased ease of highway transportation and easy access to employment opportunities as well as the trend of urban families to locate in rural surroundings, the rental and purchase value of farm dwellings will undoubtedly tend to increase in amount, perhaps double or triple the valuation given here.

life insurance premiums on family members paid out of disposable cash income available for the year, or additions to bank savings accounts. If past savings were used, they were not included as a part of gross cash receipts or disposable income in order to balance outgo.

All schedules were tabulated on the basis of four disposable income classes: I. Under $2,000; II. $2,000-$2,999; III. $3,000-$3,999; IV. $4,000 or over. When classified according to this distribution, about 4 percent of the families had a disposable income of less than $2,000; 41 percent less than $3,000 but more than $2,000; 47 percent between $3,000 and $3,999; and 8 percent $4,000 or over. The median figure was $3,375.[13]

More than two-thirds of the owner operators and three-fifths of the tenant operators reported a disposable income for the year in excess of $3,000 (Table 3). The four families who reported an income of less than $2,000 were operating as tenants and were in the under 25 operator age grouping.

Only 48 percent of the families had received their total cash income for the year from the farm operated. Fifty-two percent of the operators had earned extra income from non-farm employment classified in order of frequency in construction jobs, transportation (trucking and as school bus operators), in selling, as mechanics and by assist-

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[13]The basis for calculation of costs and returns from farming was the same as that reported in a study, "Some Economic and Social Aspects of Part-Time Farming in Ohio," by W. A. Wayt, H. Russell Moore and Christine H. Hillman, Bul. 837, Ohio Agricultural Experiment Station, 1959.

a. Cash expenses: estimates were obtained from respondents on feed purchased, fertilizer and lime, hired labor and machine custom work. Other cash farm expenses were estimated on the basis of typical expenses of Ohio farm records at the following rates: seeds and plants, $2.00 per crop acre; gas and oil, $3.00 per crop acre (this was adjusted down because of the relatively large expenditures for machine custom work); building and fence repair, 2 percent of the estimated value of these improvements; machine repair, 4 percent of the estimated present value; taxes (property only) at 2 percent of the recorded tax valuation of real estate and the estimated tax valuation of personal property;insurance at the value of insurable property. The item, miscellaneous expense, is an estimate to cover all other incidental expenses associated with the farm business.

b. Interest charges: calculated at the going percent rate paid by operators to local banks, individuals, stores, etc.

c. Value of products sold: estimates of dollar amounts furnished by respondents so far as possible. When dollar amount was not given, the physical volume sold was valued at average farm prices.

TABLE 3.—Number and Percent of Farm Operators Reporting Amount of Disposable Cash Income Available for Family Living (1956) Classified By Tenure Status. (106 Records)

Tenure Status	Farm Operator Disposable Cash Income: Less than $2,000		$2,000-$2,999		$3,000-$3,999		Over $4,000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Owner (N=9)	—	—	3	33.3	5	55.5	1	11.2
Part-Owner (N=21)	—	—	9	42.9	8	38.0	4	19.0
Partnership (N=22)	—	—	13	59.0	8	36.4	1	4.5
Tenant (N=54	4	7.5	18	33.3	29	53.7	3	5.5
Total (N=106)	4	3.7	43	40.6	50	47.1	9	8.5

ing neighbors with farm work. In no case had any operator been employed for a period exceeding 100 days or of sufficient duration to qualify as a part-time farmer (100 or more days).

Twenty-three percent of the wives had been employed outside the home either part-time or full-time during the year in question. This percentage is lower than that reported for all farm women (United States Census 1950). It can be assumed, however, that the census figures cover all women of all age groups with and without children. With reference to those in this study, it may be restated that all were young and many the mothers of pre-school age children.

Operators reported several reasons for seeking non-farm employment. The majority gave either one or the other of the following two reasons: First, present acreage was not sufficiently large as to keep them fully employed through all seasons of the year; or, secondly, the type of farming engaged in was seasonal, thus leaving them comparatively free during certain parts of the year to accept off-farm employment. Wives, on the other hand, reported only one reason for working away from home: "to increase the family income."

FARMING OPERATION

Farms ranged in size from 80 to 428 acres. The average size operated by all tenure classes was 152.3 acres. Only 9.4 percent of the families operated less than 100 acres. The larger farms tended to be operated by tenants and by those in the over 30 years of age classification. Since most land in the area is well suited to agricultural use, sizes of farms reported approximated actual land use (Table 4).

TABLE 4.—Size of Farm Operated By Families and Classified By Tenure Status. (106 Records)

Acres	Family Tenure Status: Owner (N=9)	Part-Owner (N=21)	Partnership (N=22)	Tenant (N=54)
1-99	2	1	7	—
100-199	7	17	11	26
200-299	—	3	—	16
300-399	—	—	4	8
400 or more	—	—	—	4

Operators tended to follow the type or types of farming found to be most profitable in a specific locality and best adapted to the land. If livestock or livestock products were the major farming enterprise, the tendency was to concentrate on one or a few rather than several livestock enterprises. Approximately one-fourth of all operators specialized in dairying, cash crops only, and hogs (Table 5).

Analysis of acreages of specific crops harvested (corn, wheat, oats, soybeans, hay etc.) indicated that the operators participating in the study used about the same proportion of their land to these crops as did all farms in the area. Weighted average yields were approximately the same as those for all farms in the area as reported in Ohio Agricultural Statistics for the general period of time.

ESTIMATED NET WORTH

Families were asked to consider their various types of assets and debts and to determine how much they would have left if they were to sell or cash in on all possessions. For the purpose of assisting families in this effort, special materials were prepared covering the average prices being received in that section of the state for real estate, livestock, used machinery, passenger automobiles and trucks, household furnishings and other items which might be owned.[14] Special inventory sheets were also provided to help in the calculations.

Three of the families reported that debts presently owed were greater than their assets (Table 6). Each of these families had borrowed money in order to invest in either livestock or machinery or both

[14]Bankers, auctioneers, County Agricultural Extension leaders, and numerous elected county officials assisted in the compilation of these figures.

TABLE 5.—Major Types of Farming Enterprises Engaged in By 106 Farm Operators By Tenure Status.

Type of Farming Engaged In	Farm Operators: Tenure Class: Owner (N=9)	Part-Owner (N=21)	Partnership (N=22)	Tenant (N=54)	Totals: Total	Percent
Specialized*						
Dairy	2	5	8	11	26	24.5
Beef	—	—	2	4	6	5.7
Hog	1	3	4	4	12	11.3
Sheep	—	—	—	3	3	2.8
Poultry	—	1	1	—	2	1.9
Cash Crop	—	2	3	8	13	12.3
Cash Crop-Dairy	2	4	3	9	18	17.0
Cash Crop-Beef	—	—	—	3	3	2.8
Cash Crop-Hog	1	1	—	2	4	3.7
Cash Crop-Poultry	1	—	—	—	1	.9
Dairy-Cash Crop	—	2	1	2	5	4.7
Dairy-Hog	—	—	—	2	2	1.9
Hog-Beef	—	—	—	1	1	.9
General**	2	3	—	5	10	9.5
Total	9	21	22	54	106	100.0

*"Specialized" production indicates 75 percent or more of the total sales resulted from that enterprise alone.

Crop sales (corn, wheat, oats, soybeans, hay etc.) made up 75 percent or more of the total farm product sales.

The first enterprise listed accounted for more than 50 percent of the total sales with the second item listed second in importance.

**No two enterprises representing 50 percent of the total farm product sales.

with which to get better established in farming. Two families who later suffered illnesses without benefit of hospitalization or other types of health insurance, had been unable to utilize their investment to a maximum degree, and had experienced severe financial reverses as the result. The third family operating under a partnership arrangement with a parent, had borrowed heavily for purposes of investing in farm machinery and believed that it was merely a matter of another crop year until they would show gains of assets over debts. Since the indebtedness was owed to a parent who was asking a minimum rate of interest in return for the loan, the young family was not too concerned about the situation.

TABLE 6.—Estimated Net Worth of 106 Farm Families at Close of Year, 1956 Classified By Operator Tenure Status. (106 Records)*

Estimated Net Worth (Dollars)	Tenure Status				Totals	
	Owner (N=9)	Part-Owner (N=21)	Partnership (N=22)	Tenant (N=54)	Number	Percent
Debts Greater than Assets	—	—	1	2	3	2.8
1,000- 2,999	—	4	1	1	6	5.6
3,000- 4,999	2	2	3	9	15	14.2
5,000- 6,999	4	3	11	3	21	20.0
7,000- 8,999	—	2	2	12	16	15.0
9,000-10,999	1	—	3	10	15	13.2
11,000-12,999	—	6	1	9	16	15.0
13,000-14,999	1	2	—	3	6	5.6
15,000 and over	1	2	5	—	8	7.5

*Estimated net worth was calculated at present value of farm real estate and farm and home chattels including livestock, machinery, automobiles, and durable household goods, savings in bank, face value of life insurance policies, and the like, less size of real estate debts, chattel debts and any other amounts presently owed.

Thirty of the families or approximately 28 percent of the total group reported a net worth of more than $11,000. The average net worth for the 103 families reporting assets greater than debts was $8,368.

Families generally had been adequately financed as beginning farmers. The father-son arrangement had played an important part in this. Fathers of a number had extended cash or credit on a personal loan basis or had cosigned bank notes with sons. Three of the owner operators had secured nearly all capital for the purchase of the farm through the Farmers Home Administration of the U. S. Department of Agriculture. With others, the principal source of assistance was income received from the Veterans Administration during the time the operator was enrolled in the farm program. This income had helped to release farm earnings for investment in livestock and machinery and had aided the recipients to build up their net worth.

In the field of production loans, the local bank had played an important part. For livestock purchases and current operating expenses the loans were being used to supply a considerable amount of the credit needed. The other primary credit sources were relatives, friends, dealers and agents.

Operators were not in agreement as to the best ways to build net worth or to get ahead financially. Some believed that it was better to achieve ownership status as soon as possible even though acreage owned might be small. This, they felt, was the most secure way to increase net worth. Others suggested that it was best to retain a tenant relationship as long as possible and build up adequate working capital with which it would be possible to bargain with a greater advantage. With this approach, it might be argued that success or failure may depend upon the conditions of the landlord-tenant relationship and credit facilities, as well as saving facilities, both used and available.

Regardless of the method used to build net worth, the majority of operators had started farming with a relatively small capital base. Some were making greater progress than others. The younger families looked to the longer established ones as examples and to the future as farmers with optimism. For a majority in this study it was fairly obvious that farming was not only a way of providing for family living but "a way of life" which they found satisfactory.

EXPENDITURES FOR FAMILY LIVING

For the purpose of classifying expenditures for family living, all items purchased, services received and amounts set aside for protection or future use were considered as capable of being categorized under one of ten major groups or headings. These were (1) Food, (2) Clothing, (3) Housing, Maintenance and Furnishings, (4) Operating Expenses, (5) Transportation, (6) Health, (7) Recreation and Education, (8) Gifts and Contributions, (9) Direct Savings, and (10) Miscellaneous.

The writer appreciates the difficulties in attempting a classification acceptable to others working in this area, or comparable with other studies. Household expenditures for food and clothing appear to be the only ones which may be easily and satisfactorily compared. Other expenditures are more subject to individual desires, relative to classification. The only comparison of findings with those of other studies is that of one subdivision with another. Few studies, however, have been made with sufficient detail as to permit such comparisons; that is, the expenditures for fuel, electricity, telephone, or home cleaning supplies may be compared with other such items in such subdivisions, but the expenses recorded in main divisions, such as "operating expenses," may not be comparable with the same main divisions in another study. Recreational expenses in one study, for example, may include automobile, books, magazines, and personal supplies, while in another these might be recorded separately in one study and grouped in another.

The classification of expenditures as referred to in this study was arrived at after considerable consultation with young farm families in a pilot study immediately preceding the one being reported. Couples made numerous and valuable suggestions. Many indicated that it was virtually impossible to secure an account book which covered income and expenditures in a manner completely satisfactory to them. Most of the families had found it necessary to devise their own classifications and in many respects these bore little resemblance to those in use by other couples. It was with the assistance of these couples that the expenditure classifications and major subdivisions of major classifications were arrived at and were used by the 106 families participating in the current study. The expenditure classifications are as follows:

EXPENDITURE CLASSIFICATIONS

I. FOOD
   1. Purchased for preparation and serving at home
   2. Eaten away from home
   3. School and work lunches
   4. Costs of food grown at home (garden seeds, sprays, etc.)

II. CLOTHING
   1. Ready-made garments (including shoes, hats, gloves)
   2. Sewing supplies
   3. Dry cleaning and dry cleaning supplies at home
   4. Shoe repair
   5. Alterations
   6. Jewelry, luggage, purses, scarves
   7. Other

III. OPERATING EXPENSES
   1. Fuel for health and cooking
   2. Telephone
   3. Electricity
   4. Insurance on home and household furnishings
   5. Household services
      a. Hired help
      b. Laundry and dry cleaning of household items
      c. Repairs and upkeep of household equipment and furnishings (includes television and radio)
   6. Equipment necessary to the operation of the home, as for example, iron board, an iron, washing machine
   7. Household supplies
      a. Cleaning
      b. Preparation and serving food
      c. Laundry
      d. Sewing
      e. Other

8. Personal supplies
    a. Toilet articles
    b. Haircuts, permanents
    c. Tobacco
9. Stamps, stationery and telegrams
10. Other

IV. HEALTH
1. Care of the sick
2. Dentist
3. Oculist and eyeglasses
4. Medicine and medical supplies
5. Doctor
6. Hospital, Insurance (health and accident)
7. Nurse
8. Other

V. TRANSPORTATION
1. Automobile (home share)
    a. Depreciation
    b. Payments and interest
    c. Upkeep
    d. Insurance
2. Bus services, cab fares, train and plane fares
3. Parking fees
4. Other

VI. HOUSING, HOUSING MAINTENANCE AND LARGE FURNISHINGS
1. Rent (if paid)
2. Repair and upkeep (screens, wallpaper, paint)
3. Large items such as rugs, bedroom furniture, dining and living room furniture
4. Other

VII. RECREATION AND EDUCATION
1. Movies, plays, fairs, recordings
2. Excursions, vacations, trips for pleasure
3. Short courses
4. Newspapers, magazines, books
5. Children's school supplies
6. Musical instruments and lessons
7. Dance lessons
8. Equipment
    a. Bicycles, sleds, toys, pets, games
    b. Athletic supplies
9. Other

VIII. GIFTS, CONTRIBUTIONS AND DUES
1. Church
2. Lodge, Farm Bureau, Grange, etc.
3. Community drives
4. Organizations

5. Floral offerings
6. Birthdays, anniversaries, Christmas
7. Other

IX. DIRECT SAVINGS
1. Bank accounts
2. Life insurance annuities
3. Social Security
4. Other

X. MISCELLANEOUS
1. Children's allowances
2. Other

Regardless of the sincerity of their intent or the need for families to keep more accurate records of expenditures, the writer believes that it is almost impossible to manage a home and the care of children and at the same time record each family purchase in the detail which the preceding subdivisions assume. Families who cooperated in this study were of the same opinion. The wives, who undertook the major responsibility for entering items of expense in the account books indicated, however, that they had made every effort to keep to the major and subdivision classifications. Allowing, therefore, for the margin of human error, the expenditures of 106 young Ohio families are herewith presented.

FOOD

Under this heading was included each of the items contained in the foregoing classification. The following items were not included, namely: (1) food locker rent, (2) the maintenance and cost of operating either a home freezer or refrigerator, (3) utensils, tools and equipment necessary to the home production or preservation of food, and (4) the cost involved in producing farm-furnished products such as milk, eggs and meat. The first three of the items indicated were classified under the heading "operating expenses." Farm furnished meat, dairy and poultry products were reported as income in kind. Received without direct expenditure, the cost of making these available to the family was considered a farm expense and, on the average, amounted to approximately $350 a year per family. Amounts of farm supplied food ranged in value from $25 to more than $600. Excluding farm products valued at whatever amount, expenditures for food was a major item in the budget of all families.

Food costs exceeded any other family living item. The group reporting incomes of $2,999 or less spent, on the average, a higher proportion of their income for food than did those with incomes in excess of $3,000.

The percentage of disposable cash income spent for food by all families in each of the income categories is shown in Table 7. Here it will be observed that families in the over $4,000 income category reported 25 percent of their cash income spent for food whereas those in the less than $2,000 category spent 39.1 percent of their income in this manner. It is interesting to note that the average per capita costs ranged from $278 in families with the larger incomes to an average of $190 in families with the lower incomes.

TABLE 7.—Expenditures for Food, 106 Ohio Farm Families, 1956 Average Annual Costs, Average Per Capita Costs, and the Percentage of Income Expended By Families in Each of Four Selected Disposable Cash Income Groupings.

			Expenditures for Food		
Income Class	Families in the Group (Number)	Average Size of Families (Number)	Average Annual Cost (Dollars)*	Average Per Capita Cost Per Family (Dollars)*	Percentage Cash Income Expended Per Average Family Percent
Less Than $2,000	4	3.9	741.	190.	39.1
$2,000-$2,999	43	4.7	878.	187.	35.1
$3,000-$3,999	50	4.8	1,003.	208.	28.9
$4,000 and over	9	5.1	1,418.	278.	25.0

*Dollar figures have been rounded to the nearest whole number.

Many factors influenced the percentage of disposable income spent for food. The age distribution of family members differed; the kinds and amounts of farm produced food consumed varied among families; their habits and attitudes relative to food use was also a variable. As family members increased in number up to four, total expenditures in each of the income classes increased. When there were five or more family members, relatively little more was spent in proportion to the increase in number. The fact that families with the larger number of children tended to use more farm produced food and that they were the elder and more firmly established families influenced this figure.

An explanation of some of the practices and attitudes of families with reference to food is in order. Approximately 67 percent of the group purchased all milk and milk products consumed. This does not mean that milk cows were not on farms. In the words of one interviewee, "We operate a dairy but it's simpler to sell all raw milk and buy in return from the retail delivery which covers this route." Others specialized in grain or other livestock and did not bother with a cow or cows. Those families who purchased milk consumed a per capita average of slightly less than one gallon per week. Those who had their own supply had an average consumption of 1.2 gallons per capita per week. All families purchased butter or margarine. Butter was never made in the homes.

Only 38 percent of the families had their own farm produced supply of poultry or poultry products. Operators indicated that it cost more to maintain a poultry flock for this purpose than it cost to purchase the amount consumed by the family during the year. Records would indicate that eggs and poultry were not neglected items in family diets. Of those families purchasing their entire supply of eggs, there was an average per capita consumption of six eggs a week.

Few families grew potatoes. Again it was reasoned that the amount of care needed to merit a good crop, expense involved and the uncertainty of product was not worth the investment of time, energy and money. The analysis of records of foods purchased showed that most families consumed about 10 1/3 pounds of Irish potatoes a week. Sweet potatoes or yams were rarely purchased.

Smaller families relied very little on a home garden for the major supply of fresh vegetables during the summer months. Neither did they do home freezing of fruits and vegetables to any extent. Most homemakers stated that it was less expensive to purchase what they wanted from roadside markets and in grocery stores and supermarkets. This, they felt, eliminated the cost of seed, tools, fertilizer and sprays, the uncertainty of the season and the problem of who was to do the work involved.[15] On the other hand, there were families, usually the larger ones, who had as much as an acre of land in vegetables and small fruits and who canned, preserved and froze much of that consumed in this category throughout the year.

Inquiry relative to the use of green vegetables in the diet during the 12 months of study revealed that those who depended on the mar-

[15]Wives frequently referred to the amount of responsibility assumed in connection with the farm operation as a factor influencing their interest in a home garden. In about one-third of the cases the wife reported that she had spent as much as 40 hours a week on tasks directly farm related. Furthermore, a large number of the operators referred to the home garden as being the "wife's work." In this matter there appeared to be some differences of opinion between husbands and wives.

ket for the major source of their vegetable and fruit supply more generally included these in their daily diets than did those who relied on a home garden supply. For example, of the 106 families reporting, 61 percent stated that they served a green vegetable daily, 14 percent said "frequently", 18 percent said "occasionally" and 7 percent reported that their families did not care particularly for green vegetables and thus they were rarely included in meals served.[16] All who reported the use of a green vegetable daily relied on the market for their major supply throughout the year.

Green vegetables grown in home gardens in descending order of frequency were as follows: beans, peppers, peas, spring lettuce, cabbage and brussels sprouts. The most frequently grown items regardless of color classification in decending order of frequency were tomatoes, beets, peppers, radishes, spring lettuce, corn, carrots, cabbage and beans.

Only 52 percent of the total group reported that they served a citrus fruit daily. Thirty-two percent said that they served a citrus fiuit "frequently", and 16 percent said "occasionally". Homemakers with school-age children stated that children usually had a citrus fruit served in connection with a lunch at school and that this met their daily reguirements.

Meat including beef, pork, and some lamb was the item of food most generally farm produced. This was the one item believed by operators to be a real savings insofar as home production was concerned. Approximately 63 percent of the group reported having secured the major proportion of that consumed by the family in this manner. Other families purchased beef and pork or both in large quantities from neighborhood slaughter houses at savings over prices asked in retail meat markets. Meat was stored either in rented food lockers or in home freezers. Records would indicate that all families served meat in some form two or three times daily.

Fresh and canned fish and luncheon meats, including weiners, were purchased by a large proportion of families in each of the income classifications. Families using quantities of home-produced meats used almost as much of the purchased meat in this category as did families with lower values of home-produced meat. Families spent, on an average, $1.42 a week on fish and this type of meat product.

[16]Terms as here used were interpreted by families as follows: (a) daily—served seven days a week; (b) frequently—served at least four days a week; (c) occasionally—served less than four days a week but at least two days a week; (d) rarely—served less than one day a week.

Eleven of the 106 homemakers regularly baked bread and rolls. Generally, the amount spent for bakery-produced bread was fairly high, ranging from $1.75 a week to slightly under $5.00.

Prepared mixes were used by most homemakers for the making of cakes, waffles, pancakes and pie crusts. These foods appeared to be a regular part of the diet of approximately 80 percent of the families in the study. The amount spent for breakfast cereals ranged from about 30 cents weekly to $1.37.

School lunches and lunches for those working away from home did not greatly influence the total cost of food over any period of time. Usually both groups carried the major part of their lunch from foods available at home. Seventy-two percent of children who were in school supplemented the lunch they carried with milk or other drink and a hot dish, usually soup, purchased at school. Operators and their wives if working away from home rarely supplemented the lunch carried, only 15 percent and 8 percent respectively doing so.

The cost of food consumed away from home but not included as an expenditure related to work or school lunches was an item of considerable expense to most families. Sixty percent of the group indicated that it was difficult to classify these costs. The question was "Should these expenditures be classified under recreation or should they be recorded under food?" For example, the family decides to stop for hamburgers and milkshakes after a trip to the market. The total cost may amount to as much as $5.00 and be incurred at a time when the outing was viewed as a necessity and as recreation. Where is the expense recorded? In trying to cope with this problem families recorded on the basis of "the reason of origin" insofar as the trip was concerned. If food eaten out was in connection with a trip to the county fair or in celebration of a birthday or anniversary, the cost was entered under recreation. If it was eaten as an in between snack at a restaurant after a trip to market, or merely as a p i c k u p during a trip to town, the amount was entered under food expenditures. These expenditures ranged in amounts from $35 to over $100 for the year. The average family spent about $69 in this manner during the period of study.

It should be mentioned that no family reported the use of charge accounts or other forms of credit in the purchase of food for the year. All stated that food was the one item connected with family living for which they always paid cash. About one-half of the families reported that they had tried to purchase foods as conservatively as possible but that in their opinion their dietary needs may have suffered. There appeared to be no lack of information as to foods needed in the daily diet if minimum requirements were to be met.

In concluding this section, the findings would indicate that many young farm families need to give greater attention to factors influencing their expenditures for food. For those with limited cash to spend it would seem that greater knowledge and research is needed relative to the costs of home production of food as compared with that purchased. It would seem, too, that more research is needed relative to the value in dollars and cents related to the responsibility assumed by wives in connection with farm work as contrasted with that which might be derived from more time spent in home gardens, in the preservation of greater amounts of home produced food, and in the preparation of less expensive or already prepared foods for the family. These are general observations. It would be unfair to the many families who appear to have worked out these details to their satisfaction to infer that these conclusions are inclusive for all concerned.

CLOTHING[17]

The average amount spent for items related to the clothing of family members during the year of study was $403 or approximately 11.5 percent of the average cash disposable income reported by all families for that year. Expenditures by individual families ranged from $198 to $638. Average expenditure by income class is shown in Figure 1. Families with incomes under $2,000 spent, on an average, $238 or 12.5 percent of their income on such items; families with incomes between $2,000-$2,999 averaged $289 or 11.5 percent. Fifty families reporting incomes between $3,000 and $3,999 spent, on an average, $428 or approximately 12 percent of their income on these items. Nine families with incomes of $4,000 or over spent, on an average, $529 or slightly more than 9 percent of their incomes in this manner.

Clothing costs per capita averaged $49 in families with less than a $2,000 cash income; $71 in families with incomes of $2,000-$2,999; $91 in families with incomes of $3,000-$3,999; and $115 in families reporting incomes of $4,000 or over.

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[17]Much of the material relative to the expenditures for items of clothing by families in this study has been reported in a preliminary publication, Clothing Expenditures and Practices of Young Ohio Farm Families, The Ohio Agricultural Experiment Station Res. Circular, No. 70, 10-59-5M, by Christine H. Hillman.

As children increased in number up to four, total expenditures for clothing increased. When there were five or more children, families spent just about the same or relatively little more than families with four children. Average expenditures by families with one, two, three, and four children increased in steps of $52, $79, and $93 respectively. Those having five or more children increased on an average only $8 beyond the $93 figure.

Factors which appeared to influence amounts spent by families of larger size were whether children were of the same sex and could wear hand downs or near enough in age to use larger items of clothing such as snow suits, raincoats and overshoes outgrown by older children.

Spending for wearing apparel and upkeep in terms of total disposable income tended to decrease as family size increased except in fami-

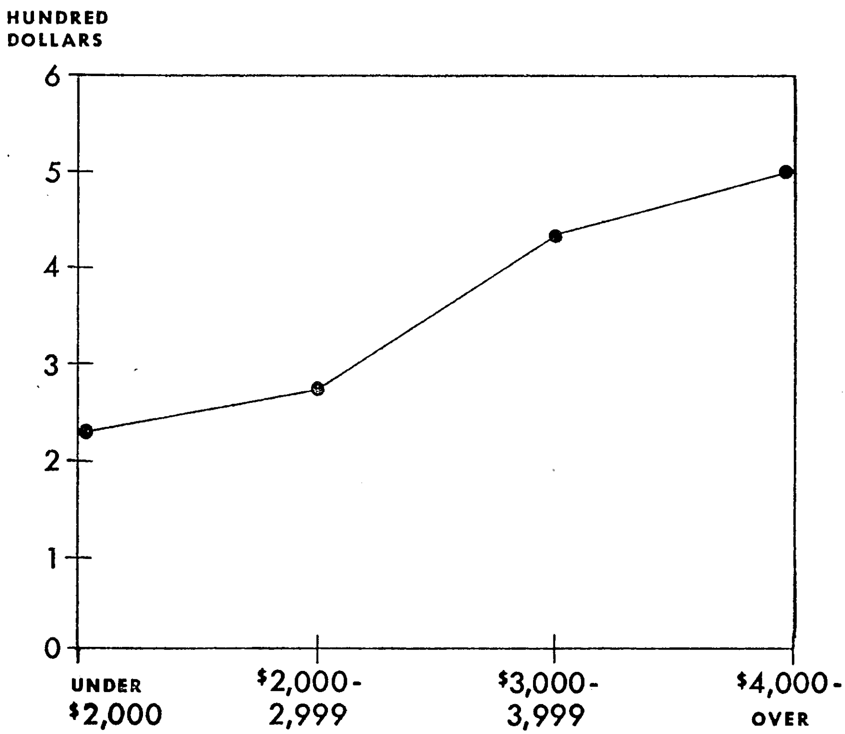

Fig. 1.—Average expenditures for the purchase and upkeep of family clothing by income class (106 records).

lies with incomes over $4,000. In cases where there were no children, as was true with six couples, husband and wife spent considerably more on wearing apparel than did those couples with children. In the income classifications below $2,999 men and women spent approximately the same for clothing in homes where there were children regardless of the number and ages of children. In the two higher income classifications wives spent more than did their husbands.

Wives who worked outside the home did not report expenditures in excess of those who were non-employed. The small number reporting and the wide distribution of those working within each income classification and the broad representation among the sizes and ages of family groupings made this a difficult point on which to arrive at general conclusions. If more meaningful conclusions were possible, inventories of clothing and expenses should be kept over a period exceeding one year. Factors influencing total expenditures during the year in question were influenced by the free time of the homemaker at home, the homemaker's ability to sew and care for her clothing, and garments available and facilities for care in the home at the beginning of the year of study.

Only a small portion of the clothing worn by families appeared to be made in the home. Homemakers constructed few new garments and when they did sew were more likely to make clothes for children and their husbands than for themselves. Forty-two percent stated that in their opinion it was cheaper to buy clothes already made. Fifty-six percent indicated that they did not know enough about garment construction and proper fitting to get a finished appearance on garments made in the home (Figure 2).

Ninety-three percent of the homemakers owned sewing machines. The use of these during the year was as follows: 52 percent had used them for mending, 43 percent for making new garments, 57 percent for altering clothes, and 64 percent for making household items such as curtains. Women in the two higher levels of income groups used their machines more frequently than did those in the two lower income groups; those with an increased amount of schooling more than those with less schooling. These data may be of little importance since those with higher incomes may have had more money to spend on what the majority of women termed "the trial and error of learning to sew" and expense involved when garments proved to be unsatisfactory.

Most homemakers wanted to improve upon their present practices relative to the purchase and maintenance of family wearing apparel.

The majority felt that they were not presently receiving either fullest satisfaction or adequate returns from amounts spent. Approximately one-third of the homemakers reported that they could save a considerable sum of money each year if they could learn to do a better job of constructing garments at home. In connection with problems, they expressed the need for greater information and guidance.

Gifts of clothing supplemented the wardrobes of about 73 percent of the families. The average value of gifts acquired raised the dollar value of clothing purchased by families approximately $20 for the year.

Various methods were used to pay for clothing purchased. Records show that payments of cash, monthly charge accounts, layaway plans and budget charge accounts were each used.

Families with cash incomes over $4,000 reported the use of monthly charge accounts more frequently than did those at any other income level; those with cash incomes of less than $2,000 more frequently used the lay away plan. Families in the two lower levels of income groups most frequently reported membership in clothing clubs; budget charge accounts were equally distributed among families of all income levels.

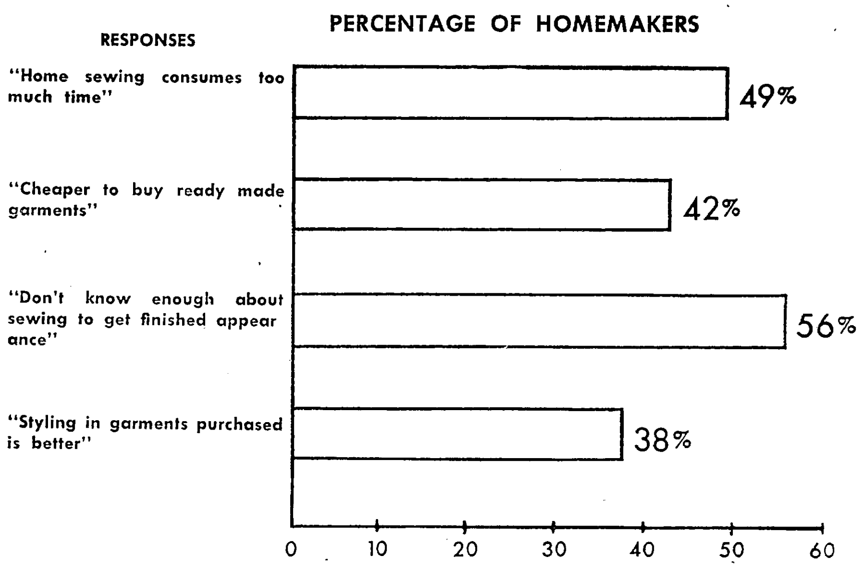

Fig. 2.—Percentage of homemakers giving certain responses to the question "Why don't you do more home sewing?"

OPERATING EXPENSES

The average amount spent per family for operating expenditures was $439.87 or approximately 13 percent of the average disposable cash income reported. Of this amount, electricity averaged $97.43; fuel $92.75; insurance on home and household furnishings $17.36; telephone $48.92; household services $22.25; equipment for operating the home $39.05; household supplies $47.89; personal supplies $59.07; stamps, stationery, telegrams and other items $15.15 (Table 8). Further analysis shows that electricity (22.1 percent), fuel (21 percent), and telephone (11.1 percent), accounted for more than one-half (54.2 percent) of the total operating expense.

TABLE 8.—Average Household Operating Expenditures of 106 Ohio Farm Families: Amount and Distribution By Items.

Items	Average Expenditure Per Family (Dollars)	Portion of Operation Expenditure (Percent)	Portion of Total Expenditure (Percent)
Fuel	92.75	21.0	2.7
Electricity	97.43	22.1	2.8
Telephone	48.92	11.1	1.5
Household Services	22.25	5.4	.6
Household Supplies	47.89	10.8	1.4
Insurance (Home and Furnishings)	17.36	4.0	.5
Operating Equipment	39.05	8.8	1.3
Personal Supplies and Services	59.07	13.4	1.7
Stamps, Stationery and Other	15.15	3.4	.5
Total	439.87	100.0	13.0

Household services, 5.4 percent, household supplies, 10.8 percent, and equipment, 8.8 percent, made up one-fourth, or 25 percent, and the three remaining items made up 20.8 percent of the total operating expense.

Of the latter items, personal services comprised 13.4 percent of the expenditures; insurance on home and household furnishings 4.0 percent; and stamps, stationery and other items 3.4 percent.

The cost of operating the household varied among families, there being a wide range of expenditures for the several individual items. Expenditures varied with family size and income. As the size of the family increased total expenditures increased, and as income increased, expenditures increased both in total amount and by per capita expenditure (Table 9).

For families reporting cash incomes below $2,000, annual expenditures averaged $223 per household or an average per capita expenditure of $55.75. In families reporting cash incomes over $4,000 for the year, expenditures averaged $724 or a per capita average of approximately $141.

TABLE 9.—Household Operating Expenditures By Income Class. (106 Records)

Income Class	Families in the Group (Number)	Average Size of Families (Number)	Average Annual Cost (Dollars)*	Average Per Capita Cost Per Family (Dollars)*	Percentage Cash Income Expended Per Average Family Percent
Less Than $2,000	4	3.9	223.	55.	11.7
$2,000-$2,999	43	4.7	317.	67.	12.6
$3,000-$3,999	50	4.8	492.	102.	14.0
$4,000 and Over	9	5.1	724.	141.	12.7

*Dollar figures have been rounded to the nearest whole number.

Fuel for heating the home was an item of considerable expense common to all families. The use of oil-burning heaters was noted at all income levels. The value of farm furnished materials for heating was a negligible item. Electricity was a common and also much more costly item to some families, especially those in the upper income classifications. Fuel and electricity had some correlation to size of house lived in; that is, as the number of rooms used increased, expenditures increased. Families with greater cash at their disposal used more rooms during winter months when both fuel and increased amounts of electricity might be considered items of greater expense.

Less than two percent of the families sent laundry out and only rarely did families report expenses relative to the use of hired help.

Expenditures which appeared to differentiate among those in the higher and lower cash income brackets were: amounts spent on personal supplies and services; the amounts spent on items which would appear to be experimental, such as the use of new kinds of cleaning materials on the market; the degree to which families carried insurance on either home or home furnishings or both; and the amounts spent both in the purchase and upkeep of general operating equipment for the home.

There appeared to be little question but that many homemakers were doing an outstanding job of operating their homes at a minimum cost. Their efforts at conserving overhead expenses by "making do" with what they could devise from materials surrounding them, by watching sales, buying in quantity, and knowledge of where and how to lower expenditures was an indication of their interest and the particular challenge of this phase of homemaking activity.

HEALTH

In the analysis of expenditures related to the maintenance of health and physical well-being, families tended to spend a minimum amount of their income for items contained under this heading. This is important in view of the number of items in the category: the number of children involved, (278); the average size of family, (4.7); and the number of wives who were pregnant and perhaps in need of regular medical check-ups.

The average amount spent by all families was $296.80 or approximately 8.7 percent of the average disposable cash income reported by all families. Expenditures by individual families ranged form $95 to $529. As the availability of cash increased, families tended to spend more on health but the percentage of income devoted to these expenditures did not necessarily increase in relation to total cash income available. For example, of the four income groupings, those with incomes of less than $2,000 expended an average of $190 or approximately 10 percent of their cash income in this manner, whereas those reporting incomes of more than $4,000 spent only $348 or approximately 6 percent of their total income for items in this category (Table 10).

An attempt to divide expenditures among the different items such as care of the sick, oculist, nurse and the like was not wholly satisfactory. Expenditures were often recorded just as medicine, the doctor, or simply drug store. For example, one family might enter in the account book merely "medicine" and another might break the purchase down into items such as ointments, liniments, adhesive tape, absorbent cotton, laxatives, or simply "prescription for Mary". Families were frequently unable to recall with the interviewer the exact nature of many of the entries. In some cases the account keeper could tell exactly for whom and for what the expenditure was intended, and in other cases it was not possible to make a distinction.

TABLE 10.—Expenditures for Items Relative to the Maintenance of Health and Physical Well-Being of 106 Ohio Farm Families Classified By Income Class, 1956.

Income Class	Families in the Group (Number)	Average Size of Families (Number)	Expenditures for Health and Physical Well-Being: Average Annual Cost (Dollars)*	Average Per Capita Cost Per Family (Dollars)*	Percentage Cash Income Expended Per Average Family (Percent)
Less Than $2,000	4	3.9	190.	48.	10.0
$2,000-$2,999	43	4.7	275.	58.	11.0
$3,000-$3,999	50	4.8	315.	65.	9.0
$4,000 and Over	9	5.1	348.	68.	6.0

*Dollar figures have been rounded to the nearest whole number.

Eighty-three of the 106 families reported some expenditure for a doctor and 41 reported expenditures for a dentist. The total expenditures for the dentist amounted to $897.90 or an average of $21.90 spent by each of the 41 families who reported seeing a dentist during the year of study.

The amount spent for an oculist appeared to increase as expenditures increased. Fifty-two of the families reported sums totaling $741 or an average of $14.25 per family.

No family reported the use of a paid nurse. In event of illness persons were usually cared for by other immediate family members or by a relative who offered the service voluntarily.

Accident and health insurance, including both individual policies and group plans such as hospitalization, was carried by 87 families. There appeared to be wide variation in the protection afforded. Many families relied entirely on limited policies obtained through subscription to publications at a premium cost of only a few dollars yearly; others carried more expensive coverage with premiums ranging up to $200 a year. The coverage afforded by these policies ranged from a specific type of accident protection only to comprehensive coverage against major periods of disability. Rather extensive coverage was carried by 37 of the families as follows: 9 reported paying annual premiums ranging between $175 and $200; 21 between $125 and $175; and 7 between $100 and $125. Fifteen of the 87 families stated that they had collected benefits during the past year. In some instances the coverage had proven adequate to meet the financial cost of the disability, in other instances the benefits had been found inadequate.

There was little relationship between the years of schooling of the farm operator and his wife and expenditures in this category, or between available income and tenure status of families.

As income rose, the amount spent increased, regardless of family composition, and with but one exception the percentages of total expenditures claimed by it tended to decrease.

TRANSPORTATION

Central Ohio farm families strongly depend upon the automobile for transportation. All families in this study possessed at least one passenger car and 48 percent possessed a farm truck in addition. If a passenger car or truck were used both for the family and for farm business, expenditures for operation were divided between family and farm expenses, according to the family's estimate of use. The original price of the passenger car by all families was, as a rule, included under family expenditures, while the purchase of a truck was counted as a farm expense.

The average automobile expense, including either purchase and payments or both made during the year, ranked among those items of largest expense relative to family living. Though the value of vehicles varied, costs of maintenance were a factor influencing total family expenditure. All families carried insurance, however, the type of coverage carried influenced premium payments. Used cars were more frequently purchased than were new ones, and the majority were being paid for on a monthly payment basis.

Expense for transportation other than the use of the family car was reported by about 37 percent of the families. This included payments for "share-the-ride" costs to and from work, some public carrier transportation, the school bus, and the like.

There were, of course, considerable variations among families. Some of those in the younger age group used cars owned by parents for longer trips, or were able to ride with parents to shopping centers, on vacations and other trips and thus save on total expenditures.

The average amount expended by all families was $393 or more than 11 percent of the average family income reported. Expenditures ranged from $250 a year to $575. Families in the lowest income group, those under $2,000, spent an average of $279 or about 14.6 percent of their average annual income on items listed under transportation; those in the income group between $2,000-$2,999 averaged $288 or about 11.2 percent of the group's average annual income. Families in the $3,000-$3,999 group spent a higher proportion of their income for items listed in this category than any of the four income groups, averaging an expenditure of approximately $454 or about 12.9 percent of the average income reported by the group. The group in the over $4,000 category spent an average of $618 or 10.8 percent of their income in this area.

HOUSING, HOUSING MAINTENANCE, AND LARGE FURNISHINGS

For families engaged in farming, housing and housing maintenance is usually considered incidental to the farm business as a whole. Such expenses as insurance, interest on a mortgage and taxes are generally included in farm expense and deducted from gross receipts in arriving at net worth. When farms are rented, the house is most frequently included in the total rental cost of the farm and not as a separate entity. Repairs on houses, both exterior and interior, may be the only items entering into the total housing expense of owners and are considered the responsibility of the landlord when a farm is rented. Such items as a change of wallpaper or the painting and repair of certain parts of the interior for increasing livability or satisfaction with the house may be a cost shared by tenants or of total cost to them.

Occupancy has value, however, and is a factor in the non-money income or "privileges" associated with farm living. It will be recalled that the average value given to houses lived in by families was $480 but that this amount was not included as a part of cash income for the year. This accounts, in part, for the low expenditure of cash disposable income under housing and housing maintenance for the year. If farms were owned, payments made on the principal of mortgages and the amount spent on farm and house improvement, as distinct from repairs, were counted as investments. If farms were rented, any repairs or improvements made to houses lived in was considered an expense and recorded in that manner.

Thirty of the 106 families owned the houses in which they lived, and 76 were either tenants or farmed under some kind of partnership arrangement. None of the latter paid rent on houses, all occupying their homes as a part of their farming arrangement.

The average amount paid out for the repair and maintenance of houses lived in was small or so it would appear. This does not mean that efforts to maintain houses were not made but the work was usually done by the operators and at a minimum cost. All families reported having undertaken some repair and maintenance work. Costs ranged from $3.50 to $185. Owners spent more than did tenants and did more extensive repairs. The owners, 30, spent an average of $59 or a total of $1,770. The 76 tenants spent an average of $15 or a total of $1,140 on houses occupied. Families in the two lower income classes spent considerably less than did those in the two higher income groups. Families with two children or less spent more in the repair and maintenance of houses in which they lived than did those families with three or more children.

Expenditures for large furnishings were moderate for the average family. This might be explained by the fact that for a majority, these larger items had been purchased within recent years, and that couples who had been married for shorter periods of time still found their original purchases adequate. Certainly not every family, regardless of economic level, finds it necessary to purchase large items of furnishings every year or even every five years. The question can be raised as to what was considered "large furnishings" in this study. This was a term insisted upon by those who were in the pilot study and found adequate by those who participated in the actual account keeping.

Large furnishings included items pertaining to the living room, such as a sofa, lounge chair or a desk, or a bedroom suite, dining room suite, slip covers, electric blankets, floor coverings, and the like.

Neither the average amount spent for various items nor the number of families spending it was always in line with the economic classification of the family. The ease with which installment credit was obtained made it possible for many to budget payments over an extended period of time, and within their cash income potential for repayment. During the year in question, actual cash outlays by families ranged from $10 to $346.

In summary, when expenditures under this heading of housing, housing maintenance and large furnishings were considered in total, and when the 106 families were considered as a group, the average cash outlay amounted to $236.67 or 7 percent of the average disposable cash income reported by the group. Families in the lowest income group spent an average of only $30 or 1.6 percent of their average cash income on items in this classification. Families in the next income group, ($2,000-$2,999), spent an average of $128 or 5.1 percent of their cash income in this manner.

Expenditures increased as income increased. At the same time, a greater percentage of cash income was available for family living. Families in the $3,000-$3,999 income group spent an average of $290 or 8.3 percent of their total available cash; families in the over $4,000 income grouping spent on the average $550 or 9.6 percent for items under this heading.

RECREATION AND EDUCATION

This study classified as recreation those expenditures which primarily afford entertainment, amusement and relaxation both inside and outside the home. Included here are movies, concerts, lectures, trips and excursions, fairs, socials, picnics, dances and the like, as well as those which provide equipment for the purpose of family recreation such as a piano, radio, and athletic goods.

The term education was used to include all expenditures designed to be of educational value to all members of the family. Included were expenditures under elementary and high school, music lessons, dancing lessons, newspapers and magazines, and adult education. Expenditures for Agricultural Experiment Station field days, Agricultural Extension Service tours, special classes and books were grouped as adult education.

Families did not appear to seek or engage in expensive kinds of entertainment. When the cash income available was small, expenditures for recreation were reduced to a minimum. As the total amount of home expenditures increased, so did the amount for recreation. Fairs, community socials, picnics and movies formed a large share of the expenditures. Other recreational activities included baseball, basketball and football.

Even in the lowest economic group, all families had some expenditures for recreational and educational activity though it can be stated that those in the lower income groups appeared to spend only moderate amounts.

With but few exceptions families spent something for reading material, averaging around $15 yearly per family. When the amount spent was small the expenditure usually went for newspapers. Television sets were used both for recreation and education. No family reported the purchase of a new set during the year in question but a number replaced tubes and had other incidental expenses in connection with its operation.

Amounts spent under this heading of Recreation and Education ranged from $50 to $499 per family. The average ranged from $73 for the low income group to $454 for the highest economic group.

The percentage of cash income expended for recreation and education was 3.8 percent by the low income group; 1.5 percent by those in the $2,000-$2,999 income category; 3 percent by those families in the $3,000-$3,999 group; and 8 percent by those in the over $4,000 income classification.

GIFTS, CONTRIBUTIONS, AND DUES

Only a small percentage of total family income was spent for gifts, contributions, and dues. Amounts spent by individual families ranged from $35 to $418 for the year. The average spent by all families was $94.34 or approximately 2.8 percent of the average family disposable cash income reported.

The four families in the less than $2,000 income grouping averaged $51 in the total amount spent; the 43 families in the $2,000-$2,999 classification averaged $42; those in the $3,000-$3,999 income grouping of 50 families averaged $104; those in the over $4,000 income category of 9 families averaged $310.

In the order of ascendance from the lowest income group to the highest, the percentage of total income expended on items entered under this heading was as follows: (1) in the below $2,000 income class, 2.7 percent; (2) in the $2,000-$2,999 group, 1.6 percent (3) in the $3,000-$3,999 group, 3 percent; and (4) for those in the over $4,000 group, 5 percent.

As income increased, the cash expended increased but the percentage of income expended by the average family in each of the four income groups did not increase in proportion to total cash income reported.

Furthermore, the percentage of income devoted to items contained under this heading appeared low. Numerous reasons were given in explanation of the figures. The majority, 61 percent, stated that efforts to get ahead financially had resulted in their cutting expenses listed under this heading to a minimum. Also, gifts to immediate family members at Christmas and on birthdays, anniversaries and other occasions usually consisted of articles of wearing apparel or something for the home and the cost of these was entered in account books under those particular headings rather than under gifts.

The majority, 83 percent, of families were conscientious collectors of trading stamps. These were secured through the purchase of gasoline, drugs, groceries and other items. Most families reported that children's Christmas gifts and gifts to relatives were secured by redeeming books of stamps completed for the purpose. Then, certain types of stamps available in the localities where families resided could be turned over to religious and charitable organizations and redeemed by them for cash. These were saved with equal regularity by families and given, as a rule, to the church of their choice.

In summarizing expenditures reported for gifts, contributions and dues it appeared that a high percentage of the total amount entered in account books by families, 71 percent of the group, was used to meet church pledges and contributions to community drives. A fairly low percentage of the total amount expended was paid out in dues to lodges and other organized community group activity, as reported by 39 percent of the families. Families in the older age groups and those with more formal schooling reported greater expenditures in this area than did younger families or those with less formal education. There was little relationship between the number of children in families and the amount of expenditures reported.

DIRECT SAVINGS

Savings as defined here is intended to cover only the amount of money families invested during the year in life insurance premiums, in social security or other retirement funds, in regular savings accounts, bonds and the like. Savings did not cover improvement of homes or farms, the purchase of machinery and livestock, or loans paid off which were directly related to the farm business.

All families reported some assets of the above types at the end of the year but the percentage of cash income so invested was small. For the most part, savings as reported consisted of social security payments and life insurance premiums. The percentage of cash set aside by the 106 families averaged $278 or 8.2 percent of the average cash income reported. As income increased the amount of money set aside as savings increased. In the order of ascendancy from the lowest income group to the highest, the percentage of the average cash income reported as savings was 2.6 percent in the under $2,000 income group; 9 percent for those in the $2,000-$2,999 income group; 8.2 percent for those in the $3,000-$3,999 grouping, and 11.9 percent for families reporting cash incomes of over $4,000.

MISCELLANEOUS EXPENSES

There were a few unrelated items of expense which families were unable to classify as belonging under one or the other of the previous nine categories. As originally intended this category was set up to allow for this possibility. Found under the miscellaneous heading, therefore, were such items as allowances to children, bank service charges, legal fees, and, in one case, a cemetery lot. Other expenses reported in this category were plants for porch boxes or the yard, flower seeds, and Christmas trees and trimmings.

The average expenditures per family for items so classified was \$20.77 or .6 percent of the average annual cash income reported. Actual cash outlay ranged from \$3.75 to \$42. Allowances were rarely given to children. The fact that approximately 70 percent of the children in these families were under eight years of age may have influenced the figure.

SATISFACTIONS AND NEEDS

As stated in the beginning, investigators carrying out this study had a number of objectives in mind. Among these were hopes for identifying certain satisfactions of young farm families with respect to cash income available for family living, conditions influencing expenditures, and their perceived needs.

All families were interested in increasing income. They were limited mainly by productive assets. Regardless of the income group in which they were classified, most stated that they had lived on a minimum amount during the year in question. The majority of those in the three lower income classifications indicated it would be impossible to remain at present income level without lowering their standard of living. This they did not intend to do. They visualized as a partial solution to the problem either an increase in non-farm part-time employment of the operator or paid employment for the wife or both.

Families were interested in building greater equity in machinery, in livestock, and in land. This, it was believed, would help them secure their position as farmers and serve to increase income as well. In this connection, operators and their wives stated that some of their inability to get ahead more rapidly might be due to inefficiency to combine present capital and other resources. Where to place the emphasis in farming, livestock, cash grain, or general, was mentioned as an area where special advice was needed.

Ninety-six percent of the operators interviewed and 88 percent of the wives indicated farming to be the most satisfying occupation in life and their intentions to remain in farming if possible. Approximately 50 percent of the farmers had considered other occupations at one time or another. Farming as a "way of life," the intangible value of the farm home and the grounds around it, and as a "wonderful place" for children were given as reasons supporting the choice.

The majority, 89 percent, of the operators and their wives gave "security" or "independence" as primary goals in farming. Most viewed accumulation of farm property as the major component of security and the attainment of living standards desired.

In families at each of the different economic levels were found evidences of hardships experienced from either lack of knowledge relative to the need for planning or the tendency to circumvent the steps deemed important in wise decision making. This led to poor buying practices in many homes. Also, the use of consumer credit was frequently misunderstood and led to unwise choices by some who could least afford the results. There were evidences of hardships undergone by families from lack of planning for emergency expenditures. There seemed to be a need for better planning for medical care by most families.

Operators and their wives, 64 percent, were unanimous in their opinions that financial matters should not be left to drift but expressed the opinion that they needed assistance in making long-term plans. Most desired to give their children experience in making decisions relative to the use of money and the making of financial decisions, but felt unsure of their abilities to give guidance in this respect.

Husbands and wives expressed satisfaction with what had been gained through the keeping of income and expenditure records for the year of study. Most were unanimous in their opinions that they had learned to work together more cooperatively and to make joint decisions with greater ease as the result of the experience.

Expressed as a need was greater understanding of divisions within financial management and who should assume major responsibility for making the decisions; that is, what decisions can best be made by husband and wife together, by either independently, or by parents and children together.

Obviously, the available resources of families may differ but they frequently have similar goals to achieve. Findings would indicate that further research and study needs to be undertaken for the purpose of revealing the use of various resources at different income levels to meet similar problems.

SUMMARY

The purposes of this study were threefold: (1) to seek to identify the amount expended for family living as evidenced by itemized records kept by young Ohio farm families over a period of one year, (2) to gain insight into the interrelationships existing between income and expenditures as evidenced by records kept by families at different disposable cash income levels, and (3) to analyze some of the conditions influencing the allocation of money, levels of living and the future plans of families.

A total of 106 families residing in 3 selected counties located in Economic Area 3 of Ohio agreed to participate and to keep complete records of expenditures for family living over a period of one year (1956).

The average age of farm operators was 30.7 years; that of the wives 28.2 years. Couples had, on an average, been married 9.8 years. The formal schooling of both the operators and their wives was generally high, averaging approximately 11 years. The representative household contained 2.7 children. Of the total number of children in homes (278), 41 percent were under six years of age; 29.1 percent were between the ages of six and eight; 18.3 percent were between nine and eleven years, and 11 percent were 12 years of age or older.

When classified by tenure classes, 51 percent of the families operated farms as tenants, 20 percent as owners of some land but renters of at least 50 percent of all land operated, 8 percent owned all land operated, and 21 percent operated under some type of partnership arrangement. The average size farm consisted of approximately 150 acres.

The average disposable income reported by the 106 families (cash income less farm expenses and taxes) from all sources for the year was approximately $3,500. This was supplemented by income in kind (farm furnished food and housing) valued, on the average, at $829.

All schedules were tabulated on the basis of four income classes: (1) Under $2,000; (2) $2,000-$2,999; (3) $3,000-$3,999; (4) $4,000 or over. When classified according to this distribution, 4 families reported a disposable income of less than $2,000; 43 less than $3,000 but more than $2,000; 50 between $3,000 and $3,999; and 9 families $4,000 or over.

Only 48 percent of all families had received their total cash income for the year from the farm operated; 52 percent had received varying amounts of cash from other sources. Operators had earned extra income as carpenters, mechanics, salesmen, butchers, truck drivers, and

in some cases by assisting neighbors with farm work as well. Twenty-three percent of the wives had been employed outside the home either part-time or full-time during the year in question.

In classifying expenditures for family living, all items purchased, services paid for and amounts set aside for protection or future use were categorized under one of ten major headings. These were (1) food, (2) clothing, (3) housing, housing maintenance, and large furnishings, (4) operating expenses, (5) transportation, (6) health, (7) recreation and education, (8) gifts and contributions, (9) direct savings, and (10) miscellaneous expenses.

Table 11 shows the average amount spent by families according to expenditure classification and total cash disposable income reported for the year by income class. Here it will be observed that food costs exceeded those in any other expenditure classification, ranging from 39.1 percent of the total disposable income reported by those in the under $2,000 income class to a 25 percent expenditure by those in the over $4,000 income grouping. The average amount spent by all families was $968.20 for the year or approximately 27.6 percent of the average disposable cash income reported by all families ($3,500).

TABLE 11.—Classification of Expenditures for Family Living, the Average Amount Expended and the Percentage of Disposable Cash Income So Used By Income Class, 106 Young Ohio Farm Families, 1956.

Expenditure Classification	Income Class: Under $2,000		$2,000-$2,999		$3,000-$3,999		Over $4,000	
	Average	Percent	Average	Percent	Average	Percent	Average	Percent
Food	$741.	39.1	878.	35.1	1,003.	28.6	1,418.	25.0
Clothing	238.	12.5	289.	11.5	428.	12.2	529.	9.3
Household Operation	223.	11.7	317.	12.6	492.	14.0	724.	12.7
Health	190.	10.0	275.	11.0	315.	9.0	348.	6.1
Transportation	279.	14.6	288.	11.2	454.	12.9	618.	10.9
Housing, Housing Maintenance, and Large Furnishings	30.	1.6	128.	5.1	290.	8.3	550.	9.6
Recreation and Education	73.	3.8	39.	1.4	106.	3.0	454.	8.0
Gifts and Contributions	51.	2.7	42.	1.6	104.	3.0	310.	5.4
Savings	48.	2.6	225.	9.0	290.	8.2	679.	11.9
Miscellaneous	27.	1.5	19.	.7	18.	.5	42.	.7

Household operation ranked next to food as the category for which the majority of families spent a high percentage of their income. The average spent by all families was $439.87 or about 13 percent of the average cash income reported for the 106 families. When averaged by income groups, expenditure items under this heading were exceeded only by expenditures reported under food by families in the over $4,000 income group and by transportation and clothing expenses by those in the under $2,000 income group. The average amount paid out by all families for transportation expenses was $393.98 or 11.2 percent of the average disposable cash income available for the year of study.

The average amount spent for items related to the clothing of family members was $403 or approximately 11.5 percent of the average disposable income reported. Per capita costs averaged $49 in families with less than a $2,000 income, $71 in families with incomes of $2,000-$2,999, $91 in families with incomes of $3,000-$3,999, and $115 in families reporting incomes of more than $4,000.

An analysis of expenditures related to the maintenance of health and physical well-being shows that the percentage of cash income so expended was greatest among those families in the $2,000-2,999 income class (11 percent). As the availability of cash increased, families tended to spend more for items so classified but expenditures did not necessarily increase in relation to total cash income available. Families with incomes of less than $2,000 expended on the average $190 or approximately 10 percent of their incomes in this manner, those in the $3,000-$3,999 grouping approximately 9 percent and those in the over $4,000 income class about 6 percent of their income for items thus classified. The average amount spent by all families was $296.80 or 8.7 percent of the average cash income reported.

As income increased so did the outlay of cash on housing, housing maintenance and large furnishings. The average amount expended ranged from $30 by those in the lowest income classification to $550 in the highest income classification. The use of installment credit, the relationship of the family to the farm (whether owner or tenant) and other factors influenced the amount spent.

Expenditures under the heading "recreation-education" ranged from $50 to $499 per family. The average amount expended ranged from $73 or 3.8 percent of the disposable income reported by families in the lowest income classification to $454 or 8 percent of the disposable income reported by those in the over $4,000 income classification.

Only a small percentage of total cash income spent by families went for gifts, contributions and dues. The average spent by families was $94.34 or approximately 2.8 percent of the average disposable cash income reported for all in the study. In the order of ascendancy from the lowest income group to the highest, the percentage of total income thus expended was 2.7 percent by those in the below $2,000 income classification, 1.6 percent by those in the $2,000-$2,999 income grouping, 3 percent by those in the $3,000-$3,999 income grouping, and 5.4 percent of the average disposable income reported by those in the over $4,000 income classification. The analysis of expenditures entered under this heading would indicate that a high percentage of the total amount entered in account books by families (71 percent of the group) was used to meet church pledges and contributions to community drives.

All families reported some assets classifed as "direct savings" during the year in question. These consisted of investments in life insurance, in social security payments or other retirement funds, in regular bank savings accounts and the like. As a group, the 106 families set aside about 8.2 percent of their disposable cash income in this manner. This figure varied, however, by income class. The percentage of the average disposable income reported as direct savings was 2.6 percent by those in the under $2,000 income classification, 9 percent for those in the $2,000-$2,999 income group, 8.2 percent for those in the $3,000-$3,999 group, and 11.9 percent for those families in the over $4,000 income class.

Unrelated items of expense which families were unable to classify were entered under "miscellaneous expenses." This classification accounted for only a small percentage of the total expenditures amounting to only .6 percent of the average disposable income reported by all families.

Ninety-four percent of the couples participating in the study reported that they were satisfied with farm living and expected to make farming a career. Expressed as a dissatisfaction was the amount of cash realized in terms of energy and time expended and available for family living during the year in question. They looked to either non-farm employment on a part-time basis for the husband or the paid employment of the wife or a combination of both as a partial solution to the economic problem. Expressed as short-term goals were greater equity in livestock, machinery and other farm chattels which would lead them to the realization of long-term goals expressed in terms of "farm ownership", "security" and "independence."

Families viewed as needs in connection with their efforts greater knowledge with respect to the management of cash income, the process of decision making, and direction as to the relationship of their abilities to the specialization or non-specialization in certain types of farm enterprises.