8306194

Carroll, Diana Lynn Dearing

HUSBANDS' AND WIVES' ATTITUDES, BEHAVIOR, AND KNOWLEDGE REGARDING FAMILY FINANCIAL MANAGEMENT

The University of North Carolina at Greensboro PH.D. 1982

University Microfilms International 300 N. Zeeb Road, Ann Arbor, MI 48106

HUSBAND'S AND WIVES' ATTITUDES, BEHAVIOR, AND KNOWLEDGE REGARDING FAMILY FINANCIAL MANAGEMENT

By

Diana Dearing Carroll

A Thesis Submitted to
the Faculty of the Graduate School at
The University of North Carolina at Greensboro
in Partial Fulfillment
of the Requirements for the Degree
Doctor of Philosophy

Greensboro
1982

Approved by

Naomi G. Albanese
Dissertation Adviser

APPROVAL PAGE

This dissertation has been approved by the following committee of the Faculty of the Graduate School at the University of North Carolina at Greensboro.

Dissertation Adviser Naomi G. Albanese

Committee Members Mildred Johnson
William L. Tullar
Deborah D. Godwin
William A. Powers

August 2, 1982
Date of Acceptance by Committee

August 2, 1982
Date of Final Oral Examination

CARROLL, DIANA DEARING. Husbands' and Wives' Attitudes, Behaviors, and Knowledge Regarding Family Financial Management. (1982) Directed by: Dr. Naomi Albanese. Pp. 226

The purposes of this study were to investigate the financial management attitudes, behaviors, and knowledge of Tennessee husbands and wives, to ascertain the degree of agreement between the spouses, and the factors which affect their financial management. Barriers to successful financial management, level of satisfaction with management, intrafamily decision making, and perceptions of income adequacy were investigated as factors related to the financial management of husbands and wives.

Identical questionnaires were completed by 73 husbands and wives who either attended a financial management workshop or who expressed an interest in the workshop. Frequencies, difference scores, correlation coefficients, and multiple regression were utilized to analyze the data.

Husbands and wives on the average were in middle to late thirties in age, had been married 14 years, and had achieved high educational, occupational, and income levels. Husbands and wives did hold similar financial management attitudes and reported that they practiced similar behaviors; however, there was a discrepancy between the attitudes reported and the spouses' actual behaviors regarding financial management practices. An average of only six of 18 financial management behavioral indicators was reported by the couples. Differences were reported between husbands' and wives' knowledge about financial

matters. The wives consistently reported higher percentages of income spent on budget categories than did their husbands. The two barriers most often reported by both spouses were unexpected expenses that made budgeting difficult and lack of savings.

Major findings of the study were the following: (1) higher financial-management attitude and behavior scores of wives were correlated with higher scores of husbands; (2) wives' financial-management attitudes were negatively related to their educational levels and perceptions of income adequacy; (3) husbands' attitudes toward financial management were negatively related to their reports of family income; (4) wives' behavior scores were positively related to their occupational status, the length of marriage, and the completion of a consumer education course; (5) husbands' behaviors were positively related to the length of marriage and completion of a consumer-education course and negatively related to husbands' age; (6) the difference in husbands' and wives' attitudes decreased as the wives' occupational status increased and increased as the family income increased; and (7) the discrepancy between the financial-management knowledge of husbands and wives was related to the age of husbands, the employment status of the wives, the length of marriage, husbands' perceptions of income adequacy, and the wives' completion of a consumer-education course.

ACKNOWLEDGMENTS

The investigator is greatly indebted to Dr. Deborah Godwin for her guidance throughout this study and her technical assistance in the statistical analysis of the data. Appreciation is also expressed to Dr. Naomi Albanese, committee chairperson, for her encouragement and support, particularly during the latter stages of this study, and to Drs. Mildred Johnson, William Powers, and William Tullar for serving on the dissertation committee.

Special thanks is extended to my former major adviser, Dr. Jane Crow, and to Dr. Mohamed Abdel-Ghany for their assistance. Mrs. Judith Fulbright's encouragement and technical assistance in the statistical analysis of the data are deeply appreciated.

Acknowledgments go to the management of Appalachian Electric Cooperative, Jefferson City, Tennessee, for the use of their computer in selecting the households for the initial sample, and to Mr. Herbert Harville, Superintendent of Hamblen County Schools, and Mr. George Johnson, Principal, for their cooperation. Appreciation is extended to the 73 couples who made this study both enjoyable and informative. Acknowledgments also go to the Tennessee Chapter of Delta Kappa Gamma for the scholarship award they provided.

Thanks are due my family, parents, sisters and their families, grandmother, and my cousin Judy for their constant help and understanding. A final, special tribute goes to my husband Mike, the source of unending encouragement and support, and to David, who now may get to know his mother.

TABLE OF CONTENTS

Page

CHAPTER

LIST OF TABLES

Page

TABLE

Page

TABLE

Page

TABLE

CHAPTER I

INTRODUCTION

There is little doubt that many families today are experiencing increasing difficulty managing their financial affairs. In recent years, consistently high rates of inflation, increasing unemployment rates, rising tax liabilities compounded by "bracket creep," and double-digit interest rates have made financial planning a risky business at best. Wives are going to work in the labor market in record numbers to supplement husbands' earnings; also "moonlighting" in a second, part-time, or transitory job has reappeared as a viable alternative to coping with financial stress.

Yet, much evidence exists that families are not coping well with the economic changes which have occurred over the last few years. The growth in consumer debt levels indicates that credit has been used increasingly to sustain the level of living of many families whose incomes have not kept pace with their desires. Lareau (1980) reported that one out of every 20 Americans owes 60 percent or more of their gross annual income to creditors in some form of installment debt. According to Miller (1981), the median debt for families with debt was about $7,000 in 1979. The amount of consumer debt understanding as a ratio to disposable personal income in 1980 was over 20 percent (U.S. Bureau of the Census, 1981).

The savings rate has fallen sharply over the past few years until "by the end of 1979 it had reached 3½ percent, the lowest quarterly level in almost 30 years" (Corrado & Steindel, 1980, p. 613). This lack of savings means that for many families there is no reserve of resources upon which to rely in times of emergency. Several investigators have reported that lack of savings is considered a major financial management problem of families (Hinson, 1973; Jeries, 1979; Katona, 1974; Williams, 1976; Zwaagstra, 1971). Hunter (1961), Fitzsimmons and Williams (1973), and Wright (1978) reported that excessive use of credit was a cause of financial problems for some families who may use credit as a substitute for the lack of savings.

Extensive use of credit and lack of savings are problems with which families can cope over the short term; however, many Americans have failed to cope over the longer term, as evidenced by the large and increasing numbers of personal bankruptcies filed. As reported by Dunkelberg (1982), there were 457,000 personal bankruptcies filed in 1981 in the United States, an increase from 188,300 in 1970. Although some of this increase may reflect the liberalization of bankruptcy laws during that interim, it still documents the increasing difficulties which families have with management of their finances.

Although a part of these difficulties may be attributable to the adverse effects of the macroeconomic system on families, some of the difficulties result from a lack of knowledge and skills at financial management on the part of many family members. A study released by the University of Texas, Extension Division, for the Department of Health, Education, and Welfare found that almost 30 percent of the adult population were incompetent in consumer economics. Approximately 33 percent were functional but not proficient in such basics as money management (Northcutt, 1975). Other studies have revealed that lack of skills in money management causes financial problems in families (Fitzsimmons & Williams, 1973; Lawyer, 1977; Wright, 1975; Yankelovich, Skelly, & White, 1975). As mentioned previously, indebtedness is a problem of great magnitude among families; several researchers have reported the same (Feldman, 1976; Larery, 1973; Lawyer, 1977; Marlowe, 1981; Ryan & Maynes, 1969; Yankelovich, Skelley, & White, 1975).

A primary focus of family economists and home management specialists has always been to help family members gain the knowledge and skills to manage their money more effectively. Although assumptions are made daily in the popular press about the extent of the difficulties families are having and the reasons for their financial problems, many questions about the perceptions and behaviors regarding financial management by family members remain unanswered.

What are husbands' and wives' attitudes toward the financial management philosophy and practices recommended by family resource management theory? Do husbands and wives have similar attitudes toward financial-management practices? What types of behavior do spouses exhibit in their financial management? Are husbands and wives using the goal-oriented, shared decision-making approach to managing their resources suggested by management literature? What are the barriers that affect spouses' control or lack of control of their financial situation, and are spouses satisfied with their current financial-management situation?

No studies were found in the literature reviewed that have attempted a comprehensive examination of such questions related to the financial-management attitudes, behaviors, and knowledge of family members. Moreover, no studies have asked such questions of both the husband and wife in order to determine the degree of agreement between the spouses concerning such matters. Little attention has been given to the factors that may affect the financial management of families.

Purposes

The purposes of this study, therefore, were to investigate selected aspects of financial management to a small sampling of Tennessee husbands and wives. The seven aspects of their financial management were attitudes, behaviors, knowledge, barriers, intrafamily decision making, level of satisfaction with financial management, and perceived income adequacy. The specific objectives were these:

1. to investigate the financial-management attitudes, behaviors, and knowledge of Tennessee husbands and wives.
2. to investigate the barriers obstructing good financial-management behavior, intrafamily decision making, and overall level of satisfaction with financial situation of husbands and wives.
3. to determine the degree of agreement between husbands and wives concerning (a) their financial-manage attitudes, (b) financial-management behaviors, and (c) financial-management knowledge.

4. to investigate the relationship between husbands' and wives' financial-management attitudes, behaviors, and knowledge, and (a) age of husband and wife, (b) educational level of husband and wife, (c) employment status of wife, (d) occupational status of husband and wife, (e) length of marriage, (f) income, (g) perception of income adequacy of husbands and wives, and (h) past experience with a consumer-education course.

Definition of Terms

For the purposes of this study, the following terms are operationally defined:

Financial-management attitudes are attitudes which are held by husbands and wives that relate specifically to their perceptions of the importance of budgeting, savings, written financial goals, intrafamily decision making, record-keeping, debt obligations, and importance of money.

Financial-management behaviors are practices or "behavioral indicators" currently in use by the husbands and wives.

Financial-management knowledge is the perceived knowledge of husbands and wives on eight selected areas of financial concerns--amount of debt owed, years to repay debt, and percentage of income designated for six budget categories.

Limitations of the Study

The sampling area in this study was limited to eastern Tennessee, and generalizations cannot be made beyond that area. When the original random sample selection process resulted in less than a three percent response rate, supplemental techniques were used to increase response rate, such as radio announcements, newspaper advertising, and distribution of fliers; thus, the sample was not truly random.

Unique to the study was the fact that the data source had responses from both spouses of a family, which in itself caused greater difficulty in obtaining a sample; however, since the data from this research effort did not represent the various other types of family forms, generalizations can be made only about husbands and wives in eastern Tennessee. Finally, the small sample limits the generalizations that can be made about the population as a whole; therefore, the study must be considered exploratory in nature.

Overview

Information that will be presented in the remaining four chapters includes a review of the literature dealing with families' financial-management affairs. The methodology chapter explains the procedures used in obtaining the sample, the instrument development, data collection procedures, and statistical analyses. Chapter four presents the results and findings of the study, followed by the final chapter which presents a summary, conclusions, and recommendations for future research.

CHAPTER II

REVIEW OF LITERATURE

This chapter presents a review of the literature related to the financial-management behaviors of families, with special reference to factors that may influence a family's financial management. Studies related to the financial problems of families are presented first, followed by studies and articles that discuss the relationship between a family's financial management and certain factors: family goals and values, indebtedness, budgeting, savings, perceived adequacy of income, intrafamily decision making, and consumer education. Implications for future research and program planning conclude the review of literature.

Financial-Management Problems of Families

A family's financial management involves decisions about all resources and reflects the complex value system of the family. As in all management, the limits of resources available and demands on these resources as well as chosen goals are major factors in determining how a family uses its financial resources. A lack of knowledge and skills in financial management may affect how a family uses its financial resources. The Adult Performance Level Study, released by the University of Texas, Extension Division, for the Department of Health, Education, and Welfare, found that almost 30 percent of the adult population were incompetent in consumer economics. Approximately 33 percent were functional but not proficient in such basics as money management (Northcutt, 1975).

A study conducted by Yankelovich, Skelly, and White (1975) for the General Mills Consumer Center indicated that more than half of the families interviewed argued a great deal about money. Over one-third argued about making ends meet, 25 percent about being too far in debt, 15 percent about money management, and fewer than ten percent about the difficulty of getting credit. A study by Mitchell, Bullard, and Mudd (1962) indicated that over 70 percent of families, regardless of their ability to function successfully in the handling of marital problems, reported that the most frequent problem was finances.

Hinson (1973), in a study of 105 low-income families in a housing project in Charlotte, North Carolina, observed that more than one-half of the families had difficulty with inadequate monetary resources to meet needs and wants, inability to save, and unexpected expenses. The families who experienced high levels of difficulty with financial problems were less active in procuring and using economic resources, and the homemakers had lower levels of education. The families' satisfaction with lifestyle was influenced inversely by the severity of financial problems and the educational levels of the wives.

and Krofta (1965), in a study of Wisconsin rural families, sought to identify factors that affected the financial security of rural families. Among the findings were that families in the middle years did not build their resources as age advanced. In two-thirds of the families, no wills were made and often life insurance was not enough to cover debts and last expenses.

Zwaagstra's (1971) study of homemakers in poverty neighborhoods indicated that over 80 percent of the homemakers believed their incomes were adequate to "meet necessities only" or "to afford some of the things wanted but not all." More than two-thirds of the families in the study had fluctuating incomes. A larger number of financial problems at the more intense levels was encountered by the families in the lower economic positions. Families in poverty had an average of 5.86 problems; those near poverty, 5.65; those above poverty, 4.70; and those near affluence, 3.47 problems. Problems including lack of money for day-to-day living, money for extras, saving money for large expenses, and lack of enough money for occasional expenses were found to be significantly related to the economic positions of the families.

According to Hunter's (1961) analysis of a 1960 national survey, the greatest financial problems of American families were excessive use of credit and lack of enough money to provide for felt needs. About 40 percent of the wives in the study identified inadequate money as the greatest problem. Most of the wives attributed financial problems to a growing family, more things to want, prices increasing faster than income, and inadequate income. Only three percent stated that inefficient management might be a factor related to financial problems.

Burk (1966) stated that "to study human behavior definitely, we must measure actions. Motivation and cognition can only be inferred" (p. 444). One attempt at trying to measure actions is to look at a family's managerial and decision-making practices. An early study of lower and middle socioeconomic homemakers (Van Bortel & Gross, 1954) found that with respect to managerial practices, the lower socioeconomic group indicated more financial planning and more family participation in financial planning, while the middle socioeconomic class indicated more concern about economic security, and the use of joint checking accounts.

Since financial security is often regarded as a goal in planning family action, evidences of financial security were sought in a 1964 study conducted in Indiana as part of NC-32, "Factors Affecting the Financial Security of Farm Families." Financial security was indicated by the family's belief that they could meet expenditures. The characteristics for which the closest association with financial security were found included ways of meeting emergency expenses, belief in ability to attain goals, satisfaction with current economic conditions, family size, and belief in the ability to meet current expenses.

Margolius (1966) defined the financially progressive families as those who had (1) long-range goals based on family values, (2) a habit of planning for goal achievement, (3) an acceptable and workable system for handling money, (4) a willingness to understand money matters, and (5) an awareness of thrift.

In data obtained from 252 families by personal interviews, Larery (1973) sought to identify factors related to families' perceived financial security. The factors of indebtedness beyond ability to repay, presence or absence of supporting kin, satisfaction with own economic conditions, and past experiences with financial stress were related to inadequate perceptions of financial security.

Factors Affecting Family Financial Management

Family Goals and Values

Families are increasingly confronted with many possible uses for their resources, and recognize that the alternatives chosen will affect not only themselves but the larger community as well. For this reason, effective management is vital. Gross, Crandall, and Knoll (1980) stated:

> Home management is purposeful behavior involved in the creation and use of resources to achieve family goals. Once this is recognized, the value of management and its challenge become clear: management is the major means of achieving family goals. (p. 6)

Assessing progress toward goals is desirable but may be difficult for families. Being specific about their goals can help families assess progress toward them and evaluate methods for achieving goals.

Several writers (Bratton, 1964; Deacon & Bratton, 1962; Edwards, 1970; Gross, Crandall, & Knoll, 1980) have agreed that goal-setting is an integral process in the managerial behavior of families. Gross, Crandall, and Knoll (1980) stated that "the significance of goal setting as a motivator of managerial action may have been seriously underestimated by many people" (p. 185).

The concepts of goals, values, and standards have much to do with a family's financial management, and it is generally accepted that goals stem from values. Although families will develop their own patterns of goals, writers have identified goal areas that are important to families. Hinson (1973), in her study of low-income families, found that families identifying health, improved living, and financial security as dominant values, significantly (1) experienced less difficulty with financial problems, (2) worked harder at procuring and using economic resources, and (3) perceived high levels of success in goal achievement.

A study of rural Ohio families and the relation of selected family characteristics and financial circumstances to economic progress since marriage showed that husbands' and wives' goal selections correlated significantly with family advancement, debt control, children's advancement, and community standing. The three most important goals according to homemakers' rankings were financial security, family advancement, and children's advancement (Deacon & Krofta, 1965).

In one regional research project in which family goals were related to major financial decisions, nine goal areas were identified: (1) financial security and growth, (2) level of living, (3) housing and environment, (4) education, (5) family relationships and management, (6) health, (7) community involvement, (8) income and occupation, and (9) retirement (Fitzsimmons, Larery, & Metzen, 1971).

A study of young families by McCandless (1971) revealed differences in values among the husbands and wives. Both husbands and wives ranked a good credit rating as the top economic value, but the husbands ranked an emergency fund and the wives ranked independence in respect to being able to pay for current living next in importance.

Hinson (1973), in her study of low-income families, found that families with increased activity in goal setting indicated significantly higher educational levels of wives, increased efforts toward acquiring knowledge, decreased satisfaction with amount of family income, and increased efforts toward procuring resources and in planning. Families having a higher perception of success in goal achievement noted significantly decreasing difficulty with financial problems, and higher levels of education for the wives.

Indebtedness

The family's allocation of income, including that committed to debt, has an effect upon realizing both their immediate and other long-term financial goals and aspirations. Managing debt has long been recognized as part of financial management. The question to be answered is "how much debt should a family carry?" Guides suggested by Bymers (1968) included (1) the cash available to meet emergencies, (2) the length of time needed to pay off present installment debt at the current rate of repayment, and (3) the proportion of current income committed to installment payments.

Cohen (1975) emphasized that debt should not exceed 20 percent of take-home pay; also, total debt should not exceed the amount that can be paid off with ten percent of take-home pay over 12 to 24 months; moreover, what is owed should not exceed one third of discretionary spending (or savings) for the year. Miller (1980) suggested that no more than 15 percent of one's disposable income should be committed to debt payments. The U.S. Bureau of the Census (1981) reported that consumer credit outstanding as a ratio to disposable personal income in 1980 was 20.2 percent, down from 24.7 percent in 1979 (p. 519). This could be interpreted to mean that one dollar out of every five dollars is committed to consumer credit (excluding mortgages).

More than 50 percent of all Americans have outstanding installment debts at any given time. In 1979, the median debt for families with debt was about $7,000. Per capita debt (corrected for inflation) in the United States in 1980 was $3,000, obtained by dividing the total population by $1.5 trillion, the total amount of private debt outstanding in the United States in 1980 (Miller, 1981). Hira and Leskiw (1982) reported that the Canadian per capita debt was $1,600, exclusive of mortgage debt.

In the past, studies by the Survey Research Center of The University of Michigan have provided detailed information on the characteristics of borrowers. The survey was discontinued in 1971. In 1976, the Board of Governors of the Federal Reserve System authorized a detailed survey of consumers' views on credit. Published by the Federal Reserve, the study was called the 1977 Consumer Credit Survey (Booth, 1981). The interview questionnaire explored different types of credit used by consumers and measured consumers' awareness, understanding, attitudes, and behaviors regarding credit and its regulation, a largely unresearched area.

The Federal Reserve Survey conducted in 1977 revealed that 46.5 percent of all families owed no consumer installment debt. Over one-fourth of all families (26.7 percent) had installment debt payments (excluding home mortgages and credit cards) of less than ten percent of family income; 15.6 percent had payments of ten to 19 percent; and 7.2, of 20 percent or more. However, these figures do not include credit card debts (Booth, 1981).

Approximately 71 percent of consumer indebtedness is in the form of home mortgages. About 24 percent is in the form of installment credit, and about five percent of consumer debt is noninstallment--that is, 30-day charge credit held by retailers, travel and entertainment companies, and single-payment loans at commercial banks (Booth, 1981).

As evidenced by the percentage of consumer debt outstanding, indebtedness is a major problem which may affect one's job, health, and marriage. Caplovitz's study (1974) revealed that interrelationships do exist among debt-induced health problems, marital strains, lower work productivity, and unemployment.

Josephine Lawyer, a family resource management specialist in the Home Economics Extension Service of the U.S. Department of Agriculture in Washington, DC, reported in a 1977 Journal of Home Economics article that extension staff could make a number of observations about people with indebtedness problems:

> People come for help when they are so far overextended in debt that they can see no way out.
>
> Family members do not communicate about family financial goals, the delegation and division of family financial responsibility, or about the family's actual financial position.
>
> People have often made little preparation for family or individual financial emergencies such as medical bills, pregnancies, or deaths.
>
> People may not understand or know about
> --debt limits, interest costs, finance charges, or how to use annual percentage rates to make comparisons of interest charges
>
> --how to reduce what they are spending for food, clothing, household operation, or insurance

--how to use financial records to help control their own financial situation

--how to analyze their financial situation, including how much they are in debt or how long it will take them to repay a debt

--the limitations of their income; that is, exactly what it will or will not buy

--the impact of inflation on their real purchasing power

--the proportion of income that they are currently spending for different categories of goods and services. (pp. 16-17)

Fitzsimmons and Williams (1973) reported that the availability of credit and the wealth of consumers' goods have led some families to obtain debts on contracts beyond their ability to meet the payment terms. Several conditions were found to be associated with too great credit obligations:

(1) purchase of too many consumers' goods on credit

(2) cost of having a baby

(3) illness or accidental injury

(4) failure to develop a spending plan

(5) insufficient income

(6) loss of job by principal earner

(7) spouse responsible for paying bills failing to do so

(8) failure to assign responsibility for making credit payments

(9) inability to realize and plan for future needs. (Fitzsimmons & Williams, 1973, p. 497)

Marlowe (1981), in a study of 292 cases drawn from the files of the Consumer Credit Counseling Service of Greater Knoxville, Tennessee, sought to identify factors which discriminated between families who liquidated their debts and families who did not. The 292 cases handled between 1973 and 1976 consisted of 55 cases that had been successfully completed and 237 cases that had dropped out of the program at some time. Most families were young, had a median income of about $6,000, and owed 12 credits. Findings indicated that debt-to-income ratio was a strong discriminator of successful versus unsuccessful families, which suggested that to liquidate the debts, the ratio must be lowered. Medical debt was the most consistently significant variable, with the successful completions having a higher medical debt than the drop-outs. The implications were that it was the forced consumption of medical services, rather than unsound consumption patterns, that caused the debt problem. In that case, families may be able to overcome the problem without fundamental changes in their basic consumption patterns. Marlowe (1981) inferred that "those who had better financial management skills and were motivated to become solvent were more likely to recover from excessive debt" (p. 388).

Ryan and Maynes (1969) analyzed the financial positions of 1,223 debtor families included in the 1960 Survey of Consumer Finances conducted by the University of Michigan Survey Research Center, and found 39 percent were in some trouble, and 11 percent were in deep financial trouble. However, the debtor families represented less than 50 percent of the entire sample. Feldman (1976) reported that a group of 79 families who sought the help of a nonprofit counseling agency in early 1975 had an average nonmortgage debt of $5,700, ranging from $600 to $21,000, representing more than two thirds of their take-home pay, and owed an average of six creditors.

A study conducted by Wright (1978) of 2,800 families who had used the Family Debt Counseling Service in Syracuse, New York, between 1972 and 1976 sought to identify social and economic characteristics that differentiated families that succeeded in repaying their debts from those who did not. Major reasons given for financial problems were insufficient income to cover debts, lack of money-management skills, and lack of credit information. The average client owed about $5,000 to ten creditors. Among the findings were that the monthly amount of net income and debt repayment, as well as the ratio of debt repayment to income, significantly affected families' ability to repay debts. Total debt load and number of creditors did not affect ratio of debt repayment. Wright also observed that the husbands' number of years married and present occupation affected significantly the families' success in repaying debts.

Lack of Budgeting

Decisions about how a family chooses to use its income can be implemented through the use of a budget. Gross, Crandall, and Knoll (1980) differentiated between long-range financial plans and budgeting.

> Long-range financial plans take into consideration changes related to the life span. The budget, on the other hand, is a relatively specific plan for use of income in the future during a period of several months or a year. Some people confuse budgeting--which is planning for the future use of financial resources--with accounting for expenditures as or after they take place. (p. 345)

They further stated that a family has not planned or budgeted unless decisions are made about actions to be taken in the future. However, since families will differ in planning abilities, simply making a budget will not ensure that the budget is a good plan or that it will be carried out.

In several earlier studies in the 1940's and 1950's (Gross & Zwemer, 1944; Thorpe & Gross, 1950; Van Bortel & Gross, 1954), it was found that between 40 percent and 80 percent of the families reported some budgeting, with two-thirds to four-fifths of the budgets being partial or unwritten. However, McCall (1967), in a study of families living in federally subsidized housing in Tuskeegee, Alabama, reported that only one of the 39 families reported having a budget. Incomes of the other 38 families were often committed before payday, and their money-management practices consisted of retaining cancelled checks and receipts and itemizing outstanding bills.

Yankelovich, Skelly, and White, in a 1974-1975 study of American families conducted for General Mills, found that about 50 percent of the 1,247 families studied budgeted. Approximately 75 percent of the families who budgeted described their budgets as being informal. The major difference between those families who budgeted and those who did not budget was their attitudes toward budgeting. Families who budgeted indicated that budgeting helped them keep track of their spending, avoid overspending, get ahead, and save.

Cohen (1975) reported that a Gallup Poll found that four out of every ten American families kept budgets; and of those who did, one out of three said they failed to stay within it. Gallup interviewers found that nearly half of all persons who have a college education kept a budget, compared to less than one-third of persons whose education did not extend beyond grade school. The two principal reasons given for not keeping a budget were "not enough money, all spent anyhow" and "don't need one, can live within means" (p. 41).

Lack of Savings

Williams, Nall, and Deck (1976), studying homemakers from disadvantaged areas of Chicago, Indiana, and Ohio, asked about 11 financial problems that caused the homemakers trouble. Problems were associated with family income, income index, income dependability, ethnicity, and socioeconomic class. Perceptions of income adequacy increased as frequency of problems decreased. Over 14 percent had over 20 percent of their income committed to debt repayments. The problem reported most often was "not able to save." Those perceiving their income as being least adequate, most often encountered the problem of not being able to save.

Jeries (1979), in personal interviews with 185 homemakers who participated as respondents in a study entitled Factors Affecting Patterns of Living of Disadvantaged Families, found that frequency of money problems related to savings was significant at the .01 level and was negatively related to marital satisfaction. In general, lower income families reported higher incidences of money problems related to savings.

In surveys conducted by Katona (1974), the great majority of Americans expressed satisfaction with the standards of living, earned incomes, and their personal financial progress during the past several years. However, over one-third indicated that they were dissatisfied with the amount of their savings.

During the last decade, the average rate of household saving has been relatively stable, near the six percent level; but during 1979, it diminished to less than four percent of disposable income (Hefferan, 1980). Hefferan reported:

> It is certain, however, that households are saving a smaller percentage of their disposable income than they have in the past and that a number of economic and social conditions, such as price changes, Federal and State regulations of financial instruments, population trends, and family characteristics, seem to be associated with this change. (p. 3)

Durkin and Elliehausen (1978) reported the proportion of households holding financial assets. Approximately three-fourths of all households held savings and checking accounts, one-third held bonds, and one-fourth held stocks or other securities. Results suggested that holding financial assets related to the levels of households' income and education and the occupation of the household head.

Saving rates of families do have implications for the home economist. "A change in the rate of household saving may foretell a change in families' abilities to achieve their financial goals, enter or exit the housing market, or attain a sense of economic well-being" (Hefferan, 1980, p. 3).

Perceived Adequacy of Income

Perceived adequacy of income, a subjective measure of financial well-being, is a variable being investigated in this study to determine its relationship to a family's financial-management attitudes, behaviors, and knowledge. Despite the lack of a clear definition of quality of life, it is concerned with an individual's or family's sense of well-being. Since the early 1960's, there has been increasing interest in the development of measures to assess the quality of life of people. A family's well-being or quality of life has a number of components--physical, social, cultural, and economic. Much of the research on life satisfaction or quality of life has assessed the effects of income, an objective indicator on the quality of life of individuals or families.

Gurin, Veroff, and Feld (1960) found that high income was associated with greater happiness, fewer worries, and greater anticipation of future happiness. Middle-income groups were found to worry the most about money matters but to be the most optimistic about the future. Low income was found to be associated with current unhappiness, worry, and a lack of confidence about the future.

A study by Bradburn and Caplovitz (1965) confirmed the findings of Gurin, Veroff, and Feld that there was a strong positive relationship between happiness and income. The data revealed that a higher percentage of the high-income groups reported that they were very happy compared to other groups. Bradburn and Caplovitz also found that education and happiness were positively related for the majority of the sample that earned less than $7,000 a year, but negatively related among the higher-income groups; among the middle-income groups, it was the well-educated who more often said that they were "not too happy."

Strumpel (1973) found that over four-fifths of the respondents were satisfied with their level of consumption. The factors of income, race, age, and occupation of head of household were reported as influencing satisfaction with level of consumption. Hafstrom (1971), in a study of 488 typical families and 191 disadvantaged families, found that the homemaker's satisfaction with the perception of the adequacy of family income was most important in explaining her satisfaction with level of living. Compared to homemakers who had managerial occupations, homemakers not employed outside the home were most satisfied with their level of living.

Campbell, Converse, and Rodgers (1976), in their study on the quality of life of Americans, found that the major contribution to the variance in sense of well-being was not income. The more significant contributors were age and stage of family life cycle. When income was considered, people with the greatest sense of well-being were those who did not finish high school but were earning more than $12,000 a year. College graduates were not particularly happy, no matter how much they earned.

Zwaagstra (1971) investigated income dependability and economic position as related to family financial problems and perceived adequacy of income. The results indicated that steady income appeared to give families the greatest sense of income adequacy; however, this relationship was not found to be statistically significant.

Mammen (1980), in a study of 202 husband-and-wife couples in two Missouri communities--one metropolitan and one nonmetropolitan--sought to explore the effect of perceived adequacy of income on life satisfaction and to determine the factors that shape the perception of income adequacy. Of particular concern was the relationship between subjective assessments of financial well-being and satisfaction with the quality of life. Of particular interest to the investigator of this study was the fact that Mammen's data source included responses from both spouses in a family.

Mammen's (1980) results confirmed the findings of previous research that the financial domain is indeed an important element of life satisfaction. The husbands ranked the financial security domain second highest in a hierarchy of importance ranking. The wives ranked the financial domain third in relation to the other domains of life. Results also indicated that wives who were more satisfied with their money management (defined as the individual's reported satisfaction with her family's ability to manage its money) assessed their income to be more adequate. It did not make a significant contribution to husbands' perceived adequacy of income. The socio-demographic characteristics that had an effect on husbands' perceptions of income adequacy were household members and age. The negative relationship indicated that husbands with larger families were more likely to perceive their incomes to be inadequate. The older the husbands, the more adequate was the perception of their incomes. Age did not have a significant impact on the wives' perceptions. The kind of work performed by the wives contributed to the perceptions of the adequacy of their incomes.

Fowler (1972) developed a model to predict the economic well-being of the family and to relate economic well-being to specific financial problems families experience and to flexibility in financial management. A regression model with ten dependent variables was used to predict the state of well-being, and the income index (income related to poverty threshold), and perceived adequacy of income was created as a proxy for economic well-being. The results indicated that economic well-being was affected by the percentage of income obligated to financial fixed commitments and also by specific financial problems experienced by the family.

Galligan and Bahr (1978) sought to examine the effect of economic well-being on marital stability, using data from the National Longitudinal Survey of Labor Market Experience. The sample consisted of 1,349 married females who were interviewed annually over five years. Data indicated that income by itself had little effect on marital satisfaction. However, level of assets had a rather substantial effect on marital breakup even after other relevant variables were controlled. Data showed that direct income supplements, a major focus of the study, had little effect on marital dissolutions unless they increased the level of family assets.

One of the implications of Galligan and Bahr's study for income maintenance programs was:

> Education in resource management and consumership would appear to be important for income maintenance programs. A critical aspect of acquiring assets appears to be resource management, since a high income by itself was not related to stable marriages. If individuals are able to use their income supplements to get out of debt, then marital stability may be improved. A certain level of competence appears necessary for this to occur. (p. 289)

Hampton (1975) found that income was the best predictor of marriage instability, although the magnitude of the relationship was small. However, Ross and Sawhill (1975) found that marital separation was related to lack of assets, income decreases, and unemployment, but not to level of income. Mott and Moore (1977) found that effects of income were small. Marital disruption was also found to be somewhat less likely for those without debt.

Intrafamily Financial Management Decision Making

Much of the literature related to intrafamily decision making has focused on the degree of equalitarianism in the marital relationship, the concept of who has the power in intrafamily decision making, the division of labor within families, and the husband-wife influence in purchasing decisions. With a few exceptions, little attention has been given in the literature to the intrafamily decision making that specifically concerns the financial or money-management behavior of couples, one of the factors being investigated in this study.

Godwin (1976), in her master's thesis, Attitudes Toward Feminism and Patterns of Family Economic Decision-Making, conducted an extensive review of the literature on the study of family power, patterns of power structures, and the study of decision making in the management process. Over 25 studies dealing with the above-mentioned topics were cited. However, absent from the literature review were studies that focused entirely upon intrafamily money-management decisions.

Some of the research concerned with roles or tasks includes Albrecht, Bahr, and Chadwick (1979), Blood and Wolfe (1960), Kamarovsky (1961), and Lloyd (1975). Research centered on the completion of roles or tasks has included Albrecht et al. (1979), Araji (1977), Goode (1960), and Mowrer (1969). Godwin (1980) indicated that much research has been conducted on aggregate role differentiation across countries and cultures and within families in different cultures. It was indicated that "equally evident in a voluminous collection of literature is that the actual pattern of the division of labor within families is far from equal" (Godwin, 1980, p. 21).

Many of the studies dealing with marital power and decision making among couples have used as a primary source of information the instrument developed by Blood and Wolfe (1960). Operationally, power was restricted to the one who makes the final decision in each of eight areas: (1) what job the husband should take, (2) what car to get, (3) whether or not to buy life insurance, (4) where to go on vacation, (5) what house or apartment to take, (6) whether wife should go to work or quit work, (7) what doctor to have when someone is sick, and (8) how much money the family can afford to spend a week on food (Gillespie, 1971).

However, Safilios-Rothschild (1969) criticized the use of this instrument as a measure of family power, because each of the eight statements was given equal weight, even though they were not of equal importance over the entire life cycle of the family. Some were made less frequently than others, and some were more important than others.

Much of the literature surveyed relating to intrafamily decision making has used one or two questions such as "who does what" to infer division of labor, family power, and role differentiation among couples. When specific tasks are listed, the financial-management questions relating to budgeting and record-keeping are usually not included or inferred by such questions as "who decides how much to spend weekly for food?" or "who makes the final purchasing decisions?"

Three recent studies (Ferber & Lee, 1974; Godwin, 1976; Wheeler & Arvey, 1981) were exceptions to the above conclusion. Wheeler and Arvey (1981) collected data from wives and husbands in a Southeastern city to determine factors related to female, shared, and male household tasks. Seventeen household tasks, developed from several sources, were rated by the husbands and wives, and responsibility scores were calculated by summing the item responses in each of the three categories. Five item responses were: no responsibility for task; occasionally perform; shared responsibility; frequent responsibility; total responsibility.

Listed as traditionally shared tasks were paying bills, planning budget, financial decision making, and banking duties. Although these four tasks were reported in a table in the study, they were not discussed in the findings. The table revealed that about 40 percent of the husbands and wives reported shared responsibility for budgeting; over 70 percent of both husbands and wives reported shared responsibility for financial decision making. The article, however, did not define financial decision making. Paying bills was reported as shared responsibility by 16 percent of the husbands and 19 percent of the wives. Over 40 percent of the husbands and wives indicated shared responsibility for banking duties. Thirty-five percent of the husbands and 33 percent of the wives reported frequent or total responsibility for budgeting.

The study by Ferber and Lee (1974) was related to intrafamily decision making of husbands and wives, and had as its central focus the question of the roles husbands and wives play in money management. The study sought to identify the "financial officer" of the family, to determine who took the initiative in this regard, and whether this seemed to make a difference in the purchasing behavior of the family. The financial-management officer was defined as the individual who carried the main responsibility for the family finances in both the decision making and execution with reference to (1) looking after the payment of bills, (2) keeping track of expenditures in relation to budgets, and (3) use of money left over at the end of the pay period.

The study found that there was a tendency over time for one individual or the other to take full financial responsibility. In terms of the member of the couple who looked after payment of bills, kept track of expenditures, and decided on the use of leftover funds, it was not difficult to pinpoint the financial officer in the 222 young married couples in the sample. Based on information from similar questions asked immediately after marriage (data were collected every six months from 1968 through 1974), the role of the financial officer shifted mostly from joint action to individual action. By the end of the second year of marriage in slightly over one-third of the families, the financial officer was the wife, in about the same proportion was the couple acting jointly, and in slightly over one-fourth of the families, the husband was the financial officer.

The study revealed, through the results of multivariate analyses, that the principal determinant of whether the couple acted jointly as the family financial officer was a goal for total savings and the husband and wife having similar attitudes on saving priorities. Contrary to what was postulated, similarity of education or of the employment status of husband and wife did not seem to affect who assumed the role. When the fole of the family financial officer was carried out by an individual, the wife more often assumed the role if the couple differed substantially on saving priorities, and if the wife was more quality-minded, more economy-minded, or more bargain-minded. When the husband assumed the primary role of family financial officer, the couple was likely to save a higher proportion of its income and to have a higher proportion of its gross assets in liquid-asset form.

Similar results were found by Godwin (1976) in her study of 156 married women in North Carolina. The study sought to investigate the relationship between attitudes toward feminism and patterns of economic decision making. Data on decision making were obtained through a scale developed by the researcher concerning the conceptualization of a framework for viewing the family economic decision-making process. The scale provided information concerning who made decisions about four economic functions of the family: (1) the production function, (2) the expenditure function, (3) the savings and investment function, and (4) the investment in human capital function. Findings related to the patterns of decision making concerning the savings and investment function were as follows:

> Over 57 percent of the sample reported a syncratic or joint pattern of decision-making while another 37 percent reported a husband dominant decision-making pattern. While the majority of subjects practiced joint decision-making of these tactical decisions concerning whether to save and/or invest their resources, the 37 percent who reported husband dominant decision-making in these matters may have relied upon the traditional view of the husband as chief banker, rick taker, and investment manipulator because of his assumed superiority in handling such decisions. The low instance of autonomic decision-making patterns reported for this function indicated that few families divide the responsibility for savings and investment decisions. It is either a joint venture or a decision area controlled predominantly by the husband. (Godwin, 1976, pp. 135-136)

In the past few decades, the general trend has been for the wife to assume more responsibility in money management and in the purchasing decisions of the family. Two early studies conducted by the Survey Research Center of the University of Michigan found that the wife exerted the main influence in 40 percent of the households, the husband in a little over one-quarter of the households, and the couple jointly in the rest of the households (Sharp & Mott, 1956; Wolgast, 1958).

With regard to purchases, joint decision making has been found to be especially prevalent among couples in middle-income levels and among younger and more educated couples (Komarovsky, 1961). More recent studies by Davis (1970), Jaffe and Senft (1966), and Davis and Rigaux (1974) have revealed that the effect of husband-wife roles varies not only with the product but also with the type of decision.

Araji (1977), in a study of husbands' and wives' attitude-behavior congruence on family roles, used data from 1,154 men and women, and found (1) that there exists a substantial number of husbands and wives experiencing role attitude and behavior congruence, and (2) that both sexes expressed egalitarian or role-sharing attitudes, but women enact the majority of duties related to all roles with the exception of the provider role. This means that both married men and women express egalitarian-role attitudes, but this egalitarianism is not reflected in role behaviors.

In an exploratory study of 100 young families following the birth of a young child, Lovinggood and Firebaugh (1978) asked 25 identical items about who makes and who implements a group of household tasks. Among the findings were that the wives and husbands tended to credit themselves with most tasks or minimize responsibility of the other spouse. This differed from Heer (1962) who found that each spouse minimized his own influence in decision making. Findings also indicated that the wives had total responsibility more than did husbands, especially in implementing decisions.

Consumer Education

Herrman (1970), in an article adapted from his presidential address to the Fifteenth Annual Conference of the American Council on Consumer Interests, focused on the consumer behavior and consumer education needs of middle-class young adults ages 18 to 24. (These young adults would not be in their early thirties in 1982.) After discussing forces which shaped their consumer behavior--a period of unbroken prosperity, permissive techniques of childrearing, and high levels of education and heavy exposure to the mass media--he discussed their behavior and attitudes as consumers: (1) they were highly optimistic about their future situations and levels of living; (2) they had substantial amounts of money which they were free to spend as much as they pleased; and (3) their experiences with money had provided them with little useful buymanship information or money-management experience.

Herrman (1970) discussed what he believed to be consumer education needs of this group of young adults:

> The new generation clearly needs consumer information and education. It is not well prepared for adult money management roles either by its past experiences or by training. Because of its skeptical attitude toward product claims and advertising, the new generation will accept, and even seek, expert advice on consumer problems. This advice must, however, be both authoritative and unbiased. The new generation will have little use for so-called consumer advisors who are either poorly informed or seek to promote some special interest. To succeed with the new generation, consumer educators must perform with the expertise and concern for their client's best interests characteristic of true professionals . . . . In addition to buymanship information, the new generation also badly needs guidance in managing its finances. Their discretionary spending as children and teenagers has provided them with little relevant information or experience in money management. Few ever kept written records or did any long-term saving. (pp. 26-27)

Brown and Dinsdale (1973) reported that educational programs had been unsuccessful because of the consumer educator's lack of understanding of the behavior of consuming groups. Reasons given for this lack of success with consumer education were that (1) consumers are not sufficiently motivated to become informed except on occasions when they are involved in a purchase decision; (2) some may assume that because they are reared in this society, they can do an adequate job at being a consumer; (3) for many people, there is no exposure to consumer education in a formal sense; and (4) little progress will be made in consumer education until it is determined what needs to be known and how best to communicate this to consumers.

Scherf (1974) stated that the absence of performance standards in the consumer role made it difficult to state specifically the possible range of skills a consumer could acquire through education, training, or simply assistance to move from a state of "bad" or "inefficient" to a state of "good" or "efficient" consumer. Two major topics were discussed that dominate the scene of consumerism: (1) how to maximize current consumption by stretching dollars wisely, and (2) how to maximize future consumption through savings and investments--both inclusive of "good buymanship."

Scherf (1974) purported that "if insufficient consumption were the dominant force of consumer dissatisfaction, there would be more contentment among consumers with high incomes and greater discontentment among the poor" (p. 65). However, no such correlation has been found among social researchers. The research available suggests that dissatisfaction is distributed through all income classes.

Hafstrom and Dunsing (1973) sought to estimate the effect of education on the consumption patterns of urban families. The source of the data was the Bureau of Labor Statistics 1960-1961 Survey of Consumer Expenditures; the sample was 1,351 families. Findings showed that education significantly affected families' spending for the "future" categories of total housing, shelter, recreation, reading, education, and medical care. However, education did not affect families' spending for "present" satisfaction goods such as food, clothing, and transportation. Age of the father was significant for nine of the 19 categories of expenditures.

Several studies have been conducted that investigated the factors that determined the amount of money families or individuals will spend for the different categories of living expenditures such as food, clothing, and shelter. The effect of family size (Crockett & Friend, 1960; David, 1962; Prais & Houthakker, 1955), family life-cycle stage (Fisher, 1955; Goldstein, 1960; Lippett, 1959), and marital status (David, 1962) have been found to be important factors in determining expenditures. Bymers and Galenson (1968) noted strong relationships among types of investment and level of income, education, age, life-cycle stage, and family composition. For example, high income was associated with investment in education of children and other family members; an older family head was associated with contributions to organizations; and the early stage of the family life cycle was associated with investment in durables and personal insurance.

Linck (1981), in an article entitled "Reeducate to Fight Inflation," focused on the role of home economists in helping families in uncertain times, and asked the question "what should be the role of home economists in helping, teaching, and researching?" The answer given was as follows:

> Obviously, hints on meatless dinners and more and more ways to serve macaroni will not satisfy families who must sacrifice aspirations and change lifestyles. Today they need help in re-ordering their priorities, in setting goals that are realistic. (Linck, 1981, p. 43)

It was emphasized that better consumer skills contribute to successful inflation coping and higher satisfactions and that home economists should not only continue consumer education programs, but expand them. It was stressed that consumer-education curricula should emphasize rationalism because:

> A higher level of rationalism suggests that all of us should engage in less wishful thinking and more planned wishing; should indulge outselves less in thinking we are entitled and more in marking out that which means so much to us that we will work for it, sacrifice for it, and savor it. (Linck, 1981, p. 44)

A question still to be answered is when is the best "teachable moment" for teaching consumer education? Over the past decade, states have started requiring or offering consumer-education courses, and some research has been undertaken to determine the effectiveness of these programs. Langrehr, in a 1979 article, overviewed the research already conducted on the effectiveness of consumer-education courses. Most of the previous research had found no difference in the competency level of students taking a consumer-education course and those who had not taken such a course (Bibb, 1973; Curry, 1970; Mieselwitz, 1968; Moschis & Churchill, 1977; Seymour, 1975; Stanlye, 1975; Thomas, 1969).

Langrehr (1979) and Cogle (1977) found that a course in consumer education did increase the competency levels of students. Langrehr's study was conducted in Illinois, a state that requires all high school students to take either a consumer education or economics course; he used students from Alabama, a state that does not require consumer education, as a comparison group. Roger Claar's (1973) revision of the Consumer Information Test, containing 68 questions in the areas of credit, money management, insurance, and savings and investments, was administered as the pre- and posttest in the Illinois schools and the Alabama schools. The Illinois students were the experimental group. The Illinois students scored significantly higher on the posttest than did the students in Alabama who had never had a course in consumer education. Of interest to home economists is the fact that students taking a consumer-education course scored significantly higher than did the students taking the economics course; however, the students taking the economics course in Illinois scored significantly higher than did the students in Alabama who had not taken a consumer-education or economics course.

Hawkins (1977) attempted to determine whether behavior was significantly affected by consumer-education course two years after graduation from high school. Two groups of seniors (123 participants in each sample) completed questionnaires; one group of former high school graduates had completed a course in consumer education, while the second group had not. No significant difference was found for seven aspects of behavior among students who had completed or not completed a course; however, those who had taken a consumer-education course listed budgeting and record-keeping most often as being useful.

Wright (1978) emphasized that consumer education in high school comes too late to reach those who do not complete school. Because these young people may not achieve high levels of income, they are the ones who most need consumer education to manage their limited resources. She concluded the article by stating:

> Although young children are now receiving some consumer education, there is a need for universal recognition of the importance of teaching financial management skills at all educational levels. If young people have not been adequately equipped with these skills, they and their families may endure the hardships of bankruptcy, debt, and the high price of credit, as well as the emotional and psychological hardship of knowing they are unable to cope with their financial problems. (Wright, 1978, p. 39)

Hefferan (1981) reviewed research related to family financial planning, and analyzed how this research might be used to develop programs to help families with their financial planning in uncertain times. Two basic approaches to family financial planning were discussed. The first focused on the maintenance and enhancement of family economic well-being, and the second involved the remediation of family financial problems.

Groups and organizations listed by Hefferan that assist families seeking guidance with their financial planning included (1) the 7,000 members of the International Association of Financial Planners which includes persons with backgrounds in insurance, investments, banking, real estate, and related professions; (2) National Foundation for Credit Counseling comprised of 203 local nonprofit Consumer Credit Counseling Services; and (3) the Cooperative Extension Service. Approximately 50,000 middle-income and upper-income families and individuals are reached annually through the International Association of Financial Planners; an estimated 200,000 families are reached each year through free or low-cost services provided by Consumer Credit Counseling Services; and, the Cooperative Extension Service annually reaches thousands of families at all economic levels with educational programs designed to effect successful financial planning and well-being (Hefferan, 1981).

Hefferan differentiated between family financial decision making and family financial planning; family financial decision making is the conscious direction of behavior at one point in time toward the attainment of predetermined goals, and family financial planning is the determination of these goals and the arrangement of resources to reach these goals while maximizing well-being over time. Hefferan explained that "financial planning implies recognition that decisions made at one point along the planning continuum affect the resources, opportunities, and choices of the future" (p. 15).

Two implications for implementing financial planning programs were directly related to the focus of this study:

> First, since planning is a reasoned process that is directed at the attainment of specific goals, family financial planning programs should include strong emphasis on goal identification and clarification. Many families may be ineffective planners because they simply do not have goals.
>
> Second, research indicates the importance of developing programs that establish positive planning behaviors early in the life cycle. Although many circumstances, usually crises, act to temporarily alter our established patterns of behavior, positive, long-term planning behavior is most effectively initiated in the early stages of the family life cycle. (Hefferan, 1981, p. 16)

Stampfl (1979) explained his expansion of the traditional life-cycle stages of families to include three periods--childhood, singlehood, and couplehood. Consumer skills related to financial management identified for the different life-cycle stages included early single stage--simple budgeting and balancing a checkbook; mature single stage--complex budgeting for life goals; roommate stage--record-keeping, joint budgeting; newly married stage (young, no children)--record-keeping, saving, complex joint budgeting; youngest child under six years of age stage--complex budgeting for life goals and consumer education skills for children. Stampfl emphasized that "consumer educators must determine teachable moments for communicating marketplace knowledge and skills and develop ways to reach people at those moments" (p. 27).

Of concern to this investigator is the question of what happens when these consumer skills are not mastered by families as they progress through the family life cycle. Perhaps specific financial problems expressed by families are merely symptoms of an underlying of family financial problems--lack of budgeting, goal-setting, and record-keeping skills.

Bigelow (1931), in one of the earliest articles written on family finance theory, stated that family finance theory must provide for varying applications under a wide variety of situations and include the personal characteristics of the family, the family life cycle, the family budget, business principles applied to the field of family finance, and establishing budget standards. Perhaps more attention still needs to be focused on the basics of budgeting.

Summary

To summarize this review of literature, the following conclusions are presented: First, studies have shown that lack of skills in money management do cause families financial problems (Fitzsimmons & Williams, 1973; Lawyer, 1977; Northcutt, 1975; Wright, 1978; Yankelovich, Skelly, & White, 1975).

Second, specific financial problems that are reported most frequently by families include unexpected expenses (Hinton, 1973; Zwaagster, 1971), lack of savings (Hinson, 1973; Jeries, 1979; Katona, 1974; Williams, 1976, Zwaagstra, 1971), and indebtedness (Feldman, 1976; Larery, 1973; Lawyer, 1977; Marlowe, 1981; Ryan & Maynes, 1969; Wright, 1978; Yankelovich, Skelley, & White, 1975). Third, although much literature abounds on intrafamily decision-making roles and expectations, little focuses on financial management decision making exclusively.

Fourth, a search of the literature indicated that few studies have been conducted in which both spouses were respondents (Ferber & Lee, 1974; Mammen, 1980). In addition, no studies were found that tried to ascertain difference between husbands and wives on percentages of income spent on various budget items. Fifth, studies specifically emphasizing financial-management attitudes of husbands and wives were not found in the literature. The studies dealing with indicators of financial security approached this topic. Sixth, with the exception of savings and budgeting, no studies were found that sought to determine the actual behavioral practices of husbands and wives.

CHAPTER III

METHODOLOGY

Data for the study were collected in April, 1982, from a sample of 73 husbands and wives from eastern Tennessee via a self-administered questionnaire. Although the original sampling strategy was random, the low response rate of couples who agreed to attend the workshop during which the data collection was done necessitated supplementing the original sample with other couples who were invited to the workshop. The data-collection instrument was a self-administered questionnaire, developed by the investigator, which included sections on attitudes, behaviors, and knowledge related to family-financial management, barriers to successful financial management, intrafamily decision making, satisfaction with financial management, and demographic characteristics of the spouses. Statistical techniques used to analyze the data included frequency distributions, means, standard deviations, Pearson correlation coefficients, and multiple regression analysis.

Selection of the Sample

A primary requirement in selecting the sampling area was that the area yield a sample of residents that could drive to the financial-management workshop to be held in Morristown, Tennessee, within 30 to 60 minutes after leaving their homes. Originally, the data were to be obtained from a random sample of over 24,000 service members of

Appalachian Electric Cooperative, a distributor of electric power for the Tennessee Valley Authority, which services over 16 cities and counties surrounding Jefferson City, Tennessee where the Appalachian Electric Cooperative is located. Using the computer owned by the Cooperative, 456 names and addresses of households were randomly selected. Of the 456 households selected, 12 of the addresses were out-of-state and 15 households beyond an hour's driving time from the workshop site were eliminated, leaving 429 names of households. A response rate of 25 percent was anticipated, which would have given a sample of approximately 100 couples.

In early April, 1982, a letter was mailed to each household selected in which information about the workshop was disclosed. Included in the letter was a stamped, self-addressed return postcard to be mailed back to the researcher checked with either a negative or positive response for attendance at the workshop. A map with directions to the workshop site was also enclosed with the letter (Appendix A). The letter stressed that the workshop was for both husband and wife and that both must be in attendance. It was requested that the postcard be returned within two weeks from the mail-out date. Of the 429 letters mailed, only 21 postcards were returned; five with an affirmative response, and 16 with a negative response. Four letters were returned marked "forwarding address unknown." The affirmative response rate was less than two percent.

This extremely low response rate could perhaps be attributed to the following: (1) both husband and wife had to attend the workshop together; (2) the workshop was held on a school night which would necessitate a babysitter for couples with children; (3) the workshop was two hours in length; (4) some couples would have to drive 30 to 45 minutes to attend the workshop; (5) the person conducting the workshop was completely unknown to the majority of the 429 households; and (6) couples may have perceived attendance at a financial-management workshop as an indication of financial problems within their own families. A check at the post office where the letters were mailed revealed that all letters had been mailed; the post office employee indicated that if the forwarding addresses had been known, the letters would have been forwarded to households that had moved out-of-state.

Consultation with a committee member and statistician led to the decision to try as many other avenues as feasible to ensure a larger sample. One week before the workshop, the investigator made a radio spot which ran ten times on the three days preceding the workshop. An advertisement was placed in the Morristown Citizen-Tribune newspaper on the Sunday preceding the workshop on Monday. Several churches in the Morristown area ran information about the workshop in their weekly newsletters and bulletins. Letters were placed in faculty, staff, and married students' mailboxes at a local four-year college. Fliers about the workshop were hand-delivered to a home economics teacher at a local high school and distributed to the teaching faculty. The principal of a local elementary school also distributed fliers to his teachers (Appendix A).

Data Collection Procedure

A one-time, two-hour workshop was conducted by the investigator at Alpha Elementary School in Morristown, Tennessee. The workshop format included (1) administering a questionnaire to each participant upon arrival, (2) distributing the workshop packets, (3) conducting the workshop, and (4) evaluating the workshop.

As each couple arrived, a workshop facilitator gave each husband and wife an identical questionnaire and explained directions for completing the questionnaire. The husbands and wives were directed to tables set up on opposite sides of the room. Approximately 20 to 30 minutes were needed to complete the questionnaire. Containers were provided for depositing the questionnaires when completed. Each couple then received a packet of financial-management forms and sat together during the remainder of the workshop.

Approximately one hour and thirty minutes were spent discussing and illustrating budgeting and record-keeping techniques. Transparencies, complete with examples, were used to illustrate the use of the forms in the financial-management packet that had been developed by the investigator. A short workshop evaluation form was completed by the participants at the conclusion of the workshop.

Instrument

A review of the literature on family financial management revealed no valid, reliable questionnaire which addressed the issues which were the focus of the study. Several financial-management texts were reviewed because they contained sections which focused on one or more issues addressed in this study: Economics for Consumers (Miller, 1981); Management for Modern Homes (Gross, Crandall, & Knoll, 1973, 1980); Management in Family Living (Nickell, Rice, & Tucker, 1976); Personal Finance: Principles and Case Problems (Cohen, 1975); and The Family Economy: Nature and Management of Resources (Fitzsimmons & Williams, 1973). Since no instrument was found that addressed each of the seven major components of family financial management that were the focus of this study, a questionnaire was developed for use in the study.

The instrument, a self-administered questionnaire (Appendix B), was organized into the following sections:

1. Demographic information. Data about the sex, age, number of years married, educational level, employment status, occupational status, and consumer education courses taken were ascertained in this section.
2. Attitudes toward financial management. Thirteen statements related to money-management behaviors and philosophy were used to determine the financial-management attitudes held by the respondents. A five-point scale ranging from strongly agree to strongly disagree was used to rate each item. Some of the statements were positively stated; that is, they reflected a philosophy or practice which was deemed to be consistent with textbook management principles. Other statements were negatively worded, thus reflecting an "undesirable" attitude according to textbook accounts of successful management practices.

3. Financial-management behavior. Twenty-four questions were asked to determine the financial-management behaviors currently being practiced by the respondents. A yes, no, or uncertain response was indicated for each question.
4. Financial-management knowledge. Seven questions were used to reveal the financial-management knowledge of each respondent about several aspects of the finances, including the amount of debt owed, type of life insurance, percentage spent on various budget categories, and years to pay off existing debts.
5. Barriers to successful financial management. To determine the seriousness of financial-management problems, 18 statements were used to determine the barriers that the respondents believed caused them difficulty in handling their finances. A three-point scale, ranging from very serious to not serious, was used to rate each statement.
6. Intrafamily decision making. Nine questions were used to reveal the sharing of financial-management tasks in the home. The respondents identified whether they, their spouses, both, or neither took care of particular financial-management areas.
7. Level of satisfaction/generation of satisfaction. Using a five-point scale, ranging from very satisfied to very dissatisfied, each respondent was asked to indicate his level of satisfaction with 11 different aspects of his financial management, including the amount of income, amount of savings, and the present system of record-keeping.

8. Income adequacy. Two questions were used to ascertain the respondents' perceptions of the adequacy of their income.

9. Additional financial-management information. Eight questions were used to obtain general financial-management information.

The instrument was pretested by administering it to six couples who were members of a local church. These couples were deemed to be appropriately similar to the population under study to be described as members of the population, i.e., married couples in eastern Tennessee. The investigator was present during the administration of the questionnaire to answer questions about the instrument. Pretest respondents were asked to comment both verbally and in written form about any items which were confusing or unsatisfactory in any other way. Following the pretest, the questionnaire was modified slightly for clarity by rewording some of the questions and modifying the order of the questions.

Measurement Procedures

In order to operationalize several variables used in the study, including spouses' financial-management attitudes and behaviors, perceived financial-management barriers, and spouses' levels of satisfaction with their financial-management practices, scales were formed by combining questions from the questionnaire. Interval level variables were computed for the following concepts using the procedure described:

1. Financial-management attitude score. An attitude score was computed for each husband and wife by summing his or her scores for the answers to each of the 13 attitude questions and dividing by the number of questions answered. The positively worded statements were scored as follows: 5 = strongly agree, 4 = agree, 3 = undecided, 2 = disagree, and 1 = strongly disagree. The negatively worded statements were scored in the reverse direction. So, a high score on the attitude scale represented attitudes supportive of good management principles, while a low score indicated negative attitudes toward good management principles.
2. Financial-management behavior score. A behavior score was computed for each husband and wife by summing the number of "Yes" responses to the set of 18 behavior questions that could be answered with a "yes," "no," or "undecided." The scores could therefore range from a low of zero (indicating that the respondent practiced none of the behavior) to a high of 18 (indicating that the respondent engaged in every one of the listed behaviors). Thus, the higher the behavior score, the more "positive" the financial-management behavior they reported, i.e., the more their behavior conformed to "textbook" descriptions of good management behavior.
3. Financial-management barriers score. A financial-management barriers score was computed for each spouse by summing the number of responses which had been checked as being "very serious" or "somewhat serious" barriers to achieving

successful management. Thus, the higher the barrier score, the more seriously the spouse perceived barriers to succssful financial management. Inversely, a low barrier score indicated that the respondent perceived few barriers preventing them from managing their financial affairs successfully.

4. Satisfaction score. A financial-management satisfaction score was computed for each husband and wife by summing their answers to the 11 statements about different aspects of their financial management and dividing by the number of statements answered. Thus, the range of the satisfaction scores was from one (very dissatisfied with their financial management) to five (very satisfied with their management). The higher the satisfaction scores, the greater was the respondents' satisfaction with their financial-management situation.

In addition to the four scores computed as above, three sets of "difference" scores were computed for the three dependent variables--financial-management attitudes, behaviors, and knowledge. These difference scores were computed to achieve the objective of comparing the husbands' and wives' responses to the same questions.

1. Attitude-difference score: The attitude-difference score of husbands and wives was computed by subtracting the husbands' attitude scores from the wives' attitude scores (ATTITUDE DIFFERENCE SCORE = Wife's Attitude Score - Husband's Attitude Score). Thus, a positive score indicated that the wife's attitude was higher than (more supportive than) the husband's, while a negative score indicated the reverse. A

small absolute value on the difference scores indicated much agreement between the husband and wife, while large values indicated much disagreement.

2. Behavior-difference score: The behavior-difference score was calculated by subtracting the husband's behavior score from the wife's behavior score (BEHAVIOR DIFFERENCE SCORE = Wife's Behavior Score - Husband's Behavior Score).

3. Knowledge-difference score. Due to the nature of the knowledge questions asked in the study, a knowledge score was not computed. However, a set of difference scores for the financial-management knowledge questions was computed by subtracting the husband's answer to each question from the wife's answer to the question. Thus, eight knowledge-difference scores were computed, one for the amount of debt owed, one for the time needed to repay debt, and one each for the percentage of monthly income spent on housing, food, utilities, transportation, debt repayment, and contributions.

Analysis of Data

Information from the questionnaires was coded and transferred to optical scan sheets and entered into a computer for the purposes of statistical analysis. The software program, Statistical Package for the Social Sciences (SPSS), was the source for the various analytical procedures.

The socioeconomic variables used in describing the sample included age, income, education, occupational status, employment of wife, years of marriage, income adequacy, and past experiences with consumer education courses.

Descriptive statistics such as frequencies, percentages, and means were computed to (1) describe the demographic characteristics of the sample; (2) describe the dependent variables--husbands' and wives' attitudes, behaviors, and knowledge--concerning financial management; and (3) describe the additional financial-management information obtained in the data. In addition, descriptive statistics such as frequencies, percentages, means, and standard deviations were used to discuss the barriers obstructing good financial management, the intrafamily financial management decision making, overall levels of satisfaction with the financial situation, and income adequacy.

Pearson correlation coefficients were used to determine the degree of agreement between husbands' and wives' financial-management attitudes, behaviors, and knowledge. Stepwise multiple regression analysis was used to examine relationships between the dependent variables--husbands' and wives' financial-management attitudes, behaviors, and knowledge--and the following independent variables: the respondent's age, education, occupation, employment status of wife, length of marriage, income, perception of income adequacy, and past experience with a consumer education course.

CHAPTER IV

RESULTS AND DISCUSSION

Results of the analytical procedures are presented in sections organized in the following manner. The first section presents a general description of the socioeconomic and demographic characteristics of the sample husbands and wives, including age, education, occupational status, length of marriage, wife's employment, income adequacy, income, and completion of a course in consumer education. Section two presents descriptive data on the three dependent variables--husbands' and wives' financial-management attitudes, behaviors, and knowledge. In the third section, descriptive data on barriers obstructing good financial management, intrafamily decision making, income adequacy, and level of satisfaction with finances are reported. Section four begins the inferential data analysis on the sample husbands and wives, and describes the results of a Pearson product moment correlation matrix used to determine the degree of agreement between husbands and wives concerning their financial-management attitudes and behaviors. The final section describes results of the stepwise multiple regression analyses used to investigate the relationship between each of the three dependent variables--husbands' and wives' attitudes, behaviors, and knowledge--and the independent variables. Multiple regression analyses were used to investigate the relationship between attitude differences, behavior differences, and knowledge differences of the sample husbands and wives and the independent variables.

Description of the Sample

Age and Years of Marriage

Presented in Table 1 are the demographic data for the sample in this study, which consisted of 73 husband-and-wife couples for a total of 146 respondents. Wives' mean age was 35.9 years, while husbands' mean age was 38.3 years. Over 54 percent of the wives were 35 years old or younger; 44 percent of the wives were 36 to 55 years of age, while less than two percent of the wives were 55 years old or older. Forty-six percent of the husbands were 35 years old or younger; 48 percent were between the ages of 36 and 55 years; and about six percent were over the age of 55 years.

It is of interest to note that there were some differences of opinion concerning the number of years married; therefore, for descriptive purposes, the investigator averaged the husbands' and wives' answers to arrive at the years of marriage. About 17 percent of the couples had been married less than five years; 23.5 percent had been married six to ten years; 39 percent had been married 11 to 20 years; and approximately 20 percent had been married over 20 years. The mean years of marriage was 14.

Education

Thirty-seven percent of the wives had a high school education, while about four percent had less education; 23 percent had partial college or technical training; and 29 percent of the wives were college graduates. Seven percent held advanced degrees. Their mean educational level was 13.95 years.

Table 1

Demographic Data for the Sample

Characteristics	n	Percent
Age of Wife		
Less than 25 Years	7	9.7
25 to 35 Years	32	44.5
36 to 45 Years	20	27.7
46 to 55 Years	11	15.3
56+ Years	2	2.8
No Response	1	-
Mean Age of Wives = 35.9 Years	73	100.0
Age of Husband		
Less than 25 Years	4	5.6
25 to 35 Years	29	40.9
36 to 45 Years	23	32.4
46 to 55 Years	11	15.5
56+ Years	4	5.6
No Response	2	-
Mean Age of Husbands = 38.3 Years	73	100.0
Number of Years Married (Wife's Report)		
Less than Five Years	13	18.1
Five to Ten Years	16	22.2
11 to 15 Years	15	20.8
16 to 20 Years	13	18.1
21 to 30 Years	10	13.9
31+ Years	5	6.9
No Response	1	-
Mean Years of Marriage = 14.08 Years	73	100.0
Number of Years Married (Husband's Report)		
Less than Five Years	11	15.3
Five to Ten Years	18	25.0
11 to 15 Years	15	20.9
16 to 20 Years	13	18.1
21 to 30 Years	10	13.9
31+ Years	5	6.9
No Response	1	-
Mean Years of Marriage = 14.26 Years	73	100.0

Table 1 (Continued)

Characteristics	n	Percent
Education of Wife		
Less than High School	3	4.1
High School Graduate	27	37.0
Partial College, Technical Training	17	23.3
College Graduate	21	28.8
Advanced Degree	5	6.8
Mean Educational Level of Wife = 13.95 Years	73	100.0
Education of Husband		
Less than High School	1	1.4
High School Graduate	16	21.9
Partial College, Technical Training	23	31.5
College Graduate	22	30.1
Advanced Degree	11	15.1
Mean Educational Level of Husband = 14.83 Years	73	100.0
Employment Status of Wife		
Full-Time	47	64.4
Part-Time	9	12.3
Not Employed	17	23.3
	73	100.0
Employment Status of Husband		
Full-Time	66	93.2
Part-Time	3	4.1
Not Employed	2	2.7
No Response	2	-
	73	100.0
Occupational Status of Wife		
Professional	4	5.6
Teacher	21	29.6
Sales and Clerical	18	25.2
Skilled Worker/Technician	6	8.4
Unskilled Worker	1	1.4
Housewife	21	29.6
No Response	2	-
Mean Occupational Status of Wife = 4.34 (Sales and Clerical)	73	100.0

Table 1 (Continued)

Characteristics	n	Percent
Occupational Status of Husband		
Professional	15	21.1
Manager	7	9.9
Teacher/Administrator	11	15.5
Sales/Clerical	21	29.6
Skilled Worker/Technician	13	18.3
Semi-Skilled Worker	1	1.4
Unemployed, In School	3	4.2
No Response	2	-
Mean Occupational Status of Husband = 4.77 (Sales/Clerical)	73	100.0
Family Annual Income (Wife's Report)		
Less than $10,000	2	2.8
$10,000 - $15,999	8	11.0
$16,000 - $19,999	11	15.1
$20,000 - $24,999	13	17.8
$25,000 - $29,999	12	16.4
$30,000+	24	32.9
No Response	3	-
Mean Family Income (Wife) = $24,492.31	73	100.0
Median Family Income (Wife) = $26,416.66		
Family Annual Income (Husband's Report)		
Less than $10,000	2	2.8
$10,000 - $15,999	3	4.3
$16,000 - $19,999	10	13.6
$20,000 - $24,999	13	18.5
$25,000 - $29,999	15	20.5
$30,000+	27	37.0
No Response	3	-
Mean Family Income (Husband) = $25,834.62	73	100.0
Median Family Income (Husband) = $26,416.66		

Table 1 (Continued)

Characteristics	Wife n	Wife Percentage	Husband n	Husband Percentage
Income Adequacy				
To what extent do you think your income is enough to live on?				
Can afford everything we want and still save money	2	2.7	5	6.8
Can afford almost everything we want.	12	16.4	18	24.7
Can afford some things we want but not all we want.	50	68.5	42	57.5
Can meet necessities only.	8	11.0	8	11.0
Not at all adequate.	1	1.4	-	-
	73	100.0	73	100.0
Wives' Mean Income Adequacy Score = 3.082				
Husbands' Mean Income Adequacy Score = 3.179				
Completion of a Course in Consumer Education				
Yes	9	12.0	15	20.0
No	64	88.0	58	80.0
	73	100.0	73	100.0

Husbands' mean educational level was 14.83 years. Twenty-two percent of the husbands had completed high school, while less than two percent were below this level. Almost one-third of the husbands had partial college or technical training. Thirty percent of the husbands were college graduates, and 15 percent held advanced degrees.

As a group, these husbands and wives reported a generally high level of educational achievement. All but four of the respondents had completed high school. Over one-fourth (26.0 percent) had either attended college (no degree) or had obtained some special training beyond high school. Nearly one-third (29.3 percent) of the respondents were college graduates, with some (10.9 percent) holding advanced degrees.

Employment

Approximately two-thirds (64.4 percent) of the wives were employed full-time; 13 percent were employed part-time; and about one-fourth (23.3 percent) were not employed outside the home. Ninety-three percent of the husbands were employed full-time; four percent were employed part-time; and less than three percent were not employed.

Occupational Status

Occupations of the respondents were categorized according to a classification system developed by Hollingshead (1958) and modified by Godwin (1976) to include categories for the unemployed, the retired, and the full-time student (Appendix D). The occupational positions held by the respondents reflected the high levels of education they had attained, in that approximately 40 percent of the husbands and wives were in what can be described as high-status occupational categories; 12 percent were classified as professionals, and when combined with managers and administrators/teachers (26.0 percent), constituted almost 40 percent of the sample. Over one-third of both wives and husbands were teachers or other professionals. Over 25 percent of the wives were in sales and clerical work, compared to not quite one-third of the husbands. Fewer than ten percent of the wives and less than one-fourth of the husbands were classified as skilled or semi-skilled. Approximately one-third of the wives were not employed in the labor market.

Income

Both husbands and wives reported what they believed to be their families' gross annual incomes. The mean family income as reported by wives was $24,492.31, while the husbands reported $25,834.62 as the mean annual income, a difference of $1,344.31, which is less than one income category. When combining husbands' and wives' data, fewer than three percent had incomes below $10,000. Twenty-two percent reported incomes between $10,000 and $19,999; one-third reported incomes between $20,000 and $29,999; and over one-third reported incomes above $30,000.

These income figures are quite high when compared to the 1979 national median income of $19,684 and the mean income of $22,398. This can be explained by the fact that over 40 percent of the respondents were college graduates, and over 40 percent were in high occupational positions.

Income Adequacy

To determine the extent to which respondents were satisfied with the adequacy of their incomes, the question "to what extent do you think your income is enough to live one" was asked. Over 50 percent of the wives and 60 percent of the husbands reported that they could afford some things wanted but not all things wanted. Eleven percent of both husbands and wives revealed that their incomes were adequate to meet necessities only. It would appear that the husbands perceived their incomes to be more adequate than did their wives. One-third of the husbands reported that they could afford almost everything wanted and still save money, whereas less than 20 percent of the wives reported the same.

Completion of Consumer-Education Course

Twelve percent of the wives and 20 percent of the husbands had completed a course in consumer education. Forty-four percent of these had taken a consumer-education course in high school, and about 66 percent had taken the course in college.

Additional Financial-Management Information

Eight questions were asked to ascertain additional information about the financial management of the sample spouses. Categorical information about three of the questions is reported in Table 2. When asked to list the one source that had most greatly influenced their attitudes toward financial-management practices, approximately 40 percent of both husbands and wives reported that their spouses had most

Table 2

Additional Financial-Management Information

Category	Wife n	Wife Percentage	Husband n	Husband Percentage
Name the one source that has most greatly influenced your attitudes toward financial-management practices.				
Spouse	31	42.5	29	39.7
Mother	9	12.3	5	6.8
Father	6	8.2	8	11.0
Relative	-	-	-	-
Friend	3	4.1	3	4.1
School Teacher	1	1.4	1	1.4
Banker	-	-	-	-
Magazine Articles	3	4.1	-	-
Books about Financial Management	3	4.1	4	5.5
Other (both mother and father, conferences, church, experiences in daily living--good and bad, myself)	17	23.3	23	31.5
	73	100.0	73	100.0
What most adequately describes what you would do in a financial crisis?				
Most Likely				
Job	51	69.9	37	50.7
Borrow Money	9	12.3	19	26.0
Turn to Relatives	7	9.6	6	8.2
Sell Possessions	6	8.2	11	15.1
	73	100.0	73	100.0
Next Most Likely				
Sell Possessions	23	31.5	24	32.9
Borrow Money	22	30.1	13	17.8
Turn to Relatives	12	16.4	12	16.4
Job	9	12.3	18	24.7
Friends	5	6.8	4	5.5

Table 2 (Continued)

Category	Wife n	Wife Percentage	Husband n	Husband Percentage
Welfare	1	1.4	2	2.7
Bankruptcy	1	1.4	-	-
	73	100.0	73	100.0
Least Likely				
Welfare	24	32.9	23	31.5
Bankruptcy	19	26.0	23	31.5
Turn to Relatives	8	11.0	7	9.6
Sell Possessions	8	11.0	7	9.6
Borrow Money	6	8.2	4	5.5
Job	5	6.8	3	4.1
Friends	2	2.7	-	-
Missing Answers (*)	1*	1.4	6*	8.2
	73	100.0	73	100.0
Do you receive any of the following consumer magazines?				
Changing Times				
Yes	1	1.4	4	5.5
No	72	98.6	69	94.5
	73	100.0	73	100.0
Money				
Yes	2	2.7	5	6.8
No	71	97.3	68	93.2
	73	100.0	73	100.0
Consumer Reports				
Yes	3	4.1	5	6.8
No	70	95.9	68	93.2
	73	100.0	73	100.0
Consumer Bulletin				
Yes	-	-	1	1.4
No	73	100.0	72	98.6
	73	100.0	73	100.0

Table 2 (Continued)

Category	Wife n	Wife Percentage	Husband n	Husband Percentage
Consumer Digest				
Yes	2	2.7	3	4.1
No	71	97.3	70	95.9
	73	100.0	73	100.0

greatly influenced their financial-management practices. Slightly less than 40 percent of the respondents reported that their mothers (19.1 percent) or their fathers (19.1 percent) had most significantly influenced their financial-management practices. More of the wives reported their mothers and more of the husbands reported their fathers as the most important influence on their financial-management practices. About five percent of the respondents stated that both of their parents had influenced their financial-management practices.

When asked what they would do in the event of a financial crisis, the respondents disclosed that taking a job would be most likely, selling possessions would be the next most likely, and receiving welfare would be the least likely. These were the consistent choices of both husbands and wives.

Data on the readership of consumer magazines such as Changing Times, Money, Consumer Reports, Consumer Bulletin, and Consumer Digest indicated that very few of the wives or husbands regularly read such magazines. Less than ten percent of the respondents reported that they received any of the consumer magazines listed. Slightly more than 20 percent of the couples had previously attended a seminar on financial management, and less than ten percent had ever gone for financial counseling. About 46 percent of the respondents had requested free consumer information.

Descriptive Data on Three Dependent Variables: Financial-Management Attitudes, Behaviors, and Knowledge

Thirteen attitude statements were used to ascertain the financial-management attitudes held by husbands and wives. A five-point Likert scale ranging from strongly agree to strongly disagree was used to rate each item. Five of the statements were positively worded to imply acceptance of "good" management practices if the respondent agreed with the statement, while eight of the statements were negatively worded (i.e., if the respondent disagreed with the item as worded, that implied acceptance of "good" management practices).

An attitude score was computed for each husband and wife by adding up the score for his or her responses to the statements and dividing by the number of statements answered. Thus, a score of five would have indicated strong agreement with the "textbook" management principles, while a score of one would have indicated strong disagreement with such principles. Table 3 shows the range of attitude scores reported by the husbands and wives.

Over 80 percent of the wives' and 86 percent of the husbands' financial-management attitude scores fell within the range of 2.50 to

Table 3

Financial-Management Attitude Scores of

Husbands and Wives

Scores		n	Percentage
Wives' Attitude Scores			
4.50-5.00	Strongly Agree	0	0.0
3.50-4.49	Agree	4	5.5
2.50-3.49	Undecided	59	80.8
1.50-2.49	Disagree	10	13.7
1.00-1.49	Strongly Disagree	0	0.0
		73	100.0
Mean Attitude Score of Wives = 2.836			
Standard Deviation = 0.332			
Range = 1.923			
Husbands' Attitude Scores			
4.50-5.00	Strongly Agree	0	0.0
3.50-4.49	Agree	1	1.4
2.50-3.49	Undecided	63	86.3
1.50-2.49	Disagree	9	12.3
1.00-1.49	Strongly Disagree	0	0.0
		73	100.0
Mean Attitude Score of Husbands = 2.847			
Standard Deviation = 0.310			
Range = 1.538			

3.49. This indicated that most of the spouses averaged a score of undecided, which can be interpreted as either indicating indecision regarding their attitudes or a combination of agreeing with some of the items and disagreeing with an equal number of the items.

Table 4 describes the responses of the husbands and wives to each of the 13 attitude statements and provides a more detailed report of their attitudes toward financial-management practices. Over 90 percent of the husbands and wives agreed that developing a regular pattern of savings and adhering to it was important. Exactly 87.7 percent of both husbands and wives disclosed that both spouses should be responsible for seeing that bills are paid monthly.

Differences of opinion were exhibited by the sample husbands and wives on the two questions related to whether the husband or wife should be responsible for seeing that bills are paid monthly. About 40 percent of the husbands and one-third of the wives indicated agreement to strong agreement that the husband should have primary responsibility. Over 60 percent of the husbands and over 75 percent of the wives indicated strong disagreement to the statement that wives should have primary responsibility for seeing that bills are paid monthly. Thus, it would seem that the majority of couples (87.7 percent) believed both spouses should be responsible for seeing that bills are paid monthly, but over 68 percent of both spouses agreed that the husband should have primary responsibility for seeing that bills are paid.

Almost two-thirds (63.4 percent) of the husbands and three-fourths of the wives reported that families should have written financial goals that help them determine priorities in spending. Strong disagreement to the statement "saving is not really important" was reported by about 98 percent of all husbands and wives. Over 90

Table 4

Attitudes Toward Financial Management

Statement		Strongly Agree n	Strongly Agree Percentage	Agree n	Agree Percentage	Undecided n	Undecided Percentage	Disagree n	Disagree Percentage	Strongly Disagree n	Strongly Disagree Percentage
(-) Money and all that it can buy is of utmost importance to me.	W	2	2.7	12	16.4	3	4.1	35	47.9	21	28.8
	H	5	6.8	17	23.3	6	8.2	31	42.5	14	19.2
(+) It is important for a family to develop a regular pattern of savings and stick to it.	W	30	41.1	41	56.2	2	2.7	0	-	0	-
	H	27	37.0	40	54.8	1	1.4	5	6.8	0	-
(-) It does not matter how much a couple saves as long as they do save.	W	9	12.3	33	45.2	7	9.6	23	31.5	1	1.4
	H	5	6.8	38	52.1	4	5.5	24	32.9	2	2.7
(-) Saving is not really important.	W	0	-	0	-	1	1.4	32	43.8	40	54.8
	H	0	-	1	1.4	1	1.4	41	56.2	30	41.1
(+) Each individual should be responsible for his own financial well-being.	W	11	15.1	34	46.6	10	13.7	15	20.5	3	4.1
	H	12	16.4	29	39.7	7	9.6	18	24.7	7	9.6
(-) It is all right for an individual to rely on others (government, family) for financial assistance.	W	2	2.7	8	11.0	8	11.0	38	52.1	17	23.3
	H	1	1.4	11	15.1	6	8.2	31	42.5	24	32.9
(+) A written budget is absolutely essential for successful financial management.	W	9	12.3	27	37.0	14	19.2	22	30.1	1	1.4
	H	10	13.7	25	34.2	11	15.1	27	37.0	0	-
(+) Families should have written financial goals that help them determine priorities in spending.	W	10	13.7	45	61.6	11	15.1	7	9.6	0	-
	H	10	13.7	36	49.3	14	19.2	13	17.8	0	-

Table 4 (Continued)

Statement		Strongly Agree		Agree		Undecided		Disagree		Strongly Disagree	
		n	Percentage	n	Percentage	n	Percentage	n	Percentage	n	Percentage
(-) As long as one meets his monthly payments, there is no need to worry about the length of time it will take	W	1	1.4	3	4.1	3	4.1	41	56.2	25	34.2
to pay off outstanding debts.	H	1	1.4	2	2.7	0	-	50	68.5	20	27.4
(-) The husband should have primary responsibility for seeing that bills	W	7	9.6	17	23.3	7	9.6	33	45.2	9	12.3
are paid monthly.	H	4	5.5	25	34.2	12	16.4	29	39.7	3	4.1
(-) The wife should have primary responsibility for seeing that bills are	W	1	1.4	7	9.6	9	12.3	46	63.0	10	13.7
paid monthly.	H	1	1.4	7	9.6	15	20.5	44	60.3	6	8.2
(+) Both husband and wife should have responsibility for seeing that bills	W	26	35.6	38	52.1	2	2.7	7	9.6	0	-
are paid monthly.	H	18	24.7	46	63.0	5	6.8	3	4.1	1	1.4
(-) Keeping records of financial matters	W	1	1.4	1	1.4	6	8.2	43	58.9	22	30.1
is too time-consuming to worry with.	H	1	1.4	2	2.7	3	4.1	50	68.5	17	23.3

percent of all husbands and wives disclosed strong disagreement to the statements "as long as one meets his monthly payments, there is no need to worry about the length of time it will take to pay off existing debts" and "keeping records of financial matters is too time-consuming to worry with."

Financial-Management Behaviors

Individual financial-management behavior scores were computed for each husband and wife by adding up the number of "yes" responses to each of the 18 (out of 24) questions that could be answered with a yes, no, or uncertain response. The highest financial-management behavior score possible was 18, which would indicate that the respondent had checked yes to every one of the 18 questions. The higher the financial-management behavior score, the more "positive" the financial management behaviors exhibited.

As shown in Table 5, the mean number of behaviors reported by wives was 5.740, which disclosed that the wives averaged answering yes to about six of the 18 behavior questions. The range of behaviors exhibited by the wives was from zero to 15, with zero indicating that none of the behaviors listed was checked, and 15 being the highest number checked. Approximately 44 percent of the wives reported less than five positive financial-management behavior indicators; 43 percent of the wives indicated five to nine behavioral indicators; and less than 15 percent had checked between ten and 15 behavioral indicators.

Table 5

Financial-Management Behavior Scores of

Husbands and Wives

Scores	n	Percentage
Wives' Behavior Scores		
Zero to Four	32	43.8
Five to Nine	31	42.5
Ten to 15	10	13.7
	73	100.0
Mean Behavior Score of Wives = 5.740		
Standard Deviation = 3.240		
Range = 15		
Husbands' Behavior Scores		
Zero to Four	31	42.5
Five to Nine	31	42.4
Ten to 15	11	15.1
	73	100.0
Mean Behavior Score of Husbands = 5.575		
Standard Deviation = 3.240		
Range = 14		

The mean financial-management behavior score of the husbands was 5.575, indicating that husbands, like their wives, had answered yes to about six of the behavior questions. The husbands' behavior scores were almost identical to their wives' scores, as can be seen in Table 5.

When examining the financial-management behaviors ranked in order of the frequency reported by the sample husbands and wives, one can see in Table 6 that only four behaviors were reported by 50 percent or more of the respondents. Of these four behaviors, about 80 percent of the couples reported that they did have a fixed place in their homes that they used as a financial center, where bills were paid and records filed. Over 60 percent used a desk as their financial center; 18 percent used a drawer where bills and receipts were kept; 37 percent used a file cabinet; and about six percent reported using a shoebox. A desk and a file cabinet were reported in use by about six percent of the couples.

Slightly over two-thirds of the couples reported discussing verbally some of their financial goals within the past three months. About 40 percent of the husbands as compared to only 23 percent of the wives revealed that no discussion of their financial goals had taken place within the past three months. Two-thirds of the couples disclosed that they did keep monthly records of their expenditures. Saving a specific amount of money each month was reported by 55 percent of the sample couples; 40 percent of the couples reported no savings.

Five additional financial-management behaviors were reported by about one-third of the sample. Of these five behaviors, one-third of the couples reported that they did use a form on which were listed all of their debts. Slightly less than a third (32.9 percent) reported having a will. A budget workbook had at some time been purchased by almost one-third of the couples. Slightly less than one-third

Table 6

Reported Frequencies of 18 Financial-Management

Behaviors of Husbands and Wives (n = 146)

Behaviors		Yes		No	
		n	Percentage	n	Percentage
Do you have a fixed place in your home that you use as your financial centers, where you pay bills, keep records, etc.?	W	59	80.8	13	17.8
	H	57	78.1	13	17.8
If you do not have written goals, have you and your spouse discussed verbally some of your financial goals within the past three months?	W	55	75.3	15	20.5
	H	44	60.3	29	39.7
Do you keep monthly records of your expenditures?	W	44	60.3	27	37.0
	H	53	72.6	20	27.4
Do you and your spouse save a specific amount of money each month or pay period from your paycheck?	W	43	58.9	30	41.1
	H	38	52.1	34	46.6
Do you have a form on which you have listed all the debts you owe?	W	21	28.8	49	67.1
	H	28	38.4	45	61.6
Do you have a will?	W	21	28.8	49	67.1
	H	28	38.4	45	61.6

Table 6 (Continued)

Behaviors		Yes n	Yes Percentage	No n	No Percentage
Have you ever purchased or used any type of budget workbook?	W	27	37.0	46	63.0
	H	20	27.4	52	71.2
Do you have a written list of all the due dates of your bills?	W	20	27.4	52	71.2
	H	26	35.6	45	61.6
Do you have a written budget plan that shows how you plan to use current income?	W	26	35.6	45	61.6
	H	19	26.0	53	72.6
Are you currently using a budget workbook or prepared forms that you have developed yourself?	W	21	28.8	50	68.5
	H	18	24.7	55	75.3
Do you use a form on which you have listed your once or twice-a-year payments such as taxes or insurance?	W	17	23.3	52	71.2
	H	21	28.8	50	68.5
Have you ever used any prepared forms that you received from your bank or other source?	W	24	32.9	48	65.8
	H	12	16.4	59	80.8
Do you have a written list of all your insurance policies with the face amount of each policy listed?	W	14	19.2	57	78.1
	H	16	21.9	55	75.3

Table 6 (Continued)

Behaviors		Yes n	Yes Percentage	No n	No Percentage
Do you have a written list of all your credit cards?*	W	14	19.2	55	75.3
	H	11	15.1	58	79.5
Do you have a household inventory of all your furniture, household goods, and personal belongings?	W	3	4.1	70	95.9
	H	5	6.8	68	93.2
Do you have a written list of your family's financial goals for the next year?	W	5	6.8	66	90.4
	H	7	9.6	66	90.4
Do you have a written list of your family's financial goals for the next five years?	W	2	2.7	70	95.9
	H	4	5.5	69	94.5
Do you have a written list of your family's financial goals for the next 20 years?	W	1	1.4	71	97.3
	H	3	4.1	69	94.5

Note: Uncertain responses are not listed.

*Six reported no credit cards.

reported having a written list of all the due dates of their bills, and about 30 percent disclosed that they were using a written budget plan.

About one-fourth of the sample husbands and wives reported using budgeting forms that they had developed themselves (Appendix E). One-fourth of the respondents reported that they had at some time used prepared forms received from banks or other sources. Fewer than 20 percent of the respondents reported having a written list of insurance policies' numbers and face amounts; and fewer than 20 percent reported having a written list of all credit cards. Less than six percent of the total sample reported having a household inventory.

Written financial goals were almost nonexistent among the respondents. Over 90 percent of the husbands and wives reported the lack of written financial goals for the next year, and over 95 percent of the couples did not have written financial goals for the next five to 20 years.

When asked the question "how often do you sit down each month and pay your bills?" over 25 percent of the couples responded once a week; 36 percent reported twice a month; 30 percent, once a month; and over six percent reported "when I think about it or when due." Over 70 percent of the couples reported spending less than one hour a week discussing financial matters. Eighteen percent of the wives and 28 percent of the husbands reported spending less than one to two hours a week discussing financial matters.

Financial-Management Knowledge

Table 7 shows the wives' and husbands' responses on the eight financial-knowledge indicators, amount of debt owed, years to repay debt, and the percentage of income spent on six categories of expenditures. The responses to the question regarding amount of money owed indicated that over one-fourth of the husbands and wives owe less than $1,000; over one-third owed between $1,000 and $3,999; and slightly less than 20 percent reported between $4,000 and $9,999 in debts. About ten percent of the respondents had debts between $10,000 and $19,999; and almost ten percent owed debts in excess of $20,000.

When asked how many months or years it would take to pay off outstanding debts, assuming that no new debts were added, almost 90 percent of the husbands responded in the affirmative, while only 75 percent of the wives responded that they knew the number of years needed to pay off existing debts. Over 50 percent of the husbands, as compared to only 39 percent of the wives, indicated that all debts would be paid within two years. About 23 percent of the husbands and 26 percent of the wives reported that all debts would be paid within two to five years. Eleven percent of the couples indicated that it would take longer than five years to pay off existing debts. One large difference reported was that less than ten percent of the men indicated no existing debts, while close to one-fourth of the women indicated no existing debts.

Table 8 shows the level of agreement between husbands and wives on the percentage of income allotted to budget categories. The reported percentage of family income spent on housing revealed that

Table 7

Knowledge of Financial Management on Amount of Debt Owed, Years of Repay Debt, Percentage of Income Allotted for Budget Categories

Questions	Wives n	Wives Percentage	Husbands n	Husbands Percentage
What is the approximate total amount of money that you and your spouse owe to all your creditors? (Do not include your home mortgage.)				
No Debts	9	12.3	12	16.4
\$ 100 - \$ 999	10	13.7	8	10.9
\$1,000 - \$1,999	9	12.4	8	11.0
\$2,000 - \$2,999	10	13.7	12	16.4
\$3,000 - \$3,999	7	9.6	5	6.9
\$4,000 - \$5,999	6	8.2	5	6.9
\$6,000 - \$7,999	4	5.5	3	4.1
\$8,000 - \$9,999	3	4.1	6	8.2
\$10,000- \$19,999	8	10.9	8	10.9
\$20,000+	7	9.6	6	8.2
	73	100.0	73	100.0

Table 7 (Continued)

Questions	Wives n	Wives Percentage	Husbands n	Husbands Percentage
Mean Number of Years to Pay Off Existing Debts: Wives - 2.911, Husbands - 3.015				
Median Number of Years of Pay Off Existing Debts: Wives - 2.500, Husbands - 2.325				
Approximately what percentage of your and your spouse's combined take-home pay goes to the following budget categories? For those items you are uncertain about, please check uncertain.				
Housing (Rent or Mortgage)				
Uncertain	29	39.7	24	32.9
One to Ten Percent	9	12.3	10	13.7
11 to 15 Percent	3	4.1	5	6.9
16 to 20 Percent	12	16.5	13	17.7
21 to 30 Percent	9	12.3	14	19.1
31 to 40 Percent	5	6.9	2	2.8
41+ Percent	3	4.1	2	2.8
No Mortgage	3	4.1	3	3.1
	73	100.0	73	100.0

Table 7 (Continued)

Questions	Wives n	Wives Percentage	Husbands n	Husbands Percentage
Mean Percentage Reported by Wives = 22.6 Percent; Husbands = 20.2 Percent.				
Median Percentage Reported by Wives = 20.0 Percent; Husbands = 20.0 Percent.				
Food				
Uncertain	30	41.1	27	37.0
One to Ten Percent	13	17.8	16	21.9
11 to 15 Percent	15	20.6	12	16.5
16 to 20 Percent	7	9.6	11	15.1
21 to 30 Percent	8	10.9	6	8.2
31 to 40 Percent	0	-	1	1.4
	73	100.0	73	100.0
Mean Percentage Reported by Wives = 15.1 Percent; Husbands = 15.4 Percent.				
Median Percentage Reported by Wives = 10.0 Percent; Husbands = 15.0 Percent.				

Table 7 (Continued)

Questions	Wives n	Wives Percentage	Husbands n	Husbands Percentage
Utilities				
Uncertain	32	43.8	29	39.7
One to Ten Percent	31	42.5	34	46.5
11 to 15 Percent	6	8.2	3	4.1
16 to 20 Percent	0	-	4	5.5
21 to 30 Percent	3	4.1	2	2.8
31 to 40 Percent	1	1.4	1	1.4
	73	100.0	73	100.0
Mean Percentage Reported by Wives = 10.2 Percent; Husbands = 12.1 Percent.				
Median Percentage Reported by Wives = 9.0 Percent; Husbands = 10.0 Percent.				
Transportation, Car Upkeep, Gas				
Uncertain	38	52.1	28	38.4
One to Five Percent	8	10.9	12	16.4
Six to Ten Percent	16	22.0	20	27.4
11 to 15 Percent	8	10.9	5	6.8
16 to 20 Percent	3	4.1	3	4.1
21+ Percent	0	-	5	6.9
	73	100.0	73	100.0

Table 7 (Continued)

Questions	Wives n	Wives Percentage	Husbands n	Husbands Percentage
Mean Percentage Reported by Wives = 10.3 Percent; Husbands = 12.1 Percent.				
Median Percentage Reported by Wives = 11.0 Percent; Husbands = 10.0 Percent.				
Debt Payments				
Uncertain	41	56.2	28	38.4
One to Ten Percent	10	13.7	16	22.0
11 to 15 Percent	4	5.5	7	9.6
16 to 20 Percent	6	8.2	5	6.7
21 to 25 Percent	2	2.7	6	8.2
26 to 30 Percent	2	2.7	4	5.5
31+ Percent	4	5.5	2	2.8
No Debts	4	5.5	5	6.8
	73	100.0	73	100.0
Mean Percentage Reported by Wives = 17.20 Percent; Husbands = 16.87 Percent.				
Median Percentage Reported by Wives = 15.0 Percent; Husbands = 10.0 Percent.				

Table 7 (Continued)

Questions	Wives n	Wives Percentage	Husbands n	Husbands Percentage
Contributions				
Uncertain	40	54.8	32	43.8
One to Ten Percent	24	32.9	26	35.6
11 to 15 Percent	8	10.9	12	16.4
16 to 20 Percent	1	1.4	1	1.4
21+ Percent	0	-	1	1.4
No Contributions	0	-	1	1.4
	73	100.0	73	100.0

Mean Percentage Reported by Wives = 9.87 Percent; Husbands = 11.1 Percent.

Median Percentage Reported by Wives = 10.0 Percent; Husbands = 10.0 Percent.

Table 8

Level of Agreement Between Husband and Wife on the Percentage of Take-Home Pay Allotted to Budget Categories

Budget Category	Uncertain of Percentage Allotted: Wives	Uncertain of Percentage Allotted: Husbands	No Difference (Agree Exactly on Percentage Allotted	Husbands Reporting Larger Percentages Than Wives	Husbands Reporting Smaller Percentages Than Wives
Housing	40%	33%	29%	28%	44%
Food	33%	33%	39%	20%	23%
Utilities	43%	40%	33%	33%	35%
Transportation	50%	33%	37%	23%	40%
Debts	50%	33%	40%	19%	46%
Contributions, Gifts	50%	40%	40%	26%	34%

about 40 percent of the wives and one-third of the husbands were uncertain as to the percentage of their income committed to housing expenses. The mean percentage of family income spent on housing by wives was 22.6 percent, while husbands reported spending an average of 20.0 percent on housing.

Over 17 percent of the wives and 22 percent of the husbands reported between zero and ten percent of their income committed to food expenses; about 30 percent of both spouses indicated that between 11 and 20 percent of their income was devoted to food expenses. More than one-third of both spouses were uncertain of the percentage of income spent on food.

The reported percentages of family income spent on utilities revealed that about 43 percent of the wives and 47 percent of the husbands perceived that between one and ten percent of their income was committed to utility payments. Forty-three percent of the wives and about 40 percent of the husbands did not know the percentage of their income spent for utilities.

While over 50 percent of the wives and one-third of the husbands were uncertain about the percentage of their income designated for transportation expenses, over one-third of the wives and over 44 percent of the husbands disclosed that between one and ten percent of the family's income went for transportation costs. Between ten and 20 percent of the family's income was reported spent for transportation costs by ten percent of the wives and by 15 percent of their spouses. Over 50 percent of the wives and one-third of the husbands reported uncertainty over the percentage of income committed to debt payments.

When asked the percentage of income spent on gifts and contributions, over 50 percent of the wives and 40 percent of the husbands reported that they did not know how much of their income was spent on gifts and contributions. Over one-third of both spouses reported between one and ten percent of income spent for gifts and contributions. Twelve percent of the wives and 18 percent of the husbands revealed that between 11 and 20 percent of income was spent on gifts and contributions.

Three facts were evident from the data: (1) more wives than husbands are uncertain about the percentage of income spent on the various budget categories; (2) wives reported larger percentages of income committed to the various budget areas than did their husbands; and (3) 30 to 50 percent of all wives and 30 to 40 percent of all husbands reported that they did not know the amount or percentage of their income committed to the six budget categories listed by the investigator.

Financial-Management Knowledge Difference Scores

Due to the nature of the seven financial-management knowledge questions, it was not feasible to compute a knowledge score for each respondent; therefore, a knowledge-difference score was computed by subtracting the husband's answer from the wife's answer to each question (KNOWLEDGE DIFFERENCE SCORE = Wife's Answer - Husband's Answer to Each Question).

Eight knowledge-difference scores were computed for the sample husbands and wives for the questions regarding (1) amount of debt owed; (2) years to pay off debts; and (3) percentages of income spent on the following budget categories--housing, food, utilities, transportation, debt, and contributions. Table 9 presents some of the results related to the knowledge-difference scores.

Table 9

Mean Financial-Management Knowledge Difference

Scores of Husbands and Wives

Knowledge Indicator	Mean	Standard Deviation
Amount of Debt Owed*	-0.08	6.12
Years to Repay Debts	0.72	2.20
Percentage of Income Spent on:		
Housing	7.48	51.41
Food	3.91	56.00
Utilities	4.85	57.90
Transportation	12.61	57.37
Debts	17.08	54.45
Contributions, Gifts	9.06	56.70

*Negative score indicated husbands reported higher percentages of debt payments than did wives.

The knowledge-difference score for amount of money owed revealed that 47.9 percent of the husbands and wives had a "0"-difference score, indicating that they agreed exactly on the amount of money owed. Twenty-seven percent of the husbands reported larger amounts of money owed than did their wives, and about 25 percent of the husbands reported less money owed than did their wives.

The knowledge-difference scores for number of years to repay debts disclosed that 46 percent of the spouses agreed 100 percent on the number of years committed to paying off debts. Thirty-four percent of the husbands reported more years committed to paying off debts than did their wives; and slightly less than 30 percent reported fewer years committed to paying off debts than did their spouses.

The knowledge-difference scores of husbands and wives indicated that only about 29 percent of the couples agreed 100 percent on the amount of their incomes committed to housing expenses. Almost 28 percent of the husbands reported a higher percentage of income spent on housing than did their wives; 44 percent of the husbands reported a smaller percentage spent for housing than did their wives. The mean knowledge-difference score was 7.476, which indicated that husbands and wives differed about eight percentage points on the percentage of their income spent on housing expenses.

The reported knowledge difference of family income spent for food revealed that about 39 percent of the couples had "0"-difference scores, indicating 100 percent agreement on the percentage of income committed to food expenses. Twenty percent of the husbands indicated higher percentages spent for food than did their wives; 23 percent of the husbands reported lower percentages spent on food than did their wives. The mean knowledge-difference score for food was 3.907, which indicated that husbands and wives differed about four percentage points on the percentage of their income spent on food.

The knowledge-difference scores for utilities indicated that 33 percent of both husbands and wives agreed 100 percent on the percentage of their incomes spent on utilities. Thirty-three percent of the husbands reported higher percentages spent on utilities than did their wives; 35 percent of the wives reported higher percentages than did their husbands. The mean knowledge-difference score of 4.8462 revealed that husbands and wives differed about five percentage points on the percentage of their income destined for utility payments.

The knowledge difference scores for transportation revealed that 37 percent of the husbands and wives had "0"-difference scores, indicating 100 percent agreement on the amount of their income allotted to transportation costs. About 40 percent of the husbands reported lower percentages spent on transportation than did their wives; 23 percent of the husbands reported higher percentages than did their wives. The mean knowledge-difference score of 12.61 revealed that the sample couples differed almost 13 percentage points on the percentage of their incomes spent for transportation.

The knowledge-difference scores for debts revealed that over 40 percent of the respondents agreed 100 percent on the amount of their incomes allotted for debt payments. A major difference was evident by the fact that 19 percent of the husbands reported debt payments larger than did their wives; however, over two-thirds of the wives reported higher percentages than did their husbands. The mean knowledge-difference score of 17.07 indicated that the couples differed by over 17 percentage points on the percentage of family income committed to debt.

The knowledge-difference scores disclosed that 40 percent of both spouses agreed 100 percent on the amount of income committed to gifts and contributions. Thirty-four percent of the wives reported higher percentages spent on gifts and contributions than did their husbands; only 26 percent of the husbands reported higher percentages than did their wives. The mean difference score of 9.06 indicated a difference of nine percentage points in the amount of income designated for gifts and contributions among the couples.

Descriptive Data on Barriers Obstructing Good Financial Management, Intrafamily Decision-Making, Level of Satisfaction with Financial Management, and Perceived Income Adequacy of Husbands and Wives

Barriers or Constraints to Successful Financial Management

Eighteen statements were used to investigate the barriers that the respondents believed caused them difficulty in handling their finances. A three-point scale, ranging from very serious to somewhat serious to not serious, was used to rate each statement.

A financial-management barriers score was computed for each husband and wife by adding up the number of statements checked by the respondents to be either somewhat serious or very serious. Table 10 presents the barriers scores of the respondents. The mean barriers score for the wives was 5.575, which indicated that the wives reported about six barriers as being somewhat or very serious to their financial management. The mean barriers score for the husbands, 5.178, half a point lower than the mean barriers score for the wives, indicated that slightly more than five barriers were reported as somewhat or very serious to the husbands' financial management.

For purposes of reporting the frequencies, the categories "somewhat serious" and "very serious" were collapsed into one and reported as one category--somewhat to very serious. Husbands and wives reported very similar barriers as being somewhat to very serious to their financial management; furthermore, similar barriers were perceived by both husbands and wives as not being serious to their financial management. Table 11 presents a listing of the barriers ranked in order of frequency reported by both husbands and wives.

The barrier reported most often by the husbands and wives as causing the most difficulty was "unexpected expenses make budgeting difficult." Fifty-six percent of the wives and 47 percent of the husbands perceived it to be the most serious barrier. The lack of a savings habit was perceived by 45.2 percent of both husbands and wives as a somewhat to very serious barrier to successful financial management. Lack of an adequate income, lack of goal identification, and more "wants" than money were perceived as barriers by over 40

Table 10

Financial-Management Barriers Scores of

Husbands and Wives

Barriers Scores	n	Percentage
Wives' Barriers Scores		
Zero (No Barriers)	12	16.4
One to Five (Few Barriers)	29	39.7
Six to 12 (Some Barriers)	25	34.3
13 to 18 (Many Barriers	7	9.6
	73	100.0
Mean Barrier Score of Wives = 5.575		
Standard Deviation = 4.681		
Range = 18		
Husbands' Barriers Scores		
Zero (No Barriers	14	19.2
One to Five (Few Barriers)	29	39.7
Six to 12 (Some Barriers	23	31.5
13 to 18 (Many Barriers)	7	9.6
	73	100.0
Mean Barriers Score of Husbands = 5.178		
Standard Deviation = 5.073		
Range = 18		

Table 11

Barriers or Constraints to Successful Financial Management Ranked in Order of Frequency Reported by Wives

Barriers	Percentages Wives	Percentages Husbands
<u>Barriers Reported as Serious</u>		
Unexpected Expenses Make Budgeting Difficult	56.1	47.1
Lack of Savings Habit	45.2	45.2
Lack of an Adequate Income	41.1	34.3
Lack of Goal Identification	41.1	32.9
More "Wants" Than Money	41.1	43.9
Lack of Skills in and Knowledge About Budgeting	39.7	31.5
Lack of Time	34.2	26.1
Having Too Much Debt	34.2	30.2
<u>Barriers Reported as Not Serious</u>		
Getting Behind on Bills	87.7	86.3
Lack of Self-Confidence in Record-Keeping	80.8	83.6
Lack of Communication Between Husband and Wife	79.5	76.7
Lack of Understanding Financial Implication of Children	79.5	85.0
Overcommitted to Credit	78.1	75.4

percent of the wives; 40 percent of the husbands reported more "wants" than money as a barrier.

More than 30 percent of the husbands reported the lack of an adequate income, the lack of goal identification, the lack of skills about budgeting, getting the best buys for the money, having too much debt, and deciding what to buy first as somewhat to very serious in their financial management. Over one-third of the wives indicated lack of skills in budgeting, lack of time, and too much debt as barriers. Less than one-fourth of the husbands reported lack of time as a barrier.

The following four barriers were not considered very serious by about 80 percent of the husbands and wives: (1) getting behind on bills, (2) lack of self-confidence in record-keeping, (3) lack of communication between husbands and wives, and (4) lack of understanding the financial implications of children.

Intrafamily Decision Making

Nine questions were asked the respondents to determine the extent of sharing of financial-management tasks in the home. The responses indicated whether the wife, the husband, both, or neither took responsibility for each area of financial-management listed. As indicated in Table 12, husbands and wives agreed that the wife had major responsibility for the following three financial-management tasks in the home: (1) balancing the monthly bank statements, (2) writing checks for monthly bills to be paid, and (3) mailing the bills. Husbands (39.7 percent) and wives (49.3 percent) both agreed that the wives

Table 12

Inter-Family Decision Making of Husbands and Wives (n = 146)

	Person Responsible (Percentage)			
Questions	Wife	Husband	Both	Neither
Who balances your monthly bank statement?				
Husbands' Responses	50.7	32.9	15.1	1.4
Wives' Responses	54.8	28.8	11.0	5.5
Who writes the checks for paying bills?				
Husbands' Responses	41.1	24.7	34.2	-
Wives' Responses	47.9	21.9	24.7	5.5
Who mails or delivers the bills to be paid?				
Husbands' Responses	38.4	26.0	35.6	-
Wives' Responses	46.6	17.8	35.6	-
When major purchases are anticipated, who makes the final buying decision?				
Husbands' Responses	6.8	28.8	64.4	-
Wives' Responses	6.8	24.7	67.1	1.4
Who has the best understanding of how much debt you owe?				
Husbands' Responses	15.1	38.4	45.1	1.4
Wives' Responses	27.1	32.9	39.0	-
Who has more understanding of the provisions of your life insurance polities?				
Husbands' Responses	17.8	56.2	20.5	5.5
Wives' Responses	12.3	67.1	17.8	2.7

Table 12 (Continued)

Questions	Person Responsible (Percentage) Wife	Husband	Both	Neither
Who initiates most discussions about your finances?				
Husbands' Responses	24.7	32.9	37.0	5.5
Wives' Responses	23.3	26.0	47.9	2.7
Who is most likely to say first, "we can't afford it?"				
Husbands' Responses	32.9	34.2	26.0	6.1
Wives' Responses	65.8	24.7	8.2	1.4
Who is more easily upset about your financial problems?				
Husbands' Responses	39.7	32.9	11.0	16.4
Wives' Responses	49.3	27.4	16.4	6.8

become more easily upset about the family's financial problems. Sixteen percent of the husbands and about 11 percent of the wives indicated that both were easily upset about their financial problems.

The husbands and wives reported three tasks that were shared by both spouses. Approximately two-thirds of the husbands and wives indicated that when major purchases were anticipated, both made the final buying decision. Thirty-nine percent of the wives and 45 percent of the husbands indicated that both had a good understanding of the amount of debt owed by their families.

When asked who initiated most discussions about finances, the husbands (37 percent) and wives (48 percent) reported that both of them initiated the discussions; however, over 25 percent of both spouses indicated the husband as the second choice in initiating discussions about their finances.

In summary, the data revealed that both spouses assumed responsibility for the following: (1) making final buying decisions when major purchases are anticipated; (2) understanding of debts owed; and (3) initiating discussions about their finances. In addition, both spouses perceived the wife to be the one most likely to (1) balance the monthly bank statements, (2) write the monthly checks for paying bills, (3) pay the monthly bills, and (4) be more upset about family finances. There was some disagreement as to which spouse said, "we can't afford it" first; however, more spouses indicated that the wife was the first to say, "we can't afford it." The respondents agreed that the husband had the better understanding of their life insurance policies.

Level of Satisfaction and Generation of Satisfaction

Eleven statements were used to discover the overall level of satisfaction with their financial-management situation. A five-point scale, ranging from very satisfied = five, satisfied = four, neither satisfied nor dissatisfied = three, dissatisfied = two, and very dissatisfied = one, was used to rate each item.

A level of satisfaction score was computed for each husband and wife by adding up the scores for the responses to each statement and dividing by the number of statements answered by each respondent. From Table 13 can be seen the mean satisfaction score for the wives of 3.46 and the mean satisfaction score of the husbands of 3.50, about half way between neither satisfied nor dissatisfied (three) and satisfied (four). The husbands' and wives' satisfaction scores were very close, with less than .04 of a point difference in the two mean scores.

The levels of satisfaction of husbands and wives on various aspects of their financial management are shown in Table 14. Both husbands and wives reported general satisfaction with the following aspects of the management: the amount of life and medical insurance, the amount of consumption goods the family owns, the amount of help available from the spouse regarding financial matters, the amount of charitable contributions, and the amount of education the family is able to provide for children. Wives were generally more satisfied with the amount of family income, whereas a majority of husbands were not satisfied. Husbands were relatively more satisfied with the level of their financial-management knowledge and the present system of record keeping than were wives. Neither wives nor husbands were satisfied with the amount of savings the family had.

Income Adequacy

The respondents were asked to indicate the sources of their money income. Over 90 percent of the respondents indicated that the primary source of money income was from wages and salaries. Fifteen percent reported rent from properties owned, and 36 percent reported interest

Table 13

Financial-Management Satisfaction Scores

of Husbands and Wives

Scores		n	Percentage
Wives' Satisfaction Scores			
4.50-5.00	Very Satisfied	2	2.7
3.50-4.49	Satisfied	33	45.3
2.50-3.49	Neither	36	49.3
1.50-2.49	Dissatisfied	2	2.7
1.00-1.49	Very Dissatisfied	0	-
		73	100.0
Mean Satisfaction Score of Wives = 3.455 Standard Deviation = 0.496 Range = 2.909			
Husbands' Satisfaction Scores			
4.50-5.00	Very Satisfied	0	-
3.50-4.49	Satisfied	35	47.9
2.50-3.49	Neither	37	50.7
1.50-2.49	Dissatisfied	1	1.4
1.00-1.49	Very Dissatisfied	0	-
Mean Satisfaction Score of Husbands = 3.499 Standard Deviation = 0.515 Range = 2.182			

Table 14

Levels of Satisfaction of Husbands and Wives With Their Financial Management Ranked in Order of Frequency Reported by Wives

Statements	Wives (Percentage)			Husbands (Percentage)		
	VS	N	VD	VS	N	VD
Wives' Levels of Satisfaction With						
The medical or health insurance your family has.	87.6	4.1	8.2	80.8	6.8	12.3
The amount of life insurance the family has.	76.7	15.1	6.8	69.9	15.1	15.1
Durable goods which the family has such as a car, equipment, and furniture.	75.3	12.3	12.4	72.6	17.8	9.6
The goods your family has such as clothing and food.	74.0	12.3	9.6	78.1	12.3	9.6
The amount of help your spouse gives in financial matters.	69.9	15.1	6.8	75.3	15.1	9.6

Table 14 (Continued)

Statements	Wives (Percentage) VS	N	VD	Husbands (Percentage) VS	N	VD
Family gifts of money and contributions to church and community activities.	64.4	15.1	20.5	54.8	19.2	21.9
The amount of education the family can provide for the children.	57.6	23.3	19.2	63.0	24.7	12.3
The amount of family income.	53.4	23.3	23.3	42.4	24.7	32.9
The level of your financial-management knowledge	43.8	24.7	31.5	53.4	24.7	20.5
The amount of savings your family has.	30.1	37.0	32.9	53.4	20.5	26.0
The present system of record keeping you are using.	16.5	19.2	53.4	31.5	20.5	47.9

Note. VS = Very Satisfied or Satisfied; N = Neither; VD = Very Dissatisfied or Dissatisfied.

from savings and investments as sources of money income. About seven percent reported money from parents and relatives as a source of income. Profit from operating farms, businesses, or professions was reported by 20 percent of the husbands and wives.

Two questions were asked the respondents to determine the perceived adequacy of the family income. When comparing their family's financial situation to that of others, over 50 percent of the wives and 40 percent of the husbands reported that they were in about the same shape as other families. Less than four percent of the respondents indicated that they were worse off than other families. Fifty-seven percent of the husbands and 45 percent of the wives indicated that their financial status was better than most other families.

The mean family income reported by wives was $24,492.31, whereas that reported by husbands was $25,834.62. Over one-third of the couples reported a combined income of between $20,000 and $29,999; about one-third reported incomes over $30,000; about 20 percent reported incomes between $10,000 and $19,999; and fewer than three percent reported incomes below $10,000. To determine the extent to which respondents were satisfied with the adequacy of their incomes, the question "to what extent do you think your income is enough to live on" was asked.

Over 50 percent of the wives and 60 percent of the husbands reported that they could afford some things wanted, but not all things wanted. Eleven percent of both husbands and wives revealed that their incomes were adequate to meet necessities only. It appears that the husbands perceived their income to be more adequate than did their wives. One-third of the husbands reported that they could afford almost everything wanted and still save money, whereas less than 20 of the wives reported the same.

In summary, the majority of the couples reported incomes between \$20,000 and \$30,000+; over 50 percent of both spouses reported that they were in about the same shape financially as other families; and about 50 percent of both spouses reported that they were better off or much better off than most families. This could be interpreted to mean that the husbands and wives perceived their income to be adequate enough to meet their needs. Data also revealed that husbands perceived their incomes to be more adequate than did their wives.

Pearson's Product-Moment Correlations

Pearson Product-Moment Correlations were used to investigate the extent of agreement of husbands and wives on their financial-management attitudes, behaviors, and knowledge. As shown in the correlation matrix (Table 15), wives' financial-management attitudes and husbands' financial-management attitudes show a moderate relationship ($r = .26$), statistically significant at the .05 level. The positive relationship indicated that high financial-management attitude scores of wives were associated with high attitude scores of husbands. Earlier in the chapter, it was reported that the husbands' mean financial-management attitude score (2.847) was only slightly higher than the wives' mean financial-management attitude score (2.836). These results indicate that husbands and wives showed a moderate level of agreement on their financial-management attitudes. Although not quite statistically

Table 15

Correlation Matrix of Wives' Financial-Management Attitudes and Behaviors and Husbands' Financial-Management Attitudes and Behaviors

	Wives' Attitudes	Wives' Behaviors	Husbands' Attitudes	Husbands' Behaviors
Wives' Attitudes	-			
Wives' Behaviors	0.02	-		
Husbands' Attitudes	0.26*	0.05	-	
Husbands' Behaviors	0.24	0.61**	0.20	-

*$p < .05$
**$p < .01$

significant (r = .24), the wives' financial-management attitudes showed a positive relationship with the husbands' financial-management behaviors, indicating that wives with high attitude scores were associated with husbands with high behavior scores.

A relatively high degree of correlation was observed between the wives' financial-management behaviors and the husbands' financial-management behaviors (r = .61), statistically significant at the .01 level. The positive relationship indicated that husbands with higher behavior scores tended to have wives with higher behavior scores. Due to the nature of the behavior questions, this would seem logical. If one of the spouses reported having a will or having a budget, for example, one would assume the other spouse would report the same.

Multiple Regression Analyses

Stepwise multiple regressions were computed in this study to investigate the relationships between the dependent variables--(1) financial-management attitudes of husbands and wives, (2) financial-management behaviors of husbands and wives, and (3) the financial-management knowledge of husbands and wives--and the 14 independent variables--age of husband and wife, educational level of husband and wife, employment status of wife, occupational status of husband and wife, length of marriage, income, perception of income adequacy of husband and wife, and past experience with a consumer-education course.

Fourteen separate regressions were computed using the 14 selected independent variables and the dependent variables--financial-management attitudes, behaviors, and knowledge. Regressions were computed on (1) financial-management attitudes of wives, (2) financial-management attitudes of husbands, (3) financial-management attitude differences of husbands and wives, (4) financial-management behaviors of wives, (5) financial-management behaviors of husbands, and (6) financial-management behavior differences of husbands and wives. In addition, eight regressions were computed on the knowledge difference of husbands and wives and (1) amount of money owed, (2) length of time to repay debts, (3) percentage of income spent for housing or rent, (4) percentage of income spent for food, (5) percentage of income spent on utilities, (6) percentage of income spent on transportation, (7) percentage of income spent on debts, and (8) percentage of income spent on contributions.

The evaluation and interpretation for each regression equation were based on the following criteria, listed in order of their relative importance to the process:

1. The F value for the overall equation, which revealed whether the regression of the dependent variable on the independent variables was statistically significant.
2. The F value for the regression coefficients (b) for each separate independent variable which indicated whether the relationship between it and the dependent variable was statistically significant.
3. The R^2 (multiple correlation coefficient squared) for the equation described the proportion of the variability of the dependent variable explained by the independent variables used in the equation.
4. The standard error of the estimate (SEE) reported the accuracy of the prediction equation in terms of the absolute amounts of explained or unexplained variability. It enabled an estimation to be made of the proportion of cases that will fall between $\pm$ 1 SEE units from the predicted values, $\pm$ 2 SEE's.

The criteria used to select the best step were (1) a decrease in the amount of explained variability as evidenced by the R^2 from the preceding step, and (2) an increase in the standard error of the estimate from the preceding step.

Regression Analyses of Financial-Management Attitudes

Wives' Financial-Management Attitudes

The purpose of these analyses was to investigate the factors which may be related to the financial-management attitudes of wives. Table 16 presents the results of a stepwise regression analysis with wives' financial-management attitudes as the dependent variable and four selected independent variables.

The factors which were statistically and significantly related to wives' financial-management attitudes were (1) income adequacy (b = -0.1946), and (2) educational level (b = -0.0466). Both income adequacy and educational level had a negative relationship with the wives' financial-management attitudes. This indicated that wives who are very satisfied with the adequacy of their incomes had lower attitude scores by about one-fifth of a point. For each additional year of education, the wives' attitude scores decreased by about .04 of a point. This indicates that the more adequate the income, the less need there is to budget the income, if all expenses are being met. Higher incomes are associated with higher levels of education, which may also lead to the more negative attitude regarding the need for financial management.

The R^2 of .218 indicated that approximately 22 percent of the variability in the wives' financial-management attitudes can be explained by the independent variables employed in the model. The adjusted R^2 of .166 indicated that after adjusting for the number of

Table 16

Results of Stepwise Multiple Regression for

Financial-Management Attitudes of Wives

As Reported by Wives (n = 65)

Variables in the Equation	b	Beta	Standard Error of b	F
Income Adequacy	-0.1946	-0.3801	0.0600	10.512**
Education Level of Wives	-0.0466	-0.2847	0.0217	4.590**
Completed Course in Consumer Education	0.1903	0.1900	0.1212	2.466
Occupational Status of Wives	0.0383	0.1138	0.0436	0.771
Constant	3.8904			

Note. Variables not in the equation were age of wives, wives' employment, number of years married, and family annual income.

**$p < .01$

$R^2 = 0.2184$

R^2 adj. = 0.1663

$SE_{est} = 0.3028$

F = 4.1904**

independent variables, one can explain approximately 17 percent of the variability in the financial-management attitudes of wives.

The Beta weights revealed that income adequacy (-0.3801) was the most important factor related to wives' attitudes toward financial management, followed by educational level (-0.2847). No statistically significant relationship was found to exist for the variables, completion of a consumer-education course and occupational status, and the dependent variable, wives' attitudes toward financial management.

The standard error of the estimate indicated that the "average" error in predicting wives' financial-management attitudes would be about plus or minus one-third of a point.

Husbands' Financial-Management Attitudes

The results of stepwise multiple regression for financial-management attitudes of husbands as reported by the husbands are shown in Table 17, with the husbands' financial-management attitudes as the dependent variable and two selected independent variables. The factor which was statistically significantly related to the husbands' financial-management attitudes was the family annual income, which had a negative relationship (b = 0.00012) with the husbands' financial-management attitudes. As the husbands report of the annual family income increased, the financial-management attitude scores decreased slightly.

The Beta weights revealed that the husbands' annual incomes (-0.2757) were the most important factor related to financial-management attitudes of husbands of all the variables examined. The other

Table 17

Results of Stepwise Multiple Regression for

Financial-Management Attitudes of

Husbands as Reported by

Husbands (n = 65)

Variables in the Equation	b	Beta	Standard Error of b	F
Family Annual Income	-0.000012	0.2757	0.00001	4.497*
Number of Years Married	0.7408	0.2153	0.0045	2.743
Constant	3.0650			

Note. Variables not in the equation were age of husband, educational level, occupational status, income adequacy, and completed course in consumer education.

*$p < .05$

$R^2 = 0.0808$

R^2 adj. = 0.0511

$SE_{est} = 0.3032$

F = 2.723

factor, number of years married, had no statistically significant relationship with the husbands' financial-management attitudes.

The R^2 of .08 indicated that the amount explained was about eight percent, not significantly different from zero. After adjusting for the other variables, the R^2 adjusted explained about five percent of the variability in husbands' financial-management attitudes. The standard error of the estimate of 0.303 indicated that the average error in predicting husbands financial-management attitudes would be about plus or minus one-third of a point.

Husbands' and Wives' Attitude Differences

The purpose of this analysis was to examine the factors which may be related to the financial-management attitude differences of husbands and wives. The dependent variable was the financial-management attitude difference of the husbands and wives, and the independent variables were all of the characteristics of the husbands and wives. The financial-management attitude difference score was computed by subtracting the husbands' financial-management attitude score from the wives' financial-management attitude score. Thus, a high positive financial-management attitude difference score would indicate that the wives expressed more positive attitudes toward financial management than did their husbands. A high negative score would indicate that the husbands expressed higher financial-management attitudes than did their wives. Table 18 presents the results of a stepwise regression analysis using the dependent variable, attitude difference of husbands and wives, and five selected independent variables. Two

Table 18

Results of Stepwise Multiple Regression for

Financial-Management Attitude Difference

of Husbands and Wives (n = 65)

Variables in the Equation	b	Beta	Standard Error of b	F
Wives' Occupational Status	-0.1040	-0.2628	0.0505	4.237*
Husbands' Family Annual Income	0.000029	0.5168	0.00001	7.334**
Wives' Income Adequacy	-0.000019	-0.3693	0.00001	3.473
Wives' Number of Years Married	-0.0065	-0.1393	0.1078	1.346
Constant	0.3278			

Note. Variables not in the equation were (for wives') age, educational level, income adequacy, completion of consumer-education course, and (for husbands') age, educational level, occupational status, number of years married, income adequacy, completion of consumer-education course.

$^{*}p < .05$

$^{**}p < .01$

$R^2 = 0.203$

R^2 adj. = 0.135

$SE_{est} = 0.363$

F = 3.0054

factors were statistically significantly related to husbands' and wives' attitude difference: (1) the wives' occupational status (b = -0.1040) and the husbands' report of the family annual income (b = 0.00003).

The wives' occupational status was negatively related, and indicated that attitude differences decreased (i.e., there was more agreement) as the wives' occupational status increased. Family annual income was positively related to the attitude difference; or the higher the family annual income, the greater the attitude difference between husbands and wives.

The attitude difference of couples in which the wives were in a higher occupational position decreased by about one-third of a point for each move up the occupational ranking. The attitude difference of husbands and wives increased by approximately one-half of a point the higher the family annual income.

Examination of the Beta weights revealed that the husbands' perceptions of the family annual income (p.5168) was the most important factor related to the attitude difference of husbands and wives, followed by the wives' occupational status (-0.2628).

The R^2 of .203 indicated that over 20 percent of the variability of attitude differences of husbands and wives was explained by the set of variables employed in the model. The adjusted R^2 of .135 indicated that about 14 percent of the variability of the financial-management attitude difference can be explained after adjusting for the number of independent variables.

The standard error of the estimate of 0.363 indicated that the average error in predicting financial-management attitude difference between husbands and wives would be about plus or minus one-third of a point.

Regression Analyses of Financial-Management Behaviors

Financial-Management Behaviors of Wives

The purpose of these analyses was to examine the factors which may be related to the financial-management behaviors of wives as reported by the wives. Table 19 presents the results of a stepwise multiple regression analysis utilizing the dependent variable, financial-management behaviors of wives, and five selected independent variables. The factors which were statistically significantly related to financial-management behaviors were (1) completion of a course in consumer education (b = 3.737), (2) number of years married (b = 0.0903), and (3) occupational status (b = 0.8843). All three of the factors were positively related to financial-management behaviors of wives.

Wives who had completed a course in consumer education answered approximately four more questions (3.737) affirmatively than did wives who had not completed a consumer-education course, which indicated completion of a course in consumer education was associated with positive financial-management behaviors. For every year of marriage, the wives answered about one-tenth of a question more (0.09) affirmatively.

Table 19

Results of Stepwise Multiple Regression for

Financial-Management Behaviors of Wives

As Reported by Wives (n = 65)

Variables in the Equation	b	Beta	Standard Error of b	F
Completed Course in Consumer Education	3.7362	0.3781	1.1916	9.832**
Number of Years Married	0.0903	0.2613	0.0408	4.915*
Occupational Status	0.8843	0.2665	0.4279	4.271*
Wife's Employment	-0.9675	-0.1284	0.9066	1.139
Educational Level	-0.1518	-0.0940	0.2250	0.455
Constant	3.0175			

Note. Variables not in the equation were age of wife, family annual income, and income adequacy.

*$p < .05$

**$p < .01$

$R^2 = 0.240$

R^2 adk/ = 0.176

$SE_{est} = 2.97$

F = 3.736**

For each move up the occupational status scale, as measured by Hollingsworth, about one additional question (0.884) was answered affirmatively.

Examination of the Beta weights revealed that the completion of a course in consumer education (0.3781) was the most important factor related to financial-management behaviors of wives, followed by occupational status (0.2665) and number of years married (0.2613). Several other factors--age of spouse, family annual income, and income adequacy--were found to have no statistically significant relationship with the variable, financial-management behaviors of wives.

The R^2 of .240 indicated that approximately 24 percent of the variability in wives' financial-management behaviors was explained by the set of independent variables employed in the model. The adjusted R^2 of .176 indicated that, after adjusting for the number of independent variables, one can explain about 18 percent of the variability in the financial-management behaviors of wives. The standard error of the estimate of 2.97 indicated that the average error in predicting wives' financial-management behaviors would be about plus or minus three questions.

Financial-Management Behaviors of Husbands

This analysis examined the factors which may be related to the financial-management behaviors of husbands as reported by the husbands. Table 20 presents the results of a stepwise multiple regression analysis utilizing the dependent variable, financial-management

Table 20

Results of Stepwise Multiple Regression for Financial-Management Behaviors of Husbands as Reported by Husbands (n = 65)

Variables in the Equation	b	Beta	Standard Error of b	F
Number of Years Married	0.2491	0.7059	0.0846	8.680**
Age	-0.1582	-0.4793	0.0778	4.140**
Completed Course in Consumer Education	1.6726	0.2111	0.9294	3.239*
Educational Level	0.2024	0.1256	0.1883	1.156
Employment Status	-0.5192	-0.1212	0.5200	0.997
Constant	6.5943			

Note. Variables not in the equation were occupational status, family annual income, and income adequacy.

*$p < .05$

**$p < .01$

$R^2 = 0.2089$

R^2 adj. = 0.1418

$SE_{est} = 2.96$

F = 3.115*

behaviors of husbands, and five selected independent variables. The factors which were statistically significantly related to financial-management behaviors were (1) number of years married (b = 0.2491), (2) age (b = -0.1582), and (3) completion of a course in consumer education (b = 1.6726). While number of years married and completion of a course in consumer education were positively related to husbands' financial-management behaviors, the age of the husband was negatively related to the husbands' financial-management behaviors.

For each additional year of marriage, the husbands' financial-management behaviors increased positively, as indicated by answering one-fourth of a question more. The higher the age of the husbands, the lower was the husbands' financial-management behaviors by one-sixth of a question; or the younger the husband, the higher his financial-management behavior score. Husbands who had completed a course in consumer education answered over one and one-half more questions affirmatively than did those husbands who had not had a consumer-education course.

Examination of the Beta weights revealed that number of years married (0.7059) was the most important factor related to husbands' financial-management behaviors, followed by age (0.4793), and completion of a consumer-education course (0.2111). The two variables, educational level and employment status, were found to have no significant relationship with husbands' financial-management behaviors.

The R^2 of .2089 indicated that approximately 20 percent of the variability of husbands' financial-management behaviors was explained by the set of independent variables employed in the model. The adjusted R^2 of .1418 indicated that after adjusting for the number of independent variables, one can explain about 14 percent of the variability in the financial-management behaviors of husbands. The standard error of the estimate of 2.96 indicated that the average error in predicting husbands' financial-management behaviors would be about plus or minus three questions.

Husbands' and Wives' Behavior Difference

Table 21 presents the results of a stepwise multiple regression analysis for financial-management behavior difference of husbands and wives as the dependent variable and three selected independent variables. The overall F value (2.918) was statistically significant at the .05 level.

Three factors--wives' employment, wives' annual income, and wives' completion of a consumer-education course--which entered into the regression equation, were not individually statistically significantly related to the financial-management behavior difference of husbands and wives. The interaction of the three variables did explain a statistically significant proportion, about eight percent, of the variability in the behavior difference of husbands and wives.

Table 21

Results of Stepwise Multiple Regression for Financial-Management Behavior Difference of Husbands and Wives (n = 65)

Variables in the Equation	b	Beta	Standard Error of b	F
Wives' Employment	-1.567	-0.2407	0.7841	3.994
Wives' Family Annual Income	0.00008	0.2150	0.00004	3.215
Wives' Completion of Consumer-Education Course	1.2950	0.1517	1.0284	1.586
Constant	0.9256			

Note. Variables not used in the equation for the wives' were age, educational level, occupational status, number of years married, and income adequacy. Variables not used in the equation for the husbands were age, educational level, occupational status; number of years married, family annual income, income adequacy, and consumer-education course completed.

*$p < .05$

$R^2 = 0.1260$

R^2 adj. = 0.0883

$SE_{est} = 2.706$

F = 2.9318*

Regression Analyses of Financial-Management Knowledge Differences

Financial-Management Knowledge Difference--Amount of Money Owed

Table 22 presents the results of a stepwise multiple regression for financial-management knowledge difference of husbands and wives on the amount of money owed as the dependent variable and three selected independent variables. The factors which were statistically significantly related to the financial-management knowledge difference on the amount of money owed were (1) wives' completion of a consumer-education course (b = 5.4802), and (2) husbands' income adequacy (b = -2.0549). Wives' completion of a consumer-education course had a positive relationship with the knowledge difference on the amount of money owed, while husbands' income adequacy had a negative relationship. No significant relationship was found to exist between the wives' employment status and the knowledge difference on the amount of money owed.

The positive relationship of consumer education indicated that the knowledge difference of the amount of money owed was greater for couples when the wife had completed a course in consumer education by about $5.48. The negative relationship between the husbands' income adequacy and knowledge difference on the amount of money owed indicated that the more adequate the husbands perceived their income to be, the less was the knowledge difference by about $2.05.

Table 22

Results of Stepwise Multiple Regression for

Financial-Management Knowledge

Difference--Amount of Money

Owed by Husbands and

Wives (n = 65)

Variables in the Equation	b	Beta	Standard Error of b	F
Wives' Completion of Consumer-Education Course	5.4802	0.29662	2.1481	6.522*
Husbands' Income Adequacy	-2.0549	-0.2503	0.9512	4.667*
Wives' Employment	2.5648	0.1820	1.642	2.440
Constant	3.9542			

Note. Variables not used in the equation were wives' age, educational level, occupational status, years of marriage, family annual income, and income adequacy; and husbands' age, educational level, occupational level, years of marriage, family annual income, and completion of consumer-education course.

*$p < .05$

**$p < .01$

$R^2 = 0.1863$

R^2 adj. = 0.1463

$SE_{est} = 5.6519$

F = 4.6545**

The R^2 of .186 indicated that approximately 19 percent of the variability in the knowledge difference of husbands and wives on the amount of money owed can be explained by the variables employed in the model. After adjusting for the number of independent variables, the R^2 adjusted explained about 15 percent of the variability of husbands' and wives' knowledge difference.

The Beta weights revealed that wives' completion of a consumer-education course (.2966) was the most important factor related to explaining the knowledge difference on amount of money owed, followed closely by the husbands' income adequacy (-0.2503). Wives' employment status was not statistically significantly related to the knowledge difference. The standard error of the estimate of 5.65 indicated that the average error in predicting the knowledge difference of husbands and wives would be about plus or minus three questions.

<u>Financial-Management Knowledge Difference--Percentage of Income Spent on Food</u>

The results of a stepwise multiple regression for the differences reported by husbands and wives on the percentage of income spent on food as the dependent variable and four selected independent variables are reported in Table 23. Three of the factors were statistically significantly related to the knowledge difference of husbands and wives on the percentage of their income spent for food--(1) husbands' age (b = 3.8528), (2) husbands' number of years married (b = -3.1309), and (3) husbands' income adequacy (b = 20.37). The husbands' age and husbands' income adequacy were positively related to

Table 23

Results of Stepwise Multiple Regression for Financial-Management Knowledge Difference--Percentage of Income Spent on Food of Husbands and Wives

(n = 65)

Variables in the Equation	b	Beta	Standard Error of b	F
Husbands' Age	3.8528	0.66541	1.3283	8.413**
Husbands' Number of Years Married	-3.1309	-0.5058	1.4392	4.733*
Husbands' Income Adequacy	20.3739	0.2711	8.9475	5.185*
Wives' Educational Level	-4.6685	0.1689	3.1983	2.131
Constant	-99.8324			

Note. Variables not used in the equation were for wives' age, employment, occupational status, years of marriage, family annual income, income adequacy, completion of consumer-education course; and for husbands, educational level, occupational status, family annual income, and completion of a consumer-education course.

*$p < .05$

**$p < .01$

$R^2 = 0.2249$

R^2 adj. = 0.1732

$SE_{est} = 50.9211$

F = 4.3516**

the knowledge difference on percentage of income spent on food. This indicated that as the husbands' ages increased yearly, the knowledge difference increased about four percentage points. Another way of stating this relationship is that the younger the husband, the less the difference was in the percentage of income reported spent on food. Perhaps this indicates that in the early years of marriage, the husband helps more with the food buying, is more aware of prices if he lived on his own before marriage, and has to watch carefully the amount spent on food due to lower income at this time.

As the husbands' perceptions of the adequacy of the family income increased, the knowledge difference increased by over 20 percent. Perhaps the more adequate the income, the less need to budget money as closely as those with incomes they consider less than adequate.

The negative relationship of the husbands' years of marriage to the knowledge difference on the percentage of income spent on food indicated that the knowledge difference decreased by three percent as the years of marriage increased. Supposedly, food likes and dislikes, food-buying skills, and quantities to prepare should become fairly well established after a few years of marriage, making it easier for couples to know how much of their incomes go for food.

Examination of the Beta weights revealed that the husbands' age (6.65) was the most important factor in explaining the knowledge difference of the percentage of income spent on food, followed by husbands' number of years of marriage (-0.505), and husbands' income adequacy (.2711). The R^2 of .206 indicated that approximately 21 percent of the variability in knowledge difference of husbands and wives on the percentage of their income spent on food was explained by the independent variables employed in the model. The adjusted R^2 of .167 indicated that after adjusting for the number of independent variables, one can explain 17 percent of the variability of the knowledge difference for percentage of income spent for food. The standard error of the estimate of 52.8093 indicated that the average error in predicting the knowledge difference of husbands and wives on percentage of income spent on food would be about plus or minus 53 percent.

Financial-Management Knowledge Difference--Percentage of Income Spent on Utilities

Table 24 presents the results of a stepwise regression for financial-management knowledge difference of husbands and wives on the percentage of income spent on utilities as the dependent variable and three selected independent variables. Two of the factors--husbands' age ($b = 4.46$) and husbands' years of marriage ($b = -4.22$), were significant at the .01 level. Husbands' income adequacy was significant at the .05 level and was positively related to the knowledge difference on the percentage of income spent on utilities. This indicated that the more adequate the husbands perceived their incomes to be, the greater the knowledge difference between husbands and wives by about 23 percent. The husbands' ages were also positively related to the knowledge difference and indicated that as the husbands' age increased, the knowledge difference of the percentage of income spent on utilities increased by about five percent.

Table 24

Results of Stepwise Multiple Regression for

Financial-Management Knowledge

Difference--Percentage of

Income Spent on Utilities

of Husbands and Wives

(n = 65)

Variables in the Equation	b	Beta	Standard Error of b	F
Husbands' Income Adequacy	22.6337	0.2913	9.2388	6.002*
Husbands' Age	4.4656	0.7460	1.3713	10.605**
Husbands' Years of Marriage	-4.2238	-0.6601	1.4925	8.009**
Constant	-179.2479			

Note. Variables not used in the equation were for wives' age, educational level, employment, occupational status, years of marriage, family annual income, income adequacy, and completion of consumer-education course; and for husbands' educational level, occupational status, family annual income, and completion of a consumer-education course.

*$p < .05$
**$p < .01$

$R^2 = 0.2069$

R^2 adj. = 0.1679

$SE_{est} = 52.8093$

F = 5.3052**

A negative relationship between the husbands' years of marriage and the knowledge difference of the percentage of income spent on utilities indicated that for each additional year of marriage, the knowledge difference decreased four percent. This can be explained in part by the fact that utilities' costs can be estimated by keeping records of the previous years.

Examination of the Beta weights revealed that husbands' age was the most important factor in explaining the variability in the knowledge difference of percentage of income spent on utilities, followed by years of marriage, and husbands' income adequacy. The R^2 of .206 indicated that approximately 21 percent of the variability of the knowledge difference on percentage of income spent for utilities was explained by the variables employed in the model. In addition, the adjusted R^2 of .167 indicated that, after adjusting for the number of independent variables, one can explain about 17 percent of the variability in the knowledge difference of husbands and wives on the percentage of income spent on utilities.

The standard error of 52.81 indicated that the average error in predicting the knowledge difference of husbands and wives on the percentage of income spent for utilities would be about 53 percent.

Financial-Management Knowledge Difference--Percentage of Income Spent on Debts

Table 25 presents the results of a stepwise multiple regression for the financial-management knowledge difference of husbands and

Table 25

Results of Stepwise Multiple Regression for

Financial-Management Knowledge

Difference--Percentage on

Income Spent on Debts

of Husbands and Wives

(n = 65)

Variables in the Equation	b	Beta	Standard Error of b	F
Wives' Employment	-35.54847	-0.2834	15.15294	5.504*
Constant	43.8750			

Note. Variables not used in the equation were for wives' age, years of marriage, educational level, occupational status, family annual income, income adequacy, and completion of consumer-education course; and husbands' age , employment, years of marriage, educational level, occupational status, family annual income, income adequacy, and completion of consumer-education course.

*$p < .05$

$R^2 = 0.0803$

R^2 adj. = 0.0803

$SE_{est} = 52.6257$

F = 5.504*

wives on the percentage of income spent on debt payments as the dependent variable and one selected independent variable. The factor that was statistically significantly related to the knowledge difference of husbands and wives on the percentage of income spent on debt payments was the wives' employment (b = -35.5484), which had a negative relationship to the dependent variable. The knowledge difference of the percentage of income designated for debts decreased by 35 percent when the wives were employed. Working wives may have a better knowledge of debts owed for the following reasons: (1) they are working to help pay off debts; (2) their working makes it possible to buy items for the home, which may increase their debt, particularly if purchased with credit.

The R^2 of .08 indicated that approximately eight percent of the knowledge difference of husbands and wives on the percentage of their income spent on debt was explained by the wives' employment. The standard error of 52.63 indicated that the average error in predicting the knowledge difference of the percentage of income spent on debts was about 53 percent.

Summary of Regression Analyses

This study sought to identify some of the demographic variables which explain husbands' and wives' financial-management attitudes, behaviors, and knowledge. The regression analyses investigated some of the factors that may explain the differences in husbands' and wives' financial-management attitudes, behaviors, and knowledge. Table 26

Table 26

Summary of *Factors* Influencing Husbands' and

Wives' Financial-Management Attitudes

and Behaviors

Dependent Variables	Independent Variables: Age	Education	Employment of Wife	Occupational Status	Length of Marriage	Income	Income Adequacy	Consumer Education	F	R^2 Adj.
Wives' Financial-Management Attitudes	0	**	0	0	0	0	**	0	4.19**	.17
Husbands' Financial-Management Attitudes	0	0	0	0	0	*	0	0	2.72	.05
Wives' Financial-Management Behaviors	0	0	0	*	*	0	0	**	3.74**	.18
Husbands' Financial-Management Behaviors	**	0	0	0	**	0	0	*	3.12*	.14

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

shows a summary of the findings of the four regression analyses for wives' and husbands' financial-management attitudes and behaviors.

Findings indicated that all of the independent variables--age, education, employment of wife, occupational status, length of marriage, income, income adequacy, and consumer education--were statistically significant in explaining at least one of the dependent variables either husbands' and wives' financial-management attitudes, behaviors, or knowledge but in different patterns and to different degrees. None of the demographic variables was found to influence all of the dependent variables.

Fourteen regression analyses were computed, and nine resulted in significant F values. Four of the analyses were significant at the .01 level: (1) financial-management attitudes of wives, (2) financial-management behaviors of wives, (3) financial-management knowledge difference--percentage of income spent on food, and (4) financial-management difference--percentage of income spent on utilities. Four of the analyses were significant at the .05 level: (1) financial-management behaviors of husbands, (2) financial-management attitude difference of husbands and wives, (3) financial-management behavior difference of husbands and wives, and (4) financial-management knowledge difference--percentage of income spent on debts.

The overall F value for the regression on the financial-management attitude of husbands was not statistically significant, but the husbands' family annual income was significant in explaining about five percent of the husbands' financial-management attitudes. Four of the knowledge-difference regressions were not found to be statistically significant: (1) years to repay debts, and percentage of income allotted for (2) housing, (3) transportation, and (4) contributions. Table 27 summarizes the factors influencing the financial-management attitude difference, behavior difference, and knowledge difference of husbands and wives.

Both Tables 26 and 27 reveal that the explanatory power of the independent variables was somewhat low, ranging from five to 18 percent (adjusted R^2). The standard error of the estimate for all but the knowledge-difference regressions was fairly low. Even though the amount of explained variability was small, the success of the overall prediction was good.

Wives' education and perceptions of income adequacy were both negatively related to wives' financial-management attitudes, which indicated that as the years of education increased, the wives' financial-management attitudes decreased; and as the wives' perceptions of the adequacy of their incomes increased, their attitudes decreased. This would mean that wives who reported that their incomes were less than adequate had higher financial-management attitudes; perhaps these wives realized the need for written goals and budgeting, which are indicative of higher financial-management attitude scores.

The one factor that was statistically related to husbands' financial-management attitudes was the family annual income, which had a negative relationship with the husbands' financial-management attitudes. This indicated that husbands' financial-management attitude

Table 27

Summary of Factors Influencing Financial-Management Attitude Difference, Behavior Difference, and Knowledge Difference (Husbands and Wives)

	Independent Variables (Husbands and Wives)									
Dependent Variables	Age	Education	Employment of Wife	Occupational Status	Length of Marriage	Income	Income Adequacy	Consumer Education	F	R^2 Adj.
Attitude Difference	0	0	0	-*W	0	+**H	0	0	3.01*	.14
Behavior Difference	0	0	0	0	0	0	0	0	2.93*	.09
Knowledge Difference										
Amount of Debt Owed	0	0	0	0	0	0	-*H	+*W	4.66**	.15
Years to Repay Debt	0	0	0	0	0	0	0	0	-	-
Percentage of Income Spent on:										
Housing	0	0	0	0	0	0	0	0	-	-
Food	+**H	0	0	0	-*H	0	+*H	0	4.35**	.17
Utilities	+**H	0	0	0	-**H	0	+*H	0	5.31**	.17
Transportation	0	0	0	0	0	0	0	0	-	-
Debts	0	0	-*W	0	0	0	0	0	5.50*	.08
Contributions	0	0	0	0	0	0	0	0	-	-

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

scores decreased as their annual incomes increased. Perhaps couples who had high incomes and perceived their incomes to be very adequate had a false sense of financial security and did not see the importance of goal-setting, budgeting, and record-keeping.

The two factors--length of marriage and completion of a course in consumer education--were both positively and significantly related to the husbands' and wives' financial-management behaviors. Completion of a consumer-education course explained more of the variability in the wives' financial-management behaviors than in the husbands'. Wives who had completed a course in consumer education reported about four more positive financial-management behaviors that did other wives, and husbands completing a course in consumer education reported about two more positive financial-management behaviors. The implication for educators is that if we know that couples completing a course in consumer education are more likely to have a budget, have written goals, and other of the financial behaviors deemed important by educators, we should not only continue our consumer-education programs, but expand them.

Of the 18 financial-management behaviors listed in the questionnaire, husbands and wives averaged only about six behaviors. Only four types of behaviors were reported by over 50 percent of the husbands and wives: (1) having a fixed place in their homes for their financial-management center; (2) keeping monthly records of their expanditures; (3) discussing verbally some of their financial goals within the past three months (however, over 30 percent of the couples had not discussed financial goals within the past three months), and

(4) saving a specific amount of money each month. Those behaviors considered essential to effective family financial communication and management were not reported by the majority of the couples.

Less than 30 percent of the couples reported having a written budget plan; over 95 percent did not have short-term or long-term goals. McCall (1967) and Cohen (1975) found that lack of budgeting was reported by the respondents in their studies. Only a third had a written list of debts, insurance policies, and due dates of bills. Over 60 percent of the couples did not have a written will. In an earlier study of rural Wisconsin families (1965), Lomburg and Krofta reported that over two-thirds of the families had no wills. It is obvious that one cannot assume that couples have basic consumer skills needed to help them more effectively manage their finances. More importantly, these results suggest that taking a course in consumer education increases the number of beneficial financial-management activities in which spouse's engage.

The number of years married indicated that for both husbands and wives each additional year of marriage increased their financial-management behavior score. This could mean that positive financial-management behaviors or practices are not being established in the beginning years of marriage. By some process, trial or error, experience, or training, husbands and wives engage in more positive financial-management behaviors for each additional year of marriage.

The occupational status of the wives was also positively related to wives' financial-management behaviors. Wives who were employed in positions of high status reported more financial-management behaviors. Husbands' ages were negatively related to their financial-management behaviors; husbands' financial-management behaviors decrease with increasing age. Perhaps husbands let their wives assume more responsibilities for budgeting and handling the families' finances as the former grow older. Several studies have reported that the wives more often than the husbands assume responsibility for most aspects of the families' finances--paying bills, balancing the checkbook, record-keeping (Ferber & Lee, 1974; Heer, 1962; Sharp & Mott, 1956; Wolgast, 1958).

Eight stepwise multiple regressions were computed to determine the factors that may be related to the financial-management knowledge difference of husbands and wives. Four of the financial-management knowledge difference equations were significant at the .01 level: (1) amount of money owed, (2) percentage of income spent on food, (3) percentage of income spent on utilities, and (4) percentage of income spent on debts. No statistically significant relationship was found for the knowledge difference of wives and husbands on percentage of income spent on transportation, contributions, housing, and the number of years remaining to pay off existing debts (exclusing mortgage).

Three characteristics of the husbands and wives--age, length of marriage, and income adequacy--were statistically significant in explaining some of the knowledge difference on percentage of income spent on food and utilities, indicating that knowledge differences increased as the age of the spouses increased (i.e., the older the spouses, the more divergent are their reports of percentage of income spent on food and utilities). Perhaps this means that there is less communication about the percentage of income spent on food and utilities as the couples grow older, or that peak income-producing years make worrying about the percentage of income spent on food and utilities seem unimportant. This could also help explain in part the finding that as the income adequacy of the couples increased, their knowledge difference about the percentage of income spent on food and utilities increased.

Length of marriage of the husband was negatively related to the husbands' and wives' knowledge differences on the percentage of income spent on food and utilities. This indicated that knowledge differences decreased as the husbands' report of the years of marriage increased. Supposedly, food likes and dislikes, food-buying skills, and quantities to prepare are fairly well established after a few years of marriage, making the food budget fairly stable. Both utilities and food costs are flexible expenses, and husbands may keep closer control on their costs to free more of the income for fixed payments or to make sure there is money available for food and utilities.

The employment of wives was the only factor related to explaining the knowledge difference on the percentage of income spent on debt payments. The negative relationship indicated that the knowledge difference decreased when the wives were employed.

In summary, the findings indicated that all of the independent variables--age, education, employment of wife, occupational status, length of marriage, income, income adequacy, and consumer education--were statistically significant in explaining at least one of the dependent variables--either husbands' and wives' financial-management attitudes, behaviors, or knowledge--but in different patterns and to different degrees. None of the demographic variables was found to influence all of the dependent variables.

Characteristics of the wives that were significantly related to explaining some of their financial-management attitudes, behaviors, and knowledge differences were (1) educational level of the wives, (2) perceived income adequacy, (3) occupational status, (4) length of marriage, and (5) consumer education. Characteristics of the husbands that explained some of their attitudes, behaviors, and knowledge differences were (1) age, (2) length of marriage, (3) perceived income adequacy, and (4) consumer education.

CHAPTER V

SUMMARY

Today in an era of changing economic conditions, families understandably have difficulty managing their financial resources. A primary focus of family economists and home management specialists has been to help family members gain the knowledge and skills to manage their money more effectively. Although assumptions are made daily in the popular press about the extent of the difficulties families are having and the reasons for their financial problems, many questions about the perceptions and behaviors regarding financial management by family members remain unanswered.

What are husbands' and wives' attitudes toward the financial-management philosophy and practices recommended by family resource management theory? Do husbands and wives have similar attitudes toward financial-management practices? What types of behaviors do spouses exhibit in their financial management? Are husbands and wives using the goal-oriented, shared decision-making approach to managing their resources suggested by management literature? What are the barriers that affect spouses' controls or lack of controls of their financial situations, and are spouses satisfied with their current financial-management situations?

Few studies have attempted a comprehensive examination of such questions related to the financial-management attitudes, behaviors, and knowledge of family members. Moreover, no studies have asked such questions of both the husband and wife in order to determine the degree of agreement between the spouses concerning such matters. Little attention has been paid to the factors which may affect the financial management of families.

Thus, the purposes of this study were to (1) investigate the financial-management attitudes, behaviors, and knowledge of Tennessee husbands and wives; (2) investigate the barriers obstructing good financial-management behaviors, intrafamily financial-management decision making, perceptions of income adequacy, and level of satisfaction with financial situations; (3) determine the degree of agreement between husbands and wives concerning their financial-management attitudes, behaviors, and knowledge; and (4) investigate the relationship between husbands' and wives' financial-management attitudes, behaviors, and knowledge and selected demographic variables.

Identical questionnaires, consisting of eight sections pertaining to selected aspects of family financial management, were completed by 73 husband-and-wife couples, living in or near Morristown, Tennessee. Much of the data were collected at a two-hour financial-management workshop designed and conducted by the investigator.

Descriptive statistics were used to describe the sample characteristics and the dependent variables--husbands' and wives' attitudes, behaviors, and knowledge concerning financial management. Descriptive statistics were also used to discuss the barriers, level of satisfaction, intrafamily decision making, and perceived income adequacy of the respondents. Difference scores were computed for financial-management attitudes, behaviors, and knowledge differences of husbands and wives.

Pearson's correlation was used to determine the level of agreement between husbands and wives on their financial-management attitudes, behaviors, and knowledge. Fourteen stepwise multiple regressions were computed to investigate the relationship between husbands' and wives' financial-management behaviors, attitudes, and knowledge and selected demographic variables (age, educational level, occupational status, employment of wives, years of marriage, income, perceptions of income adequacy, and completion of a course in consumer education).

A descriptive profile of the sample would show that about 50 percent of the 73 couples were 35 years of age or younger, and that the average length of time married was 14 years. Over 95 percent of the husbands and wives had at least a high school education, and over one-third held college degrees or advanced degrees. Occupational positions held reflected the high levels of education they had acquired, since over 40 percent were either professionals, managers, administrators, or teachers. Approximately one-third of the homemakers were not employed outside the home.

The mean annual income before taxes, as reported by the wives, was \$24,492.31; husbands reported annual incomes of \$25,834.62, a difference of \$1,344.31. Fewer than three percent had incomes below \$10,000, and over one-third of the husbands and wives reported incomes over \$30,000. The perceptions of the adequacy of their incomes revealed that over 50 percent of the wives and 60 percent of the husbands reported that they could afford some things they wanted but not all things wanted.

Additional financial-management information asked of the respondents revealed that 12 percent of the wives and 20 percent of the husbands had completed a course in consumer education. Over 40 percent of the husbands and wives reported that the one source that had most greatly influenced their financial-management practices was their spouse.

Descriptive results of the financial-management attitudes of the husbands and wives revealed that they did hold similar financial-management attitudes. More than 90 percent of the couples indicated that it was important for a family to develop a regular pattern of savings. Over two-thirds of the spouses indicated that families should have written financial goals, and about 50 percent stated that a written budget was absolutely essential for successful financial management. Record-keeping was considered important by over 90 percent of the couples.

The descriptive data revealed, however, that the financial-management attitudes held by the husbands and wives were not being "practiced," as evidenced by the couples' financial-management behaviors. More than 90 percent of the husbands and wives disagreed with the attitude statement that keeping records was too time-consuming to worry about, and over two-thirds of the sample reported keeping monthly records of expenditures. It was very obvious, however, that their record-keeping was less than adequate, since fewer than 30 percent were using a budget; over 65 percent had never purchased or used any type of budget workbook. Of the 18 financial-management behaviors listed, only an average of about six were reported in use by the husbands and wives.

However, there was close agreement between husbands and wives on the behaviors which were reported.

Eight knowledge-difference scores were computed to investigate if husbands and wives agreed on the amount of debt owed, the years needed to repay debts, and six budget categories--housing or rent, food, utilities, transportation, debts, and contributions and gifts. Differences did exist between the reports of husbands and wives on the knowledge questions. Husbands reported they owed about $500 more than their wives reported that that it would take about nine months longer to pay off debts than wives reported. When asked the percentage of income spent on the six budget categories, over 50 percent of the wives and one-third of the husbands were uncertain as to the amount spent on transportation, debts, and contributions; over one-third of the husbands and wives were uncertain of the amount spent on housing, food, and utilities. The wives reported higher percentages than did their husbands of income spent for all six budget categories. These were perceived differences, and the data did not reveal who was correct, the husbands or wives, on the percentage of their income spent for the budget categories.

The following list gives, in order of frequency, the six financial barriers that were perceived by at least 33 to 55 percent of the husbands and wives as being somewhat or very serious constraints to their successful financial management: (1) unexpected expenses make budgeting difficult; (2) lack of a savings habit; (3) lack of an adequate income; (4) lack of goal identification; (5) more "wants" than needs; and (6) lack of skills in and knowledge about budgeting.

Responsibility for intrafamily financial decision making was assumed by both husbands and wives for making the final buying decisions when major purchases are anticipated. Both spouses reported that they both had an understanding of the debts owed and that both initiated discussions about their finances. The wives were perceived to be the most likely to balance the monthly bank statements, write the monthly checks for paying bills, pay the monthly bills, and be the most likely to become upset about family finances.

Greatest satisfaction for both spouses was reported for their medical insurance and life insurance, durable and nondurable goods owned by the family, the amount of education the family could provide for the children, and the amount of financial-management help given by their spouse. The least amount of satisfaction reported concerned the amount of savings for the family and their present system of record-keeping.

Pearson's product-moment correlation was used to determine whether husbands and wives agreed on their financial-management attitudes and behaviors. Wives' financial-management attitudes and husbands' financial-management attitudes showed a statistically significant moderate relationship. The positive relationship indicated that higher financial-management attitude scores of wives were correlated with higher financial-management attitude scores of husbands. Wives' financial-management behaviors and husbands' financial-management behaviors showed a marked degree of correlation; thus, the higher the wives' financial-management behavior score, the higher the husbands'.

Fourteen multiple regression analyses were computed in order to determine what relationships might exist among the dependent variables --husbands' and wives' financial-management attitudes, behaviors, and knowledge--and the dependent variables--husbands' and wives' ages, educational levels, occupational status, length of marriage, incomes, income adequacy, wives' employment, and completion of a course in consumer education. Nine statistically significant regressions were reported.

The educational level and perception of income adequacy had a negative effect on the wives' financial-management attitudes, and indicated that as the wives' educational level and perceptions of income adequacy increased, their financial-management attitude scores decreased. The husbands' incomes were inversely related to their financial-management attitudes, which indicated that as the husbands' incomes increased, their financial-management attitude scores decreased.

The financial-management attitude difference of husbands and wives was affected negatively by the wives' occupational status and positively by the husbands' incomes. As the wives' occupational status increased, the attitude difference decreased. As the husbands' incomes increased, the attitude difference increased.

The wives' occupational status affected positively their financial-management behaviors; behaviors increased as the wives' occupational status increased. The husbands' ages inversely affected their financial-management behaviors. The older the husbands were, the fewer financial-management behavioral indicators were reported. No significant relationships were found that explained the financial-management behavior difference of husbands and wives.

Eight multiple regressions were performed on the knowledge-difference of husbands and wives on amount of debt owed, number of years to repay debt, and the percentage of income spent on six budget categories. Four equations were statistically significant--amount of debt owed, and percentage of income spent on food, utilities, and debts.

The husbands' income adequacy and wives' completion of a course in consumer education were statistically related to the knowledge difference of husbands and wives on the amount of debt owed. The inverse relationship of the husbands' income adequacy indicated that the knowledge difference decreased as the husbands' income adequacy increased. The positive relationship of wives' completion of a consumer-education course indicated that the knowledge difference increased when the wives had completed a course in consumer education.

Three of the husbands' reports of demographic factors--age, length of marriage, and income adequacy--were significantly related to both the knowledge difference on percentage of income spent on food and utilities. Income adequacy and age were positively related, which indicated that the knowledge difference on the percentage of income spent on food and utilities increased as the husbands' age and income adequacy increased. The length of marriage of the husbands was negatively related to the knowledge difference on the percentage spent on food and utilities, and indicated that the knowledge difference decreased with more years of marriage.

The wives' employment was the only factor that was statistically related to the knowledge difference of husbands and wives on the percentage of income spent on debts. The negative relationship indicated that the knowledge difference on the percentage of income spent on debts decreased when the wives were employed.

Conclusions

The intent of this study was primarily exploratory and was intended to gain insight into the financial-management attitudes, behaviors, and knowledge of husbands and wives. Couples do not have the basic financial-management skills necessary to manage their financial resources effectively, as is evidenced by the following findings of the study: (1) the lack of written financial goals and communication about such goals; (2) the lack of a written budget; (3) inadequate savings; (4) limited use of record-keeping forms; (5) uncertainty about the proportion of income being spent for the different budget categories; (6) disagreement between the husbands and wives on the percentages of incomes being spent on budget categories; and (7) the financial-management attitudes and behaviors of the husbands and wives, although similar, were not being implemented or reflected in their actual financial-management behaviors.

Two of the major findings have implications for educators. The study revealed that the completion of a course in consumer education had a positive effect on the couples' financial management: (1) completion of a course in consumer education by the husbands and wives was statistically significantly related to higher scores on the financial-management behavior scale; and (2) completion of a course in consumer education by the wives explained some of the knowledge differences of husbands and wives regarding the percentages of income spent on debts.

The study also revealed that the husbands' and wives' reported incomes and perceptions of income adequacy had an inverse relationship to their financial management. As their income and perceived income adequacy increased, their financial-management attitudes and behavior scores decreased. Perhaps couples who have high incomes and perceive their incomes to be very adequate have a false sense of financial security, and therefore, do not see the importance of goal-setting, budgeting, and record-keeping.

Financial-management educators have a great challenge in helping families gain more control over their financial resources. Information from various sources is readily available to help families increase their budgeting and record-keeping skills. There may be little need to generate new material; rather, there appears to be a need to organize and to distribute more effectively the information now available to families.

As part of the investigator's attempt to persuade couples to attend the financial-management workshop where the data for this study were collected, a packet of budgeting and record-keeping forms was developed or modified and distributed to the couples. The following forms, ranked in order of frequency listed, were checked as being the three that would be most helpful to the couples in their financial management: (1) goal-setting forms; (2) yearly expense forms; and (3) family financial records. These three forms alone could help the couples make progress toward eliminating some of the financial-management barriers reported by them in the study--unexpected expenses which make budgeting difficult, lack of savings, lack of goal identification, lack of an adequate income, and lack of skills in budgeting and record-keeping.

Recommendations for Future Research

The identification and inclusion of other independent variables that may be related to husbands' and wives' financial-management attitudes, behaviors, and knowledge beyond the demographic ones used in this study would be a useful and important addition to the literature. Some additional variables that may be helpful in explaining spouses' financial attitudes, behaviors, and knowledge are number of children in the family and stage in the family life cycle. Previous marriages could possible be included to ascertain the extent of financial-management problems in prior marriages that influence financial-management behaviors in the current marriage.

With the present conditions of the economy such as unemployment, inflation, and high interest rates, uncertainty about the future is evident among Americans. It is hoped that the use of future expectations of income earning as an independent variable could explain more of the variability in the financial-management attitudes, behaviors, and knowledge of husbands and wives. Dependability of income, addressed only in a descriptive manner in this study, could be used as an independent variable. Two additional variables--rate of savings of households, and financial crises encountered recently--could be used as independent variables to explain more of the variability in the financial-management attitudes, behaviors, and knowledge of husbands and wives.

In this study, the husbands' ages had a significant effect on their financial-management behaviors, and the knowledge difference related the percentage of income spent on food and utilities. In lieu of using the actual ages of the husbands and wives, the difference in the ages of the spouses could be used as an independent variable.

The educational level of the couples had only one significant relationship with any of the dependent variables--the wives' educational levels had an inverse relationship to their financial-management attitudes. Perhaps the difference in the educational level might reveal some additional information about spouses' attitudes. In future studies also, the level of satisfaction with financial-management and barriers or constraints to financial management could be utilized as independent variables.

Since consumer education was a factor that statistically explained some of the financial-management behaviors and knowledge difference, if a matched-pairs sample could be found, a comparison could be made between husbands and wives who had a prior consumer-education course and those with no training in consumer education to determine if the consumer-education exposure affects attitudes, behaviors, and knowledge about financial management.

Another possible focus would be to investigate the effect that a financial-management workshop would have on husbands' and wives' financial-management attitudes, behaviors, and knowledge over time.

Experimental in design, the workshop would be the intervention. An identical pre- and posttest would be administered to the participants; one before the workshop, and the follow-up test after the workshop to determine whether exposure to financial-management concepts and forms changes participants' attitudes, behaviors, or knowledge. If financially feasible, this could be an undertaking in the future.

BIBLIOGRAPHY

Ackerman, N. M. _The relationship of objective and subjective family income adequacy to selected measures of perceived life quality_. Unpublished doctoral dissertation, Michigan State University, 1977.

Albrecht, S. L., Bahr, H. M., & Chadwick, B. A. Changing family and sex roles: An assessment of age differences. _Journal of Marriage and the Family_, 1979, _42_, 41-50.

Araji, S. K. Husbands' and wives' attitude-behavior congruence on family roles. _Journal of Marriage and the Family_, 1977, _39_, 309-320.

Ater, C. E., & Deacon, R. E. Interaction of family relationship qualities and managerial components. _Journal of Marriage and the Family_, 1972, _34_, 257-263.

Bahr, S. J. Effects of welfare on marital stability and remarriage. _Journal of Marriage and the Family_, 1979, _41_, 72-76.

Bauer, J. W. _Determinants of wife's estimate of and satisfaction with amount of family net worth._ Unpublished doctoral dissertation, University of Illinois, 1981.

Beutler, I. F. _Family receipts and expenditure management._ Unpublished doctoral dissertation, Indiana University, 1974.

Bibb, F. G. A comparative study of the knowledge of three aspects of consumer information possessed by selected Indiana, Illinois, and Wisconsin university freshmen. _Journal of Business Education_, 1973, _48_, 217.

Bigelow, H. F. Toward a theory of family finance. _Journal of Home Economics_, 1931, _23_, 325-332.

Blackwell, D. G. _Financial management practices and values of a selected group of wives of college students_. Unpublished master's thesis, Oklahoma State University, 1967.

Blood, R. O., Jr., & Wolfe, D. M. _Husbands and wives_. New York: Free Press, 1960.

Booth, S. L. (Ed.). _Finance facts yearbook._ Washington, DC: National Consumer Finance Association, 1981.

Bradburn, N. M., & Caplovitz, D. Reports on happiness. Chicago: Aldine, 1965.

Bratton, E. C. Management process in conceptual framework: Strength or weakness? Proceedings of Home Management Conference sponsored by the Family Economics-Home Management Section of the American Home Economics Association and Michigan State University, East Lansing, June 1964.

Brinkerhoff, D. B., & White, L. K. Marital satisfaction in an economically marginal population. Journal of Marriage and the Family, 1978, 40, 259-267.

Brown, S. W., & Dinsdale, P. B. Consumer information: Toward an approach for effective knowledge dissemination. Journal of Consumer Affairs, 1973, 7, 55-60.

Burk, M. C. In search of answers about family economic behavior. Journal of Home Economics, 1966, 51, 440-444.

Bymers, G. J., & Galenson, M. Time horizons in family spending. Journal of Home Economics, 1968, 60, 709-716.

Campbell, A., Converse, P. E., & Rodgers, W. L. The quality of American life. New York: Sage Foundation, 1972.

Campbell, A. Subjective measures of well-being. American Psychologist, 1976, 31, 117-124.

Caplovitz, D. Consumers in trouble: A study of debtors in default. New York: Free Press, 1974.

Caplovitz, D. Making ends meet: How families cope with inflation and recession. Beverly Hills: Sage, 1979.

Chaffee, S. A study of consumer management patterns of disadvantaged families. Unpublished doctoral dissertation, University of Wisconsin, 1974.

Claar, R. C. A study of economic/consumer education in Kansas schools. Topeka: Kansas State Board of Education, 1973.

Cogle, F. L. The effectiveness of teaching consumer education concepts as determined by test scores of secondary students in home economics. Unpublished doctoral dissertation, Florida State University, 1977.

Cohen, J. B. Personal finance: Principles and case problems (5th ed.). Homewood, IL: Richard D. Irwin, 1975.

Corrado, C., & Steindel, C. Perspectives on personal savings. Federal Reserve Bulletin, 1980, 66, 613-625.

Crockett, J., Bymers, G., & Foote, N. Commentaries on Katona, psychology and consumer economics. Journal of Consumer Research, 1974, 1, 9-12.

Crockett, J., & Friend, I. A complete set of demand relationships. In I. Friend & R. Jones (Eds.), Proceedings of the conference on consumption and saving. (Vol. 1). Washington, DC: McGregor & Werner, 1960.

Crow, J. H. Financial management in relation to family values and concepts of financial security. Unpublished doctoral dissertation, Cornell University, 1961.

Curry, T. Contribution of home economics to students' understanding of consumer education concepts. Unpublished doctoral dissertation, University of Alabama, 1970.

Cutright, P. Income and family events: Marital stability. Journal of Marriage and the Family, 1971, 33, 291-306.

David, M. Family composition and consumption. Amsterdam: North-Holland, 1962.

Davis, H. L. Dimensions of marital roles in consumer decision making. Journal of Marketing Research, 1970, 7, 168-177.

Davis, H. L., & Rigaux, B. P. Perception of marital roles in decision processes. Journal of Consumer Research, 1974, 1, 51-62.

Davis, J. S. Standards and content of living. American Economic Review, 1945, 35, 1-16.

Davis, V. K. T. Consumer attitudes and practices as related to marital adjustment of university students. Unpublished doctoral dissertation, Texas Woman's University, 1973.

Deacon, R., & Bratton, E. Home management: Focus and function. Journal of Home Economics, 1962, 54, 763-766.

Deacon, R., & Krofta, J. Economic process of rural nonfarm and part-time farm families. Research Bulletin 976. Columbus: Ohio Agricultural Research and Development Center, 1965.

Dunkelburg, W. C. Bankruptcy in the United States. Family Economics Review, Spring, 1982, pp. 16-19.

Durkin, T. A., & Elliehausen, G. E. 1977 consumer credit survey. Washington, DC: Federal Reserve System, 1978.

Edwards, K. P. A theoretical framework for the study of goal-oriented family behavior: An economic approach. Unpublished doctoral dissertation, Cornell University, 1969.

Edwards, K. P. Goal-oriented family behavior. Journal of Home Economics, 1970, 62, 652-655.

Elliott, M. W. A study of communication and empathy in marital adjustment. Unpublished doctoral dissertation, Texas Woman's University, 1974.

Epstein, M. F. Credit use in the purchase of household appliances. Family Economics Review, Fall, 1981, pp. 3-6.

Feldman, F. L. The family in today's money world (2nd ed.). New York: Family Service Association of America, 1976.

Ferber, R. Selected aspects of consumer behavior: A summary from the perspective of different disciplines. Washington, DC: U.S. Government Printing Office, 1977.

Ferber, R., & Lee, L. C. Husband-wife influence in family purchasing behavior. Journal of Consumer Research, 1974, 1, 43-50.

Fishbein, M. The search for attitudinal-behavioral consistency. In J. B. Cohen (Ed.), Behavioral sciences foundations of consumer behavior. New York: Free Press, 1972.

Fisher, J. A. Family life cycle analysis in research on consumer behavior. In L. Clark (Ed.), Consumer behavior: Vol. II, The life cycle and consumer behavior. New York: New York University Press, 1955.

Fisk, G. Criteria for a theory of responsible consumption. Journal of Marketing, 1973, 37, 24-31.

Fitzsimmons, C., Larery, A., & Metzen, E. Major financial decisions and crises in the family life span. (Research Publication No. 208). Lafayette, IN: Purdue University Agricultural Experiment Station, 1971.

Fitzsimmons, C., & Williams, F. The family economy: Nature and management of resources. Ann Arbor, MI: Edward Brothers, 1973.

Flamm, P. M. An analysis of significant economic attitudes by participants during three California workshops on family finance. Unpublished doctoral dissertation, San Francisco State College, 1965.

Fowler, E. S. Factors related to the economic well-being of the family. Unpublished doctoral dissertation, Purdue University, 1972.

Galligan, R. J., & Bahr, S. J. Economic well-being and marital stability: Implications for income maintenance programs. Journal of Marriage and the Family, 1978, 40, 283-290.

Gillespie, D. L. Who has the power? The marital struggle. Journal of Marriage and the Family, 1971, 33, 445-458.

Godwin, D. D. Attitudes toward feminism and patterns of family economic decision-making. Unpublished master's thesis, University of North Carolina at Greensboro, 1976.

Godwin, D. D. Husbands' allocation of time in household production: Effects of economic, socio-psychological, and situational factors. Unpublished doctoral dissertation, University of North Carolina at Greensboro, 1980.

Golden, W. A. A study of financial management practices of selected urban couples receiving old age assistance. Unpublished master's thesis, University of Tennessee, 1966.

Goldstein, S. Consumption patterns of the aged. Washington, DC: McGregor & Werner, 1960.

Goode, W. A. Theory of role strain. American Sociological Review, 1960, 25, 483-496.

Gross, I., Crandall, E., & Knoll, M. Management for modern families (3rd ed.). Englewood Cliffs, NJ: Prentice-Hall, 1973.

Gross, I., Crandall, E., & Knoll, M. Management for modern families (4th ed.). Englewood Cliffs, NJ: Prentice-Hall, 1980.

Gross, I., & Zwemer, E. Measuring home management. Agricultural Experiment Station Technical Bulletin 196. East Lansing: Michigan State University, 1944.

Groninger, S. A. Economic attitudes and behaviors of 50 young families. Unpublished master's thesis, University of Illinois, 1970.

Gurin, G., Veroff, J., & Feld, S. Americans view their mental health. New York: Basic Books, 1960.

Guthrie, L. J., & Fitzsimmons, C. How do families perceive financial security? Journal of Home Economics, 1963, 55, 274-275.

Hafstrom, J. L. The effect of educational differences on consumption patterns of urban families. Unpublished doctoral dissertation, University of Illinois, 1971.

Hafstrom, J. L., & Dunsing, M. Satisfaction and education: A new approach to understanding consumption patterns. Home Economics Research Journal, 1972, 1, 4-12.

Hafstrom, J. L., & Dunsing, M. Level of living: Factors influencing the homemaker's satisfaction. Home Economics Research Journal, 1973, 2, 119-132.

Hampton, R. Marital disruption: Some social and economic consequences. In G. J. Duncan, & J. N. Morgan (Eds.), Five thousand American families: Patterns of economic progress (Vol. 3). Ann Arbor: The University of Michigan, 1975.

Hawkins, C. H. A study of consumer education concepts by high school graduates. Journal of Consumer Affairs, 1977, 11, 122-127.

Heer, D. M. Husband and wife perceptions of family power structure. Marriage and Family Living, 1962, 24, 65-67.

Hefferan, C. Family savings: Another victim of inflation. Family Economics Review, Summer/Fall, 1980, pp. 3-7.

Hefferan, C. Family financial planning: Research. Family Economics Review, Spring, 1981, pp. 14-19.

Herrmann, R. O. Today's young adults as consumers. Journal of Consumer Affairs, 1970, 4, 19-30.

Hinson, T. L. Factors influencing the use of economic resources for family living among selected low-income urban families in North Carolina. Unpublished doctoral dissertation, University of North Carolina at Greensboro, 1973.

Hira, T., & Leskiw, N. Importance of financial counseling for families in debt: An undergraduate work-study project. Journal of Home Economics, 1982, 74, 28-30.

Hogan, J. Family adjustments in financial management. Family Economics Review, Summer/Fall, 1980, pp. 8-10.

Hollenback, C. L. Husband-wife influence in purchasing decisions. Unpublished doctoral dissertation, University of Illinois, 1972.

Hollingshead, A. B. Two-factor index of social position. An unpublished manuscript, 1957.

Hunger, S. M. Homemakers name their problems. Journal of Home Economics, 1961, 53, 425-427.

Iowa State University. Family financial security. (Research Publication No. 131: Special Report 36). Ames, IA: Author, 1964.

Jaffe, L. J., & Senft, H. The roles of husbands and wives in purchasing decisions. In L. Adler, & I. Crespi (Eds.), Attitude research at sea. Chicago: American Marketing Association, 1966.

Jeries, N. Marital satisfaction as perceived by wives. Home Economics Research Journal, 1979, 7, 226-233.

Joyce, T. D. An exploratory study of the relationship between welfare dependency and the attitudinal characteristics of welfare mothers. Unpublished doctoral dissertation, Cornell University, 1973.

Katona, G. The powerful consumer. New York: McGraw-Hill, 1960.

Katona, G. Psychology and consumer economics. Journal of Consumer Research, 1974, 1, 1-8.

Keith, M. J. Families in transition: A systems approach applied to the household and financial management of young families. Unpublished doctoral dissertation, Ohio State University, 1975.

Kerckhoff, A. C. Status related value patterns among married couples. Journal of Marriage and the Family, 1972, 34, 105-110.

Kinsey, J., & Lane, S. The effect of debt on perceived household welfare. Journal of Consumer Affairs, 1978, 12, 48-62.

Kohn, M. L. Social class and parental values. American Journal of Sociology, 1959, 64, 337-351.

Komarovsky, M. Class differences in family decision-making. In N. N. Foote (Ed.), Household decision making. New York: New York University Press, 1961.

Langrehr, F. W. Consumer education: Does it change students' competencies and attitudes? Journal of Consumer Affairs, 1979, 13, 41-53.

Lareau, G. A. Credit counseling: The light at the end of the tunnel. Credit World, 1980, 69, 8-11.

Larery, D. A. Primary and secondary factors related to perceived financial security of urban families. Unpublished doctoral dissertation, Purdue University, 1973.

Lawyer, J. H. Managing debts. Journal of Home Economics, 1977, 69, 16-17.

Linck, S. Reeducate to fight inflation. Journal of Home Economics, 1981, 74, 43-44.

Lippitt, V. Determinants of consumer demand for house furnishings and equipment. Cambridge, MA: Harvard University Press, 1959.

Lloyd, C. B. (Ed.). Sex, discrimination, and division of labor. New York: Columbia University Press, 1975.

Lomburg, D. E., & Krofta, J. A. Farm family finances in the middle years. Journal of Home Economics, 1965, 57, 123-125.

Lovingood, R. P., & Firebaugh, F. M. Household task performance roles of husbands and wives. Home Economics Research Journal, 1978, 7, 20-33.

Luckett, C. Recent financial behavior of households. Federal Reserve Bulletin, 1980, 66, 437-443.

Ludden, J. M. Garnishment and the low-income consumer: A study of the extent and magnitude of a complex debt collection process among persons of certain personal and socioeconomic characteristics. Unpublished doctoral dissertation, New York University, 1970.

Magrubi, F. M. A model of consumer choice. Unpublished doctoral dissertation, Iowa State University, 1962.

Mammen, S. Perceived adequacy of income: An element of life satisfaction. Unpublished doctoral dissertation, University of Missouri, 1980.

Manning, S. L. Financial management practices of families with steady or fluctuating incomes. Unpublished doctoral dissertation, Cornell University, 1960.

Margolius, S. How to make the most of your money. New York: Appleton-Century-Crofts, 1966.

Marlowe, J. Financial variables associated with successful debt liquidation. Home Economics Research Journal, 1981, 9, 382-389.

McCall, J. N. Spending patterns of families living in federally aided low-rent public housing in Tuskegee, Alabama. Unpublished master's thesis, Auburn University, 1967.

McCandless, B. J. Management and decision-making practices of 38 young South Dakota families. Brookings: South Dakota State University, 1971.

McKenna, C., & Scherer, J. A. Consumer education for low-income families. Journal of Home Economics, 1978, 70, 40-41.

Mieselwitz, R. A study to determine the extent of consumer education knowledge of secondary school students related to family finance. National Business Education Quarterly, 1968, 37, 30-31.

Miller, R. L. Economic issues for consumers (3rd ed.). New York: West, 1981.

Mitchell, H. E., Bullard, J. W., & Mudd, E. H. Areas of marital conflict in successfully and unsuccessfully functioning families. Journal of Health and Human Behavior, 1962, 3, 88-93.

Moschis, G. P., & Churchill, A. Formal consumer education: An empirical assessment. Madison: Graduate School of Business, University of Wisconsin, 1977.

Mott, F. L., & Moore, S. F. The socioeconomic determinants and short-run consequences of marital disruption. Paper presented at the Population Association of America, St. Louis, April, 1977.

Mowrer, E. R. The differentiation of husband and wife roles. Journal of Marriage and the Family, 1969, 31, 534-540.

Murphy, K. R. Contrasts in spending by urban families: Part II, variations in 1960-61. Monthly Labor Review, 1964, 87, 1408-1415.

Nie, N. H., Hull, C. H., Jenkins, J. C., Steinbrenner, K., & Bent, D. H. SPSS: Statistical package for the social sciences (2nd ed.). New York: McGraw-Hill, 1975.

Nickell, P., Rice, A., & Tucker, S. Management in family living (5th ed.). New York: Wiley, 1976.

Northcutt, N. Adult performance level study. Washington, DC: Department of Health, Education, & Welfare, 1975.

Oberly, J. A. Major financial decisions and crises in the family life span. Unpublished master's thesis, Purdue University, 1967.

Olson, G. I. A family systems approach to family economic well-offness, attitudes, and behavior. Unpublished doctoral dissertation, Ohio State University, 1975.

Parker, S. M. Perceived and revealed decision dominance and the degree of decision rationality in selected husbands and wives. Unpublished doctoral dissertation, Michigan State University, 1979.

Paynton, N. Education toward a more economic life style. Home Economics Research Journal, 1979, 7, 238-246.

Peters, C. A. Consumer creditor selection for closed-end installment credit. Unpublished doctoral dissertation, Ohio State University, 1981.

Prais, S. J., & Houthakker, H. S. The analysis of family budgets. Cambridge, MA: Harvard University Press, 1955.

Rasmussen, A. Family financial counseling: A military outreach program. Journal of Home Economics, 1977, 69, 18-21.

Renne, K. Correlates of dissatisfaction in marriage. Journal of Marriage and the Family, 1970, 32, 54-67.

Rollins, B. C., & Cannon, E. L. Marital satisfaction over the family life cycle. Journal of Marriage and the Family, 1974, 36, 271-282.

Ross, H. L., & Sawhill, I. V. Time of transition: The growth of families headed by women. Washington, DC: The Urban Institute, 1975.

Rozier, J. J. Income fluctuations and financial problems of selected families in disadvantaged north central urban areas. Unpublished doctoral dissertation, Purdue University, 1973.

Ryan, M. E., & Maynes, E. S. The excessively indebted: Who and why? Journal of Consumer Affairs, 1969, 3, 107-125.

Safilios-Rothschild, C. Family sociology or wives' family sociology? A cross-cultural examination of decision-making. Journal of Marriage and the Family, 1969, 31, 290-301.

Scherf, G. W. H. Consumer education as a means of alleviating dissatisfaction. Journal of Consumer Affairs, 1974, 8, 61-74.

Schomaker, P. K. Financial decision-making as reported by 100 farm families in Michigan. Unpublished doctoral dissertation, Michigan State University, 1961.

Schlater, J. D. (Ed.). National goals and guidelines for research in home economics. East Lansing: Michigan State University, 1970.

Seitz, W. D. Consumer education as the means to attaining efficient market performance. Journal of Consumer Affairs, 1972, 6, 198-209.

Seymour, T. The teaching of selected consumer education concepts by teachers in selected Colorado high schools. Unpublished doctoral dissertation, Colorado State University, 1975.

Sharp, B. H. Perception of financial progress and family savings, debt, and labor force participation. Unpublished doctoral dissertation, Virginia Polytechnic Institution & State University, 1980.

Sharp, H., & Mott, P. Consumer decisions in the metropolitan family. Journal of Marketing, 1956, 21, 149-156.

Stampfl, R. W. The postindustrial consumer. Journal of Home Economics, 1978, 70, 25-28.

Stampfl, R. W. Family research: Consumer education needs in the family life cycle. Journal of Home Economics, 1979, 71, 22-27.

Stanley, T. O. The development of the test of consumer competencies. Unpublished doctoral dissertation, Northern Illinois University, 1975.

Strumpel, B. Economic life-styles, values, and subjective welfare: An empirical approach. In E. B. Sheldon (Ed.), Family economic behavior: Problems and prospects. Philadelphia: Lippincott, 1973.

Thomas, L. R. A comparative study of the effects of course organization on achievement in consumer education concepts. Unpublished doctoral dissertation, Arizona State University, 1969.

Thorpe, A., & Gross, I. Managerial practices in the homes of married students at Michigan State College. Quarterly Bulletin, Michigan Agricultural Experiment Station, 1950, 32, 288-306.

Turk, J. L., & Bell, W. Measuring power in families. Journal of Marriage and the Family, 1972, 34, 215-222.

Uhl, J. N. The Purdue consumer education study. Journal of Consumer Affairs, 1970, 4, 124-134.

U.S. Bureau of the Census. Statistical abstract of the United States: 1981. Washington, DC: U.S. Government Printing Office, 1981.

Van Bortel, D. G., & Gross, I. A comparison of home management in two socioeconomic groups. East Lansing: Michigan State University, 1954.

Waddell, F. E. A-borrowing, a-sorrowing. Journal of Consumer Affairs, 1970, 4, 31-45.

Weeks, M. O. The effect of husband-wife communication of marital power in decision-making. Unpublished doctoral dissertation, University of North Carolina at Greensboro, 1972.

Wheeler, C. L., & Arvey, R. D. Division of household labor in the family. Home Economics Research Journal, 1981, 10, 10-20.

Williams, F. L., Nall, M., & Deck, P. Z. Financial problems of urban families. Home Economics Research Journal, 1976, 4, 185-196.

Wolgast, E. G. Do husbands or wives make the purchasing decisions? Journal of Marketing, 1958, 23, 151-158.

Wright, L. A. Families in debt. Journal of Home Economics, 1978, 70, 38-39.

Yankelovich, D., Skelley, & White, Inc. The General Mills American family report 1974-75. Minneapolis, MN: General Mills, Inc., 1975.

Zwaagstra, A. P. Factors related to family problems and perceived adequacy of income. Unpublished doctoral dissertation, Purdue University, 1971.

APPENDIX A

WORKSHOP LETTERS

Carson-Newman College
Jefferson City, TN 37760
April 9, 1982

Hello,

Do you ever feel frustrated over your family finances?
Are you concerned that you may be spending more than you should, but you do not know what to do about it?
Do you know within a few dollars how much total debt you owe, and how long it will take you to pay off your debts?

My name is Diana D. Carroll, assistant professor of home economics at Carson-Newman College in Jefferson City, Tennessee. In addition to teaching at Carson-Newman, I am a graduate student working on my Ph.D. degree in the Department of Education, Consumer Sciences, and Management, School of Home Economics, at the University of North Carolina at Greensboro.

As part of my dissertation research, I will be conducting a workshop on financial management for married couples on Monday, April 26, 1982, at Alpha Elementary School in Morristown, Tennessee, from 7:00-9:00 pm. The workshop will focus on budgeting and record-keeping techniques. There is absolutely no cost for the workshop. The only criterion that you must meet is that both husband and wife attend the workshop together. Please disregard this letter if you are not married. For purposes of my research, it is important that married couples only participate.

At the workshop, each couple will receive a financial management packet which includes budgeting guidelines and forms, record-keeping forms, and other handouts that I have developed as part of my research. A short questionnaire will be completed by each couple at the beginning of the workshop.

Please indicate your willingness to attend the workshop by completing the information requested on the enclosed postcard and return to me postmarked by Wednesday, April 21, 1982. Due to seating arrangements, it may be necessary to limit the number attending the workshop; therefore, I look forward to receiving your postcard as soon as possible. A map is enclosed with directions to the workshop site.

Thank you so much for your time and consideration!

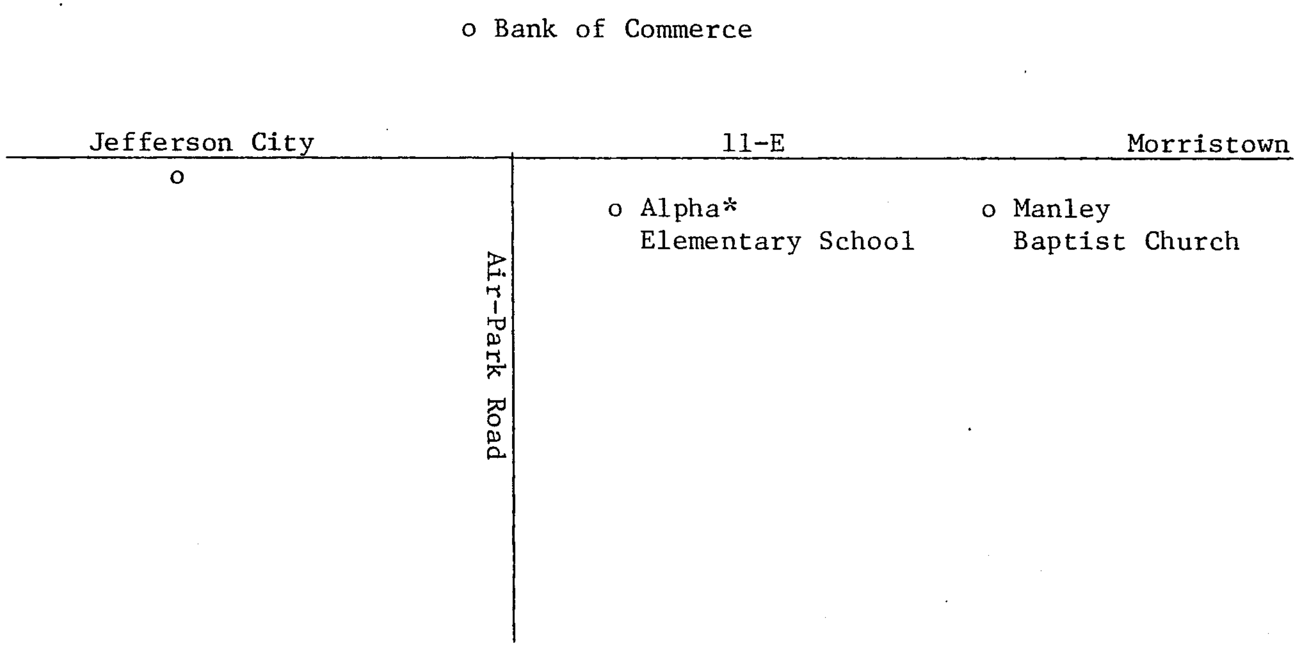
Sincerely,

Diana D. Carroll
Assistant Professor

WHAT: FINANCIAL MANAGEMENT WORKSHOP*

WHEN: APRIL 26, 1982* 7:00-9:00 p.m.

WHERE: ALPHA ELEMENTARY SCHOOL*
MORRISTOWN, TENNESSEE



TO: Married Students
Carson-Newman College

FROM: Diana D. Carroll, assistant professor of Home Economics and graduate student at the University of North Carolina at Greensboro

RE: Financial Management Workshop
Monday, April 26, 1982
Alpha Elementary School, Morristown
7:00-9:00 p.m.

As part of my dissertation research, I will be conducting a money management workshop for married couples on the above date. The workshop will focus on budgeting and record-keeping techniques. Each couple attending the workshop will receive a packet of budgeting and record-keeping forms that I have developed as part of my research.

There is no cost for the workshop. The only requirement is that both husband and wife attend together. A questionnaire will be completed by the participants at the beginning of the workshop.

If you are interested in attending, please call me any time at 581-6342 or complete the form below and return to Box 1880 by noon this Friday, April 23, 1982.

My spouse and I will be able to attend the financial management workshop.

Signed________________________________

____

Carson-Newman College
Jefferson City, TN 37760

Do you feel frustrated over your family finances?
Are you concerned that you may be spending more than you should, but you do not know what to do about it?
Do you know within a few dollars how much total debt you owe, and how long it will take you to pay off your debts?

My name is Diana Dearing Carroll, assistant professor of home economics at Carson-Newman College in Jefferson City, Tennessee. In addition to teaching at Carson-Newman, I am a graduate student working on my Ph.D. degree in the Department of Education, Consumer Sciences, and Management, School of Home Economics, at the University of North Carolina at Greensboro.

As part of my dissertation research, I will be conducting a workshop on financial management for married couples on Monday, April 26, 1982, from 7:00-9:00 p.m. at Alpha Elementary School in Morristown. The workshop will focus on budgeting and record-keeping techniques. Each couple attending the workshop will receive a packet of budgeting and record-keeping forms that I have developed as part of my research.

There is absolutely no cost for the workshop. The only requirement is that both husband and wife attend the workshop together. A questionnaire will be completed by the participants at the beginning of the workshop.

If you are interested in attending, please call me anytime at 581-6342 by noon this Friday, April 23, 1982. I look forward to receiving your call!

Remember: FINANCIAL MANAGEMENT WORKSHOP
MONDAY, APRIL 26, 1982
Alpha Elementary School, Morristown
7:00-9:00 p.m.

Thank you for your time and consideration.

Sincerely,

Diana D. Carroll

Carson-Newman College
Jefferson City, TN 37760
March 31, 1982

Mr. Herbert H. Harville
Superintendent of Hamblen County Schools
Morristown, TN 37814

Dear Mr. Harville:

This letter is written in response to our telephone conversation of March 30, 1982, in which I shared my plans for conducting a money-management workshop for approximately 100 married couples as part of my doctoral research from The University of North Carolina at Greensboro.

I have talked with Mr. George Johnson, Principal of Alpha Elementary School, about conducting the workshop at Alpha on Monday night, April 26, 1982, from approximately 7:00-9:00 p.m. This date is acceptable to him. Mr. Johnson has agreed to be present before, during, and after the workshop to open and close the school. He and I will be responsible for straightening the chairs and general clean-up after the workshop. As discussed with you, I will pay the $25.00 fee for use of the facilities at Alpha.

If any additional information is needed, please call me at home, 581-6342. I am on maternity leave this semester from Carson-Newman. Our first child, David Calvin, was born February 23, 1982, weighing in at 10 pounds and 15 ounces. I am thoroughly enjoying being a mother!

Thank you so much for your cooperation and consideration of this matter. I look forward to hearing from you.

Sincerely,

Diana D. Carroll
Asst. Professor of Home Ec.
Carson-Newman College

George Johnson, Principal
Alpha Elementary School

My home address: Route 10, Box 687
Morristown, TN 37814

APPENDIX B

INSTRUMENT

I. Personal Characteristics

1. Name____

2. Address____
Box Number City State Zip

3. Telephone Number________________________________

4. Birth Date______________________________________
month day year

5. Date of Present Marriage__________________________
month day year

6. Circle the highest level of education achieved:

Grade School	1 2 3 4 5 6 7 8
High School	1 2 3 4
Technical School	1 2
Community College	1 2
College	1 2 3 4
Post-Graduate	1 2 3 4

7. Please check if employed full-time_____

part-time_____

not employed outside the home_____

8. Present Occupation (please be specific)____________________

9. Have you ever completed a course in consumer education?

Yes___ No___

10. If yes to the above question, please check when you took the course.

High School_____ College_____
Community College_____ Other_____

II. Attitudes Toward Financial Management

Check the category which best describes your attitude about each statement below. (SA = Strongly Agree, A = Agree, U = Undecided, D = Disagree, and SD = Strongly Disagree.)

	SA	A	U	D	SD
1. Money and all that it can buy is of utmost importance to me.	___	___	___	___	___
2. It is important for a family to develop a regular pattern of savings and stick to it.	___	___	___	___	___
3. It does not matter how much a couple saves, as long as they do.	___	___	___	___	___
4. Savings is not really important.	___	___	___	___	___
5. Each individual should be responsible for his own financial well-being.	___	___	___	___	___
6. It is all right for an individual to rely on others (government, family) for financial assistance.	___	___	___	___	___
7. A written budget is absolutely essential for successful financial management.	___	___	___	___	___
8. Families should have written financial goals that help them determine priorities in spending.	___	___	___	___	___
9. As long as one meets his monthly payments, there is no need to worry about the length of time it will take to pay off outstanding debts.	___	___	___	___	___
10. The husband should have primary responsibility for seeing that bills are paid monthly.	___	___	___	___	___
11. The wife should have primary responsibility for seeing that monthly bills are paid.	___	___	___	___	___

	SA	A	U	D	SD
12. Both husband and wife should have responsibility for seeing that bills are paid monthly.	___	___	___	___	___
13. Keeping records of financial matters is too time-consuming to worry with.	___	___	___	___	___

III. Financial Management Behavior

Please rate yourself on your financial-management practices by checking the appropriate response for each item below.

	No	Yes	Uncertain
14. Do you have a written budget plan that shows how you plan to use current income?	___	___	___
15. Have you ever purchased or used any type of budget workbook?	___	___	___
16. Have you ever used any prepared forms that you received from your bank or other source?	___	___	___
17. Are you currently using a budget workbook or prepared forms that you have developed yourself?	___	___	___

18. If yes to the above question, please describe the types of forms you have developed and are using.

____

____

____

____

	No	Yes	Uncertain
19. Do you keep monthly records of your expenditures?	___	___	___

		No	Yes	Uncertain
20.	Do you have a form on which you have listed all the debts that you owe?	___	___	___
21.	Do you use a form on which you have listed your once or twice-a-year payments such as taxes or insurance?	___	___	___
22.	Do you have a written list of all your credit cards.	___	___	___
23.	Do you have a written list of all your insurance policies with the face amount of each policy listed?	___	___	___
24.	Do you have a written list of all the due dates of your bills?	___	___	___
25.	Do you have a household inventory of all your furniture, household goods, and personal belongings?	___	___	___
26.	Do you have a will?	___	___	___
27.	Do you have a written list of your family's financial goals for the next year?	___	___	___
	Five Years?	___	___	___
	Twenty Years?	___	___	___
28.	If you do not have written goals, have you and your spouse discussed verbally some of your financial goals within the past three months?	___	___	___

29. Please check the type of checking account that you and your spouse have.
_____Joint checking account
_____Separate checking accounts
_____No checking account

		No	Yes	Uncertain
30.	Do you and your spouse have a specific amount of money each month or pay period from your paycheck?	___	___	___

31. If yes to the above question, please check how much you save each month of pay period.

_____Less than $50
_____$50 - $99
_____$100 - $149
_____$150 - $199
_____$200 - $249
_____$250 - $299
_____$300 or More

32. Where do you keep your savings?

_____Checking account
_____Savings account
_____In a specific place in your home

33. Do you have a fixed place in your home that you use as your financial center, where you pay bills, keep records, etc.?

Yes___ No___ Uncertain___

34. If yes to the above question, please check below the item that best describes your financial center.

_____A shoebox where bills and receipts are kept
_____A drawer where all bills and receipts are kept
_____A desk where all bills and receipts are kept
_____The top of the refrigerator
_____A file cabinet
_____Other (Please describe)_______________________________

35. What method do you most often use when you pay your bills?

_____Pay by check
_____Pay with cash
_____Mail the bills
_____Deliver bills to appropriate place
_____Bank drafts

36. How often do you sit down each month and pay your bills?

_____Once a week
_____Twice a month
_____Once a month
_____Whenever I think about it

37. Approximately how much time do you and your spouse spend weekly discussing financial matters?

_____Less than one hour
_____1-2 Hours
_____2-3 Hours
_____3 or More Hours

IV. Financial Management Knowledge of Family's Current Financial Situation

38. What is the approximate total amount of money that you and your spouse owe to all your creditors? Please indicate from the answer sheet on the next page the amount that best describes your total debt. (Do not include your home mortgage.) Place the correct letter in the space below.

_____Total amount of money owed

39. Do you know how many months or years it will take you to pay off outstanding debts assuming that you add no additional amounts to existing debts?

Yes___ No___

40. If you answered yes to the above question, how long will it take you to pay off existing debts?

_____Less than 1 year
_____1-2 years
_____2-3 years
_____3-4 years
_____4-5 years
_____More than 5 years
_____No existing debts

41. Approximately what percentage of your and your spouse's combined take-home pay goes to the following budget categories? For those items you are not sure about, please check uncertain.

(If you own)	___% Housing (mortgage, insurance, taxes)	___Uncertain
(If you rent)	___% Rent Payments	___Uncertain
	___% Food	___Uncertain
	___% Utilities	___Uncertain
	___% Transportation, car upkeep	___Uncertain
	___% Debt Payments	___Uncertain
	___% Contributions, Gifts	___Uncertain

42. Please check below the types of life-insurance policies you have.

_____Term
_____Whole Life
_____Combination of Types (term and whole life)
_____No Insurance
_____Have insurance, but uncertain as to the type.

43. What is the face value of each life insurance policy you have?

__________Policy #1
__________Policy #2
__________Policy #3
__________Policy #4
__________Others

44. Please check below the category that best describes your and your spouse's combined take-home pay each month.

_____Less than $499
_____$500 - $799
_____$800 - $1099
_____$1100 - $1399
_____$1400 - $1699
_____$1700 - $1999
_____$2000 - $2299
_____$2300 - $2599
_____$2600 - $2899
_____$2900 or Above

Amount of Money Owed
(See Question 38)

A. $ 0
B. $ 1 - 199
C. $200 - 499
D. $500 - 749
E. $750 - 999
F. $1000 - 1249
G. $1250 - 1499
H $1500 - 1749
I. $1750 - 1999
J. $2000 - 2249
K. $2250 - 2499
L. $2500 - 2749
M. $2750 - 2999
N. $3000 - 3499
O. $3500 - 3999
P. $4000 - 4499
Q. $4500 - 5999
R. $6000 - 7999
S. $8000 - 9999
T. $10,000 - 11,999
U. $12,000 - 13,999
V. $14,000 - 15,999
W. $16,000 - 17,999
X. $18,000 - 19,999
Y. $20,000 - 21,999
Z. $22,000+

V. Barriers or Constraints to Successful Financial Management

Please check the extent to which the items listed below give you difficulty in handling your finances. (VS = Very Serious, SS = Somewhat Serious, and NS = Not Serious.)

		VS	SS	NS
45.	Lack of an adequate income	___	___	___
46.	Overcommitted to credit	___	___	___
47.	Unexpected Expenses making budgeting difficult	___	___	___
48.	Impulse buying	___	___	___
49.	Lack of savings habit	___	___	___
50.	Lack of skills in and knowledge about budgeting	___	___	___
51.	Getting the best buys for the money	___	___	___
52.	Deciding what to buy first	___	___	___
53.	Having too much debt	___	___	___
54.	Getting behind on bills	___	___	___
55.	Lack of communication between husband and wife	___	___	___
56.	Lack of understanding the financial implications of children	___	___	___
57.	Lack of self-confidence in record-keeping	___	___	___
58.	Lack of time	___	___	___
59.	Indifference (We're doing ok, why bother?)	___	___	___
60.	Lack of goal identification	___	___	___
61.	Lack of value clarification	___	___	___
62.	More "wants" than money	___	___	___

VI. Intrafamily Decision Making

Please answer the following questions on the sharing of financial management tasks in your home. Check the column which best describes who takes care of that particular financial-management area.

	Self	Spouse	Both	Neither
63. Who balances your monthly bank statements?	____	____	____	____
64. Who writes the checks for paying bills?	____	____	____	____
65. Who mails or delivers the bills to be paid?	____	____	____	____
66. When major purchases are anticipated, who makes the final buying decision?	____	____	____	____
67. Who has the best understanding of how much debt you owe?	____	____	____	____
68. Who has more understanding of the provisions of your life insurance policy/s?	____	____	____	____
69. Who initiates most discussions about your finances?	____	____	____	____
70. Who is most likely to say first, "We can't afford it?"	____	____	____	____
71. Who is more easily upset about your financial problems?	____	____	____	____

VII. Level of Satisfaction/Generation of Satisfaction

Please check below the extent to which you are satisfied with the items mentioned. (VS = Very Satisfied, S = Satisfied, NS/D = Neither Satisfied nor Dissatisfied, D = Dissatisfied, and VD = Very Dissatisfied.)

	VS	S	NS/D	D	VD
72. The amount of family income	___	___	___	___	___
73. The level of your financial management knowledge	___	___	___	___	___
74. The amount of savings your family has	___	___	___	___	___
75. The goods your family has such as clothing and food	___	___	___	___	___
76. Durable goods which the family has such as a car, equipment, and furniture	___	___	___	___	___
77. The medical or health insurance your family has	___	___	___	___	___
78. The amount of life insurance the family has	___	___	___	___	___
79. The amount of education the family can provide for the children	___	___	___	___	___
80. Family gifts of money and contributions to church and community activities	___	___	___	___	___
81. The present system of record-keeping you are using	___	___	___	___	___
82. The amount of help your spouse gives in financial matters	___	___	___	___	___

VIII. Income Adequacy

83. To what extent do you think your income is enough for you to live on?

_____Not at all adequate
_____Can meet necessities only
_____Can afford some things we want, but not all we want
_____Can afford almost everything we want
_____Can afford everything we want and still save money

84. How would you rate your family's financial situation compared with other families' situations?

_____We are much worse off than most families.
_____We are worse off than some or most other families.
_____We are in about the same shape as other families.
_____We are better off than some or most other families.
_____We are much better off than most other families.

85. Please check below the sources from which you receive money income.

_____Wages and/or salaries
_____Rent from property owned
_____Interest from savings and/or investments
_____Money from parents or relatives
_____Transfer payments (Social Security, Aid to Families with Dependent Children, food stamps, unemployment compensation)

_____Profit from operating farms, business, or profession
_____Gifts or private relief (scholarships, fellowships, etc.)

_____Other (Please explain)______________________________

86. Please indicate from the answer sheet below the letter of the category that best describes your family's TOTAL ANNUAL INCOME from all sources (before taxes or deductions). This should include any income from any of the sources listed in Question 85. _____Total Annual Income

A. Less than $2,000	H. $15,000 - $17,499
B. $2,000 - $3,999	I. $17,500 - $19,999
C. $4,000 - $5,999	J. $20,000 - $22,499
D. $6,000 - $7,999	K. $22,500 - $25,999
E. $8,000 - $9,999	L. $26,000 - $28,499
F. $10,000 - $12,499	M. $30,000+
G. $12,500 - $14,999	

87. Please check the statement that best describes the dependability of your family's income. Please refer to the list below for a description of the statement.

_____Steady income
_____Dependable part received regularly, plus a changeable amount over and above that
_____Income is dependable part of the year, but not all year
_____Income is received regularly, but amount varies a lot
_____Income is not dependable at all

Statement Descriptions:

1. Steady income. You know how much you can count on getting and when you will get that. You always get it on time.

2. Dependable part received regularly, plus a changeable amount over and above that. Even though it may be small, you always get a certain amount as regularly as clockwork. Also, you have other income which is not so dependable. You do not always know if or when you will get that.

3. Income dependable part of the year, but not all year. Part of year you know about how much you will get, and when it will come. But, at least three months during the year, you do not get any income or you do not know if or when you will get any.

4. Income received regularly, but amount varies a lot. Payday comes regularly, but lost days, overtime, piece work, etc., makes the amount change a lot wo it is hard to count on it. If the checks do not change much (maybe less than 10%) or very often (maybe less than one of every four checks), classify your income as steady.

5. Not dependable at all. You never or seldom know more than a month in advance how much income you will have and when or if you will get it.

IX. Additional Financial-Management Information

Please check below the one source that has most greatly influenced your attitudes toward financial-management practices.

a.	_____Spouse	f.	_____School teacher
b.	_____Mother	g.	_____Banker
c.	_____Father	h.	_____Magazine articles
d.	_____Relative	i.	_____Books about financial management
e.	_____Friend	j.	_____Other (Please specify)__________

89. In each of the three spaces below, place a letter from the statements that most adequately describes what you would do in a financial crisis.

    a. Take any additional job you can get.
    b. Turn to relatives for help.
    c. Ask friends for help.
    d. Sell your possessions and lower your standard of living.
    e. Borrow money from a bank or financial institution.
    f. Apply for welfare of other government assistance.
    g. Declare bankruptcy.

    ____Most Likely

    ____Next Most Likely

    ____Least Likely

90. Have you ever attended a seminar on financial management other than this seminar? Yes___ No___

91. Have you ever gone for financial counseling? Yes___ No___

92. Have you ever declared bankruptcy? Yes___ No___

93. If yes to the above question, how long has it been since you declared bankruptcy? _____Years

94. Have you ever written off for any free consumer information? Yes___ No___

95. Do you receive any of the following consumer magazines?

Changing Times	Yes___	No___
Money	Yes___	No___
Consumer Reports	Yes___	No___
Consumer Bulletin	Yes___	No___
Consumer Digest	Yes___	No___

APPENDIX C

FINANCIAL-MANAGEMENT WORKSHOP MATERIALS:

FINANCIAL-MANAGEMENT PACKET

WORKSHOP EVALUATION FORM

INTRODUCTION: BUDGETING AND RECORD-KEEPING

An important part of developing a family financial plan is establishing a budget. The idea of a budget is unpleasant to many people. They have visions of it being burdensome and rigid. A budget does not have to be either one. It can be as simple or as detailed as you want, and it should be designed to help you achieve your financial goals.

Since you will always have more ways to spend money than income available, you and your spouse should agree upon these premises:

1. You will openly share feelings about differences of opinion about your money plan and be willing to reach an agreement.

2. You will agree upon spending priorities consistent with your value system.

3. You will spend money on needs before wants.

4. You will consistently spend less than you earn so that a savings program can be created.

Remember your budget is your personal system. Make it as unrestrictive or as exact as you desire. In reality, the family budget is simply a guide to help you anticipate the use of your money, and eliminate the insecurity and unhappiness that overspending creates.

Record-keeping can help you determine where you spend, how much you spend, and often why you spend.

The first step in setting up and maintaining records is to arrange a specific place as your family financial center. That can be a desk, a corner in the kitchen, or wherever you choose. What counts is that you have everything on hand in one spot: budget book, checks, current files, a place for receipts, calculator or adding machine, pencil, paper, and mailing materials.

The second step is to decide who will be the financial manager--the one who will keep records. You and your spouse must decide this together. The family financial manager should be the person who has the aptitude, the desire, and the time. You and your spouse each might take on specific tasks, you might do it all together, or one might do it all. The important thing is that both have an understanding of your financial picture.

It is also important that you and your spouse develop a routine in taking care of your financial matters.

The following forms and guidelines are designed to help you and your spouse work together in establishing an effective family plan, in setting up and maintaining records, and in developing a routine that meets your needs and lifestyle.

The following steps will be considered as the basic for establishing a personal family financial plan:

1. Develop your goals based upon your family's ultimate long-range, intermediate, and short-term goals.

2. Develop your spending plan (budget). A spending plan enables you to know the exact amount and sources of your income, and where your money is going so that intelligent planning can be done.

   A. Skills needed to develop a budget are:

      Knowledge--be informed about your resources, needs, and wants.

      Planning--establish goals and guidelines.

      Discipline--find incentives for self-discipline.

      Time--have a regular schedule for attending to your budget.

   B. Steps needed in implementing your budget are:

      1. Determine where you are financially.

      2. Estimate your current expenses.

         a. Fixed
         b. Flexible
         c. Yearly

      3. Adjust expenses to income.

3. Set up a systematic savings plan.

4. Set up an emergency fund for unexpected expenses.

5. Set up and maintain records showing actual income and expenditures.

6. Evaluate your plan. Compare and modify your budget periodically or as needed.

GOAL-SETTING

The first phase in establishing your family financial plan is to know what you want to accomplish financially. Such a concept begins with the current year and proceeds forward in time--five, ten, twenty or more years--right up to your retirement. Do not be afraid to dream and think big. This will help you answer the question, "where am I now?" and "where do I want to be in five, ten, or twenty years?"

Be as specific as you can in focusing on your goals. Once you set your goals, list them in your budget book. Compare them periodically with what actually happens. This may be done monthly, quarterly, or annually. Do not be afraid to adjust your goals when appropriate. Remember, there are many variables to goal-setting. Your goals may be adjusted as the size and age of your family changes, as you experience a change in salary, as new goals emerge, or as other goals lose their importance to the family.

Goal-Setting Form

Short-Term Goals

1. List those financial goals that you and your spouse would like to accomplish within the next six months to a year.

____

____

____

____

2. Try to rank each of the above short-term goals in order of importance or immediate need with #1 being most important, #2 somewhat important, and #3 less important.

3. List below in order of importance the name of the goal, an estimated cost, a realistic target date for accomplishment, and how much you need to save each month in order to reach each goal. Next, after looking at your total expenses and total income, determine how much you can realistically save each month.

Short-Term Goal	Estimated Cost	Target Date	Need to Save Monthly	Can Save Monthly
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
	$	Total	$	

Goal-Setting Form

Intermediate Goals (2-5 Years)

1. List those financial goals that you and your spouse would like to accomplish within the next two to five years.

____

____

____

____

____

2. Rank the above intermediate goals in order of importance with #1 being most important, #2 somewhat important, and #3 less important.

3. List below in order of importance the name of the goal, an estimated cost, a realistic target date for accomplishment, and how much you need to save each month in order to reach your intermediate goals. Next, after looking at your total expenses and total income, determine how much you can save each month for goals you wish to accomplish within the next two to five years.

Intermediate Goals	Estimated Cost	Target Date	Need to Save Monthly	Can Save Monthly
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
			$______ Total	$______

Goal-Setting Form

Long-Term Goals

1. List those financial goals that you and your spouse would like to accomplish with the next five to 20 years. Do not be afraid to "dream" big!

____

____

____

____

____

2. Rank the above long-term goals in order of importance with #1 being most important, #2 somewhat important, and #3 less important.

3. List below in order of importance the name of the goal, an estimated cost, a realistic target date for accomplishment, and how much you need to save each month in order to reach your long-term goals. Next, after looking at your total expenses and total income, determine how much you can save each month for goals you wish to accomplish within the next five to 20 years.

   1. ____
   2. ____
   3. ____
   4. ____
   5. ____
   6. ____
   7. ____
   8. ____
   9. ____

$__________ Total $__________

Determine Where You Are Financially

Now that you have your goals established, the next step is to know exactly how much income you have.

Itemize every dollar of income you expect to get during the year. If both you and your spouse work, include both earnings.

List only your actual net take-home pay (after deductions for Social Security, group insurance, pension plans, union dues, or any other items which your company automatically withholds from your paycheck).

Calculate any income you anticipate from interest on savings accounts and bonds, cash gifts from employer or relatives, bonuses, tax returns, stock dividends, property rentals, or commissions.

List any income you will receive from profits or monies you get from sale of real estate, home, automobile, stocks, bonds, or other securities.

If your earnings are irregular--base your estimates on your past income and current prospects. Always keep your estimates low.

Do not list any incomes you are unsure of receiving. Your income should reflect actual amounts, not estimates. If your income increases, you can revise your budget. If your income is reduced, revise all your totals downward.

Family Income Statement

The first step in budgeting is to determine where you are financially.

Income

Salaries (Take-home pay, after deductions)

You	$________	
Your Spouse	$________	
Bonus	$________	
Loans	$________	
Other	$________	
	$________	
TOTAL SALARIES		$________

Investment Income

Interest	$________	
Dividends	$________	
Real Estate	$________	
Other	$________	
TOTAL INVESTMENT INCOME		$________

Other Income

Cash Gifts, Bonuses, Profit-Sharing	$________	
Other	$________	
TOTAL OTHER INCOME		$________
TOTAL INCOME FOR 12 MONTHS OF 198____		$________

Since most bills are due and payable every 30 days, compute your monthly income by dividing your total annual take-home income by 12.

TOTAL MONTHLY TAKE-HOME INCOME $________

Estimate Your Current Expenses

One of the most important steps in a family financial plan is to see where your money is being spent each month. If you have kept records such as receipts, check stubs, or bills of sale, they can serve as the basis for your budget. Otherwise, you will have to start your budget by recording expenses as you spend.

Most families can group their expenses into three broad categories: fixed, flexible, and yearly expenses. Use the forms on the next few pages to list each of your expenses into the proper category.

Listed below are expenses that might be included under each category.

Fixed

Rent, mortgage payment
Bank loans
Car loans
Installment purchases (furniture, etc.)
Charge accounts
Savings
Insurance premiums

Flexible

Food
Automobile
Contributions
Clothing
Entertainment
Utilities
Phone
Travel
Personal allowances
Household (furniture, appliances, repairs)
Schooling
Personal care
"Mad money"

Yearly Expenses

Car license
Income taxes
Property taxes
Car insurance
Homeowners' insurance

Fixed Expense Form

Fixed expenses are those which are paid in fixed amounts each month. The amount does not vary from month to month. These expenses include: debt repayments (bank loans, installment purchases), credit card purchases (if paid in monthly installments), rent or mortgage payments, insurance premiums, and taxes (only if your taxes are not withheld).

Using the form below, you and your spouse can tell at a glance how much of your monthly take-home pay is committed to fixed expenses and how much total fixed expense debt you have.

1. List below each fixed monthly expense, the total amount owed, your monthly payment for each debt, the monthly due dates, and the paid-in-full dates. The paid-in-full date helps you determine how long you are committed to present fixed debts (assuming you do not add any additional debt).

2. After listing all fixed expenses, total the amount owed for fixed expenses and total the amount of your monthly income that is used for fixed expenses. (Use a pencil to fill-in the total amount owed on each debt; thus, you can change the figure each month as you reduce the outstanding balance.) The grand total owed can also be changed monthly.

Fixed Expense	Total Amount Owed	Monthly Payment	Due Date	Paid-in-Full Date
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
	Total $______	$______ Total (monthly fixed payments)		

Enter the amount you spend monthly on fixed expenses: $__________

Because fixed expenses are those that must be paid each month, it is important that one know the amount of monthly take-home pay that must be allocated to fixed expense payments.

Yearly Income (take-home pay) $__________
divided by 12 $__________ (monthly take-home pay)

Monthly Take-Home Pay $__________
− $__________ (total of monthly fixed expenses from preceding page)

= $__________ (total amount left for monthly flexible and yearly expenses)

Enter the amount left monthly for flexible and yearly expenses: $__________

Yearly expenses are those which come due once, twice, or perhaps three times a year. The problem is saving enough each month to have available when the yearly payments become due.

List below your yearly expenses, when due, and the amount you need to save monthly in order to have the money available when needed.

Name of Yearly Expense	Amount Due	Date When Due	Amount to Save Monthly
1.			
2.			
3.			
4.			

TOTAL $__________ (Yearly expenses) TOTAL $__________ (Needed to save monthly)

Enter the amount of your total yearly expenses: $__________

Enter the amount you need to save monthly for yearly expenses in order to have money available as needed for yearly expenses:
$__________

Monthly Take-Home Pay $__________

− $__________ (Fixed monthly expenses)

= $__________

− $__________ (Amount to save monthly for yearly expenses)

= $__________ (Amount left for monthly flexible expenses)

Enter the amount left for monthly flexible expenses: $__________

Flexible expenses are those expenses over which you have some control. Food, for example, is necessary, but there is considerable leeway as to the amount of money you spend for food. This is also true of electricity, utilities, phone, entertainment, clothing, etc.

List below your flexible expenses. Determine a realistic amount that you could allot to spend monthly.

Flexible Expenses	Allotted Monthly Amount
____________________	$__________
____________________	$__________
____________________	$__________
____________________	$__________
____________________	$__________
____________________	$__________
____________________	$__________
____________________	$__________
TOTAL	$__________

Choices are involved in determining flexible expenses. There are some flexible expenses that one feels strongly about. Choose the categories you feel strongly about--that rank #1 in importance to you and which you will allot as much money as you possibly can. Rank the rest as #2 or #3 in priority.

Adjust Expenses to Income

Now comes one of the most difficult parts of budgeting--adjusting expenses to income

If your flexible expenses do not exceed your monthly take-home pay allotment for flexible expenses, congratulations! However, if your flexible expenses exceed your monthly allotment, you must try to cut costs. Do not get discouraged. Adding up your flexible expenses lets you see the financial level you are aspiring to, and it makes you evaluate the things that are really important to you. Go through your expenses, cutting down as much as you can--but never lost sight of your priorities. Try to keep your #1 flexible expense selections as generous as you can, because they are most important to you.

It may become obvious that there is just not enough money left for flexible expenses. Then, you must look over your fixed payments and yearly payments. It may become necessary to say, "We absolutely cannot take on any more debt payments;" "we cannot use our credit cards for any new purchases until the existing balances are paid off;" or "I must find a second job."

SET UP A SYSTEMATIC SAVINGS PLAN

Saving money is important for any family financial plan, whether it is designated for emergencies or for a specific objective. It is easier to save if you have a definite goal in mind. One way to establish a savings plan is to treat savings as a fixed expense and allot a specific amount each month to put into savings. Have this amount deducted automatically from your paycheck. This way you will not be tempted to spend it elsewhere.

How much future income can you earn from a modest savings program? The chart on the following page should be helpful in letting you see how your money grows through savings. The chart shows the amount of monthly deposits you must put into a savings account bearing six percent interest compounded daily in order to have specific monthly withdrawals later. For example, if you deposit as little as $32.41 each month for 20 years, you will be able to withdraw $107.59 each month for the following 20 years; or, you may withdraw the total saved during the 20 years--$15,000. Another way to interpret the chart is to assume that you want to save a specific amount from $5,000 to $40,000. If you would like to save $30,000 in 20 years, you would need to deposit $64.82 a month for 20 years. You must remember--if your goal is to save a specific amount of money in so many years, you must pay the appropriate amount each month. You should not "dip" into your savings for emergencies or unexpected expenses, if at all possible.

6 PERCENT INTEREST COMPOUNDED DAILY

DEPOSIT THESE AMOUNTS MONTHLY FOR THESE YEARS				FOR THESE MONTHLY WITHDRAWALS				TOTAL SAVED
5 yrs.	10 yrs.	15 yrs.	20 yrs.	5 yrs.	10 yrs.	15 yrs.	20 yrs.	
$ 71.64	$ 30.49	$ 17.17	$10.80	$ 96.69	$ 55.54	$ 42.23	$ 35.86	$ 5,000
107.46	45.73	25.76	16.20	145.04	83.32	63.34	53.79	7,500
143.27	60.97	34.34	21.61	193.39	111.09	84.46	71.72	10,000
179.09	76.22	42.93	27.01	241.74	138.86	105.58	89.65	12,500
214.91	91.46	51.51	32.41	290.09	166.64	126.69	107.59	15,000
250.73	106.70	60.10	37.81	338.44	194.41	147.81	125.52	17,500
286.55	121.94	68.69	43.21	386.79	222.18	168.92	143.45	20,000
322.37	137.19	77.27	48.61	435.14	249.96	190.04	161.38	22,500
358.19	152.43	85.86	54.01	483.48	277.73	211.16	179.31	25,000
394.00	167.67	94.44	59.42	531.83	305.51	232.28	197 25	27,500
429.82	182.92	103.03	64.82	580.18	333.28	253.39	215.18	30,000
465.65	198.16	111.62	70.22	628.53	361.05	274.51	233.11	32,500
501.46	213.40	120.20	75.62	676.88	388.82	295.62	251.04	35,000
537.28	228.65	128.79	81.02	725.23	416.60	316.74	268.97	37,500
573.10	243.89	137.37	86.42	773.58	444.37	337.85	286.90	40,000

Economic Issues for Consumers. Roger L. Miller.
Third Edition, p. 508.

SET UP AN EMERGENCY FUND

An emergency fund is designed to help you anticipate unexpected expenses. This amount will vary with families. If your family has adequate health insurance coverage, some savings or other sources of ready income, or few debts, you may not need as much as a family with several children, lots of debts, and inadequate health insurance coverage. Some experts say that families need from three to six months salary in an emergency fund.

List below an appropriate amount that is realistic for your family to allocate monthly to an emergency fund.

$__________(Monthly amount to set aside for emergency fund)

SET UP AND MAINTAIN RECORDS SHOWING ACTUAL INCOME AND EXPENDITURES

Having decided upon your important financial goals and estimating your monthly income and expenses--fixed, flexible, and yearly--you are ready to begin your monthly budget record and yearly financial planning.

The following questions will be addressed and forms discussed that will help you and your spouse "manage" monthly finances:

How can we plan a year in advance for expenditures?

How can we know at a glance how much we spend a month for food, gas, clothing, entertainment, etc.?

How many paydays do we have each month?

What are the due dates of all our bills?

How many times a month should we pay bills?

How can we keep track of the total amount of debt we owe and progress toward eliminating debt?

How can we keep track of contributions made?

What should be done with bills and receipts as they are received and as they are paid?

What are other types of records that we should keep at our family financial center?

HOW CAN WE PLAN A YEAR IN ADVANCE FOR EXPENDITURES?

Long-range financial planning should be done on a yearly basis. However, before you can do your yearly planning, you must know your present financial situation. Your situation may change from one year to the next. Hopefully, you will get a raise each year. You may take on new debts, change jobs, add a new family member, etc. These changes should be reflected in your yearly planning.

To know your present financial situation, complete the forms discussed earlier:

Family Income Statement
Fixed Expense Form
Flexible Expense Form
Yearly Expense Form

Transfer this information to the Planned for Spending Form on the next page. Your fixed expenses will probably be the same for each month of the year. Do not forget to list your once or twice-a-year payments under the appropriate months when due. Your flexible expenses may vary from month to month; for example, your electric bill may not be as high during the spring and fall months, or your food expenses may be less in the summer if you have a garden.

Total the amounts allotted for each month. Now you can tell which months require more of your monthly income.

Plan For Spending

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL MONTH INCOME												
FIXED EXPENSES												
Rent or Mortgage Payment												
Utilities												
Lights												
Water												
Gas, Oil												
Telephone												
Other												
Insurance												
Medical (including prepaid care)												
Life												
Property												
Automobile												
Dental												
Installment Loans												
Car												
Charge Accounts												
Personal Loans												
Taxes												
Income												
Real Estate												

Plan for Spending (Continued)

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
FIXED EXPENSES (Cont.)												
Savings and Emergency Fund												
FLEXIBLE EXPENSES												
Food and Beverages												
Meals at Home												
Meals Eaten Out												
Transportation												
Gas, Oil												
General Maintenance												
License												
Tires												
Public Transportation												
Medical and Dental Care												
Medicine												
Eye Care (glasses)												
Dentist												
Doctor												
Clothes												

Plan for Spending (Continued)

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
FLEXIBLE EXPENSES (Continued)												
Household Expenses												
Education												
Recreation												
Magazines												
Books												
Vacation												
Hobbies												
Pets												
Furniture and Equipment												
Gifts and Contributions												
Personal Appearance												
Cosmetics												
Perfume												
Beauty Shop												
Other												

Plan for Spending (Continued)

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
FLEXIBLE EXPENSES (Continued) Occupational (Professional) Dues												
Books												
Conventions												
Supplies for Work												
For Other Things Miscellaneous (Mad Money)												
TOTAL EXPENSES												

Now, let's concentrate on asnwering some questions that will help you and your spouse deal with monthly finances.

HOW CAN WE KNOW AT A GLANCE HOW MUCH WE SPEND A MONTH FOR FOOD, GAS, CLOTHING, ENTERTAINMENT, ETC.?

The following two forms--Family Financial Record for Month Of, and Actual Daily Expenses--are designed to keep track daily of how much you spend. One form is more detailed than the other; therefore, choose the form that is most appropriate for your situation. If you pay bills primarily by check, you can set down with your checkbook at the end of each week or month and list your expenses into the appropriate category.

To compare what you actually spend each month with what you planned to spend, just refer to your yearly Plan for Spending form. Find the categories where your actual monthly expenses exceed what you planned for that category. If it becomes obvious that you are consistently overspending each month, adjustments need to be made.

FAMILY FINANCIAL RECORD FOR MONTH OF __________ 19___

	Mortgage or Rent	Utilities	Insurance	Install-ment Loans	Savings	Food	Trans-portation	Medical and Dental	Clothing	House-hold Expenses	Educa-tion	Recrea-tion	Furniture and Equipment	Gifts and Contribu-tions	Personal Appear-ance	Occupa-tional Dues	"Mad" Money	Miscel-laneous
Amount To Spend	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Day																		
1																		
2																		
3																		
4																		
5																		
6																		
7																		
8																		
9																		
10																		
11																		
12																		
13																		
14																		
15																		
16																		
17																		
18																		
19																		
20																		
21																		
22																		
23																		
24																		
25																		
26																		
27																		
28																		
29																		
30																		
31																		
TOTAL																		

Monthly Recap

Net Income to Spend

Salary(ies) $__________ Expenses $__________

Interest $__________ Savings $__________

Other $__________

TOTAL INCOME $__________

Special Notes on New Budget Items

____

____

____

____

Actual Daily Expenses of ____________________ For the Month of __________

Date	Food	Housing	Transportation	Clothing and Personal Care	Medical Care	Other Family Consumption	Other Costs	Social Security and Disability Payments	Personal Income Taxes	Daily Total
Monthly Total										

HOW MANY PAYDAYS DO WE HAVE EACH MONTH?

It is important to know how much total income you and your spouse receive each month. Your monthly income figure may vary from the monthly income figure determined by dividing your yearly salary by 12 months. Some months have five paydays (if you are paid weekly, this would make a difference in monthly income). There may also be some months when you receive bonuses, gifts of money, etc.

Use the form below to list the day of the month you are paid, the amount of your paycheck, and your monthly income total.

Month and Day		Amount Paid
January	______	$ ________
	______	________
	______	________
	______	________
	Total	$ ________
February	______	$ ________
	______	________
	______	________
	______	________
	Total	$ ________
March	______	$ ________
	______	________
	______	________
	______	________
	______	________
	Total	$ ________
April	______	$ ________
	______	________
	______	________
	______	________
	Total	$ ________
May	______	$ ________
	______	________
	______	________
	______	________
	Total	$ ________
June	______	$ ________
	______	________
	______	________
	______	________
	______	________
	Total	$ ________
July	______	$ ________
	______	________
	______	________
	______	________
	Total	$ ________
August	______	$ ________
	______	________
	______	________
	______	________
	______	________
	Total	$ ________
September	______	$ ________
	______	________
	______	________
	______	________
	Total	$ ________
October	______	$ ________
	______	________
	______	________
	______	________
	Total	$ ________

Month and Day		Amount Paid
November_____		$__________
_____		__________
_____		__________
_____		__________
_____		__________
	Total	$__________
December_____		$__________
_____		__________
_____		__________
_____		__________
	Total	$__________

WHAT ARE THE DUE DATES OF OUR BILLS?

Most bills are due monthly. Therefore, it is important to know the due dates of each bill in order to assure that the bill is paid when due.

The following form is designed to let you see at a glance when each bill is due, the amount due, and the date when due.

Due Dates and Amounts of Bills to be Paid

1st-7th Day of Month

Name of Bill	Amount Due	
____________________	$ ________	
____________________	________	
____________________	________	
____________________	________	
____________________	________	
	$ ________	Total

8th-15th Day of Month

____________________	$ ________	
____________________	________	
____________________	________	
____________________	________	
____________________	________	
	$ ________	Total

16th-23rd Day of Month

____________________	$ ________	
____________________	________	
____________________	________	
____________________	________	
____________________	________	
	$ ________	Total

24th-31st Day of Month

____________________	$ ________	
____________________	________	
____________________	________	
____________________	________	
____________________	________	
	$ ________	Total

HOW MANY TIMES A MONTH SHOULD WE PAY BILLS?

The number of times you are paid monthly should help determine when you pay your bills. If you are paid weekly, you may want to pay bills weekly. If you are paid once a month, you may want to pay bills once a month. However, there may be some weeks when you have more bills due than the amount of your weekly salary.

One approach is to list each payday and set aside the day before or after as the time to pay your bills.

Another approach is to pay bills two times a month. The following form is designed for this approach. Use the headings--before and after the 15th. List bills based on the time of the month when due. Have a form for each month of the year. As each bill is paid, place a check mark ( ) beside it.

For the Month of ____________

Before the 15th

Name of Bill	Amount Due
	$
Total Due:	$

After the 15th

Name of Bill	Amount Due
	$
Total Due:	$

Miscellaneous Expenses

	$
$	Total

Monthly Income

Date of Payday	Amt. Salary
Total	$

HOW CAN WE KEEP TRACK OF THE TOTAL AMOUNT OF DEBT WE OWE AND PROGRESS TOWARD ELIMINATING DEBT?

For each debt that you have, use a separate sheet of paper or the following form. Include the name of the debt, starting balance, finance charge (if applicable), payment amount, and new balance. List each credit card account on a page by itself.

Record of Progress
for
Each Debt

Name of Debt or Bill ____________________

Date	Starting Balance	Finance Charge (If applicable)	Payment Amount	Balance
	$	$	$	$

Total Paid $__________

Now you can tell at a glance how much you still owe, and how much you have paid off. If applicable, you can determine how much you have paid in finance charges at any time during the year.

HOW CAN WE KEEP TRACK OF CONTRIBUTIONS MADE?

Record the type of contribution, amount paid, date, and check number.

Record of Progress
for
Contributions

Type of Contribution	Date	Amount Paid	Check Number
		$	

Total of Yearly Contributions $____________

WHAT SHOULD BE DONE WITH BILLS AND RECEIPTS AS THEY ARE RECEIVED AND AS THEY ARE PAID?

Some suggestions to help you and your spouse manage monthly and yearly record-keeping follow:

As bills are received--

1. Purchase two manila enveloped. Mark one the 1st of the month and the other envelope the 15th of the month. As statements arrive, place them in the proper envelope.

2. Place all bills in a shoebox, folder, envelope, etc. Refer to the due date chart to make sure they are paid as due.

3. Purchase a notebook with file pockets included. Label one pocket before 15th and one pocket after 15th. As bills arrive, place in appropriate pocket based upon due dates.

As bills are paid, there are several approaches to filing them:

1. As each bill for the month is paid, place in an envelope with the name of the month printed on it. You would have 12 enveloped at the end of the year.

2. Have an envelope for each bill. As bill is paid, place in appropriate envelope. The number of envelopes would vary depending upon the number of bills.

3. If you have some type of file cabinet, label a folder with the name of each bill; for example, Mastercharge, VISA, telephone, etc. As each bill is paid, place the receipt in the appropriate folder. Alphabetize each folder for easy accessibility. At the end of each year, you can quickly add up the total amount spent on utilities, phone bills, credit cards, etc.

Develop your own file headings using the form on the following page.

WHAT ARE OTHER TYPES OF RECORDS THAT WE SHOULD KEEP AT OUR FAMILY FINANCIAL CENTER?

Keep the following information at your financial center.

1. A list of all your credit card numbers on one page.
2. A list of your checking account numbers, savings account numbers.
3. A list of your family's social security numbers.
4. A record of major purchases, when made, amount paid.
5. Employment records.
6. Information about your home: deed, warranties, etc.
7. Personal family records about each family member.
8. Household inventory.
9. Important telephone numbers and addresses.
10. Birth certificates.
11. Income tax returns and supporting materials.
12. Equipment use-care booklets.
13. Wills.
14. Passports.
15. Bank statements, cancelled checks for current year.
16. Insurance policies--life, health, property.

Of course, it is assumed that you would keep all of your budgets and planning forms at your financial center.

EVALUATE YOUR FINANCIAL PLAN

Just as the seasons change, we change--our goals, our incomes, etc. You and your spouse should evaluate your financial plan periodically. Remember budgeting is a guideline to help you plan your expenditures, your future expectations, and current and future resources. Remember we all manage our finances. Some just manage better than others!

FINANCIAL MANAGEMENT WORKSHOP EVALUATION

April 26, 1982

Please evaluate the workshop and offer any suggestions or comments you have about the workshop.

1. Was the workshop helpful to you? Yes___ No___

2. Do you feel more in control of your monthly finances after attending the workshop?
   Yes___ No___

3. Was the packet of handouts helpful? Yes___ No___

4. Do you intend to use any of the forms presented during the workshop in managing your monthly finances?
   Yes___ No___

5. If you checked yes to the above question, check the forms below that you plan to use.

   ___goal-setting forms
   ___family-income statement
   ___fixed expense form
   ___yearly expense form
   ___flexible expense form
   ___plan for spending form
   ___family financial record for month
   ___actual daily expenses
   ___how many paydays each month
   ___due dates of bills
   ___how many times monthly to pay bills
   ___record of progress for each debt
   ___record of contributions
   ___what to do with bills as received
   ___what to do with bills as paid
   ___other records to keep

6. Of the forms listed above, circle the three that you believe will be most helpful to you and your spouse.

7. Did the class include all the information you need to know about budgeting and record-keeping?
   Yes___ No___

8. Did the workshop speaker seem to have a good understanding and knowledge of the material presented?
   Yes___ No___

9. Were the transparancies easy to read and understand? Yes___ No___

10. Were the examples given helpful in explaining the use of the forms? Yes___ No___

11. How would you rate the workshop?

Excellent___ Good___ Average___ Fair___ Poor___

Suggestions and comments:

This evaluation was completed by a wife___

a husband___

APPENDIX D

OCCUPATIONAL CLASSIFICATION SYSTEM

OCCUPATIONAL CLASSIFICATION SYSTEM

1. Higher executives of large businesses, proprietors of large businesses, and major professionals, such as doctors, dentists, lawyers, and pharmacists.
2. Business managers, proprietors of medium-sized businesses, and lesser professionals, such as nurses, accountants, and real estate brokers.
3. Administrative personnel, small independent businessmen, and teachers.
4. Sales and clerical workers, technicians, and owners of small business, such as an independent grocery.
5. Skilled manual employees, such as repairmen.
6. Semi-skilled employees and machine operators.
7. Unskilled employees.
8. Individuals who are retired, unemployed or in school full-time.

APPENDIX E

FINANCIAL-MANAGEMENT FORMS IN USE BY HUSBANDS AND WIVES

FINANCIAL-MANAGEMENT FORMS IN USE BY HUSBANDS AND WIVES

Description
"Monthly expenses are listed in the same order each month according to fixed expenses and flexible expenses with allotted amounts for each category. However, these projected amounts do not always cover expenses resulting in borrowing from one to pay another."
"Mimeographed form of all monthly expenditures plus spaces for projections and actual amounts. It also has spaces for bills that do not occur each and every month. Totals are given for projections and actual expenditures."
"Quarterly budgets by expense item showing budgeted amounts and actual and favorable and unfavorable variances."
"Purchased a budget workbook but found this to be too detailed. I work up a budget of my own."
"Budgeted income with columns for income and disbursements on each item."
"Make a yearly calendar with every payment I'm to make each month. I know exactly how much this will take, how much I put in savings each month, and how much I have left until the next pay check."
"Income and disbursement accounting system."
"A budget worksheet and planning guide from a monthly women's magazine."
"Materials I received in my consumer education course in college."
"Weekly and monthly budget. Income/expense balance sheet. I use a written plan for becoming debt-free with goals and objectives."
"I maintain aviation maintenance budget forms prepared by FAA."
"Family Seminar Christian Concepts."
"A small notebook and then a ledger book, where every item and check is posted."

"A family record book on income and spending."

"Husband has worked out a budget plan, and I let him worry with it."