AN ABSTRACT OF THE THESIS OF

LOIS HEESACKER PREISZ for the MASTER OF SCIENCE
(Name) (Degree)

in HOME MANAGEMENT presented on August 13, 1970
(Major) (Date)

Title: AN INVESTIGATION OF CREDIT USAGE AMONG YOUNG MARRIED COUPLES IN WESTERN OREGON

Abstract approved: Redacted for Privacy
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This study was designed (1) to examine credit usages as they relate to financial problems of young married couples, (2) to investigate the similarities of financial practices of two populations, (3) to determine the sources of educational financial assistance and guidance used by young couples, and (4) to compare demographic characteristics of one sample known to have had financial difficulties and one group whose financial position was unknown at the time of the interview.

The sample consisted of 30 young married couples who were being professionally counseled because of financial problems (group one) and 30 couples selected from a mailing list supplied by the Marion County Extension Service (group two). The total sample was drawn from the Salem, Oregon area.

The couples were married at least one year and not more than five years, 11 months and the husbands were no more than 30 years of age.

Data for the study were obtained through personal interviews.

Hollingshead's Two Factor Index of Social Position, based on education and occupation of the head of household was used to classify the subjects into five social positions, by groups. The distributions for both groups were skewed heavily toward the lower social levels on the scale.

The four null hypotheses that were set forth to assist in the organization of data were rejected.

H_1 Young married couples in group one will show no differences in financial practices from those in group two.

H_2 Married couples in group one will possess records with detail no greater than that in records possessed by group two.

H_3 Formal educational training will not vary between group one and group two.

H_4 Financial counseling sought by young couples will not differ between group one and group two.

Analysis of the data indicated that couples in the uncounseled group kept records in a more readily accessable manner; they kept them in ledger or check stub form; and a larger percentage of group two kept track of how they spent their money.

A higher number of husbands in group one took complete charge of financial management than the husbands in group two. There were inconsistencies in the responses of the wives in group one. Eighty-seven per cent of the respondents stated that they and their husbands combined their money. However, responses by 40 per cent of the wives in group one indicated that their husbands paid the bills and handled the finances.

Couples in both groups used a variety of credit sources. Couples in group one held more credit cards, had a larger number of open charge accounts, more loans from banks and consumer finance companies, as well as a larger number of hospital, doctor and dentists bills than did the couples in group two.

Department store and oil company credit cards were the two categories most frequently listed when respondents were asked about credit cards held.

Both banks and consumer finance companies loaned to couples in group one, however, the consumer finance company had a higher incidence of repeat loans issued to these young couples than did banks.

Ninety per cent of the young couples in the counseled group responded that they were being counseled and looked to the professional counselor for guidance in personal finance. The uncounseled group turned to parents most frequently as sources of information and guidance.

Wives in group one perceived themselves as poorer users of credit or just equal when comparing themselves to their peers.

It was apparent from this study that young couples feel inadquately prepared for the responsibilities faced in money management during the early years of marriage. With an affluent credit society predicted by many for the future, young people will need to use their total resources of time, energy and income in order to maintain financial solvency. Educators, both adult and secondary along with parents and all others interested in the welfare of families will need to be innovative in communicating sound personal finance principles.

AN INVESTIGATION OF CREDIT USAGE AMONG
YOUNG MARRIED COUPLES
IN WESTERN OREGON

by

Lois Heesacker Preisz

A THESIS

submitted to

OREGON STATE UNIVERSITY

in partial fulfillment of

the requirements for the

degree of

MASTER OF SCIENCE

June 1971

APPROVED:

Redacted for Privacy

Associate Professor and Head of Department
of Home Management in charge of major

Redacted for Privacy

Dean of Graduate School

Date thesis is presented August 13, 1970

Typed by Mary Lee Olson for LOIS HEESACKER PREISZ

ACKNOWLEDGEMENTS

The writer wishes to express sincere appreciation to Dr. Helen F. McHugh for her guidance and constant encouragement in the preparation of this study, and to Dr. Martha A. Plonk whose encouragement during the initial stages of planning a graduate program are greatly appreciated.

To Mr. Melvin Bowcutt, Director of the Consumer Credit Counseling Service, Salem, Oregon who assisted in compiling a list for the samples, I extend a very cordial thank you.

Grateful acknowledgement is expressed to the J. C. Penny Company of New York City for the graduate study grant, without which pursual of full time graduate study would have been difficult.

Since funds remain a peristant constraint throughout a graduate program, the grant by the Oregon State University Computer Center was especially appreciated.

A special thank you is extended to Dr. Esther Taskerud, State Extension Leader for Oregon, who offered encouragement and guidance that led this writer to continue her education.

My thanks, also to the Marion County Extension office for making the mailing lists of young homemakers available and to Mary Olson who typed this paper.

Sincere appreciation to Epsilon Sigma Phi for their presentation of the Viola Hanson award.

My greatest indebtedness is to my three children, Wendy Ann, Michael and Barbara for their cooperation, understanding, and patience that made this study possible.

And last, my deepest regards to my mother and brother for their emotional support and guidance throughout this period of my life.

TABLE OF CONTENTS

LIST OF TABLES

AN INVESTIGATION OF CREDIT USAGE AMONG YOUNG MARRIED COUPLES IN WESTERN OREGON

CHAPTER I

I INTRODUCTION

Indebtedness is believed to be a major problem of today's families (Huber, 1965, p. 6). News media publish items periodically about the rising number of families who are going through bankruptcy courts. Yet, the affluence of society today makes it possible for young people to experience a living level that has not been known by any generation in the past.

It is small wonder that these same young people, when starting a new household, are surprised to find that there are very real costs connected with everyday existence. These costs are not regularly discussed in the majority of homes today, and some young people are unaware of the demands on the family paycheck.

Much has been written recently on the subjects of consumer credit, personal finance and money management. The various states and the federal government have enacted laws that attempt to help the consumer to be better informed on the costs of borrowing money, legal limits of credit contracts and true disclosures of hidden contract costs.

For some families, credit is a useful tool; for others it becomes a burden and a source of worry (Smythe, 1970, p. 17). The opportunity for personal economic advancement has made people confident of their ability to liquidate debt out of earnings and has encouraged credit buying (Bartels, 1967, p. 25).

Disregarding the influences of home and family training, lack of awareness when reading popular periodicals and lack of adequate instruction in personal financial management at the secondary school level could be some of the factors that explain the inadequacies of some young people to cope with financial problems. Many interpersonal problems within the family may well be a result of this limited comprehension of money management matter (Cox, 1969, p. 22; Goldberg, 1967, p. 90).

Information gathered from this study will provide criteria from which instructional units can be developed to aid in making the transition period smoother.

Need for the Study

Little attention has been given to the subject of personal money management until recently (Donaldson, 1956, 1966). High schools and colleges have developed courses for public finance and corporate finance. That there has been a need for courses in personal finance as well is readily admitted (Donaldson, 1956, p. 3).

The State of Oregon Extension Service, along with other adult education programs, are attempting to provide services in personal finance education.

Johnston (1964) pointed out that:

> The area of family finance is being included in more of the county extension programs and families in Oregon are looking to Extension for answers in the field of money management. Agents have expressed a need for information on counseling with families in the area of budgeting and preparing spending plans (p. 2).

In her report for 1966, Johnston again stated:

> Oregon's family financial projects in Extension are continuing to grow . . . Information concerning money management is an important part of many of the programs in other subject matter areas. The concerns and problems suggested by Extension program planning committees throughout the state indicate real concerns in the overall area of family finance (p. 1).

A more comprehensive understanding of financial problems faced by young families may help in planning educational assistance for these persons. The lack of financial experience and knowledge may be a real handicap to young couples in effecting a satisfactory marital adjustment.

This study is concerned with pointing out areas of educational information and assistance needed by young families.

As the economy of the United States continues to grow, expanded avenues of credit, savings and investments are developing. This same affluence often gives rise to many additional demands on the paychecks of young families. As these demands increase in magnitude and frequency so does the use of credit to supplement and extend the application of that paycheck (Donaldson, 1956, p. 3; Jones, 1967, p. 53).

That a need for such information exists relative to the central concern of this study is supported by Aldrich (1956) who observes that the economic problems of families affect more people than economic problems of any business, for every family constitutes a business unit of some size and description.

> Cultural, social, economic, religious and educational influence brought to bear over the years leave their mark. When two young people marry and bring together different standards of living, it is little wonder that they may have real difficulty, for often neither one knows the cost of the standard by which he was reared. Involved in the two standards of living are the values, the overall and specific goals, and the levels of consumption that somehow must be merged into a single standard of living that can be supported financially by this new family. . . (Aldrich *et al*., p. 95).

The acceleration of growth in personal income is shifting expenditures from basic requirements such as food, shelter and clothing to services and goods which fall under the broad category of luxury. As the present societal economic era evolves, young people are likely to turn more to the extended use of credit to maintain a competitive standard of living (Money Management, Your Shopping Dollar, 1969, p. 27; Kippliger Washington Editors, 1969, p. 4).

Statement of the Problem

This thesis is an examination of credit practices of young families and is an attempt to answer some of the following questions: What are some of the financial problems of young married couples? To whom do they turn for guidance or assistance in financial matters? Is there a relationship between financial management practices and (1) social position, (2) length of marriage, and (3) amount of education?

The lack of information in credit usage by young couples creates some difficulties in counseling with them on financial problems. These difficulties also arise in part from the growing realization that economic behavior among young families varies widely from one family to another. There is little empirical evidence available concerning the root cause or causes of the individual behavior of these couples.

Because of its special importance to young families, the use of consumer credit by this age group was chosen as the primary area of investigation. The extensive use and misuse of credit shapes many facets of their lives and their behavior as consumers. Credit facilitates the accumulation of goods; it affects decisions about where to shop; and perhaps more importantly, it may have a pronounced effect upon what they buy (Huber, 1965, p. 24).

The present research was designed primarily as an exploratory study. The initial population for this study was selected from the active counseling lists of the Mid-Willamette Valley Credit Counseling Service. This group of 30 young families has been designated as group one throughout this study.

At a later date, a second population was selected from the Marion County Extension Service's mailing lists and represent a non-counseled comparison sample. The second group is shown as group two.

The following null hypotheses were set forth to assist the investigator in determining the data to be gathered and in the organization of that data.

1. Young married couples in group one will show no differences in financial practices from those in group two.

2. Married couples in group one will possess records with detail no greater than that in records possessed by group two.

3. Formal educational training will not vary between group one and group two.

4. Financial counseling sought by young couples will not differ between group one and group two.

Assumptions of the Study

The conduct of any research is necessarily prefaced with certain assumptions. Some of the assumptions upon which this study is based include:

1. The financial practices of each family may be ascertained by the research methods used.

2. Wives are sufficiently knowledgeable of family financial affairs to adequately answer the questionnaire.

3. An adequate sample is obtainable from the two populations listed.

4. Couples married from one to five years have some basic financial experiences relevant to this study.

Limitations

1. The population for this study was selected from a list of young families who as of March 30, 1970, were on the current mailing lists of the Marion County Extension Service and from a list of young couples that was provided by a credit counseling service.

2. Criteria for selection of couples included in this study were:

    a. The husband will be thirty years of age or less.
    b. The couples will have been married not less than one year nor more than five years 11 months.
    c. Couples selected will be from the two lists cited above.

3. Couples were selected from those residing within the Salem, Oregon, and immediate surrounding trade area.

4. Responses were elicited from the wife only.

5. Information gained is limited by the extent to which the questionnaire is comprehensive.

6. It is perceived that those interviewed are more alert to their credit usage during the spring season (i.e., income tax report time) than at other seasons of the year. For replication purposes, this time consideration might be considered a limitation, since the survey was conducted during Spring Term 1970.

7. This study did not concern itself with how families manage cash purchases.

8. Inasmuch as this study is interested in consumer credit behavior, it did not concern itself with mortgage or land purchases.

Definitions of Terms

Certain definitions are needed to avoid misunderstanding or misinterpretation of statements made in this study. The more frequent of those terms which might be considered peculiar to this study are defined.

Young Married Couple. Those who have been married no less than one year and no more than five years eleven months and the husband is thirty years of age or younger.

Financial Management. The process of setting up, following, evaluating and when necessary, revising a plan for the use of income (Money Management Institute of Household Finance Corporation, 1965, p. 6).

Financial Guidance. For the purposes of this study, financial guidance refers to all management practices in handling money that can be attributed to child-parent interaction.

Financial Education. Financial education refers to formal education in financial practices through public schools, counselors and adult education programs.

Consumer Credit. A cash loan or purchase arrangement for goods and services, exclusive of homes, to be used by the household unit where the payment is completed subsequent to the receipt of the goods or services.

Financial Practices. For the purpose of this study, financial practices pertain to all forms of cash and credit transactions that occur within the family structure on a day to day basis.

Spending Plan. A spending plan is a written or mental scheme for use of the family income for the benefit of all members.

Records. Records are written statements, receipts or documents that pertain to financial transactions of an individual family.

Background. Background in this study pertains to that time of life that the individual spent in the home of his or her parents, prior to marriage.

Credit Cards. Those cards issued by department stores, oil companies, banks, etc., for the identification of and charging convenience of their customers. Usually these cards are used for thirty day accounts with interest charged on balances extended beyond thirty days.

Open Accounts. Charge accounts with business firms who do not issue identification cards for charge purposes to their customers, e.g., grocery, hardware and specialty shops.

CHAPTER II

REVIEW OF LITERATURE

Writings reviewed in this section are divided into the following categories: (1) consumer credit education, (2) profiles of overextended families, (3) Hollingshead's Social Scale measurement, (4) Summary.

Consumer Credit Education

Donaldson made the statement that little attention had been given to the subject of personal money management. High schools and colleges had developed courses for public finance and corporate finance, but he contended, there was a tendency to avoid the teaching of sound personal financial management (1956, p. 3).

Erickson and Simi observed eleven years later:

> The ability to manage personal and family incomes is essential in the complex society in which we find ourselves today. Our economic system demands educated consumers, but there is ample evidence of a gap in financial education among Americans of all educational levels and all income levels (1967, p. iii).

In recent years emphasis has shifted toward the consumer and his problems. Economists who spend the bulk of their time predicting consumer behavior are exploring the results of these actions (Lampman, 1967, p. 43).

A greater number of service agencies are exploring methods of offering guidance to those who are having financial problems as well as those who wish to take steps to avoid future financial entanglements (Goldberg, 1967, p. 87).

We see further evidence in this direction as individual states and the federal government continue to enact legislation to aid in the clearer communication between the consumer and the lending agencies.

Lampman stated ". . . that economists feel more at ease talking about anti-trust legislation or tarrifs than about how to manage a food budget" (1967, p. 43). He also pointed out that these same economists

> appear to operate in a relatively detached role, viewing the household as a subject for impassive study or as the beneficiary of policy changes made at the industry or economy-wide level (1967, p. 43).

Statistics from the 1969 Finance Facts Yearbook indicate that:

> Personal income rose to $685.8 billion in 1968 for an increase of $57 billion, or 9.1 per cent over 1967 compared to the 7.2 per cent increase the previous year. This was the largest percentage rise since 1951. The acceleration of growth in personal income has shifted expenditures from basic requirements of food, shelter and clothing to services and goods which fit the general category of luxuries (p. 23).

As the economy of the United States continues to grow, methods of handling personal finances are undergoing change. The affluence of the nation gives rise to many more demands on the paychecks of young families (Donaldson, 1956, p. 19). As these demands increase, so does the use of credit to supplement and extend the application of the paycheck (Morgan, 1967, p. 16).

Along with the growth in the economy, there is evidence that young people are marrying at an earlier age (p. 6) and confronting financial problems earlier (p. 47) (Finance Facts Yearbook, 1968). "Before marriage, young people are almost the most wealthy class in America. Living with parents, they often receive both an allowance and an income from part time jobs" (Cox, 1969, p. 20). Business firms, according to Cox, make charge accounts available to young people, knowing that these young people will be the stable consuming public of tomorrow.

In a study of credit behavior, Golbe (1968) pointed out that there is little evidence to support the contention that persons who have had extensive general business education utilize their consumer credit in any better manner than those who have not had such education (p. 18).

Authors differ in reporting the use of credit. Some contend that the use of credit is a middle-income phenomenon (Morgan, 1967). Those with high income use it more rapidly, but over longer periods of time (Morgan, 1967, p. 16). Katona (1966, p. 43) reported that the majority of low income families appear to approve the use of credit buying. Rainwater (1962, p. 166) submits that his respondents did not care for credit and preferred to pay for their purchases. Mallon (1968) in her doctoral dissertation on Financial Patterns in Households of Working Wives, found that the amount of debt for a family did not seem to increase when the wife worked but the total monthly payments on debt were higher. In their 1966 text on personal finance, Donaldson and Pfahl estimated that 70 per cent of American families have credit cards and/or charge accounts (p. 70).

Profiles of Overextended Families

Huber (1965) in a study of 100 overextended families in metropolitan Detroit, proposed that "the poor" find credit a necessity in order to maintain a marginal standard of living. Twenty-five per cent of these couples had been married four to six years, 20 per cent had been married 13 to 15 years. These couples emphasized the early years of marriage as the time when their financial problems began. The fourth year of marriage being the median and the sixth year the average for most prominent evidence of beginning financial problems. Twenty-nine per cent confessed to money problems since the beginning of their marriage and ten per cent stated that they had had financial problems even before marriage.

> Obviously, lack of preparation for the financial responsibilities of marriage played a major role in the difficulties of these families (Huber, 1965, p. 20).

The median education for the group studied was at the high school graduate level for both the husband and the wife. Median incomes for heads of households was $6,500. The range of income for 94 per cent of the families was $4,000 to $9,000. He stated further that residential mobility might possibly be significant in explaining the financial difficulties of the families studied in view of the special and sizeable expenditures involved in moving and refinancing homes. The families had changed residence on the average of four times, the median was three times. Fifteen per cent had lived in the same house since marriage and two per cent had moved nine times or more.

Huber found that other practices were compounding the consumer problems of families. When credit purchases were easily obtainable, the purchasers did not ask questions pertaining to interest rates on loans or time payment charges. The study also pointed up that couples did not read anything. Magazines and newspapers were not found in the homes. Television seemed to be the main avenue of communication.

Results of surveys of this kind assist counselors and educators in identifying characteristics of those potential problem credit users.

Mary Feeley (1967) a money management consultant, postulates that adults today have not been made sufficiently aware of the sources that can provide a deeper understanding of personal money management. She states that:

> It is therefore understandable that efficient, intelligent, rational people wander around in a fog of debts and loans of their own contriving, wondering what bill to pay next, which to postpone and where to get the next loan (p. 141).

Most important is to understand basic economic concepts and to work on a balance of fixed and variable investments, according to Miss Feeley. She also stressed that information pertaining to individual rights in relation to social security laws, income tax, inheritance tax and other regulations affecting the family need to be written in a manner that they may be more easily understood.

Almost everyone uses convenience credit for such items as newspapers, milk deliveries, utilities and services. Charge accounts of this type are a very real convenience for the consumer as well as for businesses.

Dr. Dauer, Director of Consumer Credit Studies for Household Finance Corporation (1968) noted that the average American Family does not believe in "doing without" in order to save money. The family believes in acquiring durable goods, through the use of credit when the family is young and its needs are the greatest, then paying for them through savings while the goods are being used and enjoyed (p. 4).

Young-marrieds, lured by easy credit and tempting consumer goods, sometimes flounder in a morass of debts. Cox (1969) emphasized this when he talked about the American way of life: "Teenagers tend to learn how to drive a car, but not how to pay for it." (1969, p. 20).

Increased leisure, shorter working hours and household labor saving devices have opened markets for new commodities as well as for services such as transportation. These are only a few of the non-economic conditions of our society that are contributing to the increased use of credit by all segments and age groups.

In reporting on a 13 year project under the direction of the University of Michigan Survey Research Center, Morgan stated that:

> . . . young people focus on cost as a reason for not buying on credit, whereas they feel that the help credit provides in budgeting, is a reason for using it (1967, p. 16).

The center began surveying national samples to determine whether or not it was a good idea to buy things on the installment plan. As the annual surveys continued and were studied for trends, the overall predominately favorable attitude pattern toward credit usage did not appear to change. The survey found that those with more education are more likely to have heard about a wider variety of lending agencies, e.g., credit unions, banks, savings and loan institutions, etc., but most believe that credit is least expensive at the bank. Those with lower educational levels were not aware of credit unions and believed banks to be the least expensive method of borrowing.

Education and knowledge of the business processes and practices add to the use of credit. Economics teachers from secondary schools on through college teach that the use of credit is necessary to facilitate the present standard of living (Lampman, 1967, p. 44). The theory that business operates on a credit policy and that large corporations find it advantageous to borrow through the selling of bonds at low interest rates rather than use their own capital for expansion, is taught rather than a more conservative theory of personal finance (Lampman, 1967, p. 43).

A study of financial practices in 1959, concludes that one-half of the 60 young families surveyed went into debt the first year of marriage (Wells). Debts were chiefly for furniture and/or household equipment and automobiles. These families had been established less than ten years and the wife was not more than 30 years of age at the time of the study. Only families which agreed to both husband and wife being interviewed were included.

Of these families, one-half of them stated that they had budgeted their incomes. Two-thirds of those who did however, did so with qualifications - only budgeting for large items. The number of families who budgeted decreased as the number of years of marriage increased.

All except one of the 60 families studied kept some kind of accounts. Five-sixths kept cancelled checks, check stubs or old receipts. One-third kept itemized accounts. A greater number of respondents with incomes below the $4,000 level and above the $8,000 level kept itemized accounts than did families whose incomes fell within that range. Annual incomes ranged from $1,200 to 11,200 with an average income of $5,890.

There was a strong declaration made by the young families of their independence of others. For example, there was only a small percentage of families who reported they had sought financial advice from others; a relatively few had received contributions from others; they were willing to hold down secondary jobs for additional incomes; and they indicated the ability to use skills to conserve the resource money.

Couples were asked what outside sources they had consulted for financial advice since marriage. Two-thirds of the couples reported no outside sources. One-sixth of the couples interviewed, and one-half of the couples consulting anyone, had consulted financial institutions. Seven families reported that they had consulted parents.

Some illumination of beliefs and attitudes which contribute to financial practices of young families are provided by Cox (1969), a child sociologist.

> It is unwise to try to protect children from economic insecurity. They have a right to listen to family discussions on finances and to take part in them when they are old enough. There is evidence that money worries won't hurt a child and may even set him on the road to financial freedom. Individuals who are unaware of personal money management policies constitute a real and expensive danger to society (p. 21).

Morgan (1967) in his comprehensive discussion of the University of Michigan Survey expressed a belief that older people were more likely to say either that credit is the only way to buy large items, or that there is a risk in buying too much on credit. There was general agreement among people in their attitudes towards certain kinds of credit when ranking them for acceptable usage. Eighty per cent listed medical expenses first, followed by education - 77 per cent; cars - 65 per cent; furniture - 52 per cent; paying accumulated bills - 43 per cent; covering expenses when income is cut - 40 per cent; vacations - nine per cent and luxuries - four per cent. He found that this ranking had not changed since 1959.

Dixon (1967) had a differing point of view. Even though young people indicated that credit costs too much and there is a general negative concern for credit, there are definite indications that it will continue to grow. He did feel however, that most families can and will continue to be good managers of their personal finances. He contended that with the prospects of a checkless-cashless society, the importance of professional organizations and others to assist in financial management techniques to assist families to be skilled money managers will become even greater.

Dolphin's study, completed in 1967 concentrates on the demographic characteristics of the consumer. He observed that consumer credit markets may be defined by the age of the borrower. The general profile of expenditures of husband-wife families of average size in the 25 - 34 age group, between 1965 and 1980, indicates that expenditures as a per cent of average disposable income for food, housing and apparel, will decrease at a faster rate than expenditures for transportation, medical care, personal care, recreation, reading and education. He points out that by 1980 there should be approximately 60 per cent more families in the 25 to 35 age group than there was in 1965. These numbers should increase faster than the total number of families in the United States.

Because of better education, Dolphin believes the 25 to 35 age group will become more affluent and will experience significantly larger surpluses of average disposable income relative to their expenditures for current consumption. The projected surpluses for families in this age group represent discretionary purchasing power, and the demands for future credit will certainly be affected by the manner in which these surpluses are spent (March, 1967, p. 56). Dolphin bases his profile of users of credit on the characteristics of 432 individuals who successfully coped with their financial difficulties while under the guidance of Economy Budget Service, Inc. of Columbus, Ohio. The user of credit counseling is primarily from the blue collar segment of the work force and on the average is 30 years old. He is married and has an average of 4.6 individuals to support on a total average take home pay of $4,320. These respondents tended to rent and move more frequently. There were 74 per cent who were renting and 59 per cent who had lived in their residence at the time of starting counseling, one year or less.

Dolphin's findings were supported by Mathews (1966) in his study on causes of personal bankruptcies in Ohio. In a study of 966 families, 78 per cent were blue collar workers, median age groups was 25 - 29 with two to three children. Average income before taxes was $4,273. He voiced the opinion that they were generally unstable members of the community which was evidenced by the high rate of mobility, tendency to rent and a lack of savings accounts.

Smythe (1969) a family economist with the Consumer Food Economics Research Division of the United States Department of Agriculture, profiled the "young family" of the 1960's as one whose head is under 35 years of age, both husband and wife having been married in their early 20's. The average family is 3.7 members with an average income after taxes of $5,200. At this income level, expenditures average about $5,250. The average debt of these families amounted to about $4,250. Approximately three-fourths of this was for home mortgages. Personal debt averaged about $1,000 and consisted of both installment and noninstallment debt.

Golbe (1968), in a comparison study of 220 families - 108 low income, high credit risk persons, all of whom were on the active rolls of the Consumer Credit Counseling Services of Utah; and 112 University of Utah students,"good credit risks", found that there was an almost pure dichotomy existing between the two sample groups in terms of I.Q., educational achievement, credit behavior, and the like, which had the effect of increasing correlations obtained when using the combined samples.

Smythe (1970) reported research findings in a study of 365 families married at least one year and the husband was under 45 years old. Three-fourths of the families had after-tax incomes between $5,000 and $10,000. Wives of one-half of the families were employed at a full-time or part time job. Families with non-employed wives were less likely to be making payments than were those with employed wives.

Families with incomes under $5,000 were the only ones who used installment plans more than a loan. (In their paper, "installment plan" referred to credit arranged with the retailer making the sale.)

More loans were secured from banks than from all other sources combined. Loans used by families with income under $5,000 were an exception. They had borrowed as many times from loan companies as from banks.

Like families in other studies, few knew the rate of interest being charged on the consumer debts they assumed. When asked what the interest rate was, the answer was "don't know" for 67 per cent of the credit transactions.

Hollingshead's Social Scale

Traditionally, income has been used as an indicator of consumer behavior in the market place. It may be recognized from the sources cited that measurement has been by demographic characteristics. However, Martineau, in 1958, was early in recognizing that ". . . an analysis indicated that social class membership provided a more significant determinant of the buying behavior of individuals than does just income." (p. 122) He set forth the following points concerning spending behavior:

1. Social class systems are operative in metropolitan markets even more than in smaller cities.

2. Consumption patterns are "strongly related" to class membership and social mobility or stability.

3. Store loyalties and goals in spending and saving will, in considerable part, be class related (Martineau, 1958, p. 121-122).

In 1965 Hollingshead established the theory that education reflects not only knowledge, but also cultural tastes. He stated that occupation reflects the ability, skill and power that an individual possesses as he performs the many functions in society. He developed the Two Factor Index of Social Position to:

> meet the need for an objective, easily applicable procedure to estimate the positions individuals occupy in the status structure of our society (1965, p. 2).

This scale is based on the assumption that occupations have different values set by our society.

Education is believed to reflect not only knowledge, but also cultural tastes, according to Hollingshead.

Seven educational scale scores and seven occupational scores were subdivided into a wide variety of categories. One of each score was assigned to each head of household. Lowest scale scores were given to those persons with occupations reflecting the highest power and skill in performing various functions in society. The same procedure was used with those having the highest levels of education.

The scale scores were then given a weight of seven for occupation and four for education. The two scores were added together for a total for social position.

The scores were then arranged on a continuum and divided into five levels of social class with the lowest numbers indicating the highest class.

Summary

The writings relevant to this study indicate (1) that many persons, agencies and institutions are active and vitally interested in showing families at all levels of income, how to use all of their resources, including credit, so that each family can attain a higher degree of satisfaction from these resources. (2) That there are characteristics that can be set forth to identify families who may have financial problems in the future. (3) That educators, both of formal classroom teaching and adult programs, have a commitment to fulfill in teaching more complete and comprehensive classes in personal and family finances. (4) That there are social classes in the United States and methods have been devised for categorization of individuals into these classes.

Throughout the readings it was constantly pointed out that there is no one set of financial problems. These problems are as varied as the number of families reported. However, economists, home economists and all groups interested in the family and its survival, are searching for methods that will assist all families in overcoming early signs of financial strain. Erna Carmichael, an Extension Specialist in Wisconsin (1967) before a national conference on "Consumer Credit", urged all educators to adapt their subject matter to the wide range, of individuals to be educated. Visuals need to be used and adapted to the realities of the lives of those who are being taught (p. 133). Morgan (1967) pointed out that the most effective thing that a student can be taught is not how to construct a table of compound interest but how to realize that at $10,000 a house will cost $13,333 at three per cent interest on a 20 year mortgage or $17, 200 at six per cent interest.

Work of this kind should improve the understanding of the consumer and be of benefit to both the consumer and the business man, thus benefiting the entire economy (p. 19).

CHAPTER III

PROCEDURES

The primary purpose of this investigation was to (1) compare the frequencies of a variety of financial practices of two groups of young married couples in the Salem, Oregon geographical shopping area, (2) to develop a pattern of credit uses in relation to overextended credit usage within these two groups, and (3) to compare credit usages of those currently being counseled and those who are not being counseled.

Population Selection

The two samples selected for study were comprised of (1) thirty couples known to be currently receiving professional financial counseling from a community sponsored counseling service, and (2) thirty couples from a current mailing list in the files of the Marion County Extension Service, a segment of the United States Department of Agriculture and Oregon State University Extension Service.

Letters introducing the study were forwarded from the Home Management Department, Oregon State University, Corvallis, Oregon, to anticipated interviewees (See Appendix A). The purpose of the letter was to prepare the respondent for the arrival of the interviewer. The list supplied by the Marion County Extension Service totaled 938 names of young homemakers believed to be 30 years of age and younger. Each fifth name was selected to receive the letter. In the event of names known to not fit the criteria of this study they were eliminated and the next fifth name listed was chosen. One hundred letters were mailed intermittently beginning April 15, 1970. Interviews were begun April 20, 1970; all were conducted by this writer.

Instrumentation

The interview method was chosen for this study to insure proper selection of families to fit the criteria and to make certain that interviewees understood the questions before answering. To reduce further the heterogeneity of the families, the interviewee had to meet the following criteria to be eligible to participate in the study. The couple, at the time of the study, had been married at least one year and not more than five years. Husbands were 30 years of age or less on the date of their last birthday anniversary. These groups were selected for study because of the belief that the early years of marriage can be decisive in formulating patterns of using credit that may continue throughout the life of the marriage.

In order to obtain 60 usable interviews, 68 persons in group two (uncounseled group) were contacted and 31 calls were made to secure 30 valid interviews in group one (those under financial counseling).

It was felt that the interviewees would be more willing to answer the questions through face-to-face interviews rather than through a mailed questionnaire. Evenings and weekends proved to be the most successful times for finding these families at home and for conducting interviews. The young couples were very cooperative. Only one family refused to be interviewed; the others did not fit the criteria. Throughout the study, special efforts were made to develop rapport with all who were cooperating.

The value of a structured interview has been supported by many researchers. Claire Selltiz, et al. (1961), observed that ". . . the interview is a more appropriate technique for revealing information about complex, emotionally laden subjects or for probing the sentiments that may underlie an expressed opinion." (p. 424). Fred Kerlinger (1965) adds, "the interview is probably superior to the self-administered questionnaire . . . The best instrument available for sounding people's behavior, future intentions, feelings, attitudes, and reason for behavior would seem to be the structured interview coupled with an interview schedule that includes opened, closed and scale items." (p. 476). The structured interview method seemed particularly desirable also because of the desire of the researcher to secure comments from the subjects in elaboration of their behavior.

Development of the structured questionnaire (Appendix B) was accomplished in the following manner. First, the researcher reviewed literature pertaining to credit practices of young families and that pertaining to the structuring of questions to use in direct interview schedules. Following the initial investigation, a tentative questionnaire was prepared and submitted to Dr. Helen McHugh, Head of the Home Management Department. The questions were also discussed with several young married women for possible adverse reactions to the query. Subsequent revision and pretesting of the revised schedule with five young married women who fit the proposed criteria resulted in the adoption of the questionnaire presented in the appendix.

The questionnaire was purposely developed in four distinct sections. The first section dealt with demographic characteristics of the respondent and family. In the second section was recorded the kinds of record keeping utilized by young families. Section three was devoted to credit practices of the young couple, with questions about their knowledge of interest practices and rates. The final section was included to investigate the areas of financial assistance desired by the respondent as well as the sources of information that they commonly used.

Data Collection

The investigator contacted the subjects within a ten day period after having sent the initial letter. After explaining the purpose of the study and determining the eligibility of the interviewee, the interviewer either conducted the interview immediately or made an appointment for a time more convenient for the interviewee. The wife of the couple was the respondent in all cases and the interview took place in the respondent's home. The majority of the interviews lasted from thirty to forty-five minutes. Respondents were encouraged to express how they felt or to elaborate on any item they wished to discuss further. Most subjects offered comments concerning the use of credit by young families and also responded at length on several other questions. These remarks were noted on the answer sheet.

All of the respondents appeared receptive to the interview and showed little hesitancy in indicating their feelings or attitudes toward the area of consumer credit. Almost all members of group one voluntarily offered the information that they were being counseled by a professional finance counselor. Without exception the respondents exhibited a sincere interest in the study and demonstrated a desire to contribute what they might to this area of research

Treatment and Analysis of the Data

Data from each of the 60 interviews was transferred to IBM code sheets, using a previously established coding system and analyzed for frequencies and comparisons (Chi Square) tests by the Oregon State University Computer Center.

Background data was secured from items one through 26 of the interview schedule. Items 11, 16, and 17 were used to classify the subjects according to the Hollingshead Two Factor Index of Social Position (1965).

The data were analyzed to compare group one and group two for frequency of credit card usage, open credit accounts, knowledge of finance charges, methods of handling money, male or female responsibility in payment of accounts and kinds of records kept. Frequency of solicitation of financial assistance was measured and compared for the two groups.

Hoel (1966) stated that the Chi Square distribution can be used in problems that require the testing for equality of two populations. These are problems of the counting type in which an experimental outcome is not classified as either a success or a failure but significant at various levels (p. 235).

The method for testing compatability is based on a measure of the extent to which the observed and expected frequencies agree. This measure, called the Chi Square was used to determine whether or not statistically significant differences existed between group one and group two when comparing education levels, numbers and use of credit cards, open credit accounts and professional service accounts. Comparisons were made to determine variations in major sources of financial guidance, knowledge of the Truth-in-lending law, which institutions were perceived as most expensive when borrowing money and to gain insight into how each felt about her family's use of credit.

The following formula was used in determining the value of Chi Square:

$$X^2 = \sum \frac{(oi - ei)}{ei}$$

CHAPTER IV

DEMOGRAPHIC CHARACTERISTICS

The following information, while not the main focus of the study, is included to assist the reader in visualizing the two samples in relation to one another and to group credit behavior.

Sixty married couples were interviewed: thirty couples who were being professionally counseled in financial management and thirty couples whose financial position was unknown at the time of the interview.

Eligible cooperating families consisted of two to five member households which had been established at least twelve months but no more than five years and eleven months.

As noted in Table I, eight or 27 per cent, of the 30 couples in group one had financial difficulty within the first two years of marriage. However, 60 per cent of group one had been married four or more years at the time of the interview. Eighty per cent in group two had been married less than four years. The data reveal a chi square of 12.083 indicating a significance in excess of the .05 level. Because of the brevity of the marriages of several of the couples in group two, it is difficulty to assess the importance of the differences in experienced financial difficulties.

TABLE I - Length of marriage by groups.

Years of Marriage	Group 1 (N = 30) Number	Per cent	Group 2 (N = 30) Number	Per cent	Chi Square
1	1	3	7	23	
2	7	23	9	30	
3	4	13	8	27	12.083*
4	9	30	3	10	(d.f=4)
5	9	30	3	10	

* Significant at the .05 level.

There were no teen-aged husbands in either group one nor group two. The ages of the husbands or wives within the two groups were not significantly different. The age range for the husbands was from 21 to 30 years of age. Fifty-seven per cent in group one were between 21 to 24 years of age and 43 per cent ranged between 25 and 30 years of age. Group two respondents indicated 63 per cent of the husbands between 21 and 24 years and 37 per cent were in the 25 to 30 year age group.

The ages of the wives reveal that 17 per cent in group one and 13 per cent in group two were 20 years of age or less. Sixty-three per cent in group one were 21 to 24 years of age, compared with 70 per cent in group two. The 25 to 30 year age group was represented by 20 per cent in group one and 17 per cent in group 2 (Table 2).

The occupational levels were assigned values according to the classification used for the Hollingshead Two Factor Index of Social Position. The husbands held a variety of positions in several different kinds of businesses. They were employed as salesmen, brick layers,

TABLE 2 - Demographic characteristics of group one and group two.

Characteristic	Husbands (N=30)				Wives (N=30)			
	Group 1		Group 2		Group 1		Group 2	
	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent
Age:								
16 - 20	-	-	-	-	5	17	4	13
21 - 24	17	57	19	63	19	63	21	70
25 - 30	13	43	11	47	6	20	5	17
	Chi square 2.385 (d.f=2)				Chi square .4761 (d.f=2)			
Educational Attainment:								
Not High School Graduate	2	07	-	-	1	03	1	03
High School Graduate	20	67	10	33	22	73	16	53
Some College	6	20	0	30	5	17	7	23
College Graduate	2	07	7	23	2	07	5	17
Post Graduate Work	-	-	4	13	-	-	1	03
	Chi square 13.78** (d.f=4)				Chi square 5.575 (d.f=4)			

*Significant at the .05 level.
**Significant at the .01 level.

mechanics, truck drivers, teachers, service station attendants, law enforcement officers, tavern managers, civil engineers, assistant district attorney's and managers of large retail outlets. Only one in group one listed student as the occupation, however seven in group two were full time college students. Two of the seven were working for bachelor's degrees and five were involved in post graduate study.

Sixty-seven per cent of the husbands in group one were employed in positions of skilled manual labor status or less. Group two was represented by 40 per cent in like positions. The seven husbands enrolled in colleges comprised 23 per cent of this latter group.

Examination of the two groups for occupational achievement reveals a chi square of 15.26 indicating a significance at the .05 level (Table 3).

TABLE 3 - Occupations of husbands by groups.

Occupation	Group 1 Number	Group 1 Per cent	Group 2 Number	Group 2 Per cent	Chi square
Executives and major professionals	-	-	1	03	
Managers and lesser professionals	3	10	3	10	
Administrative personnel	2	07	7	23	
Clerical and Sales	5	17	7	23	
Skilled manual labor	7	23	4	13	
Semi-skilled	9	30	-	-	
Unskilled, student	4	13	8	27	15.26* (d.f.=6)

*Significant at the .05 level.

Respondents were asked about their employement status. Ten wives or 33 per cent in group one were employed outside of the home, while 15 wives or 50 per cent in group two contributed to the family income by gainful employment. The largest per cent in both groups worked in the area of sales, clerical or as technicians. Such job categories are represented by 80 per cent of the working wives in group one and 73 per cent in group two. Seven per cent of the women in group one were in manual or unskilled labor positions as were seven per cent of those in group two. Three of the wives in group two were teachers, placing them in a professional category.

Five husbands in each group held a second job in their efforts to support their families. When asked about second jobs outside of the home, the response was "none" for wives. Twenty wives in group one and 15 wives in group two were full time homemakers.

The educational level of the husbands ranged from 11 years, (not a high school graduate), to 20 years, a student in his last term of law school. Two men in group one had not completed high school; 20 had graduated from high school; six had had some college and two were college graduates. Of group two, ten had terminated their education at the high school level; nine had had some college; seven had received their bachelors degree and four were working on post graduate work. The data indicated a chi square of 13.78 showing a significance at the .01 level in differences of educational achievement (Table 2).

At the time of the interview, eight of the husbands in group one and five husbands in group two either had or were in the process of pursuing a vocational educational program of study. These included such areas of specialization as drafting, mechanics, woodworking, refrigeration and communications. One husband in group one and seven husbands in group two were currently enrolled in colleges, either at the undergraduate or graduate level (Table 2).

Educational attainments by the young wives indicated that one in each group had not finished high school; 22 in group one and 16 in group two had terminated their education with a high school diploma. Five in group in group one and seven in group two had had some college. Two wives in group one held bachelor's degrees, while five wives in group two indiciated that they had completed their undergraduate work. One wife in group two had her master's degree. When comparing the two groups of homemakers for educational achievement, data reveals a chi square of 5.576, not signifiant (Table 2).

Three of the thirty wives in group one and eight wives in group two had had vocational training such as cosmetology, licensed practical nursing or business courses. One wife, a respondent of group two, was attending school at the time of the interview.

Each head of household in the two groups was classified according to Hollinghead's Two Factor Index of Social Position (1965). The technique for securing the social position is described on pages 22 and

23 of this paper. The index combines both the educational achievement level and present occupational status for each of the "heads of household" in group one and group two.

The order of social position is from class 1, highest, to class V, lowest. No respondents in group one fit the social class 1 position; ten per cent were in social class 11, ten per cent in social class 111, 67 per cent were placed in a class IV category and 13 per cent were of social class V (Table 4).

TABLE 4 - Social class by groups for head of household according to Hollinghead's two factor index of social position.

	Group 1 (N=30)		Group 2 (N=30)		
Class	Number	Per cent	Number	Per cent	Chi square
I	-	-	1	03	
II	3	10	3	10	
III	3	10	11	37	
IV	20	67	12	40	
V	4	13	3	10	6.699 (d.f=4)

The computations of data for group two indicated that three per cent were social class I; ten per cent class 11; 37 per cent were in class 111; 40 per cent class IV; and ten per cent were in class V. Data gathered and compiled indicated a chi square of 6.699 revealing no significant differences in the two groups for combined educational and occupational achievement (Table 4).

Numbers of children seemed to have a direct effect on the financial position of the young families interviewed. Fifty-seven per cent in group two had no children, but only 13 per cent in group one responded with none when asked about children. Couples in group one had an average of 1.4 children. Forty-three per cent in group one had had one child, 37 per cent had two children and two families had three children. The families in group two had not been married as long as those in group one and had an average of .5 children or one-half child per family. Thirty-seven per cent in group two had one child, seven per cent had two children, none of the families in group two had three or more children. Here again data revealed a chi square differential of 16.445, a difference between group one and group two significant at the .01 level (Table 5).

TABLE 5 - Number of children in families by groups.

Number of children	Group 1 (N=30) Number	Per cent	Group 2 (N=30) Number	Per cent	Chi square
None	4	13	17	57	
One	13	43	11	37	
Two	11	37	2	07	
Three	2	07	-	-	16.445** (d.f.=3)

**Significant at the .01 level.

All families in both groups indicated an income above the $4,000 level. There was a rather large percentage differential between the two groups at the various $2,000 intervals. Twenty per cent of the families in group one had incomes in the $4,000 to $5,999 range; 47 per cent between $6,000 and $7,999; 27 per cent indicated incomes between $8,000 and $9,999 and seven per cent (two families) in the counseled group had incomes last year of over $10,000. Those in the non-counseled group had higher incomes on an average. Only seven per cent (two) of the families were in the $4,000 to $5,999 bracket compared to six in group one. Twenty per cent listed incomes of $6,000 to $7,999; 30 per cent indicated $8,000 to $9,999 and over 43 per cent received in excess of $10,000 last year. The data indicated a significant difference in the income levels of the two groups at the .01 level with a chi square of 13.912 (Table 6).

TABLE 6 - Annual income levels of families by groups.

Income	Group 1 (N=30) Number	Group 1 (N=30) Per cent	Group 2 (N=30) Number	Group 2 (N=30) Per cent	Chi square
Less than $4,000	-	-	-	-	
$4,000 - $5,999	6	20	2	07	
$6,000 - $7,999	14	47	6	20	
$8,000 - $9,999	8	27	9	30	
Over $10,000	2	07	13	43	13.912** (d.f=4)

**Significant at the .01 level.

When asked about housing, 77 per cent of the respondents in group one and 63 per cent in group two indicated that they were renting their homes. One couple in group one was furnished their home as a partial payment for the husband's employment. Twenty per cent of the couples in group one and 11 per cent in group two were buying their homes.

The larger percentage of home ownership by those in group one over those in group two might be a result of the longer period of marriage reported by members in group one.

In response to the question, "How many places have you lived since your marriage?", 27 per cent or eight families in group one and 63 per cent (19) in group two had moved only once or twice. Forty-seven per cent of those in group one had moved three to four times and 27 per cent had moved five or more times. Respondents in group two, after 63 per cent reported two or less moves, showed 27 per cent who had moved four or less times and only three (ten per cent) who had moved five or more times (Table 7).

TABLE 7 - Mobility of families, by groups.

Number of moves	Group 1 (N=30) Number	Per cent	Group 2 (N=30) Number	Per cent	Chi square
One	2	07	9	30	
Two	6	20	10	33	
Three	8	27	6	20	
Four	6	20	2	07	
Five	3	10	2	07	
Six or more	5	17	1	03	11.273* (d.f=5)

*Significant at the .05 level

Summary

With the foregoing demographic information, it is possible to formulate a composite picture for families in both group one, the counseled group, and for those in group two, the uncounseled group. By using the average values to construct a profile, it was found that the head of the household in group one is 25.2 years of age, and his wife is 22.9 years of age. He has been married 3.6 years and has 1.3 children. His salary averages between $6,000 and $7,999 annual gross income. He is employed in a clerical or sales position and has the educational status of a high school graduate. He rents his home and has moved 3.3 times since his marriage. When placed in Hollingshead's Social Classifications, he ranks 3.8, a high placement in class four or a low placement in class three.

Those in group two present a slightly different picture. The husband is 24.9 years of age, has been married 2.5 years and is employed as a salesman or in clerical work. He has had some college, which is reflected in a slightly higher income level of $8,000 to $9,999. He has .5 children and his wife is 22.8 years of age. He rents his home and has moved 2.4 times since his marriage.

The Hollingshead social class places him slightly above his counterpart in group one, at 3.2.

In comparing the educational achievements for both husbands and wives in groups one and two, it will be noted that there is a significant difference in their educational levels.

If we accept head of household or husbands as a base for our findings, we must reject the null hypothesis three as stated: formal educational training will not vary between group one and group two.

CHAPTER V

FINDINGS AND DATA ANALYSIS

The discussion set forth in this chapter is divided into four general sections: kinds of records kept, credit activities, families sources of credit information and an analysis of the findings.

Kinds of Records Kept

The establishment of a pattern of spending evolves early in the lives of most married couples. This pattern may continue throughout the life of the marriage unless a crisis is encountered.

Questions 27 through 37 are devoted to the examination of records or bookkeeping practices of these young families.

The first questions asked in this section were designed to put the respondent at ease and not place her on the defensive.

The wife was asked first how she and her husband handled their money. Eighty-seven per cent of the wives in group one stated that both she and her husband paid the bills and made decisions on how money should be spent. Theirs was a combined effort to manage their resources. However, the remaining four or 13 per cent in group one responded that their husbands took complete charge of all income and the payment of bills.

Group two was unanimous, 100 per cent in commingling their efforts Comparisons of those in both groups as to who handles the money revealed a chi square of 4.286 (Table 8).

TABLE 8 - How couples handle money by groups.

Responses	Group 1 (N=30) Number	Per cent	Group 2 (N=30) Number	Per cent	Chi square
Who handles the money					
Combined	26	87	30	100	
Husband only	4	13	-	-	
Wife only	-	-	-	-	4.285 (d.f.=2)
How bills are paid					
Cash or money order	9	30	1	03	
Check	20	67	29	97	9.097*
Other	1	03	-	-	(d.f.=3)
Who pays accounts					
Husband	12	40	6	20	
Wife	8	27	14	47	
Both	8	27	10	33	
Other	2	07	-	-	5.850 (d.f.=3)

*Significant at the .05 level.

When the two groups were compared for methods of handling money, the data revealed a chi square of 9.097, significant at the .05 level.

An examination of methods used in paying monthly accounts revealed that only 20 or 67 per cent of those in group one used a checking account. The remaining one third used a variety of cash methods. Group two used the commonly accepted form of paying by check. Twenty-nine or 97 per cent of families in group two used the check system and one family paid their monthly bills by cash (Table 8).

To look at their methods of handling money from another facet, they were asked to respond to who takes the responsibility for the payment of monthly accounts. In group one, husbands assumed greater responsibility in 40 per cent of the families for the payment of the monthly bills; wives paid the accounts in 27 per cent of the families while both shared the responsibility in eight families (27 per cent). Two responded that the counselor took the responsibility for payment of their accounts. In group two more wives than in group one accepted the responsibility for the payment of bills. Fourteen or 47 per cent of the wives took the full responsibility for this task; six (20 per cent) indicated that their husbands paid the bills and the remaining ten or 33 per cent stated that they shared the burden (Table 8).

The family was asked if it had a system for recording money that had been spent. Only 12 or 40 per cent in group one indicated that they did keep track. Eighteen or 60 per cent of those under financial counseling did not keep a record. Group two, the uncounseled group, responded that 23 or 77 per cent were keeping records of money spent. Comparisons of the data illustrate a chi square of 9.444. The difference was significant at the .01 level (Table 9).

TABLE 9 - Records kept of expenditures, by groups.

Response	Group 1 (N=30) Number	Per cent	Group 2 (N=30) Number	Per cent	Chi squre
Yes	12	40	23	77	
No	18	60	7	23	9.444** (d.f.=1)

**Significant at the .01 level.

Those who responded positively to having a method of keeping a record of expenditures were asked to describe the method. The responses were categorized into four general responses: check stubs, check stubs and ledger, ledger only and statements and receipts. Couples in group two were almost equally divided with eleven using check stubs, eleven using ledger and one who used a combination of check stubs and ledger. Of the twelve families in group one who indicated that they kept records, four used check stubs; three used stubs and ledger; four used ledger only and one responded that they used statements and receipts. An analysis of the data resulted in a chi square of 7.633 with three degrees of freedom. This does not indicate a significant difference.

The disposition of statements and receipts also pointed out a difference in the handling of accounts by the two groups. This was an open question, the response to which tended to be divided into three classifications. Five couples in group one and three in group two threw them away; four in group one and 16 in group two filed them for keeping; 21 couples in group one and eleven in group two just put them into a drawer until it was full, then cleaned house. Most of them stated that they "probably just threw them away after a few months" (Table 10).

TABLE 10 - Disposition of statements and receipts, by groups.

	Group 1 (N=30)		Group 2 (N=30)		
Response	Number	Per cent	Number	Per cent	Chi square
Throw away	5	17	3	10	
File	4	13	16	53	
Put in drawer	21	70	11	37	10.825** (d.f.=2)

**Significant at the .01 level.

In order to test one area of their knowledge of record keeping, wives were asked how long they thought receipts should be kept. Nineteen or 63 per cent in group one responded that they did not know. Thirteen or 43 per cent in group two did not know. The next largest percentage in both groups thought that they should be kept four to five years. Six wives in group one and 13 in group two responded in the four to five year category. Two respondents in group one indicated two or three years were sufficiently long to keep records and three said one year or less. Couples in group two had similar responses. Three indicated two or three years and only one responded one year or less (Table 11).

TABLE 11 - Attitude toward how long records should be kept.

Response	Group 1 (N=30) Number	Per cent	Group 2 (N=30) Number	Per cent	Chi square
One year or less	3	10	1	03	
Two to three years	2	07	3	10	
Four to five years	6	20	13	43	
Don't know	19	63	13	43	6.591* (d.f.=3)

*Significant at the .05 level.

Ninety per cent in group one and 73 per cent in group two did not feel that credit assisted them in any way to maintain their records. The question was posed to determine if this method was used to ascertain various expenses, such as automotive. Only three women in group one felt that credit helped them to maintain records and eight in group two responded that they were assisted in this manner.

When querried about keeping records of monthly transactions for income tax purposes, 17 or 57 per cent in group one and 22 or 73 per cent in group two were affirmative in their replies. Thirteen couples in group one and eight in group two did not keep records for income tax purposes, but indicated that they used payroll deductions and a short form for reporting income tax (Table 12).

TABLE 12 - Records kept for income tax purposes, by groups.

Response	Group 1 Number	Per cent	Group 2 Number	Per cent	Chi square
Yes	17	57	22	73	
No	13	43	8	27	1.831 (d.f.=1)

An analysis of this section indicates a significance at the .05 level for two of the questions; at the .01 level for two questions and no perceptible difference noted in the remaining six inquiries.

There appeared no significant difference between the two groups in who handled the money and who paid the bills. There was a difference however in how bills were paid. In group two 30 per cent more of the families indicated using checking accounts than did group one. The lack of those in group one using this method may have been because of fear of attachments of accounts by creditors.

Couples in group two were significantly more astute at keeping records of how they spent their money. Thirty-seven per cent more families in group two kept records than did those in group one. Seventy-five per cent of those in group two kept records of the ledger and check stub type. The majority in group two filed receipts, while the majority in group one just put them in a drawer for a few months.

When asked how long records should be kept, a larger number in group two indicated a specific length of time. The larger number in group one responded with: "I don't know."

A larger number of wives in group two indicated a practice of keeping records for income tax purposes. The number was small in comparison however, only five more than those in group one.

Since there is a significance at the .05 level and .01 level for more decisive questions, and group two indicated a greater sense of record keeping in general, we may assume a rejection of the null hypothesis two, as written: Married couples in group one will possess records with detail no greater than that in records possessed by group one.

Since those in group two kept records in a more readily accessible manner; a higher number kept them in the form of ledger or check stubs; and a larger number recorded how their money was spent, we may conclude that the uncounseled group has greater control of their finances.

Credit Activities

The young wives were asked to respond to the various kinds of credit used, frequency of use, knowledge of interest rates charged, and questions pertaining to the Truth-in-lending Law. Tables were constructed to aid in the visualization of credit practices among the two groups.

Aimed at identifying specific kinds of credit usages that had presented problems to the couples, inquiries were made in the following areas: the numbers of credit cards owned, number of open charge accounts, kinds of institutions from whom they had borrowed money, and types of open service accounts such as physicians, dentists and hospitals.

Credit cards were divided into six categories. Master credit cards were held by 12 couples in group one and 13 in group two. Travel and entertainment cards were not used by this age group. Oil company credit cards were the most frequently held and used. Of the respondents in group one, eleven had one card, eight held two oil company cards and two retained three cards. A total of 21 couples or 70 per cent in group one held one or more oil company credit cards. The percentage was similar in group two with 17 per cent of the couples holding from one to six cards. Nine couples had one oil card, seven held two, three couples in group two had three and one held six.

Department store credit cards also were widely used by respondents in group one. Two thirds of the families in group one had one to three cards. Six respondents held one card; 12 retained two and five held three. Only seven families in group one indicated that they did not have credit cards. They did state, however, that they had had department store credit cards in the past, but had destroyed them since accepting credit counseling assistance.

Less than one half of the families in group two, 40 per cent, used department store credit cards. Eighteen stated that they did not use them. Student's wives often remarked that they were afraid to charge because of not being sure that they could meet the obligation. Six of the families in group two had one card, four had two cards and two had three cards (Table 13).

Credit card usage was a more common form of charging for the two groups than was the open account system. The largest number of charges to open accounts was by families in group one, six indicating that they regularly charged at grocery stores and mail order firms (Table 13).

TABLE 13 - Sources of credit used, by groups.

Responses	Group 1 (N=30) Numbers of Accounts 0	1	2	3+	Group 2 (N=30) Number of Accounts 0	1	2	3+	Chi square
Credit Cards:									
Master Card	18	12	-	-	17	13	-	-	.0685
Oil company	9	11	8	2	10	9	7	4	1.519
Dept. stores	7	6	12	5	18	6	4	2	10.125*
Other	29	1	-	-	30	-	-	-	1.016
									(d.f.=3)
Open Accounts:									
Mail order	24	5	1	-	28	2	-	-	2.593
Dept. store	28	1	1	-	30	-	-	-	2.068
Clothing store	27	3	-	-	27	3	-	-	-
Grocery store	24	6	-	-	28	2	-	-	2.307
Service station	28	1	1	-	30	-	-	-	2.068
Other	26	4	-	-	30	-	-	-	4.285
									(d.f.=3)
Lending Institutions:									
Bank	9	12	6	3	20	6	-	4	19.172**
Savings & Loan	27	2	1	-	29	-	-	1	3.055
Commerice Finance	8	2	9	12	25	5	-	-	25.889**
Relatives	21	5	3	1	24	2	4	-	1.612
Credit Union	27	2	-	1	24	4	2		3.843
									(d.f.=3)

*Significance at the .05 level.
**Significance at the .01 level.

When asked to respond to the number of times that they had borrowed money from lending institutions, the most frequently listed sources by members in both groups were banks and consumer finance companies. Only nine couples in group one had not borrowed from a bank. Twelve couples had borrowed from a bank once, six had borrowed twice and three had borrowed three times. With the responses of group two the picture was somewhat different. Twenty couples had not borrowed from a bank. Six reported that they had borrowed once and four couples had borrowed four times.

Savings and loan companies were not as popular among this age group, or possibly were not as well known by them. Only three couples in group one and one in group two had had occasion to do business with this type of firm.

Consumer finance companies were well known to the financially counseled group. All but eight of the couples had used this source from one and five times. Two couples had used finance companies once, nine had returned twice, seven had borrowed three times, four had used them four times and one couple had found it necessary to borrow from a finance company five times. Only five families in group two had used this source and in each instance had used it only once.

Friends were not a source for borrowing among this age group, but relatives were utilized. Nine families in group one borrowed from their relatives as had six families in group two.

Credit unions were used by three families in group one and six families in group two (Table 13). Several women in both groups inquired about credit union operations, eligibility, costs, requirements for membership and legality. The wives appeared unfamiliar with credit unions.

Comparisons of the data indicate that for a significant difference to exist at the .05 level with three degrees of freedom, a chi square of 7.82 is needed; for a significance at the .01 level, a chi square of 11.34 is needed. Investigation of table 13 indicates a difference at these levels for oil company credit cards, bank loans and consumer finance company loans. These were three major credit sources for one or both of the groups (Table 13).

Questions pertaining to charge accounts with physicians and surgeons, dentists, hospitals and miscellaneous charges for glasses or medications revealed that 29 or 97 per cent of the couples in group one had had accounts with physicians, 14 or 47 per cent had accounts with dentists, 25 or 83 per cent of the couples had had accounts with hospitals and seven or 23 per cent had miscellaneous medical charge accounts. Those in group two reported that 15 or 50 per cent had accounts with doctors, seven or 23 per cent accounts with dentists, one-third had accounts with hospitals and only one couple had found it necessary to charge for glasses or medication (Table 14).

TABLE 14 - Accounts with physicians, dentists and hospitals, by groups.

	Group 1 (N=30)				Group 2 (N=30)			
Account	Yes	Per cent	No	Per cent	Yes	Per cent	No	Per cent
Physicians	29	97	1	03	15	50	15	50
Dentists	14	47	16	53	7	23	23	77
Hospitals	25	83	5	17	10	33	20	67
Other	7	23	23	77	1	03	29	97

After determining the sources of credit used, the wives were asked to respond to the frequency of using these sources.

Master charge cards were used occasionally only by members in both groups, but they used oil company credit cards regularly. Families in group one indicated a more regular use of department store credit cards than did those in group two. Fifteen or one half of the families in group one used department store credit cards regularly and eight used them occasionally. Only three or ten per cent of the families in group two used them regularly and nine used them occasionally. Group one had six respondents who indicated that they used both mail order firms and grocery store charge accounts on a regular basis (Table 15).

TABLE 15 - Frequency of use of charge accounts, by groups.

	Group 1 (N=30)			Group 2 (N=30)			
Accounts	Never	Regular	Occasionally	Never	Regular	Occasionally	Chi square
Credit Cards:							
Master charge	18	1	11	17	2	11	.380
Oil companies	9	18	3	10	17	3	.081
Dept. stores	7	25	8	18	3	9	12.898** (d.f.=2)
Open Accounts:							
Mail order	24	6	-	28	-	2	8.307*
Dept. store	28	1	1	30	-	-	2.068
Clothing store	27	1	2	27	1	2	-
Grocery store	24	6	-	28	1	1	4.879
Service station	28	1	1	30	-	-	2.069
Other	26	4	-	30	-	-	4.285 (d.f.=2)

*Significant at the .05 level.
**Significant at the .01 level.

Those who indicated that they used their charge accounts were asked about the interest charges on those accounts. Respondents had three choices: yes, interest was charged; no, we were not charged interest; or, I don't know if interest was charged. Ten of the 12 families in group one who used master charge cards indicated that they had been charged interest; two replied "no". Eleven members in group two indicated that they had been charged interest and two stated that they had not been charged.

In response to the same question for oil company credit accounts, eleven respondents in group one indicated that they had been charged interest, four said "no" and six did not know. Seventeen wives in group two said "yes", two indicated that they had not been charged interest and one did not know.

Of the 23 couples who had department store credit cards in group one, 16 responded that they were charged interest on these accounts, three indicated "no" and four did not know. Ten of the 12 wives in group two said that they were charged interest on department store accounts, one was not charged and one respondent did not know (Table 16).

As stated earlier, very few had open charge accounts. However, of the six couples in group one who had open accounts with mail order firms, four said that interest had been charged; two did not know. Grocery store accounts are not as common a method of purchasing and interest was not reported as a charge. The six respondents in group one, using this source of credit, and the two in group two stated that there were no interest charges levied.

TABLE 16 - Knowledge of whether interest was charged on credit card charges and loans, by groups.

	Group 1 N=Number with accts			Group 2 N=Number with accts.			Chi
Accounts	Yes	No	Don't know	Yes	No	Don't know	square
Credit cards:							
Master charge	10	2	-	11	2	-	.380
Oil company	11	4	6	17	2	1	4.619
Dept. store	16	3	4	10	1	1	.807
Lending Institutions:							
Banks	21	-	-	8	-	2	4.489
Savings & Loan	3	-	-	2	-	-	-
Consumer finance	23	-	-	5	-	-	-
Relatives	1	8	-	3	3	-	2.784
Credit Unions	2	-	1	5	1	-	2.571

*No chi squares were significant

Borrowing from lending institutions was a more common experience among the sixty young families interviewed than the methods that have been listed before. All but two couples in group two and everyone in group one knew that they paid an interest charge for loans. Two wives in group two responded that they did not know.

Relatives seldom charged interest for loans, however those who did, did so because they were acting for the young couple in borrowing the money from a third party and were paying interest on the money loaned.

One half of the 25 couples in group one who had charged hospital bills had paid interest on the account, but only one had paid interest to a doctor. Three of the seven couples who had charged for glasses and medication had paid an interest rate on the miscellaneous category. Three wives in group two reported interest on hospital accounts but not interest charged for dentists, physicians or miscellaneous accounts.

In the preceding series of questions, when the wives responded that they had been charged interest, they were then asked to indicate the rate paid. Of the 21 couples in group one who had borrowed from a bank, 13 did not know the interest rate, three placed the rate at one to five per cent; two indicated six to nine per cent; two respondents said ten to 15 per cent and one reported 16 to 20 per cent. Of the ten wives in group two who indicated that they had borrowed from the bank, eight did not know the rate, one said that she thought it was six to nine per cent and one said ten to 15 per cent. Seventeen of the 23 couples in group one who borrowed from consumer finance companies did not know the rate of interest, four women in group two were equally as uninformed.

All except one of the 29 families in group one who had been charged interest on open accounts with doctors, dentists, hospitals and miscellaneous accounts had an idea of the per cent that had been charged.

The inclusion of a life insurance policy on a consumer contract was new to a majority of the members of both groups. Of the 21 wives in group one who had bank loans eight said that life insurance policies had been included, nine said "no" and four did not know. Only five couples in group two had had a policy included in their loans, two said "no" and three wives did not know. Several couples in group one had loans from a consumer finance company. Six couples had had a life insurance policy included on their contracts, eight wives said "no" and nine did not know. Of the five couples in group two who used this source for borrowing, three said "yes" to the life insurance question, one responded "no" and one did not know (Table 17).

TABLE 17 - Responses to question of inclusion of life insurance policy on consumer contracts, by groups.

	Group 1			Group 2			
	N=Number with loans			N=Number with loans			Chi
Account	Yes	No	Don't know	Yes	No	Don't know	square
Banks	8	9	4	5	2	3	1.506
Savings & loan	2	1	-	1	-	-	-
Consumer finance	6	8	9	3	1	1	1.963
Relatives	-	4	5	1	4	1	.900
Credit Unions	2	-	1	-	5	1	6.750* (d.f.=2)

*Significant at the .05 level.

Later in the interview, the women were again asked about the inclusion of life insurance policies in credit contracts. They were asked if they knew if there was an extra charge included on consumer contracts when a life insurance policy was added. One half of the women in group one responded "yes" and one half did not know. Twenty-three

TABLE 18 - Responses to knowledge of extra charge on contracts for the inclusion of a life insurance policy, by groups.

	Group 1 (N=30)		Group 2 (N=30)		
Response	Number	Per cent	Number	Per cent	Chi square
Yes	15	50	23	77	
No	-	-	1	03	
Don't know	15	50	6	20	6.541* (d.f.=2)

*Significant at the .05 level.

women in group two indicated their knowledge of this practice and said "yes", one replied "no" and six did not know (Table 18).

The young wives were very willing to discuss financial problems and many voiced the opinions that there had been a few bad experiences, but that they had learned from these problems. A fairly large difference was noted in the responses of the two groups in the number who reported having refinanced loans. Nineteen or 63 per cent of the couples in group one had refinanced one or more loans, while only one or 3 per cent of those in group two had found refinancing necessary. The comments relating to how they felt about refinancing loans indicated difference in attitudes within the two groups.

The one responding wife in group two, the uncounseled group, replied that it was necessary and easier on them. The comments of the nineteen women in group one who had had experiences with refinancing loans developed into three patterns: (1) it made a bad problem worse, (2) a big help, and (3) it's difficult but it was necessary.

One wife stated:

> Just don't do it. We have not been able to get it paid off. Just when we think we will, we have to borrow more - it's awful.

Another commented:

> . . . sure have learned that this just makes it harder. We are paying them off, then we won't do that - ever again!!!

The lack of awareness was indicated by one young wife who commented, "the counselor showed us how much more our car cost us because of refinancing." Not all comments were negative. One wife stated that it was a big help and that their interest costs had not increased. Another remarked: "It helped us keep our car and refrigerator." One classic statement: "They sure are tough when you get behind and so nice when they are giving you the money."

An analysis of the comments indicated that the majority, thirteen, from the counseled group had strong feelings against such a procedure. Six wives stated that refinancing had definitely helped them in their financial plights. These wives indicated that the decision to refinance was thought out before hand and that this was the least difficult method of achieving a goal. Some couples had refinanced without taking time to compute the costs in relation to the extended time.

TABLE 19 - Refinancing loans, by groups.

Response	Group 1 Number = 30	Group 2 Number = 30	Chi square
Yes	19	1	
No	11	29	24.30** (d.f.=1)

**Significant at the .01 level.

In an attempt to develop a clearer picture of how they perceived lending institutions, the women were asked what sources of borrowing money commercially were the most expensive and which were the least expensive.

Ten per cent of the wives, three, in group one felt that banks were the most expensive, however 16 or 53 per cent in group one rated banks as the least expensive place to borrow money. Credit unions were rated second to banks as "least expensive" places to borrow by members in group one with 13 women or 43 per cent placing them first. One housewife in group one stated that she thought the consumer finance companies were the least expensive. Thirty per cent or nine women of those in group one indicated that consumer finance companies were the most expensive, four listed small loan companies as the most expensive and 14 wives or 47 per cent stated that unlicensed lenders were the most expensive.

The majority, 17 or 57 per cent of the women in group two, agreed with group one on the unlicensed lender being the most expensive. Eight women indicated small loan companies as the most expensive place to borrow, four indicated that consumer finance companies were most expensive and one felt that banks were the most expensive.

Credit unions were listed as least expensive places to borrow by 20 or 67 per cent of the wives in group two. Nine wives listed banks and one stated that small loan companies were least expensive (Table 20).

TABLE 20 - Most expensive and least expensive sources for borrowing money, by groups.

	Most Expensive				Least Expensive			
	Group 1 (N=30)		Group 2 (N=30)		Group 1 (N=30)		Group 2 (N=30)	
Firms	N	Per cent	N	Per cent	N	Per cent	N	Per cent
Banks	3	10	1	03	16	53	9	30
Credit Unions	-	-	-	-	13	43	20	67
Consumer finance	9	30	4	13	1	03	-	-
Small loan companies	4	13	8	27	-	-	1	03
Unlicensed lenders	14	47	17	57	-	-	-	-
Chi square (d.f.=4)		5.071				5.448		

The women were asked if they ever computed total costs, including interest charges, when purchasing large items such as appliances, cars or furniture. Thirty-three per cent of the wives in group one and 57 per cent of the wives in group two stated that they always figured the total costs. Twenty-three per cent of the women in both groups indicated that this was a practice that was only occasionally used. Forty-three per cent or 13 respondents in group one and 20 per cent or six in group two never figured the costs. Analysis of the data from table 21 indicate a chi square of 4.393, not significant at the .05 level.

TABLE 21 - Frequency of computing total costs by groups when purchasing large items such as cars, appliances or furniture.

Response	Group 1 N = 30	Group 2 N = 30	Chi square
Always	10	17	
Sometimes	7	7	
Never	13	6	4.393 (d.f.=2)

The Truth-in-lending bill was drafted and passed into law to assist the consumer with contract purchases. It has been designed to set forth all extra charges such as interest rates, closing costs, insurance policies and other miscellaneous charges in such a manner that they may be easily recognized and read. The women in the two groups were asked if they felt that this bill had had or would have an influence on their use of credit. Six members in group one said "yes" it would, three stated "no" and 21 did not know about the bill. A majority of the women in group two had heard of the bill. Seventeen women in group two stated that it would affect their use of credit, three said no it would not and ten did not know about the bill (Table 22).

TABLE 22 - Influence of Truth-in-lending Bill on use of credit, by groups.

	Group 1 (N=30)		Group 2 (N=30)		
Response	Number	Per cent	Number	Per cent	Chi square
Yes	6	20.0	17	57.0	
No	3	10.0	3	10.0	
Don't know	21	70.0	10	30.0	12.92** (d.f.=2)

**Significant at the .01 level.

Those women who indicated that they felt that the bill would have an influence on their use of credit, were asked to tell how they thought it might affect their use. Response could be categorized as follows:

"I think I will understand the contract better."

"It forces them (the businessmen) to be honest."

"No hidden charge, they have to give the full costs."

"We feel more sure of what the store tells us."

"We will know just how much more the item will cost than what it says on the price tag."

"I don't know anything about the bill, but I think it will help."

"I don't know, but my husband said it would help."

In reviewing this section related to credit activities of the sixty families, it is noted that both groups have used credit sources of most categories. Wives in group one reported holding 55 credit cards compared with 45 cards held by wives in group two. The primary differences were noted in the numbers with department store credit cards.

Twenty-three wives in group one had open charge accounts with a variety of firms, while only seven wives in group two took advantage of these sources of credit.

The two main sources of money were banks and consumer finance companies. There was a significant difference at the .01 level between group one and group two in borrowing from both of these sources. Several wives in group one indicated that loans from finance companies were for some form of transportation and for furniture.

Doctor, dentist and hospital bills were a real burden to the counseled group. Ninety-seven per cent of the families had had accounts with doctors; 47 per cent in group one had had accounts with dentists; 83 per cent had accounts with hospitals and 23 per cent had accounts for miscellaneous items such as glasses and medications. These bills appear to have a direct relationship to the larger sized families in group one and those with lower levels of income.

There were no significant variations in the knowledge of interest rates with very few in either group actually responding with "I don't know if we were charged an interest charge."

Several wives in both groups indicated that they knew about life insurance policies on consumer contracts. There was a difference between the two groups however at the .05 level with two degrees of freedom.

A wide difference existed in the numbers of families in group one who had refinanced loans compared to those in group two. Attitudes differed between groups in relation to this practice.

The awareness of the Truth-in-lending Law by those in each group varied widely. Seventy per cent of the wives in group one and 30 per cent of those in group two had not heard of the bill.

With these findings, we reject the null hypothesis one as stated: Young married couples in group one will show no differences in financial practices from those in group two.

Sources of Credit Information

Young couples are sometimes unaware of how they have learned money management facts. Often times their value systems are altered by a good or bad experience, an article that they have happened upon or a chance remark by a teacher or relative.

To test the fourth hypothesis dealing with financial counseling, questions were asked in an attempt to explore the sources of information utilized by these young families.

Very few of the couples in either group have ever attended adult education classes pertaining to consumer practices or family finance. Three wives in group one and four in group two indicated that either they or their husbands had attended such classes either at a community college, classes sponsored by the bar association, investment clubs or in-service training programs sponsored by their employees.

When asked where they solicited financial information, ninety per cent or 27 of the wives in group one indicated a professional financial counselor. Relatives were rated second in sources of help with 63 per cent of the couples. Printed materials, credit managers and friends were each listed by approximately one third of the respondents. Debt consolidating agencies, government personnel and teachers each were listed by ten per cent of the wives in group one.

Couples in group two relied more heavily on their relatives. Seventy per cent of the wives listed relatives first; printed material was second and used by 47 per cent. Credit managers, teachers and government personnel were indicated as possible sources of information by 27 per cent in each case. Seventeen per cent of the wives in group two turn to friends for help and only one couple has solicited assistance from a professional counselor (Table 23).

TABLE 23 - Sources of credit information or help with family money management, by groups.

	Group 1 (N=30)		Group 2 (N=30)		
Sources	Yes	No	Yes	No	Chi square
Relatives	19	11	21	9	
Friends	10	33	5	25	
Government personnel	3	27	8	22	
Professional counselors	27	3	1	29	
Debt consolidating agencies	3	27	-	30	
Credit managers	10	20	8	22	
Printed materials	11	19	14	16	27.898** (d.f.=6)

**Significant at the .01 level.

The wives were asked if they would care to comment on the kinds of help that they had received from these sources or any bits of information that they could remember. The responses centered around budgets, interest rates, reading contracts, income taxes and savings accounts. A few comments that might appear more relevant for this paper are:

"Need to have a written plan."

"My folks are helping us . . . They have always kept track of their money and they are showing us how."

"Not to buy until we have the cash."

"How interest is figured on bills."

"I like to read case histories in magazines of how others handle their money."

"That we needed a plan for spending. My folks have never kept track and we didn't either. I don't know if I will keep it up though, after we are through with the counselor. It's a lot of trouble and I don't think we will need it."

"Profit from parents mistakes. Learn how to budget. We are getting out of debt, but it's hard.

"Folks didn't know what to tell us. They are in debt too. The man at the counseling service helped us make a plan. I didn't think we could cut down on expenses that much, but we did."

"To learn that we could live on less than we thought we could."

"How to read a contract and to read the fine print."

"To do without until we can pay for it. I guess I wanted everything right away, but we will make it now that I have a job."

". . . the amount of money that my husband makes sounds like a lot, but it sure goes fast."

How one perceives himself in relation to others can be revealing. The young women were asked how they felt their family's use of credit compared with the use of credit by other young couples.

Fifty-seven per cent or 17 of the wives in group one and 33 per cent of the wives in group two expressed the thought that their family was about equal with other young families. Four wives in group one stated that they felt their use of credit was much poorer. Nine women in group one and twenty in group two indicated that they felt their families' credit habits were better. Comparisons of the data gives a chi square of 9.987. With two degrees of freedom, there is a significant difference between the two groups at the .01 level (Table 24).

TABLE 24 - Felt comparison of family with other young families on their use of credit, by groups.

	Group 1 (N=30)		Group 2 (N=30)		
Response	Number	Per cent	Number	Per cent	Chi square
Much poorer	4	13	-	-	
About equal	17	57	10	33	
Much better	9	30	20	67	9.987** (d.f.=2)

**Significant at the .01 level.

The wives' comparisons of themselves with other young couples was immediately followed by asking them how they felt their family's use of credit was. Again there was a wide variation in responses. Four wives in group one responded with very poor; seven, poor; ten stated satisfactory; four indicated good and five women felt that they were very good in their use of credit.

Responses by group two were as follows: four wives indicated they were poor users of credit; three felt that they were satisfactory in their use; ten responded with "good" and 13 or 43 per cent replied "very good". A chi square of 14.714 with four degrees of freedom indicates a significant difference in the "felt use of credit" at the .01 level (Table 25).

TABLE 25 - Felt Quality of family's use of credit, by groups.

Response	Group 1 (N=30) Number	Per cent	Group 2 (N=30) Number	Per cent	Chi square
Very poor	4	13	-	-	
Poor	7	23	4	13	
Satisfactory	10	33	3	10	
Good	4	13	10	33	
Very good	5	17	13	43	14.714** (d.f.=4)

**Significant at the .01 level.

As a final expression, the wives were asked to give ideas or views that they held toward the general area of consumer credit. They were asked to comment on the adequacy of training or information, suggestions or complaints. The comments were voluminous and have been condensed for this portion of the paper. A comprehensive listing of categorical comments includes such items as:

Too easy to get credit.

Not enough formal education in use of credit.

Parents fail to discuss everyday financial problems with children.

Young couples need firm guidance when first married to assist them in establishing sound financial habits.

Businesses are too eager to make sales or loans and do not investigate young people's financial position thoroughly enough. (One wife commented that at least 20% down payment should be mandatory.)

Direct comments that appeared relevant:

> "Kids in school should study about the costs of keeping house and having a baby."
>
> "They (businessmen) should make it harder to charge things and harder to get loans. They are eager to loan money and get mad when payments are missed."
>
> "Parents could be a lot of help. If you don't learn it there you have to find someone else. You sure aren't born knowing how to handle money. Things happen and even when you think you're going to get ahead, you get sick or the kids need something."
>
> "Use money wisely. We were married about two and one-half years when we went bankrupt, because of doctor bills, also had bills for furniture."
>
> "Young couples need to be honest with each other and both be aware of how much money there is. I have a girl friend who is always buying things and never tells her husband."

After reading the comments of these young women and noting how they rated their use of credit; how they felt they compared with other couples and the various places that they turn to for help, one must be aware of the lack of communication between these young families, their parents, the business world and educators.

The two groups vary widely in relation to where they look for help, the kinds of assistance they believe they received from their families, and how they perceive themselves in the use of credit.

Based upon these analyses, the fourth null hypothesis is rejected as stated: Financial counseling sought by young couples will not differ between group one and group two.

Analysis and Implication of the Findings

The purpose of this study as stated in Chapter I was an examination of credit practices of young families. It was proposed to look at their characteristics, the numbers and kinds of credit accounts and loans, their knowledge of credit, and sources of information and assistance.

The majority of the families in group one, 73 per cent, had been married three years or longer (average 3.6 years), while 80 per cent in group two had been married three years or less (average 2.5 years). This might tend to set forth the proposition that financial problems do not become apparent until the family is fairly well established and children have been born.

An analysis of the ages of the couples in comparison to the length of marriage would support Smythe's (1969) statement that the average young couple is married by the time both husband and wife are in their early 20's and that a home is established immediately.

Huber (1965) indicated that the young couples designated the early years of marriage as the time when their financial problems began, the fourth year of marriage being the median and the sixth year the average (p. 20). He further stated that the families did not seem to be aware of the obvious relationship between the amount of income and the size of families for financial stability (p. 20). This study supports the findings of both Smythe and Huber.

An analysis of the financially counseled population (group one) provides a composite profile of a young couple: husband 25.2 years of age, wife 22.9 years of age, average number in household is 3.3, slightly less than Smyth's average family. However, the age group of her study extended to 35 years of age for husbands. The husband has a high school education, is employed as a clerical or technical worker with a gross income of $6,000 to $7,999 annually. The couple rents its home and has moved 3.3 times since marriage. These findings all support similar findings cited earlier by Dolphin (1967), Huber (1965) and Smythe (1969).

The uncounseled couples whose financial position was unknown at the time of the interview gave a slightly different appearance. The husband was five months younger or 24.9 years old, had been married 13 months less (2.5 years), but was in the same general employment classification of salesman and clerical worker. His education is slightly better with "some college" which is reflected in his higher earnings of $8,000 to $9,999. He and his wife have one less child, they rent their home and have moved one less time. This latter profile is not exactly a true picture of the sample for this study because of the high number of college students and the low classification given students by the Hollingshead social scale index. A comparison of these two samples by the given data led to the rejection of the hypothesis on differences of formal education.

A contrast exists in the methods of record keeping expressed by the wives in group two when they answered questions on how money was handled, methods of paying accounts, the filing of records and methods of keeping records. Since 63 per cent of the heads of household in group two had had some college or completed college in comparison to only 27 per cent in group one, it might be possible to attribute a part of their financial expertise to formal education. An examination of the comments by both groups would lead to the assumption that parental example and guidance rank extremely high in the training of young people for the adult world of family finance.

Huber (1965) noted that couples lack a basic understanding and agreement on the responsibility for handling the family's money. This conflict is hinted at in the findings exhibited in Table 8, page 45. Twenty six of the wives in group one indicated that both they and their husbands handled the finances, however, when asked who paid the bills, only eight responded that they both did and 12 stated that their husbands handled this responsibility.

Several wives knew about clauses in consumer contracts giving life insurance protection, however the majority were unaware of whether they had had such a policy included on any of their contracts. Often times people do not ask questions or they neglect to read a total contract. In support of this idea, it was found that young couples who were in need of money were often times unaware of the total costs of consumer contracts. They tended not to know about such clauses as life insurance policies, interest rates and other charges (significant at the .05 level).

Families in the uncounseled group were found to keep records and file them for a longer period of time than those who had financial problems (significant at the .01 level). Ninety-seven per cent of the families in group two used a checking account for the payment of accounts and as a partial method of keeping their financial records. Sixty-seven per cent of the families in group one used a checking account. Fifty-three per cent of the wives in group two, compared with only 13 per cent of those in group one reported the filing of records and receipts for an extended period of time.

When asked how long records should be kept, 63 per cent of the wives in group one and 43 per cent of those in group two indicated that they did not know.

Wives in group one reported a lack of records kept. Those who did have records, did not have them in detail and records were kept on a sporadic basis.

This line of questioning and responses rejected the null hypothesis on detailed records kept.

The hypotheses related to financial practices was rejected after analysis of the responses on credit card usage, money borrowed, interest rates and knowledge of credit legislation.

Dolphin in 1967 made the statement that:

> Due to unstable incomes and expenditure patterns of the younger families . . . banks tend to concentrate on older families. . . leaving the younger family to the consumer finance company (p. 39).

Over 70 per cent of the couples in group one had borrowed money from a consumer finance company, however a like number also had borrowed from banks. The number of repeat loans was higher though from consumer finance companies. In the uncounseled group, ten had used banks as a source of credit while only five had borrowed from a consumer finance company. The findings from the data secured from the responses to this question were significant at the .01 level. We may conclude then that young families with financial burdens turned to refinancing of loans as a way of solving their immediate financial problems.

These findings lend support to Dolphin's statements that this age group is the highest user of credit, mainly because of the large number of needs at this period of the family life cycle. Dolphin attributes this to an increasingly higher level of educational achievement and higher paying jobs over those established by this age group a generation ago (1967, p. 40).

Both groups indicated a usage of credit from several sources. Families in group one used all sources of credit to a greater extent than did those in group two. The two main sources were banks and consumer finance companies. Implications of these findings support Dauer's theory (1968) that families acquire durable goods through the use of credit when the family is young and its needs are greatest and then pay for them while the goods are being used and enjoyed (p. 4).

Respondents in both groups had accounts with doctors, dentists, and hospitals. However, group one members indicated a larger percentage of accounts in these areas. Ninety-seven per cent of the respondents in group one had accounts with doctors, 47 per cent with dentists and 83 per cent of those in group one had accounts with hospitals. Pregnancies and child delivery costs were given often by these young couples as reasons for needing these accounts.

Couples who marry in their late teens or early 20's often are faced with a low level of occupational skills, meager financial resources and the rapid onset of parenthood, according to Herrman (1965, p. 93). This situation combined with a lack of information about how to set up simple household accounts can create chaos with even the most idyllic couple. Financial problems of varying degrees are encountered by most young couples, regardless of the amount of education and experience because each individual brings with him a completely separate set of values, goals and expectations.

A further conclusion that may be supported by the data is that families with financial difficulties tend to have a larger number of credit cards, open charge accounts and accounts for professional services than those families not designated as having financial problems. Families in group one held a higher number of credit cards than did those in group two. They also had a high percentage of refinanced loans. Nineteen or 63 per cent of those in group one had refinanced one or more loans. Only one family in group two had found this refinancing of loans necessary. Slightly larger families, lower levels of income and a large number of charge accounts may contribute to the higher incidence of refinancing.

The majority of young couples in group one were financially hobbled by doctor and hospital bills, adjusting from two incomes to one, and unrealistic expectations of parenthood. These findings support Cox's statement (1969) that:

> Young couples tend to be overly optimistic when first married. They are unrealistic in not expecting unforeseen expenses and emergencies, plus the added everyday expenses of a baby (p. 22).

Several young wives in both groups made statements in support of the above statement when asked to comment on the adequacy of training and information relative to personal finance.

Respondents in group two had more knowledge of the truth in lending law. This may be partially due to husbands who are studying law, a higher level of education in the family, or because more wives in this group are employed. Their employment may make knowledge of this law necessary. Seventy per cent of the wives in group two were aware of this bill and only 30 per cent of those in group one indicated a knowledge of it.

Since the truth in lending law was given wide coverage by mass media, we can assume that the young couples did not read or comprehend the legislation designed to assist them in their financial transactions.

Sources of financial information varied between the counseled and non-counseled group. Those with financial problems looked for professional help. Those without observable problems looked to their parents for guidance.

Another area of differentiation between the two groups was in their perceived use of credit. The self image of young couples with financial problems tended to be lower than the self image of those who were not being professionally counseled. When asked to compare themselves with other young couples of their age, 70 per cent of the wives in group one rated themselves as equal or much better. When asked how they saw their use of credit in relation to their own situation, 69 per cent in group one stated satisfactory, poor or very poor. Compared to 23 per cent of the wives in group two. There was a significant difference in the responses to both these questions at the .01 level.

One gets much of his preparation for the ordinary duties of life at home from parents . . . but some important learnings can no longer be reliably passed on by parents or just picked up (Briggs, 1967, p. 1). Education in the area of personal finance is vital to the individual and the economy alike.

Patterson (1968) admonishes the public to educate the consumer to use his credit intelligently and to educate the creditor to be more judicious (p. 22). Comments by members of both groups on credit usage were firm in expressing a need for educating the consumer and for the judicousness of creditors. Seventy per cent of the wives in group one expressed the thought that their use of credit was satisfactory or less, that their education in the area of family finance had been less than adequate and that creditors made it too easy to borrow.

It was apparent from this study that young couples feel inadequately prepared for the responsibilities faced in money management during the early years of marriage.

CHAPTER VI

SUMMARY AND SUGGESTIONS FOR FURTHER INVESTIGATION

Introduction

This investigation represents a limited attempt to obtain information relevant to credit usage among young married couples in western Oregon. Toward this end the preceding information and data have been collected and evaluated.

Reviewing literature considered relevant to this study produced a diversity of ideas. Throughout the readings it was pointed out that there is no one pattern of credit usage or personal financial management. The data analysis from this study has supported many of the statements found in the review of literature.

Procedures

Data for the study were obtained through personal interviews with sixty young married couples living in the Salem, Oregon shopping area. The sixty couples were evenly divided in two groups, thirty couples who were being professionally counseled in financial management and thirty couples whose financial position was unknown at the time of the interview. The husbands were 30 years of age or less and the couple had been married at least one, but not more than five years eleven months.

A structured questionnaire was formulated based on assumed credit practices and a desire for information relevant to the kinds of educational information desired by respondents. The questionnaire was reviewed by the Home Management Department, Oregon State University and pretested with five young homemakers.

Letters of introduction were forwarded from the Home Management Department to anticipated interviewees. Personal interviews were conducted in the spring of 1970. Data was collected, transferred to IBM code cards and analyzed for frequencies and comparison (chi square) tests by the Oregon State University computer center.

Four null hypotheses were advanced in this study:

H_1 Young married couples in group one will show no difference in financial practices from those in group two.

H_2 Married couples in group one will possess records with detail no greater than that in records possessed by group two.

H_3 Formal educational training will not vary between group one and group two.

H_4 Financial counseling sought by young couples will not differ between group one and group two.

A composite profile of the financially counseled couple in group one indicates that the average age of the husband is 25.2 years, wife 22.9 years of age, they have been married 3.6 years and have 1.3 children. The husband has a high school education, is employed as a clerical or semi- skilled worker with a gross annual income of $6,000 to $7,999. The couple rents its home and has moved 3.3 times since marriage.

The uncounseled group varied little from group one. The husband was 24.9 years of age, his wife was 22.8 years of age. They had been married 2.5 years and had .5 children. The husband has a slightly higher education than his counterpart in group one. He has "some college" and an average income of $8,000 to $9,999. The couple rents its home and have moved 2.3 times since marriage.

One hypothesis set forth in chapter one, reassessed and rejected in chapter five dealt with kinds of records kept. Eighty-seven per cent of the wives in group one and 100 per cent of those in group two (the uncounseled group) stated that both they and their husband paid the bills and made financial decisions. Four husbands in group one took complete charge of handling the family funds. There was a significant difference at the .05 level. Respondents were also querried about record keeping. Forty per cent of the wives in group one indicated that they had a system for recording their family expenditures and 87 per cent of the wives in group two kept records. These records were predominantly of the ledger and check stub variety. A majority of the couples in both groups used a checking system for the payment of bills. Those in group two kept records in a more readily accessible manner than did those in group one.

Members of group one reported a high percentage (87) of couples who shared the responsibility for handling their finances, 67 per cent used a checking account and 40 per cent of the husbands had full responsibility for payment of monthly accounts. Forty per cent of those in group one kept some form of records; seventy per cent of the wives put receipts in a drawer for a few months, and 63 per cent stated that they did not know how long financial records should be kept.

All of the wives of group two indicated that they and their husbands combined the responsibilities of handling the family finances. Ninety-seven per cent of the couples used a checking system. Forty-seven per cent of the wives paid the monthly accounts and 77 per cent kept a financial record consisting of ledgers and check stubs. Fifty-three per cent filed records and receipts for future use. Forty-three per cent filed records and receipts for future use. Forty-three per cent of the wives in group two stated that they did not know how long records should be kept.

Wives in both groups indicated using credit from several sources. Families in group one held a higher number of credit cards and used all other sources of credit more frequently than did those in group two.

The main sources of credit for those in both groups were department stores, oil companies, banks and consumer finance companies. Families with expressed credit problems also reported a high incidence of doctor and hospital bills. Ninety-seven per cent in the counseled group had accounts with doctors, 83 per cent hospitals and 47 per cent had accounts with dentists. Couples in group one also reported a higher number of refinanced loans. Nineteen of those being counseled had found it necessary to refinance loans one or more times.

Legislation that is enacted to aid the consumer does not always achieve its goal. Only 30 per cent of those with financial problems had heard of the law. Seventy per cent of the wives in the uncounseled group were aware of the law but not of its content.

Adult education classes have not been a popular resource among this age group; baby sitting is a problem. However, when asked where they looked for financial assistance or information, 90 per cent of the wives in group one indicated that they looked for a professional financial counselor, 63 per cent also listed parents. Seventy per cent of those in group two listed parents, 47 per cent consulted printed material, 27 per cent each looked to credit managers, teachers and goverment personnel.

The self image of young couples with financial problems tended to be the same or lower than the image of those who did not have problems. Fifty-seven per cent of the wives in group one and 33 per cent in group two expressed the belief that their family was about equal with other families in its use of credit. Four stated that their use was much poorer and nine stated "better". When they were asked how they felt about their use of credit, eleven wives in group one said that they thought their use was poor or very poor, ten stated satisfactory and only four thought it was good.

The young couples expressed the opinions that parents should discuss everyday family financial problems with their teen-aged children, schools should teach money management on the basis of relavency to the individual's needs at that time, and that business should be more judicious in its credit practices.

Suggestions for Further Investigation

Adult educators and family counselors draw upon a variety of sources of information plus their own personal experiences to develop programs and give aid to the general public. Consumer education in all areas including family financial management is essential for all age levels as well as various ethnic and socio-economic groups.

Schoenfeld (1967) stated that:

> Consumer education must become an integral part of education in order to prepare young people and adults for competent and effective utilization of their incomes (p. 27).

To assist in these programs, both on the adult and secondary level, as much information as possible is needed.

Further research, using a similar format, with ethnic groups such as Mexican-Americans, American Indians and migrated Europeans would be of assistance to extension agents, welfare case workers, teachers and others who deal directly with members in these groups. Financial management involves all areas of family living and would assist in a wide variety of subject areas.

A replication of this study using a more sparsely populated area of Oregon possibly would give a somewhat different picture. The Oregon Extension Service is developing special programs especially for young couples that will be offered statewide. Information on management practices in relation to a variety of segmented age groupings could prove beneficial in support of this effort.

Research is needed also to explore the lasting results of professional financial counseling. A pre-test and post-test comparing financial practices and attitudes of financially counseled families would strengthen counseling techniques and establish the desirablility for public supported counselors.

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APPENDIX A

(Letter of Introduction)

OREGON STATE UNIVERSITY Corvallis, Oregon 97331

School of Home Economics

You have been selected, along with other young married couples in the Salem area, to participate in a survey of consumer credit practices. In the near future, Mrs. Lois Preisz, a graduate student in our department, will be conducting personal interviews in your city. With the continuously expanding use of credit, the number of young people requesting assistance on this subject has increased substantially. Your responses will assist us in identifying informational needs and developing teaching programs to assist young couples in the management of money.

Please be assured that your responses will remain confidential. The responses will be coded and summarized by machine for use in tabular form only.

We hope that you will have time to discuss this subject with Mrs. Preisz when she arrives. Your cooperation will make a significant contribution to our understanding of consumer credit. Thank you.

Sincerely,

Helen F. McHugh, Head
Home Management Department

HFM/paw

APPENDIX B

(Interview Schedule)

INTERVIEW SCHEDULE to be used with target populations.

Demographic Data

Card
Column

Group ID no.____________

1-4. Group Identification. ID no.____________

5. How long have you been married?

1. ________ 1 year
2. ________ 2 years
3. ________ 3 years
4. ________ 4 years
5. ________ 5 years
6. ________ Other

6. What is your husband's occupation?

____

7. It this full time? ________________

8. Does he have more than one job?

1. ________ Yes
2. ________ No

9. If your husband holds a second job, please describe.

____

10. Are you employed outside the home?

1. ________ Yes
2. ________ No

11. If yes, what is your occupation?

____

12. How long have you held this job?________________________

1. ____________ 0-6 months
2. ____________ 6 months - 1 year
3. ____________ 1 year - 18 months
4. ____________ 18 months - 2 years
5. ____________ 2-3 years
6. ____________ 3-4 years
7. ____________ 4-5 years
8. ____________ 5-7 years
9. ____________ 7-10 years
10. ____________ Other

13. How many hours per week?________________________

1. ____________ Less than 20
2. ____________ 21 to 30
3. ____________ 31-40
4. ____________ 41-45
5. ____________ 46-50
6. ____________ Other

14. How old was your husband on his last birthday?____________

1. ____________ 16-20
2. ____________ 21-22
3. ____________ 23-24
4. ____________ 25-26
5. ____________ 27-28
6. ____________ 29-30
7. ____________ 31 or more

15. What was your age on your last birthday?________________

1. ____________ 16-20
2. ____________ 21-22
3. ____________ 23-24
4. ____________ 25-26
5. ____________ 27-28
6. ____________ 29-30
7. ____________ 31 or more

16-17. How many years of school did your husband complete?

01 ______	07 ______	13 ______
02 ______	08 ______	14 ______
03 ______	09 ______	15 ______
04 ______	10 ______	16 ______
05 ______	11 ______	17 ______
06 ______	12 ______	18 ______

18. Has your husband had vocational or special training?______

Please Specify______________________________

19-20. How many years of school did you complete?

01 ______	07 ______	13 ______
02 ______	08 ______	14 ______
03 ______	09 ______	15 ______
04 ______	10 ______	16 ______
05 ______	11 ______	17 ______
06 ______	12 ______	18 ______

21. Have you had vocational or special training?__________

Please Specify______________________________

22. How many children do you have?____________________

1. ______________0	6. ______________5
2. ______________1	7. ______________6
3. ______________2	8. ______________7
4. ______________3	9. ______________8 or more
5. ______________4	

23. Would you please give me an indication of your family's gross income for last year.______________________

A. ______________Less than $2,000
B. ______________2,000 - 3,999
C. ______________4,000 - 5,999
D. ______________6,000 - 7,999
E. ______________8,000 - 9,999
F. ______________10,000 - 11,999
G. ______________12,000 - 13,999
H. ______________14,000 or more

24. Are you _______________ your home?

    1. _____________buying
    2. _____________renting
    3. _____________leasing
    4. _____________other

25. How long have you resided at your present address?___________

    1. _____________Less than 1 year
    2. _____________12 to 18 months
    3. _____________19 to 24 months
    4. _____________25 to 30 months
    5. _____________31 to 45 months
    6. _____________46 to 60 months
    7. _____________More than five years

26. How many places have you lived since your marriage?__________

RECORDS KEPT AND USED

27. How do you and your husband handle your money? Do you combine all incomes into one fund or do each of you manage or control a portion of the total family income?

    ____

28. What method is generally used for paying monthly bills?

    1. _______________ cash
    2. _______________ check
    3. _______________ money order
    4. _______________ other Specify___________________________

V 29. Who takes the responsibility for payment of the bills?

    1. _______________ husband
    2. _______________ wife
    3. _______________ both
    4. _______________ other arrangements________________________

30. Do you utilize a bookkeeping system for household accounts?

    1. _______________ Yes
    2. _______________ No

31. Do you have a system for keeping track of how you spend all of your money?

    1. ______________ Yes
    2. ______________ No

____

32. If yes on 30, will you please describe your system?

____

____

33. What do you do with monthly statements after payments have been made?

____

34. How long do you keep paid statements on receipts of payment of bills?____

35. How long do you think you should keep them?______________

36. Does the use of credit assist you in maintaining these records?
    1. ______________ Yes
    2. ______________ No

37. Do you keep statements and records of monthly transactions for income tax purposes?
    1. ______________ Yes
    2. ______________ No

CREDIT PRACTICES

Let's talk a bit about various kinds of charge accounts and the number of times they are used.

Please indicate the number of credit cards you have and use in each

	Number	Use Reg.	Use Occas.	Carrying or interest chrg.
38-41 Master Charge, Bank Cards	______	______	______	____________
42-45 Travel & Entertainment "	______	______	______	____________
46-49 Oil Companies	______	______	______	____________
50-53 Dept. Store-Mail Order	______	______	______	____________
54-57 Other	______	______	______	____________

Do you maintain charge accounts at any of the following kinds of businesses?

	Number	Use Reg. or Occas.	Never	30-dy Inst. Rev.	Carrying or Int. Chg.
58-62 Mail Order					
63-68 Dept. Stores					
69-74 Clothing Stores					
75-80 Hardware Stores					
81-86 Sporting Goods					
87-92 Grocery Stores					
93-98 Service Stations					
99-100 Other					

Have you and your husband, since your marriage, borrowed money from any of the following: (Other than for real estate)

	Number of times	Int. Chg.	Rate of Int. Chg.	Life Ins. Pol. Incl.	Extra Chg. for policy
105-108 Bank					
109-112 Savings & Loan					
113-116 Commercial Fin Co					
117-120 Friends					
121-124 Relatives					
125-128 Credit Union					
129-132 Loan Sharks					
133-136 Other					

127. Frequently, companies forward advertisements of goods - such as cameras, watches, etc., with their billings for credit card purchases. Do you purchase items in this manner?

_______________ Yes
_______________ Sometimes
_______________ No
_______________ Never

Have you found it necessary to carry credit balances for more than 30 days with any of the following?

	Yes or No	More than 6 months	Int. Charged?	Rate
138-141 Physician & Surgeon				
142-145 Dentists				
146-149 Hospt. and/or Clinic				
150-153 Other med. (optometrist-Drugs)				

154. Have you found it necessary, since marriage, to refinance any loan or charge account?
1. ______________ Yes
2. ______________ No

155. If you have, would you care to comment?

____

____

156. About a year ago, Congress passed a "Truth in Lending" bill. Do you feel that this bill has had or will have any influence on your use of credit.
1. ______________ Yes
2. ______________ No
3. ______________ Don't know

157. If yes, may I ask how?

____

____

If you were in need of money today, what sources would you feel were the least expensive and most expensive when borrowing?

	Lease	Most
160. Bank	________	________
161. Credit Union	________	________
162. Commercial Finance	________	________
163. Small Loan Co's	________	________
164. Unliscensed lenders (loan sharks)	________	________
165. Pawn Shops	________	________
166. Other	________	________

Specify ____

170. When you buy appliances, cars, furniture, or other large items on credit, do you figure out exactly how much it will cost, including interest?

Always______________ Sometimes__________ Never__________

171. On what kinds of purchases do you carry out this practice?

____

172. When Life Insurance protection is included with Installment buying, do you know if there is an extra charge to you, the customer.

Yes________________ No________________ D.K.________________

INFORMATION SOLICITED

173. Have you, or your husband, ever attended meetings or classes on money management or general consumer credit practices?

1. ________________ Yes
2. ________________ No

174. Please describe program - or give title - and where attended. Who conducted?

____
____
____

From whom have you sought credit information or help with family money questions?

175. ________________relatives
176. ________________friends
177. ________________governmental personnel (teachers, Home Extension agent, tax personnel, etc.)
178. ________________professional counselors (family counseling, etc.)
179. ________________debt. consolidating agencies
180. ________________credit managers
181. ________________printed materials (bulletins, magazines, newspapers, etc.)
182. ________________Of those checked above, can you tell me what kinds of help or information they gave? Is there one or two bits of information that stand out in your mind?

____
____
____

183. Will you indicate on the following scale your perception of how your family compares with other young married couples in the use of consumer credit.

1	2	3	4	5	6	7	8	9
Much poorer handling of credit				about same			Much better handling of Credit	

184. Do you feel that your family's use of credit is

1	2	3	4	5	6	7	8	9
Very Poor		Poor		Satisfactory			Good	Very Good

185. To conclude, I would like to ask you to express any views you may hold toward the general area of consumer credit. Please comment on the adequacy of training or information you may have - suggestions, complaints, etc.