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Nellie Baucom Westbrook COLLEGE COLLECTION WESTBROOK, NELLIE BAUCOM. Money Management Practices of Eighth Grade Students. (1972) Directed by: Dr. Mildred Johnson. Pp. 101.

The major purposes of this study were to identify sources of income, items purchased by eighth grade students, the extent to which students used credit, and to determine if local stores offered credit to teen-agers.

The subjects were the eighth grade students enrolled in a junior high school in May, 1969, and the credit managers of twelve selected stores, both in Greensboro, North Carolina. Of the 283 students enrolled, 254 returned useable data for a 90.07 per cent return. Only five, 41.66 per cent, of the store questionnaires were useable.

Two questionnaires, one for students and one for the credit managers, were designed to gather data related to the purposes of the study. An income-expenditure card was designed for the students to record daily income, items purchased and their costs, and savings. The data were analyzed descriptively.

The results indicate that money management knowledge and practices vary with age, sex, race, and living arrangement. Some major findings concerning teen-agers and their money were:

- 1. A majority of the eighth grade students were fourteen years of age, female, Caucasian, and lived with their mother and father.
- 2. The teen-agers received money from more than one source during the two week period. The amount ranged from

\$1.40 to \$70.00. Two-thirds of the Caucasian students received most of their money from babysitting and yard work jobs performed away from home. Negro students received most of their income from requests.

- 3. One-half of the teen-agers considered their income as "always" adequate. More Negro students, of each age, rated their income as "never adequate" when compared to other races.
- 4. Approximately one-half of the Caucasian students and one-fourth of the Negro students "always" decided how their money was spent.
- 5. More Negro students than Caucasian students recognized the family members as their major source of money management information.
- 6. Approximately one-fourth of the students used their parents' charge accounts when shopping alone, with adults, or siblings.
- 7. Of the eleven categorized items purchased by the students, Caucasian students had the highest mean expenditures for school lunch, school supplies, entertainment, grooming, and special lessons. Negro students had highest mean expenditures for snacks, clothing, transportation, and contributions.
- 8. Criteria for extending credit to teen-agers varied among stores in relation to age limits, credit limits, employment, and parental approval. Teen accounts were viewed with a moderate to high degree of enthusiasm.

### APPROVAL PAGE

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

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Oral Examination

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### ACKNOWLEDGMENTS

The writer wishes to express her appreciation to Dr. Mildred Johnson, director of this thesis, for her constant patience, guidance, and assistance throughout the research and writing of this study.

Sincere appreciation is extended to Miss Louise Lowe, Dr. Helen Canaday, and Mrs. Mary Hunter, for their assistance and cooperation in this study.

Deep gratitude is expressed to the writer's husband, children, parents, and sisters for their sacrifices and encouragement that were important to the realization of this goal.

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#### CHAPTER I

### OVERVIEW OF THE STUDY

### Importance of the Study

Changing sociological developments and values of modern society have been major factors contributing to the mushrooming teen-age purchasing power. With the increase in family and teen-age earning power, more money is available to purchase merchandise. Teen-agers are using credit buying which, to some extent, gives them buying power without ready cash. Teen-agers are also involved in decision making processes concerning major family purchases such as cars, homes, furniture, and vacations. "In a 1966 Youth Research Institute survey the influence of adolescents on car purchases alone approximated \$15 billion a year. The over-all effect of youth's persuasiveness on parents' purchases may very well hover between \$50 and \$60 billion a year." An estimated \$12 billion worth of merchandise was purchased in 1959 by teen-agers. 2 Mullin stated, in 1966, that "the annual expenditure for the age group 15 through 19 is currently

Lester Rand, "Where Teenage Money Goes," The PTA Magazine, LXI (October, 1966), p. 9.

<sup>2</sup>Ibid., p. 8.

something like \$15 billion." Rand's 1970 projections indicated that the teen population would spend \$30 billion per year. 2

Jordan and Willett emphasized that

many people seem unable to appraise money intelligently. Either they overvalue it and deny themselves conveniences they can well afford or they undervalue it and spend it carelessly for things that fail to promote their welfare. 3

The Rand Youth Polls conducted surveys of young people as consumers which showed that little long-range satisfaction is received from the billions of dollars spent. The polls showed that young people were acquiring bad spending habits that would serve them ill in the days ahead when they, as adults, would be responsible for the expenditures of the family income.4

It is believed that a study of money management practices could have implications for curriculum development in consumer education. Junior and senior high school home economics programs must be expanded to include subjects relevant to current living patterns. Canoyer was quoted as

<sup>1</sup>Dickson S. Mullin, "Do Your Students Realize How Important the Youth Market Is?", Business Education World, XLVI (May, 1966), p. 24.

<sup>2</sup>Rand, "Where Teenage Money Goes," p. 8.

<sup>3</sup>David F. Jordan and Edward F. Willett, Managing Personal Finances, (New York: Prentice-Hall, Inc., 1951), p. 1.

<sup>4</sup>Lester Rand, "Teen-Agers and Money," National Education Association Journal, LVI (May, 1967), p. 34.

having said that lack of education is the basic problem underlying "consumer problems." The Vocational Education Amendments of 1968 offered specific challenges to home economics educators to develop programs which would make a notable difference in the quality of living of individuals and families. One of the five major challenges to program planning was: "Make consumer education an integral part of the program." To meet the demands of today, consumer education must be expanded in scope and made visible as part of home economics education programs for both in-school youth and adults.

If education has a role in preparing today's youth to meet the future challenges of managing their money for greatest satisfaction, the money management practices of teen-agers should be identified as a basis for developing programs that could offer appropriate knowledge about and experiences with money management.

## Objectives of the Study

The objectives of this study were to:

1. Determine sources of income among eighth grade boys and girls.

<sup>&</sup>lt;sup>1</sup>Eleanor Adams, "Guiding the New Consumer," <u>Practical</u> Forecast, X (September, 1964), p. 84.

<sup>&</sup>lt;sup>2</sup>Mary Lee Hurt and Margaret Alexander, "New Challenges for Home Economics Educators," <u>Journal of Home Economics</u>, LXI (December, 1969), p. 773.

- 2. Determine whether there were any relationships among the amount of money teen-agers receive when compared by age, race, sex, and living arrangement.
- 3. Identify items purchased by teen-agers and the extent to which the items differed in relationship to sex, race, age, and living arrangement.
- 4. Determine the extent to which eighth grade teenagers used credit for purchases when shopping with or without parental or adult assistance.
- 5. Determine whether selected stores in Greensboro, North Carolina, offered credit to teen-agers.

The information obtained from this study could be of value to home economics teachers, teacher educators and state supervisors of home economics when planning and developing curriculum materials appropriate for various levels of instruction.

## Assumptions

Three basic assumptions were made pertaining to this study.

- 1. Eighth grade students would be willing to cooperate in a study concerning their money management practices.
- 2. Credit managers of local stores would be willing to provide information concerning store policies and experiences with teen-age credit accounts.
- 3. Students attending Aycock Junior High School were typical of students attending junior high school.

## Design Procedure

Two questionnaires were developed to obtain data related to the objectives of the study (Appendix A & B).

The first questionnaire was developed to determine the money

management practices of eighth grade students. The general categories of information requested were: (1) personal-age, sex, race, living arrangement; (2) family-siblings, parents' educational level, marital status, income range, age, employment conditions and occupation; (3) money experiences-sources of income, plans, records, and savings; (4) credit experiences. The second questionnaire was designed to obtain information regarding store policies in relation to teen-age credit. The general information requested was: (1) the extent to which credit was offered; (2) store policy in relation to requirements of teen-agers who open accounts; (3) opinions about teen charge accounts; and (4) experiences with teen accounts.

An income-expenditure card was designed to obtain the following information from the students: (1) daily record of income; (2) daily record of each item purchased and each cost; and (3) daily savings (Appendix C).

In May, 1969 the eighth grade students at Aycock
Junior High School in Greensboro, North Carolina, recorded
all sources and amounts of income for a period of two weeks.
The students also recorded all expenditures including amounts
and items purchased for the same period of time. Any savings
were also recorded. The eighth grade home room teachers
administered the student questionnaires in June, 1969 after
the income-expenditure cards were completed and returned.

Procedural steps for issuing the income-expenditure cards and administering the student questionnaires to the subjects were a part of teacher preparation. The questionnaires, income-expenditure cards, cover letters to students and parents explaining the purpose of the study, and student directions sheet were issued by each of the ten home room teachers.

The questionnaire designed to obtain information regarding store policies, cover letter explaining the purpose of the study, and stamped self-addressed envelope were mailed to the credit managers of twelve stores in Greensboro, North Carolina. The questionnaires were completed and returned to the researcher.

The data secured from the students and the credit managers were coded and analyzed descriptively.

## Limitations of the Study

The following limitations were stated in relation to the study:

- 1. The study was limited to the eighth grade boys and girls attending Aycock Junior High School, Greensboro, North Carolina, in May, 1969.
- 2. Only twelve selected stores in Greensboro were contacted concerning credit policies for teen-agers.

### Definition of Terms

Throughout this study students were referred to as "Caucasian" and "Negro" rather than white and black.

#### CHAPTER II

#### REVIEW OF LITERATURE

Satisfactions in life are often paralleled with materialistic gains. Emphasis is placed on gaining an education for the money involved in the potential earning capacity rather than for the ability to reason and to gain knowledge for self improvement. The average American family has given up production of most items of food, clothing, and other things that were once produced and prepared in the home. The technical and scientific progress opened avenues to more earning power and buying power. Hardwick said, "Most of our childhood and early adulthood is spent in learning how to earn more money to make a better living."

A survey of literature and resource material related to teen-age money management and consumer education revealed that much has been written on what and how to teach the subject, how to manage money, problems resulting in management failure and what is being done to improve teen-age consumerism. However, research related to money management practices of teen-agers was limited. The review of literature which follows is divided into two sections. The first section is

<sup>&</sup>lt;sup>1</sup>C. T. Hardwick, "Consumer Education in the Twentieth Century," Balance Sheet, XLVIII (September, 1966), p. 13.

concerned with money management and consumer education in general, and the second section is limited to research studies of teen-age money management practices.

## Money Management and Consumer Education

In 1950 the teen-age market was virtually non-existent. It involved such items as candy, ice cream, comic books, and small-ticket items like pens, watches, and costume jewelry. Rand's 1970 projections indicated that the teen population would cross the thirty million mark and that spending would be \$30 billion per year. This compares with \$12 billion in 1959 and \$7 billion in 1953.

The financial philosophy of teen-agers seemed to center in the belief that the economy would continue at a high level and that jobs would always be plentiful. Their savings were geared toward immediate goals. Because of the affluence of the society, families have provided the basic necessities, leaving teen-agers free of pressures to postpone gratification of wants or to save for the future. Despite the large amounts of money spent by teen-agers, few have had any real experience in managing money or making systematic plans to spend it.<sup>2,3</sup> Merrmann also stressed that "the

<sup>1</sup>Rand, "Where Teenage Money Goes," p. 8.

<sup>2</sup>Rand. "Teen-Agers and Money," p. 34.

<sup>&</sup>lt;sup>3</sup>Robert O. Merrmann, "Economic Problems Confronting Teen-Age Newlyweds," <u>Journal of Home Economics</u>, LVII (February, 1965), p. 96.

financial problems facing teen-age marriages are so numerous and so complex that even well-prepared and well-informed teen-age couples may find them almost over-whelming." The teen-ager needed guidance to control his drives to be independent, peer influences, family influences, advertising media which was geared more toward him, and the decisions he made about spending money.

This clearly pointed up the need for some criteria by which the young consumers could be helped to appraise, select, and use information, products, and services to their best advantages. Canoyer was quoted as having said that lack of education was the basic problem underlying "consumer problems." Consumer education as a course of study has basically been nonexistent. New York led all other states in the number of consumer courses taught during the 1970-71 school year. About 400 schools offered courses in consumer education. Illinois and Hawaii had set up statewide plans for consumer education, but the plans had not been entirely implemented. Other states had attempted to incorporate consumerism into home economics classes.

Authoritative people in government, private agencies, and education have noted the need for consumer education and

<sup>1</sup>Ibid., p. 97.

<sup>&</sup>lt;sup>2</sup>Eleanor Adams, "Guiding the New Consumer," <u>Practical</u> Forecast, X (September, 1964), p. 84.

<sup>3</sup>Roger R. Morris, "Teaching Survival in the Sales Jungle," American Education, VII (April, 1971), p. 31.

men, the White House, and consumer groups included: (1) an agency for consumers called Consumer Protection Agency; (2) reestablishment of the National Commission on Product Safety; (3) a permanent Office of Consumer Affairs in the White House; (4) new rules against makers and sellers of faulty goods to help shoppers take action in court; (5) improved warranties; (6) increased shopping information such as unit pricing, dating of perishable products, and performance life of home appliances; (7) change and reform of consumer education, credit, energy and natural resources, food and marketing, and pricing and labeling. 1

Early in 1971 Consumers Union accepted a \$250,000 grant from the United States Office of Education to research and compile teaching materials and techniques for consumer education that would cover the full educational range from preschool to adult. The 1968 Amendments to Vocational Education provided for increased grants to expand and redirect consumer and homemaking education programs in the individual states. In May, 1968 Congress passed the Truth-in-lending Bill. Officially known as the Consumer Credit Protection

l"New Congress Considers Consumers," Changing Times,
XXV (April, 1971), p. 6.

<sup>2&</sup>quot;Once Over," Consumer Reports, XXXVI (March, 1971), p. 132.

<sup>&</sup>lt;sup>3</sup>Mary Lee Hurt and Margaret Alexander, "New Challenges for Home Economics Educators," Journal of Home Economics, LXI (December, 1969), pp. 23-25.

Act, the law "is regarded by supporters as one of the strongest consumer protection measures in recent history."

If consumer problems and complaints are to be solved incidents that lead to problems must be prevented. Rothschild, who taught a law course called Problems of the Consumer at George Washington's National Law Center, established the Consumer Protection Center at the school in February, 1970. Rothschild became aware of the level of consumer frustration during his 13 years in corporate management and felt it obvious that legal institutions did not afford consumers any real sort of protection. Two objectives of the Consumer Protection Center were to help the individual consumer in his time of need and to teach him to avoid future crises. Fourteen law students worked with pupils in seven secondary schools in the consumer teaching project in Washington, D. C. Discussions included misleading advertisements, mail solicitations, bait-and-switch tactics, and pitfalls of legal contracts and what to look for before signing them. Tentative conclusions drawn as a result of the work with the students included:

- 1. Legal knowledge is important in consumer education courses.
- 2. The students who most need consumer education are often the last to receive it.

<sup>1.</sup> David Satlow, "Consumer Economics," Business Education World, XLIX (April, 1969) p. 21.

- 3. Although secondary school students should be the immediate target, continuing adult education is important.
- 4. The teaching emphasis should be on preventive and not remedial actions.

Lincoln High school in Yonkers, New York provided a consumer education course for its students that one federal official called "probably the most wide-ranging and interesting program in the United States." Lincoln High offered a three-pronged program: (1) a year's elective course in consumer education open to all students; (2) a series of highly practical assemblies in which experts dealt with such subjects as buying a car, health care, safety, and consumer frauds; and (3) an integrated program throughout the entire curriculum, from the seventh grade through the twelth.

Typical areas studied were: cost of credit; best buys; chicanery and exploitation; wheels and deals; and pros and cons of advertising. A wide range of advertising media, observations, and experiences were used in the program.

The idea that consumer education should be available to the low-ability students is generally accepted. Through the years, only the best students have enrolled in the economics courses; yet, it is usually the poorer, less

<sup>&</sup>lt;sup>1</sup>Morris, "Teaching Survival in the Sales Jungle," pp. 29-30.

<sup>&</sup>lt;sup>2</sup>Paul Friggens, "They Teach Teenagers Where Their Money Goes," The PTA Magazine, LXII (May, 1968), pp. 2-4.

intelligent student who will get into immediate hassles with buying as soon as he gets out of high school. 1,2,3,4

### Money Management Practices of Teen-agers

Many factors influence teen-age spending and saving practices. Relatively few teen-agers have had any real experience in managing money or making systematic plans to spend money. A nationwide survey of 51,968 students in home economics classes, grades 7 through 12, revealed that only 40 per cent had a plan for spending money and only 19 per cent kept a record of the money spent. A similar study was conducted in South Carolina in 1961. The survey of 12,317 white students in grades 7, 9, and 12 revealed that

as the students progressed in school they were more likely to engage in the intellectual activities of thinking about how to use money to get the most out

<sup>&</sup>lt;sup>1</sup>Morris, "Teaching Survival in the Sales Jungle," p. 30.

Fred Humphrey, "In Consumer Economics, Give Me the Low-Ability Student," Business Education World, XLVII (October, 1966), pp. 18-19.

<sup>&</sup>lt;sup>3</sup>Evelyn Brunson, "Economics--From the Cradle to the Grave," The Balance Sheet, XLVII (January, 1966), p. 204.

<sup>4</sup>Gwendolyn Newkirk, "Consumer Emphasis in Homemaking Programs," Consumer and Homemaking Education, (Washington, D.C.: American Home Economics Association, 1971), p. 43.

<sup>5</sup>Mary Lee Hurt, "Teen-Agers and Their Money." A national study of students enrolled in home economics classes, grades 7-12, conducted by the Department of Home Economics, National Education Association, Washington, D. C., 1961, p. 5.

of life and planning and following a plan. There was no comparable increase in the proportion engaging in the more concrete tasks of saving and keeping a record of expenditures.

Phelan and Schveneveldt found a large number of variables which were independent of the spending and saving patterns of adolescents in a study of siblings as perceived by the siblings and their mothers. 2 The 30 pairs of siblings in the urban group and the 20 pairs in the rural group totaled 41 males and 59 females and ranged in grade level from seven to eleven. The urban group had a bias toward the upper-middle social class while the rural group had a bias toward the lower social class. The variables found to be independent of spending and saving patterns were: (a) rural or urban residence, (b) sex, (c) number of siblings, (d) employment status of the mother, (e) occupation of the mother, (f) main source of spending money, (g) amount of weekly spending money. (h) largest amount of money ever saved, (i) cost of the most expensive item ever bought with own money, (j) proportion of spending money earned by the adolescent, (k) familial expectations concerning the use of spending money. (1) who determines the amount of money to be received, and (m) enrollment in money management courses. The seven

<sup>1</sup>Kathryn Summers Powell and David A. Gover, "The Adolescent as a Consumer: Facts and Implications," Journal of Marriage and the Family, XXV (August, 1963), p. 361.

<sup>2</sup>Gladys K. Phelan and Jay D. Schvaneveldt, "Spending and Saving Patterns of Adolescent Siblings," <u>Journal of Home Economics</u>, LXI (February, 1969), pp. 106-107.

variables found to be significantly related to spending and saving patterns were: (a) social class, (b) age, (c) ordinal position in the family, (d) father's occupation, (e) mother's educational attainment, (f) amount of supervision received, and (g) perceived difficulty in saving money from one week to the next.

A nationwide survey conducted by <u>Scholastic</u> magazine in 1962 estimated that during the previous 15 years, the pocket money of junior and senior high school students had increased a startling 300 per cent, from \$2.50 to \$10.00 weekly. A second national study conducted in 1961 by the Department of Home Economics, National Education Association involved students enrolled in grades seven through twelve. It was found that the amount of income a student received per week varied from one grade level to another. The range of income received per week by grade level was: grade 7-\$.30 to \$8.50; grade 8--\$.40 to \$9.50; grade 9--\$.75 to \$9.65; grade 10--\$.90 to \$8.50; grade 11--\$1.65 to \$14.50 and grade 12--\$1.65 to \$19.50.2

Rand's survey indicated average weekly incomes for boys and girls in the 13 to 15 age group as \$5.05 and \$5.15

<sup>1&</sup>quot;Teenage Dollars Need Direction: 22½ Million 'New Consumers' Spend \$11 Billion Yearly," Teaching Topics, XIV (Fall, 1964), p. 4.

<sup>2</sup>Hurt, "Teen-Agers and Their Money," p. 6.

respectively. In 1963 the teen-ager was reported to have a national average income of \$489 annually, or about \$9.45 per week. In a study conducted by Lee in 1967 it was found that teen-agers received more money per week during summer months than during the school months. Of the 334 pupils, 204 received \$2.00, 84 received from \$.00-4.00, and 46 received more than \$4.00 during school months. During summer months 123 received up to \$2.00, 92 received \$2.00-4.00, and 119 reported more than \$4.00 a week. Twenty-eight boys and five girls received \$10.00 or more per week in the summer. 3

In the study conducted by <u>Scholastic</u> magazine students reported that their income came from the following sources:

49% - Regular allowance

48% - Earned in part-time job outside home

33% - Received odd amounts from parents 18% - Earned doing special jobs at home.4

The findings in Lee's study differed from those of the Scholastic study. The sources of income were: iregular earnings, 72 per cent; gifts of money, 68 per cent;

<sup>1</sup> Rand. "Where Teen-age Money Goes," p. 10.

<sup>2&</sup>quot;Teenage Dollars Need Direction," p. 4.

<sup>&</sup>lt;sup>3</sup>Jean Hanson Lee, "Financial Practices and Concerns of Iowa Junior High School Pupils," (unpublished master's thesis, Iowa State University, 1967), pp. 63-64.

<sup>4&</sup>quot;Teenage Dollars Need Direction," p. 6.

irregular amounts given by parents, 50 per cent; irregular earnings from parents, 48 per cent; and allowance, 44 per cent. 1 The Department of Home Economics study found a higher percentage of the students indicated that money was earned rather than obtained from other sources, except in the ninth and tenth grades, where a higher percentage of students obtained money by asking their parents for it. Alarger percentage of the twelfth grade (64 per cent) earned money, while half of the seventh grade also earned money. Fewer of the ninth and twelfth grade students, than students in other grades, received allowances from their parents (40 and 39 per cent). 2 Paolucci and Thal noted that teen-age boys preferred to earn their money while girls preferred to ask for money as they needed it. 3 A South Carolina poll of teenagers in grades 7, 9, and 12 revealed that over one-half of the respondents received money from their parents with no work required. Additionally, from 22 to 50 per cent at each grade level received money for work done at home. From 30 to 55 per cent of the boys and 15 to 30 per cent of the girls earned money in jobs outside the home.4

Lee, "Financial Practices of Iowa Pupils," p. 63.

<sup>&</sup>lt;sup>2</sup>Hurt, "Teen-Agers and Their Money," p. 3.

Beatrice Paolucci and Helen Thal, Youth and Money, (Washington, D. C., National Education Association, Department of Home Economics, 1964), pp. 7-8.

<sup>4</sup>Powell and Gover, "Adolescent as Consumer," p. 360.

In a survey of low-income families, a sample of 610 teen-agers were selected from six counties in southern Illinois which were classified as depressed areas, meaning that 4 per cent or more of the population were unemployed. Of those teen-agers, 252 were boys and 358 were girls ranging in age from 14 to 18. The purpose of the study was to investigate money management practices of teen-agers from low-income families, and to extend the knowledge of how those teen-agers got their money, their information about money and how it was spent. The findings indicated that teen-agers got their money from a variety of sources. Sixty-nine per cent of the respondents reported no allowance, while 31 per cent reported either a weekly, daily or monthly allowance. Thirty-three per cent of the teen-agers worked every day for money while 56 per cent worked during school vacations. Only 2 per cent worked occasionally.

Some interesting facts were found in the review of the literature about the items for which teen-agers spent money. For instance, in the national study of students by Hurt in 1961, the item most often purchased, on all grade levels, was "gifts for the family." In decreasing order of items for which money was spent were: fun; articles of clothing--both small and large; grooming supplies; snacks;

Anna Carol Fults and Michael Zunick, "Money Management Practices of Teenagers from Low-Income Families,"

Journal of Home Economics, XLIX (January, 1967), pp. 45-47.

books; car expenses; and food for the family. Less than half of the students put any money into savings. 1

Gilbert Youth Research Organization broke down the dollar expenditures by sex. Boys' and girls' largest expenditure was for school lunch. The second largest expense for boys was sports and for girls it was clothing and jewelry. Dates, snacks, movies and records were more equalized expenditures for boys with each getting about 10 cents of every dollar, while girls spent approximately the same amounts on movies and records, savings, school supplies and others. Boys spent 7 cents of every dollar on clothing and savings while girls spent 7 cents of every dollar on grooming. The remaining 24 cents of every dollar were spent on school supplies, reading, gas, hobbies, grooming, and others by the boys. Girls spent the remaining 19 cents of every dollar on reading, snacks, sports, and hobbies.<sup>2</sup>

In the study of low-income families in Illinois, the teen-agers reported spending two dollars or more a week of their own money on hobbies, school lunches, entertainment, and clothing, while spending less than a dollar on such items as school supplies, church, and grooming. They spent a dollar or more, but less than two dollars on snacks and

<sup>1</sup>Hurt, "Teen-Agers and Their Money," p. 3.

<sup>2&</sup>quot;Teenage Dollars Need Direction," p. 5.

dates. Twenty-two per cent of the teen-agers reported saving money regularly, 67 per cent sometimes, and 11 per cent never. 1

Lee concluded that from 50 to 60 per cent of the pupils reported that parents paid for items of food, school expenses, and clothing and grooming. Thirty-seven per cent of parents paid for personal property of the pupils. The majority of the pupils used their own money or allowance for dues, contributions, gifts, and savings. Forty-six per cent of the pupils used their own money for fun, and 23 per cent used their own money for clothing and grooming.<sup>2</sup>

With credit so readily available, teen-agers have been exposed to credit buying both from parent's experiences as well as their own. From a survey of research materials, it can be assumed that teen-agers have used credit to some extent.

A study of teen charge accounts in Massachusetts in 1960 revealed that forty per cent of the teen-agers in the study had charge accounts. It must be noted that the 52 teen-age girls sampled were not representative of the population as all were students at a city girls' trade school. Of the 52 girls, 21 had charge accounts. Of the remaining 31 girls, seven wanted a charge account, 12 did not want

lFults and Zunick, "Money Practices of Low-Income Families," p. 46.

<sup>2</sup>Lee, "Financial Practices of Iowa Pupils," p. 64.

one, and 10 did not know. Thirty-seven felt the charge account experiences were good in learning to handle money. Forty-four per cent of the 52 stores interviewed carried teen accounts. All of the stores had started teen accounts within the past three years except for one that had offered teen accounts five years. No store opened an account to a teen-ager under 14 years of age. The greatest percentage of the stores limited the accounts to not more than \$25 to \$35. Half of the stores checked the credit rating of the family before opening the account and all except 7 stores had a parent co-sign, but none reported difficulty in collecting teen accounts. Reasons accounts were opened by stores were: request of teen-agers, to get business, educate the teen-ager to go to the store, practice of other stores, and parents! request. A majority of the stores answered that "teen-agers know 'some,' 'very little,' or 'nothing' about credit."1

Lindsay concluded in the study of a selected group of single high school senior girls in Utah that:

- 1. Student credit users had
  - a) higher weekly income
  - b) more in savings accounts from summer employment
  - c) parents with a higher level income than did the noncredit users.
- Use and payment of retail credit transactions by teen-agers were influenced by the level of their weekly income.

Winifred Eastwood, Barbara Higgins, Helen Roberts, and Shirley Weeks, "Teen-Age Credit Accounts," Journal of Home Economics, LIII (October, 1961), pp. 664-666.

- 3. Parent's annual income had no statistically significant relationship to teen-age use of retail credit and teen-agers' responsibility for payment of their retail credit transaction.
- 4. Charge accounts were available and used by teen-agers.
- 5. Knowledge of retail credit transactions by teenagers was limited. 1

The purpose of Smith's study was to investigate the use of teen-age clothing credit. Questionnaires were mailed to 60 credit managers of retail and apparel stores in cities east of the Mississippi River. The Mason-Dixon line was used as the dividing line between the northeastern and southeastern states. The investigator believed that prevalence or restriction of teen-age clothing credit buying would be largely dependent upon location of the city in which the teen-ager resided. Tabulated data from the questionnaires indicated that:

- Teen-age credit plans were offered to a greater extent in the southeastern stores than in northeastern stores.
- Very little interest was shown in opening teenage accounts if the store did not already have them.
- 3. Most of the stores indicated a requirement of earning capacity or employment of a teen-ager before he could open a charge account.

<sup>&</sup>lt;sup>1</sup>Shirley Ann Lindsay, "Use, Payment, and Knowledge of Retail Credit Transactions by a Selected Group of Single High School Senior Girls," (unpublished master's thesis, Utah State University, 1966), p. 33.

- 4. Most of the stores required parental approval to open an account, but not all of them expected parents to pay accounts not paid by the teenager.
- 5. The ages most often specified as a minimum age required to open an account were 16 and 18.
- 6. The proportion of total credit customers which the teen-ager represented ranged from 0 to 5 per cent.
- 7. The ceiling price set by stores for teen-age accounts ranged from \$25 to over \$50, with a carrying charge of 12 per cent.
- 8. Problems connected with delinquent accounts were believed to be less prevalent for this age group than for adult groups.1

The review of literature indicated that teen-agers have money, but in varying amounts; spend their money mostly on items for immediate satisfactions; obtain their money from a variety of sources; use credit to some extent; and have limited plans and records of their money management practices. It was apparent that experts in the field agree on the importance of money management and consumer education.

<sup>1</sup>Sylvia Tyree Smith, "Teen-Agers Are New Credit Customers," <u>Journal of Home Economics</u>, LVII (February, 1965), p. 139.

#### CHAPTER III

#### STUDY DESIGN

The purpose of this study was to determine sources of income, identify items purchased by eighth grade students, and the extent the students used credit. It was also undertaken to determine whether age, race, sex, and living arrangement had any relationship to income and items purchased by the eighth grade students. Another purpose of this study was to determine if local stores offered or would offer credit to teen-agers.

## Participants

The major part of the study was conducted at Aycock Junior High School in Greensboro, North Carolina. All students had an opportunity to select the school that they attended under the "freedom of choice" school enrollment plan. The students represented a cross section of socioeconomic levels. Of the 283 teen-agers enrolled in the eighth grade during May, 1969, 67.01 per cent were Caucasian, 32.67 per cent were Negro and 0.32, other.

The twelve stores included in the study were chosen because of their popularity among teen-agers in Greensboro. Four large department stores and four large discount stores were included. One ladies clothing store and three jewelry stores comprised the remaining four stores in the study.

### Procedure

Permission was obtained from Mr. Robert A. Clendenin, principal of Aycock Junior High School, to conduct the money management practices study. The 283 teen-agers enrolled in the eighth grade at Aycock Junior High School were each given two income-expenditure cards and a questionnaire to complete for this study. Questionnaires were mailed to the credit managers in the chosen stores in Greensboro.

The researcher met with all eighth grade home room teachers prior to the day that the questionnaires were administered to the students. Directions for administering the questionnaires were carefully explained and questions were answered. A set of directions was also included with each set of student materials.

During the homeroom period of May 13, 1969, the ten home room teachers gave each student a prefolded income-expenditure card, a cover letter addressed to students and parents explaining the purposes of the study, and a sheet of student directions for completing the income-expenditure cards. One week later the teachers collected the cards and issued the income-expenditure cards for the second week. The second set of cards was collected May 27. During an extended home room period June 4, 1969 the students were asked to check responses or supply the needed information for each of the twenty-five items in the questionnaire. For identification purposes in matching the income-expenditure

cards and questionnaires, each home room teacher was assigned a letter of the alphabet and each student in each home room was assigned a number. Consequently, each card and questionnaire showed a letter and number identification such as A-3, G-28, and C-15. Of the 283 questionnaires and income-expenditure cards issued to the students, 13 were lost and 14 were not complete and had to be eliminated. The 254 completed and returned questionnaires and income-expenditure cards gave a 90.07 per cent usuable return.

On August 1, 1969 a questionnaire, self-addressed stamped envelope and cover letter explaining the purpose of the study were mailed to the credit manager of each of the twelve stores. Of the questionnaires mailed to the twelve credit managers of local stores, eight were returned. Two of the returned questionnaires indicated that the stores did not offer credit to teen-agers, and one respondent returned the questionnaire unanswered. Five, 41.66 per cent, of the respondents returned the questionnaires indicating that the stores whom they represented offered credit to teen-agers.

## Instruments

A review of available literature was used in designing a questionnaire to use with the students that would meet the first four objectives of the study. The questionnaire consisted of 25 statements about the teen-ager, family, money experiences, and credit experiences. In 24 of the

statements, students were requested to check the appropriate response(s) to their own situation. The checked items were: age, race, sex, living arrangement, sibling arrangement, parents' ages, highest educational level attained by parents, full or part-time employment conditions of parents, approximation of yearly family income, sources of personal income, jobs at which students earned money, adequacy of money handled by students, plans and records of money spent, savings accounts, family charge accounts, teen-agers' use of charge accounts, the degree to which students and parents decided how the students should use their money, where students learned about managing money, and students' need to learn about money management. The students wrote the parents occupation in the blank provided below the employment statement. The students were requested to list any items purchased on a charge account also.

The income-expenditure card was designed for the teen-agers to record daily income and purchases. It was divided into eight parts--four on each side. One part was for identification and directions. The other seven parts were further divided into space for recording income, space to record items purchased and their costs, and a space to record any savings. Two cards were completed at the end of two weeks by each student.

The second questionnaire was designed to gather data from the credit managers about store policies concerning

teen-age credit and to meet the fifth objective of the study. The questionnaire contained twenty items about credit offerings, requirements, experiences, and opinions related to teen charge accounts. Responses could be made by placing a check in the appropriate blank at the end of each item. The first three questions pertained to whether or not credit was offered to teen-agers. Only those stores who offered credit were to complete the remainder of the questionnaire. Data collected from the credit managers of the stores where teen charge accounts were offered were: earning capacity required, parental approval, if parents pay when teen-agers do not, minimum age, percentage of credit customers represented by teen-agers, type of accounts extended, maximum ceiling price permitted, problems, number of years credit had been offered, credit checks, reasons for opening accounts, rating of enthusiasm toward teen-age accounts, issuing educational materials, and interest charges.

### Analysis of Data

The questionnaires and income-expenditure cards were coded and the data were analyzed descriptively. For the purpose of coding purchases made by the teen-agers, categories were determined from the purchases indicated on the income-expenditure cards. Those categories were: snacks; transportation; contributions; clothing, accessories and upkeep; school lunches; school supplies; entertainment;

grooming supplies; special lessons; gifts; and money given away. Income for the two weeks period of time were totaled for each teen-ager and coded. Savings also were totaled and coded.

For the purpose of coding occupations of fathers and mothers as listed by the students on the questionnaires, categories were taken from the United States Department of Commerce, Bureau of the Census. For the father's occupation, categories were: professional; manager, owner, official; clerical and office work; salesman; operative; private household worker; nonfarm laborer; foreman or supervisor; and technical. For the mother's occupation, categories were: clerical, sales, professional, domestic or private household worker, operator in industry, manager, official, proprietor, and unskilled.

<sup>1</sup>U. S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States, (Washington, D. C.: Government Printing Office, 1961), p. 322.

#### CHAPTER IV

#### ANALYSIS OF DATA

The major objectives of this study were: (1) to determine sources of income among eighth grade boys and girls; (2) to determine whether there were any relationships among the amount of money teen-agers received when compared by age, race, sex, and living arrangement; (3) to identify items purchased by teen-agers and the extent to which the items differ in relationship to sex, race, age, and living arrangement; (4) to determine the extent to which eighth grade teen-agers used credit for purchases when shopping with or without parental or adult assistance; and (5) to determine whether selected stores in Greensboro, North Carolina, offered credit to teen-agers. Two questionnaires and an income-expenditure card were developed to obtain the needed information for this study.

The eighth grade home room teachers administered the one questionnaire to their respective home room students and issued two income-expenditure cards to each student. The data for this study were obtained from 254 of the 283 eighth grade students at Aycock Junior High School, Greensboro, North Carolina. The second questionnaire was mailed to the

credit managers of twelve stores selected for this study. The data obtained were analyzed and presented as follows:

- 1. A description of the eighth grade students in terms of age, race, sex, living arrangement, siblings, parents' age, highest level of education attained by parents, employment status of parents, sources of personal income, adequacy of income, sources of information on money management, decisions about spending money, and use of charge accounts.
- 2. The relationship of age, sex, race, and living arrangement to the amount of income received, the amount of income saved, and amount of income spent and the items for which the income was spent.
- 3. The extent to which selected stores offered credit will be described.

### Age, Race, and Sex of Students

When categorized according to age, 63 students were thirteen years of age, 160 students were fourteen years of age, and 31 students were fifteen years of age (see Table 1). There were 168 Caucasian students, 78 male and 90 female; and 84 Negro students, 40 male and 44 female. Two students were of other races. Of the 254 students, 136 were female and 118 were male.

TABLE 1

NUMBER OF STUDENTS ACCORDING TO RACE
AND SEX IN RELATION TO AGE

Age Caucasian Male Fema			Ne	gro	Ot	Other		
	Female	Male	Female	Male	Female			
13	25	25	5	7	0	1	63	
14	38	56	32	34	0	0	160	
15	15	9	3	3	0	1	31	
Total	78	90	40	44	0	2	254	

### Living Arrangement

One hundred fifteen, 67.77 per cent, of the Caucasian students and fifty-nine, 71.10 per cent, of the Negro students lived with their mother and father (see Table 2). Thirty-two students, 19.18 per cent of the Caucasian students and 10 students, 12.05 per cent, of the Negro students lived with their mother. A few students indicated other living arrangements.

### Number of Siblings

Approximately one-half of the eighth grade students had younger brothers and older brothers, 56.30 per cent and 46.85 per cent respectively (see Table 3). Less than one-half, 41.73 per cent, of the students had younger sisters, and one-third, 33.86 per cent, had older sisters. A few of

TABLE 2

NUMBER AND PERCENTAGE OF RESPONSES TO LIVING ARRANGEMENT OF EIGHTH GRADE STUDENTS BY RACE

Live with	Caucasian No. %			gro	Other			
	No.	%	No.	%	No.	%		
Mother and Father	114	67.66	60	71.10	2	100.00		
Father	3	1.79	1	1.20				
Mother	32	19.18	10	12.05				
Grandparents	3	1.79	3	3.61				
Father and Stepmother	0		2	2.41				
Mother and Stepfather	15	8.98	4	4.82				
Foster Parents	1	0.60	1	1.20				
Other	0		3	3.61				

TABLE 3

NUMBER AND PERCENTAGE OF EIGHTH GRADE

STUDENTS WHO HAD SIBLINGS

Sara ratures, 52.42	Eighth Grade	Students (254)
Siblings	Number	Percentage
Younger brother(s)	143	56.29
Older brother(s)	119	46.85
Younger stepbrother(s)	1	0.39
Older stepbrother(s)	9	3.54
Younger sister(s)	106	41.73
Older sister(s)	86	33.86
Younger stepsister(s)	3	1.18
Older stepsister(s)	11	4.33
No siblings	11	4.33

Mother

the students had stepbrothers and stepsisters. Eleven students had no brothers or sisters.

### Age Range of Parents

More fathers, 62.71 per cent, were within the range of 36 to 45 years of age while more of the mothers, 59.45 per cent, were between the ages of 31 and 40 (see Table 4). Fathers tended to be older than the mothers. Ages were unknown for four mothers and four fathers. Three fathers and two mothers were deceased.

### Educational Attainment of Parents

The students were requested to indicate the highest level of education completed by each of their parents. Almost one-half, 45.30 per cent, of the students indicated that their fathers had completed high school or a higher level of education (see Table 5). More than one-half, 52.76 per cent, of the students indicated that their mothers had completed high school or a higher level of education. More fathers, 54, than mothers, 45, reached an educational level beyond high school graduation. Approximately one-third of the fathers and mothers, 33.05 per cent and 32.28 per cent respectively, did not complete high school. Some students did not know the highest educational level completed by their parents.

TABLE 4

NUMBER AND PERCENTAGE OF FATHERS AND MOTHERS WITHIN EACH AGE RANGE

		er's Age 254)	Mother's Age (254)			
Age Range		Percentage	Number Percent			
25 - 30	4	1.57	23	9.06		
31 - 35	36	14.17	92	36.22		
36 - 40	80	32.40	59	23.23		
41 - 45	77	30.31	47	18.50		
46 - 50	32	12.50	21	8.28		
51 - 55	14	5.51	6	2.36		
56 and over	2	0.79	0	0.00		
Deceased	3	1.18	2	0.79		
Not reported	4	1.57	4	1.57		

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TABLE 5

NUMBER AND PERCENTAGE OF FATHERS AND MOTHERS ACCORDING TO LEVEL OF EDUCATION COMPLETED

Level of Education Completed	F Number	ather (254) Percentage	Mother (254) Number Percentage			
Some Grade School	18	7.08	9	3.54		
Completed Grade School	8	3.14	14	5.51		
Some High School	58	22.83	59	23.23		
Completed High School	61	24.06	89	35.04		
Vocational or Business School	2	0.78	11	4.33		
Junior College	0	0.00	3	1.18		
Some College	15	5.90	6	2.36		
Graduated from College	31	12.20	22	8.68		
Master's Degree	3	1.18	2	0.78		
Completed Doctor's or Professional Degree	3	1.18	1	0.39		
Don't know	55	21.65	38	14.96		

### Employment Status of Parents

An attempt was made to ascertain the income level of the parents, but it was found that only 20.72 per cent of the Caucasian students and 24.08 per cent of the Negro students know the approximate annual income level of their families. Therefore, it did not appear feasible to study this factor.

Twenty-five Caucasian students and 17 Negro students indicated that their families had an unemployed income (see Table 6). Social Security was the unemployed income source for 25 families.

TABLE 6
UNEMPLOYED FAMILY INCOME IN RELATION TO RACE

Unemployed Income	0.1000	casian = 25 Percentage		legro = 17 Percentage
Welfare	3	1.78	0	0.00
Pension	6	3.55	3	3.61
Social Security	13	7.69	12	14.46
Other	3	1.78	2	2.41

More than one-half, 56.60 per cent of the Caucasian students' mothers and 62.76 per cent of the Negro students' mothers, were employed either full-time or part time (see Table 7). There were seven Caucasian students who indicated

TABLE 7
EMPLOYMENT STATUS OF EIGHTH GRADE STUDENTS! MOTHERS

Employment	No.	casian %	Negro No. %		No.	her %
Homemaker	65	38.56	24	28.82		
Full-time Employment	75	44.66	39	45.89		
Part-time Employment	20	11.94	14	16.87	1	50.00
Homemaker and Earns money at home	7	4.24	3	3.61	1	50.00
Unknown	0	0.00	3	3.61		
Deceased	1	0.60	1	1.20		

that their mother earned money at home and three Negro students who indicated that their mother earned money at home.

The students were requested to state the occupations of their mothers and fathers. The occupations cited were coded according to the categories used by the United States Department of Commerce, Bureau of Census. Forty-one of the eighth grade students' mothers were employed as operators in industry, 24 were clerical employees, 17 were unskilled workers, and 12 were categorized as professionals (see Table 8). Forty-eight students did not report their mothers' occupation. Seventy-two, 40.83 per cent, of the Caucasian mothers and twenty-seven, 32.53 per cent, of the Negro mothers were not employed away from home.

TABLE 8

NUMBER AND PERCENTAGE OF MOTHERS EMPLOYED
IN VARIOUS OCCUPATIONS

Occupation	Caucasian No. %		No.	gro %	Other No. %		
	NO.	/0	NO.	/0	NO.	/0	
Clerical	18	10.65	6	7.23			
Sales	6	3.55	0	0.00			
Professional	3	1.78	9	10.84			
Domestic	0	0.00	3	3.61			
Operator in industry	33	20.12	6	7.23	1	50.00	
Manager, Offi- cial, Proprietor	3	1.78	0	0.00			
Unskilled	7	4.14	10	12.05			
Not reported	26	17.16	23	26.51			
Not employed away from home	72	40.82	27	32.53	1	50.00	

Two hundred twelve, a majority, of the eighth grade students' fathers were employed full time (see Table 9). Eleven fathers were employed part time, and 6 students indicated that their fathers were unemployed. More than one-third, 89, of the fathers were employed as nonfarm laborers (see Table 10). Twenty-four of the fathers were employed as operators, 22 as managers, owners, or officials, 17 as professionals, 18 as salesmen, 8 held clerical or office work positions, and 7 were foremen or supervisors. Approximately

TABLE 9

EMPLOYMENT STATUS OF THE FATHERS
OF EIGHTH GRADE STUDENTS

Employment		casian		gro	Other			
	No.	%	No.	%	No.	%		
Full-time	141	83.43	69	82.04	2	100.00		
Part-time	6	3.55	5	6.02				
Unemployed	4	2.37	2	2.41				
Unknown	15	9.46	6	7.13				
Retired	0	0.00	1	1.20				
Deceased	2	1.19	1	1.20				

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TABLE 10

NUMBER AND PERCENTAGE OF FATHERS EMPLOYED
IN VARIOUS OCCUPATIONS

Occupation		casian		egro	Other		
	No.	%	No.	%	No.	%	
Professional	6	3.55	11	13.26			
Manager, Owner, Official	20	11.83	2	2.41			
Clerical and Office work	6	3.55	2	2.41			
Salesman	16	9.47	2	2.41			
Operative	16	9.47	8	9.64			
Private house- hold worker	0		0				
Nonfarm laborer	56	33.72	30	36.14	2	100.00	
Foreman or Supervisor	4	2.37	3	3.61			
Technical	10	5.92	5	6.02			
Unemployed	4	2.37	2	2.41			
Unknown	30	17.75	19	21.69			

one-fifth, 17.75 per cent of the Caucasian students and 21.69 per cent of the Negro students, did not know their fathers' occupation.

### Sources of Personal Income

Students were asked to check their sources of income from the following possible sources: allowance, ask for money, earn money at home, earn money away from home. gifts. or other. Many of the eighth grade students received money from more than one source. More thirteen year old Caucasian students, 44.00 per cent, than Negro students, 33.33 per cent, received an allowance (see Table 11). Of the fourteen year olds. 38.30 per cent of the Caucasian students and 36.36 per cent of the Negro students received an allowance. Fewer fifteen year old students asked for money than did either the thirteen or fourteen year old students. The source of income indicated most frequently by Caucasian students of all ages was that money was earned away from home. Thirteen and fourteen year old Negro students received most of their income by asking for it while the fifteen year old Negro students earned money by working away from home. The two students of other races not included in the table received allowances and earned money by working both at home and away from home.

The eighth grade students were requested to indicate the kind of work done at home and that done away from home

TABLE 11

INCOME SOURCES OF EIGHTH GRADE STUDENTS BY AGE, RACE AND SEX

Income	Caucasien N = 50 * M F	Negro N = 12 M F N=5 N=7	M = 94	Negro N = 66 M F N=32 N=34	Caucasian N 24 M F N=15 N=9	N = 6
Get allowance	10 12	3 1 33.33%	9 27 38.30%	5 19 36.36%	1 1 1 8.33%	0 2
Ask for money	7 16 46.00%	2 4 50.00%	15 27 44.68%	15 18 50.00%	4 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	1 0
Earn money at home	7 11 36.00%	33.33%	13 29 44.68%	5 19.70%	2 2 16.67%	1 1 33.33%
Earn money away from home	15 10 50.00%	33.33%	21 24 47.87%	15 8 34.85%	9 2 45.83%	1 2 50.00%
Gifts	14.00%	8.33%	4 10 14.89%	1 6.06%	8.33%	16.67%
Other			1 2 3.19%	1 4.55%	1 4.17%	

<sup>\*</sup> M = Male F = Female

to earn money. The kinds of work performed by Caucasian students at home in descending order were: yard work, cleaning house, washing cars, washing dishes, babysitting, ironing, and preparing meals. The kinds of work done by Negro students at home in descending order were: yard work, cleaning house, washing dishes, babysitting, washing cars, ironing, and preparing meals (see Table 12). Babysitting was the job performed away from home most often by both Caucasian and Negro students. More than one-third of the students did not earn money from work done at home. One-third of the Caucasian students and one-half of the Negro students did not work away from home for money.

### Adequacy of Income

The students were asked to indicate the degree to which their income was adequate by checking "always," "sometimes," or "never." One-half, 50 per cent, of the fourteen year old Caucasian students and 56.06 per cent of the fourteen year old Negro students indicated that their income was always adequate while 45.74 per cent and 34.85 per cent, Caucasian and Negro respectively, of the fourteen year old students considered their income to be adequate sometimes (see Table 13). Thirteen year old students indicated that their income was sometimes adequate more often than did the fourteen or fifteen year olds. Six thirteen year old

NUMBER AND PERCENTAGE OF EIGHTH GRADE STUDENTS WHO WORKED AT HOME OR AWAY FROM HOME FOR MONEY

		1	Work at Home					Work Away From Home					
Jobs	Caucasian N=168			egro =84	7.5	ther N=2		casian =168		legro I=84			
	N	%	N	%	N	%	N	%	N	%	N	%	
Babysitting	25	14.79	14	16.87	1	50.00	52	30.77	23	27.71	1	50.00	
Ironing	21	12.43	11	13.23			6	3.55	3	3.61			
Cleaning House	41	24.26	17	20.48	1	50.00	8	4.73	7	8.43			
Washing Dishes	28	16.57	15	18.07			3	1.78	5	6.02			
Preparing Meals	9	5.33	11	13.25			1	0.59	3	3.61			
Yard Work	61	36.09	19	22.89			43	25.44	11	13.25			
Washing Cars	33	19.53	14	16.87	1	50.00	13	7.69	6	7.23			
Other	11	6.51	13	15.66			19	11.24	11	13.25			
Never	60	35.50	33	39.76			56	33.14	43	51.81	1	50.00	

TABLE 13

NUMBER AND PERCENTAGE OF ADEQUACY RATINGS OF TEEN-AGERS' MONEY BY AGE AND RACE

Adequacy Rating	Caucasian Negro N=50 N=12			Other N=1			Ne			Caucasian N=24		Age 15 Negro N=6		Other N=1		
	N	%	N	%	И	18	N	%	N	%	N	.0	N	8	N	%
Always	19	38.0	5	41.7			47	50.0	37	56.1	16	66.7	2	33.3	1	100.0
Sometimes	27	54.0	5	41.7	1	100.0	43	45.7	23	34.8	8	33.3	3	50.0		
Never	1 4	8.0	2	16.6			4	4.3	6	9.1			1	16.7		

students, 19 fourteen year old students, and one fifteen year old student checked that their income was never adequate.

### Sources of Information on Money Management

Students were requested to check "yes" or "no" to each of twelve possible sources from whom money management information had been received. Several students checked more than one source of information. Ninety-seven Caucasian students, 57.40 per cent, and fifty-nine Negro students, 71.08 per cent, indicated that their mother and father provided information relative to money management (see Table 14). The second source of information indicated by students of both races was "friends," and the third source was their mother.

Students were also questioned as to whether or not money management information was needed. One-half, 50.30 per cent, of the Caucasian students and 37.35 per cent of the Negro students indicated that such information was needed.

### Decisions About Spending Money

The eighth grade students were asked to indicate the extent to which they or their parents made the decision about how the teen-agers' money was spent. Approximately one-half, 47.34 per cent, of the Caucasian students and 27.71 per cent of the Negro students indicated that they

TABLE 14
SOURCES FROM WHOM EIGHTH GRADE STUDENTS
RECEIVED MONEY MANAGEMENT INFORMATION

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Source of Information		an Students =168		Students N=84
	Number	Percentage	Number	Percentage
Mother and Father	97	57.40	59	71.08
Father	12	7.10	1	1.20
Mother	32	18.93	11	13.25
Grandparents	18	10.65	10	12.05
Father and Stepmother	0		0	
Mother and Stepfather	4	2.37	0	
Stepfather	3	1.78	0	
Stepmother	5	2.96	2	2.41
Sibling(s)	15	8.88	8	9.64
Teacher(s)	11	6.51	7	8.43
Friend(s)	37	21.89	18	21.69
Own Experiences	15	8.88	6	7.23

always decided how their money would be spent (see Table 15). More than seventy-five per cent of the parents "sometimes" made spending decisions for the students.

TABLE 15
STUDENT RATING OF WHO MAKES DECISIONS
ABOUT SPENDING TEEN-AGERS! MONEY

Caucasian		n (N=1	68)	Negro (N=84)					
Rating		n-ager cides		arents ecide		n-ager cides		rents cide	
	N	%	N	%	N	%	N	%	
Always	80	47.44	19	11.24	23	27.71	12	14.46	
Some- times	86	51.46	131	78.11	61	72.29	64	75.90	
Never	2	1.10	18	10.65	0		8	9.64	

Approximately fifty per cent of the Caucasian and Negro students, 56.80 per cent and 49.40 per cent respectively, made plans for spending money. However, only 14.20 per cent of the Caucasian students and 9.64 per cent of the Negro students kept a record of money spent. The two students of other races not included in the table indicated they made no plans for spending money and kept no record of money spent.

### Using Charge Accounts

One hundred six, 62.72 per cent, of the Caucasian students' parents and forty-nine, 59.04 per cent, of the

Negro students' parents had charge accounts. The students used their parents' charge accounts to some extent when shopping. Twenty-four students shopped alone, 38 shopped with parents, 8 shopped with older siblings, and 2 shopped with other adults when charge accounts were used (see Table 16). One hundred eighty students never used the parents' charge accounts when shopping.

TABLE 16

NUMBER AND PERCENTAGE OF EIGHTH GRADE STUDENTS
WHO SHOP WITH PARENTS! CHARGE ACCOUNTS

	Cau	casian	N	egro
	Number	Percentage	Number	Percentage
Alone	18	10.65	6	7.23
With Parents	22	13.02	16	19.28
With Older Sibling(s)	5	2.96	3	3.61
With Other Adult(s)	2	1.18	0	
Never	121	72.19	59	69.87

The students privileged to shop with charge accounts were requested to indicate the number of times they had used the charge accounts in the previous month. Twenty students used a charge account when shopping, 1 time; thirteen students, 2 times; five students, 3 times; eight students, 4

times; six students, 5 times; and one student charged each of 6, 7, 9, and 10 times (see Table 17).

NUMBER OF TIMES EIGHTH GRADE STUDENTS USED PARENTS'
CHARGE ACCOUNTS DURING ONE MONTH

	1	2	3	4	5	6	7	8	9	10
Caucasian	15	9	3	3	4	1	1		1	
Negro	5	4	2	5	2					1

The items listed by the students were used as categories to determine what was purchased on charge accounts by eighth grade students. The categories used were: footwear, underwear, outer clothing, accessories, sports equipment, and pet. Thirty, 17.75 per cent, of the Caucasian students and fifteen, 18.08 per cent, of the Negro students charged outer clothing (see Table 18). Less than three per cent of the students charged items in the other five categories.

### Two Week Record of Income Received

The eighth grade students were requested to record income, savings, and expenditures for a two week period on income-expenditure cards. Income received by students ranged from \$1.40 to \$70.00 for the two week period. Fifteen year old students had the highest mean income, \$12.94, and

TABLE 18

NUMBER AND PERCENTAGE OF ITEMS PURCHASED ON CHARGE ACCOUNTS BY EIGHTH GRADE STUDENTS

Items Purchased	Cau	casian	Negro			
	Number	Percentage	Number	Percentage		
Footwear	2	1.18	1	1.20		
Underwear	4	2.38	2	2.42		
Outer Clothing	30	17.75	15	18.08		
Accessories	1	0.59	1	1.20		
Sports Equipment	1	0.59	1	1.20		
Pet	1	0.59	0			
None	129	76.92	64	75.90		

the fourteen year old students had the lowest mean income, \$11.70 (see Table 19).

When the mean income for the two week period was determined according to race it was found that the students categorized as other than Caucasian or Negro received the highest mean income, \$17.38 (see Table 19). Caucasian and Negro students received \$12.37 and \$11.45 respectively.

Female students had a mean income of \$13.13 for the two week period (see Table 19). This was noticeably higher than the income received by male students which was \$10.84.

The eighth grade students living with their father and mother or with mother and stepfather had similar mean incomes, \$12.73 and \$12.75 respectively (see Table 19).

TABLE 19

MEAN INCOME AND SAVINGS OF STUDENTS FOR TWO WEEK PERIOD IN RELATION TO AGE, RACE, SEX, AND LIVING ARRANGEMENT

Variable	Number of Students	Mean Income	Mean Savings
Age			
13 year olds	63	\$12.63	\$2.70
14 year olds 15 year olds	160 31	11.70	2.04
Race Caucasian	168	12.37	2.29
Negro	84	11.45	1.85
Other	2	17.38	5.04
Sex	200		
Male	118	10.84	1.68
Female	136	13.13	2.55
Living Arrangement			0.00
Mother and Father	176	12.73	2.38
Father	1,2	10.39	1.58
Mother Father and Stepmother	42	7.98	2.23
Mother and Stephother	19	12.75	2.03
Grandparents	4 42 2 19 6 2 3	9.54	• 54
Foster Parents	2	4.00	.85
Other	3	4.75	.25

Students living with foster parents received the lowest mean income, \$4.00 for the two week period.

# Money Saved During Two Week Period

Seventy-six eighth grade students reported saving no money during the two weeks that records were kept. Of the 178 students who indicated some savings during the two week period, the range of income saved was from less than one

dollar to ten dollars. Thirteen year old students reported the highest mean savings, \$2.70, for the two weeks (see Table 19). Fifteen year old students had the highest mean income but saved the least, \$1.82. Negro students saved the least but received the least income. The amount saved, in relation to race and sex, corresponded to the mean income. The students who received the most and those who received the least saved the least. Students who lived with their mother and father saved \$2.38 for the two week period. Students living with their father and stepmother saved the most in proportion to their income.

### School Lunch Expenditures

School lunch expenditures increased as students increased in age. Mean expenditure for the thirteen year old students was \$3.38; fourteen year old students, \$3.47; and fifteen year old students, \$3.71 (see Table 20). Caucasian students spent the most for lunches during the two week period and those of "other" races spent the least.

Male students spent more for lunch than did the females, \$3.60 and \$3.36 respectively. Students living with their father or father and stepmother had the highest mean expenditures for school lunch having spent \$3.87 and \$3.81 respectively. Students who indicated other living arrangements spent the least for lunches over the two week period.

TABLE 20

MEAN EXPENDITURE PER ITEM FOR TWO WEEK PERIOD IN RELATION
TO AGE, RACE, AND LIVING ARRANGEMENT

Variable	Number of Students	School Lunch	Snacks	Clothing, Accessories	Transpor- tation	School Supplies	Contribu- tions	Enter- tainment	Grooming	Gifts	Money Given Away	Special Lessons
Age 13 year olds 14 year olds 15 year olds	63 160 31	\$3.38 3.47 3.71	\$1.44 1.26 1.28	\$2.11 2.43 3.89	\$.04 .05 .04	\$.13 .14 .09	\$.12 .13 .06	\$ .96 1.09 .54	\$.23 .29 .14	\$ .22 .19 .00	\$.04 .04 .17	\$.00 .11 .53
Race Caucasian Negro Other	168 84 2	3.64 3.15 2.18	1.29 1.34 .37	2.53 2.56 .50	.04 .06 .00	.16 .07	.10 .15 .00	1.06 .88 .52	.29	.19	.04	.20
Male Femele	118 136	3.60 3.36	1.21	1.82 3.16	.04	.07 .18	.07 .16	1.03	.10	.06	.04	.07
Living Arrangement Mother & Father Father Mother	176 4 42	3.55 3.87 3.31	1.26 2.23 1.33	2.87 .26 1.77	•04 •00 •03	.15 .00 .08	.13 .00	•94 •54 1.13	.25	.18 .00 .27	.05	.20
Father & Step- mother Mother & Step-	2	3.81	1.82	.00	•00	.00	.00	.00	.00	.00	.00	.00
father Grandparents Foster Parents Other	19 6 2 3	3.36 3.23 3.00 2.36	1.42 2.06 .15 .56	3.00 .00 .00 1.53	.04 .37 .00	.06 .00 .00	.09 .20 .13	.86 2.39 .00	•57 •00 •00	.10 .00 .00	.01 .08 .00	.00

### Snack Expenditures

Thirteen year olds spent the most for snacks, \$1.44, and fourteen year old students spent the least for snacks, \$1.26 (see Table 20). Fifteen year old students spent slightly more than the fourteen year olds, \$1.28. Negro students spent more for snacks than did students of other races. Females showed a higher mean snack expenditure than did the males with \$1.39 and \$1.21 respectively. Students living with their father spent the most for snacks, \$2.23. Other mean expenditures for snacks in relation to living arrangements in decreasing order were: grandparents, \$2.06; father and stepmother, \$1.82; mother and stepfather, \$.42; mother, \$1.33; father and mother, \$1.26; other, \$.56; and foster parents, \$.15.

### Clothing, Accessories, and Upkeep Expenditures

As students increased in age the amount spent for clothing, accessories, and upkeep increased from \$2.11 to \$3.87 (see Table 20). Caucasian and Negro students spent approximately the same for clothing and accessories, \$2.53 and \$2.56 respectively. Students of other races spent significantly less for clothing and accessories. Females spent considerably more than did males, \$3.16 and \$1.82 respectively. The eighth grade students living with father and stepmother, grandparents, and foster parents indicated no clothing and accessories expenditures. Students living

with mother and stepfather spent the most, \$3.00, and students living with mother and father spent \$2.87.

### Transportation Expenditures

Approximately 90 per cent of the eighth grade students did not indicate any transportation expenditures. Those who reported transportation expense indicated from \$.10 to \$1.00. Thus the mean transportation expenditures varied between four and five cents for all ages (see Table 20). Negro students indicated the highest mean expenditure, \$.06 for the two week period. Females spent an average of \$.05 and males, \$.04, for this time period. Students living with grandparents spent the most for transportation. The mean expenditure was \$.37.

### School Supply Expenditures

Fourteen year old Caucasian females living with mother and father spent the most for school supplies (see Table 20). Thirteen year old students spent one cent less than the fourteen year old students as a mean school supply expenditure, \$.13. Caucasian students spent more than twice as much as the Negro students, \$.16 and \$.07 respectively.

### Contributions

Almost 90 per cent of the fifteen year old students and more than 70 per cent of the thirteen and fourteen year old students reported having made no contributions during

the two week period. The thirteen and fourteen year old students made mean contributions of \$.12 and \$.13 while the fifteen year old students had a mean contribution of \$.06 for two weeks (see Table 20). The mean contribution of the Negro students was \$.15 and Caucasian students, \$.10. Females had a mean contribution of \$.16 as compared to males mean contribution of \$.07. Students living with grand-parents had the highest mean contribution, \$.20. Students living with father, father and stepmother, and other arrangements made no contributions.

### Entertainment Expenditures

Fourteen year old students spent twice as much for entertainment as did the fifteen year old students, \$1.09 and \$.54 respectively. The mean entertainment expenditure for the thirteen year old students was \$.96 (see Table 20). The Caucasian students had a mean expenditure of \$1.06 as compared to \$.88 for the Negro students. The mean expenditure for males and females was approximately the same, \$1.03 and \$.97 respectively. Students living with grandparents had the highest mean expenditure for entertainment, \$2.30. Students living with foster parents or father and stepmother reported no entertainment expense.

## Grooming Supply Expenditures

About 85 per cent of the eighth grade students did not buy grooming supplies. Fourteen year old Caucasian

females spent the most on grooming supplies (see Table 20). Students living with mother and stepfather spent \$.57 during the two week period on grooming supplies and students living with mother and father and with mother had a mean expenditure of \$.25.

### Gift Expenditures

Relatively few eighth grade students, 10.6 per cent, bought gifts during the two week period when expenditures were recorded. Thirteen year old students had the highest mean expenditure of \$.22 and the fifteen year old students reported no gift expenditures (see Table 20). Students of other races had a mean expenditure of \$2.57 while Caucasian students and Negro students had a mean expenditure of \$.19 and \$.15 respectively. Females spent an average of \$.28 and males spent an average of \$.06 on gifts during the two week period. Only students living with mother and father, mother, and mother and stepfather spent money on gifts.

### Money Given Away

Approximately 20 per cent of the eighth grade students gave some money away during the two weeks. It ranged from \$.01 to \$1.00. Fifteen year old students of "other" races gave the most away (see Table 20). Students living with grandparents gave the most money away. Students living with their father and mother, mother, and mother and stepfather also gave small amounts of money away.

### Special Lessons

Few students had special lesson expenditures recorded. The mean expenditure was highest for the fifteen year old female Caucasian students (see Table 20). The only students reporting special lesson expenditures lived with their mother and father.

# Teen-age Credit Experiences Reported by Store Credit Managers

Questionnaires were mailed to the credit managers of twelve stores selected for this study. Eight of the questionnaires were returned. Three of the returned questionnaires indicated that credit was not extended to teen-agers. Five credit managers completed the questionnaire stating that credit was extended to the teen-agers. The data presented below was obtained from five, 41.66 per cent, of the 12 questionnaires mailed.

All five of the credit managers indicated that:

- 1. Parents were expected to pay when teen-agers did not make payments.
- 2. Accounts of teen-agers were checked more closely than other accounts.
- 3. Interest was charged on teen accounts.
- 4. Interest charges were the same for teen and adult accounts.

Three of the credit managers indicated that employment was required of teen-agers to whom credit was extended.

Three of the stores required parental approval or signature

before accounts could be opened. A minimum of 18 years of age was required to open an account in the three general merchandise stores, a minimum of 15 years of age was required at a jewelry store, and 14 years of age was required to open an account in the women's specialty store. The installment account was offered in the jewelry store and the revolving account was available in the other four stores. The store managers reported that about 5 per cent of their total credit customers were teen-agers.

The three general merchandise store managers reported that a limit of \$100.00 was placed on the teen accounts, the women's specialty store had set a \$35.00 limit and the jewelry store had a \$25.00 limit for charges. Credit managers indicated that teen problems were the same as adults in relation to use of credit. No store indicated that teen-agers problems were greater than adult problems. All the store managers rated teen accounts with moderate to high enthusiasm. Four of the credit managers indicated that educational materials were given to teen-agers with credit accounts.

Two of the stores had offered credit to teen-agers for more than five years. The other three credit managers indicated that credit had been extended to teen-agers for 3 to 5 years. When asked about the reasons for establishing teen-age credit accounts in the stores, all five credit

managers listed teen requests. Other reasons cited were parents' request, to get business, competition, and to educate teen-agers.

#### CHAPTER V

#### SUMMARY AND IMPLICATIONS

Education has a role in preparing today's youth to meet the future challenges of managing their money for greater satisfaction. The money management practices of teen-agers should be identified as a basis for program development that could offer appropriate information about and experiences in money management.

# The Problem

This study was conducted to identify sources of income, items purchased by eighth grade students and the extent the students used credit, and to determine if local stores offered credit to teen-agers. The study was designed to: (1) determine sources of income among eighth grade boys and girls; (2) determine whether there were any relationships among the amount of money teen-agers received when compared by age, race, sex, and living arrangement; (3) identify items purchased by teen-agers and the extent to which the items differed in relationship to sex, race, age, and living arrangement; (4) determine the extent to which eighth grade teen-agers used credit for purchases when shopping with or without parental or adult assistance; and (5) determine whether selected stores in Greensboro, North

Carolina, offered credit to teen-agers. An analysis of the data obtained from the study could be of value to home economics teachers, teacher educators, and state supervisors of home economics when planning and developing curriculum materials.

## Study Design

The instruments used in this study were designed to gather specific data related to the objectives of the study. Respondents were asked to choose the correct answer or provide the answer to each item in the questionnaires. The first questionnaire was developed to determine the money management practices of eighth grade students. The second questionnaire was designed to obtain information regarding store policies in relation to teen-age credit. An income-expenditure card was designed to obtain daily records of income, purchases and cost, and savings as recorded by the teen-agers.

The eighth grade students at Aycock Junior High School, Greensboro, North Carolina, were issued the income-expenditure card in May, 1969. Instructions for completing the income-expenditure cards were given by the home room teachers. The questionnaire was completed by the students in June, 1969. Of the 283 students enrolled in the eighth grade, 254 completed and returned the cards and questionnaires for a useable return of 90.07 per cent. The credit

managers of twelve selected stores in Greensboro, North Carolina, were mailed questionnaires in August, 1969. Of the eight questionnaires returned, two indicated that credit was not offered to teen-agers, and one questionnaire was not completed. Five questionnaires, 41.66 per cent, were useable.

## Assumptions

Three basic assumptions were made pertaining to this study.

- 1. Eighth grade students would be willing to cooperate in a study concerning their money management practices.
- 2. Credit managers of local stores would be willing to provide information concerning store policies and experiences with teen-age credit accounts.
- Students attending Aycock Junior High School were typical of students attending junior high school.

# Limitations of the Study

The following limitations were stated in relation to the study:

- 1. The study was limited to the eighth grade boys and girls attending Aycock Junior High School, Greensboro. North Carolina, in May, 1969.
- 2. Only twelve selected stores in Greensboro were contacted concerning credit policies for teen-agers.

# Major Findings

The major findings of this study concerning teen-agers and their money management practices were:

parents were younger than forty-five years of age and had

mothers. Approximately 60 per cent of the fathers were

within the age range of 36 to 45 while 60 per cent of the

mothers were between the ages of 31 and 40. One-third of

the fathers and mothers, 33.05 per cent and 32.28 per cent

respectively, did not complete high school. More fathers,

54, than mothers, 45, reached an educational level beyond

mothers were employed away from home. Ninety-six, 57.40 per

cent, Caucasian mothers and fifty-three, 63.86 per cent,

4. There was evidence that more than one-half of the

high school graduation.

completed high school. Fathers tended to be older than the

Negro mothers were employed either full-time or part-time in a variety of occupations. More Caucasian mothers than Negro mothers were employed in occupations categorized as clerical, sales, industrial operators, and managerial. Occupations held by more Negro mothers than Caucasian mothers included professional, domestic, and unskilled.

- employed full time. Eighty-three per cent of the Caucasian fathers and 83 per cent of the Negro fathers were employed full time. The two fathers of other races were also employed full time. A higher percentage of Negro fathers were employed in occupations categorized as professional and non-farm laborer. Approximately one-fifth of the students did not know their father's occupation.
- that the teen-agers received money from more than one source. Two-thirds of the Caucasian students of all ages earned money for jobs performed away from home, 30.77 per cent from babysitting jobs and 25 per cent from yard work jobs. While thirteen and fourteen year old Negro students indicated that most of their income was gained by request, the fifteen year old Negro students performed jobs away from home for most of their income. Babysitting provided money for 27.71 per cent of the Negro students and 13 per cent did yard work.

More than one-third of the students, 35 per cent Caucasians and 39.76 per cent Negro, did not earn money for jobs performed in the home. From the data, it was determined that most of the money earned at home was from performing more than one kind of job, yard work and cleaning house being predominant.

- their income as "always" adequate. Approximately 40 per cent of the thirteen year old students and 50 per cent of the fourteen year old students rated their income as "always" adequate. Of the fifteen year olds, 66.7 per cent of the Caucasian students, 100.0 per cent of the students of other races, and 33.3 per cent of the Negro students rated their income "always" adequate. Seventeen, 6.7 per cent, students of all ages rated their income as "never" adequate. More Negro students of each age rated their income as "never adequate" when compared to all other races. A higher percentage of the thirteen and fourteen year old Negro students than Caucasian students rated their income as "always" adequate.
- 8. Evidence indicated that more Negro students than Caucasian students recognized the family members as the major source of money management information. Seventy-one per cent of the Negro students and 57.40 per cent of the Caucasian students recognized "mother and father" as a source of money management information. Of the remaining eleven possible sources, two were recognized by approximately one-fifth of the students as sources of money management information. They were "mother" and "friends."

- 9. More Caucasian students than Negro students
  always made their own decisions about the manner in which
  their money was spent. Forty-seven per cent of the Caucasian students "always" decided how their money was spent and
  51.46 per cent "sometimes" made the decisions. Of the Negro
  students, 27.71 per cent "always" made the decisions and
  72.29 per cent "sometimes" made decisions about spending
  money. Parents "always" made the decision of how the teenagers' money was spent less than 15 per cent of the time.
- charge accounts to some extent when shopping. Only 28.4 per cent of the students used their parents' charge accounts.

  More Caucasian students, 10.65 per cent, than Negro students, 7.23 per cent, used charge accounts when shopping alone; whereas, more Negro students, 19.28 per cent, than Caucasian students, 13.02 per cent, used charge accounts when shopping with parents. Almost one-fifth of the students of both races charged outer clothing while less than three per cent of the students charged items of footwear, underwear, accessories, sports equipment, and pets.
- 11. Data revealed that income received by the students for the two week period ranged from \$1.40 to \$70.00. The amount varied according to age, sex, and living arrangement. Fifteen year old students had the highest mean income of \$12.94 and fourteen year old students had the lowest mean income of \$11.70. Students of "other" races had the highest

mean income of \$17.38 and Negro students had the lowest mean income of \$11.45. Females had a mean income of \$13.13 which was considerably higher than the mean income received by males which was \$10.84. The students living with father and mother or mother and stepfather had similar mean incomes, \$12.73 and \$12.75 respectfully, which was considerably higher than the lowest mean income of \$4.00 received by the students living with foster parents.

- dents saved over a two week period varied according to age, race, sex, and living arrangement. According to age the fifteen year old students had the highest mean income of \$12.94 and the lowest mean savings of \$1.83. Among the races, the Negro students had the lowest mean income of \$11.45 and the lowest mean savings of \$1.85. Between the sexes, males had the lowest mean income, \$10.84, and the lowest mean savings, \$1.68. The students living with grand-parents, foster parents, and others saved the least, \$.54 \$.85, and \$25 respectfully.
- according to age, race, sex, and living arrangement. The fifteen year old students had highest mean expenditures for school lunch, clothing, money given away, and special lessons, and the thirteen year old students had the lowest mean expenditures for the same items. Thirteen year old students had the highest mean expenditures for snacks and gifts. The

only significantly high mean expenditures for fourteen year old students were for entertainment and grooming.

Of the eleven items categorized, Caucasian teen-agers had the highest mean expenditures for school lunch, school supplies, entertainment, grooming, and special lessons.

Negro teen-agers had highest mean expenditures for snacks, clothing, transportation, and contributions. Students of other races had the highest mean expenditure for one item, gifts.

Females had higher mean expenditures for snacks, clothing, transportation, school supplies, contributions, grooming, gifts, money given away, and special lessons than did males; while males spent more than females on school lunch and entertainment.

The teen-agers living with mother and father had the highest mean expenditures for only two items, school supplies and special lessons. The teen-agers living with father had the highest mean expenditures for school lunch and snacks. Those teen-agers living with mother had the highest mean expenditure for gifts. Those living with mother and stepfather had the highest mean expenditures for clothing and grooming and those living with grandparents had the highest means for transportation, contributions, entertainment, and money given away. Students living with father and stepmother had mean expenditures for school lunch and snacks only. However, those living with "other" had the lowest

mean school lunch expenditure, and those living with foster parents had the lowest mean snack expenditure.

14. Criteria for extending credit to teen-agers varied among the stores. All stores indicated that parents were expected to pay when teen-agers did not, teen-age accounts were checked more closely than other accounts. interest was charged, and interest was the same as for other accounts. Three of the five stores required that teen-agers be employed, and have parental approval before credit was extended. Three stores set a minimum age of 18 years to open an account, one store had a minimum of 15 and one had a minimum of 14 years. Three stores placed a limit of \$100.00 on teen accounts, one store set a \$35.00 limit and one store had a \$25.00 limit. All store managers rated teen accounts with moderate to high enthusiasm and indicated no problems greater than adult problems. Three stores had offered credit to teen-agers for three to five years, and two stores had extended credit more than five years.

# Implications

Implications resulting from this study may provide some basis for curriculum development in consumer education. Implications are grouped into two categories; (1) educational programs and (2) further study.

## Educational Programs

- 1. A knowledge of what teen-agers buy with their money, the sources of their income, and sources of money management information could be of value in planning the consumer education curricula. It was indicated in this study that there were wide variations in the amounts of money that the teen-agers received and in the types of purchases made. Money problems could be minimized by providing learning experiences for teen-agers that would make them aware of the importance of money. Satisfaction from earning and spending money could be recognized.
- 2. Encourage the inclusion of consumer education at all levels of the junior high school home economics curriculum. The importance of this aspect was not recognized by most of the eighth grade students; however, it could provide the kind of information that could better prepare them to face the responsibilities of an ever changing society.

# Further Study

1. It is recommended that further research be conducted to determine students' attitude about money management and the degree of satisfaction obtained from their purchases. Because of the limitations of this

study, additional support for the findings could substantiate them.

- 2. It is recommended that further research be conducted to compare income, savings, and spending patterns of teen-agers with variables such as:
  - a. Urban and rural residence.
  - b. Occupations of mother and father.
  - c. Size of family.
  - d. Educational, social, and economic status of the family.
  - e. Low-ability and high-ability students.
- 3. A study could be conducted to determine the influence of advertising media on purchasing habits of teenagers.

The tasks confronting educators are great and varied ranging from teaching young and old, rich and poor, and varying academic abilities. Evidence indicates that teenagers are already developing money management habits that could prove detrimental later in life. If education is to play a major role in money management, then it must begin early in the educational process.

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APPENDIX A

Student Questionnaire

# STUDENT QUESTIONNAIRE

		Name of	Homeroom	Teacher	
Plea	ase place a check by ormation in the space	the ans	wer(s) or ed.	supply the	needed
1.	Age: 1213	14	15 1	6	
2.	Race: Caucasian	Negro	Indi	anOther	r
3.	Sex: Male Fems	le			
4.	I live with:				
	Mother and Fathe Father Mother Grandparents	<u>=</u>	Mother Foster	and Stepmot and Stepfat Parents (specify)	ther
5.	I have:				
6.	Younger brother( Older brother(s) Younger step- brother(s) Older step- brother(s)	s)	Old You s Old	anger sister der sister (sanger step- sister (s) der step- sister (s)	
0.	My parents ages:	Father	Mot	her	
	25-30 31-35 36-40 41-45 46-50 51-55 55 or over				
7.	Highest level of edu	cation	your pare	nts reached	:
	Some grade school Completed grade s Some high school Graduated from hi Vocational or bus Junior College Some college	school gh scho	ol chool	Father	Mother

		Father Mother
	Graduate from College	1 adilo1 Hodilo1
	Master's degree	
	Completed doctorate or profes-	
	sional degree	
	I don't know	
8.	My father is: employed full-time	
0.	employed part-time	
	unemployed particine _	
	unknown	
		<del></del>
	occupation	
9.	My mother is:	
, -	a homemaker	
	employed full-time away from home	
	employed part-time away from home	
	a homemaker, but earns money by	
	babysitting, sewing, renting roo	oms
	unknown	
	occupation, if employed away from	home
	occupation, if employed away from	1101116
.0.	My family's total yearly income is ap	oproximately:
	\$ 3,000 and less	
	3,000 to 4,999	
	5,000 to 6,999	
	7,000 to 8,999	
	7,000 to 8,999 9,000 to 9,999 10,000 to 14,999 15,000 and over	
	10,000 to 14,999	
	15,000 and over	
	I don't know	
1.	Source(s) of family income if parent(	s) is unemployed:
	welfare	
	pension	
	social security	
	other (specify)	
2.	Source(s) of my personal income:	
	allowance	11 <u>2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 </u>
	ask for it	
	earn money working at home	
	earn money working away from home	
	gifts	
	other (specify)	

13.	I earn money by:	
	Away from home home home housecleaning tasks washing dishes preparing meals working in yard washing cars other (specify)	
14.	The amount of money I receive and/or earn is:  always adequate sometimes adequate never adequate	
15.	I have a plan for spending my money. Yes	No
16.	I keep a record of money spent. Yes	No
17.	I have a personal savings account. Yes	No
18.	My parents have open charge accounts. Yes	No
19.	I use my parents charge account(s) when shopping:	
	<pre>alone with my parent(s) with older brother(s) and/or sister(s) with other adult assistance never</pre>	=
20.	If you use your parents charge account(s), check number of times you have used it this past month.  1	the
	2	
21.	What item(s) did you purchase on a charge account	?

22.	I make my own decisions as to how I spend my money.	
	Always Sometimes Never	
23.	My parents tell me how I should use my money.	
	Always Sometimes Never	
24.	I have learned about managing my money from my:	
	mother and father  father  mother grandparent(s) father and stepmother  mother and stepfather  stepfather stepmother brother(s) and/or sister(s) teacher(s) friend(s) own experience classes in school    (specify grade and class others (specify)	_)
25.	I need to learn about managing my money. Yes No	

APPENDIX B

Store Questionnaire

# STORE QUESTIONNAIRE

inf	ormation in the space provided.
1.	Do your offer teen charge accounts? Yes; No
2.	If you do not offer teen accounts now, have you ever offered them?
3.	Would you be interested in opening teen accounts?Yes;No
Bel	ow this line, only those who offer credit are to complete
4.	type before a teen-ager can open an account?
5.	Yes; No
٥٠	Do you require parental approval and signature? Yes;No
6.	Do you expect parents to pay if the teen-ager fails to meet payments?  Yes;  No
7.	The minimum age required to open an account is
8.	What proportion of your total credit customers does the teen-ager represent? less than 5%
9.	What type accounts do you extend to teen-agers?  30-day accounts Revolving Other (Specify)
.0.	What is the maximum ceiling price set by your store for teen accounts?

11.	Problems connected with teen accounts are: (1) greater, (2) same, (3) less than adult accounts. (Circle your answer.)
12.	How many years have you offered teen-agers credit?  less than 1 year  1 to 2 years  3 to 5 years  more than 5 years
13.	Do you check the credit rating of the family before opening a teen account? Yes;No
14.	Do you watch the teen accounts more closely than other accounts? Yes;No
15.	What was/were your reason(s) for opening teen accounts?  Teen request Parents request To get business To educate teen- agers Competition Other (Specify)
16.	How would you rate your enthusiasm for teen accounts?  High  Moderate  Low
17.	Do you give teen-agers any educational material on credit and your store policies? Yes;No
18.	Do you charge interest on teen accounts? Yes;No
19.	If number 18 is yes, is it the same as adult accounts? Yes;No
20.	How would you classify your store?  General Merchandise Jewelry Women's clothing Men's clothing Other (Specify)

I would like to receive a report of the findings of this survey. Yes; \_\_\_No

If you checked yes, please supply the name and address to which you wish the report mailed.

APPENDIX C

Income-Expenditure Card

# Front Side

No	Monday
This card is very important. It must be returned to Aycock Junior High School, Greens-	Income
boro, North Carolina.	List items purchased cost
Please record each day the items which you purchase and the cost of each. Also please record your income as received.	
Remember, this is your personal record and not for the general public.	
Week	Amount saved
Tuesday	Wednesday
14004.5	nounobacy
Income	Income
List items purchased cost	List items purchased cost
Amount saved	Amount saved

# Back Side

Thursday	Friday
Income	Income
List items purchased cost	List items purchased cost
Amount saved	Amount saved
Saturday	Sunday
List items purchased cost	List items purchased cost
Amount saved	Amount saved

# APPENDIX D

Cover Letter to Parents and Students

May 13, 1969

Dear Students and Parents:

The Home Economics Education Department of the University of North Carolina at Greensboro in cooperation with the State Department of Public Instruction is conducting a study concerning money management practices of eighth grade students.

Your school has been chosen for the survey. Participation will involve all eighth grade students. You will be asked to fill out a questionnaire and keep a record of all income and expenditures for a period of two weeks. We believe this experience can be beneficial to you. We want no names recorded anywhere on the questionnaire or record.

We sincerely hope you will assist in this study which will provide much needed information that will be used in planning a course of study in money management.

If you have any questions, please feel free to call Mrs. Richard D. Westbrook, 288-1125.

Very truly yours,

Mrs. Nellie B. Westbrook

# APPENDIX E

Income-Expenditure Card Directions

## TEACHER'S DIRECTIONS FOR CARD DISTRIBUTION

- 1. During home room, Tuesday May 13, 1969, pass to each student the card with a number corresponding to the assigned number. You will find this information on the assignment sheet given to you with the cards. Please keep the assignment sheet for reference purposes.
- 2. Read orally with the students the directions on the card.
- 3. Read orally with the students the sheet on student directions.
- 4. If you have any questions, see Nellie B. Westbrook.

#### STUDENT DIRECTIONS

- Read the letter addressed to students and parents for the purpose of the study.
- 2. Do not write your name on the card. ONLY the recorded information will be useful in the research used by the State Department of Public Instruction.
- 3. Begin your record on Tuesday and continue each day through Monday. You will get a second card at that time, when your first card is collected.
- 4. Keep the record accurately. This is your private record; therefore, you need not make it public property by passing it around unless you so desire.
- 5. The card folds small enough to easily fit in a shirt or pants pocket, billfold, or purse. Please keep it with you when possible for on-the-spot recording of your purchases.
- 6. Income--Record where or how you get your money and the amount.

Example: Asked for - \$ .50 Mowed Lawn- 2.00

7. Purchases -- List each item purchased and what it cost, including tax.

Example: School lunch \$.40 Pkg. paper .26 Base ball 4.04 Shoes 10.29

- 8. Amount Saved--List any money you save. If you do not plan to save any daily left-over money, but plan to carry it over to another day, do not record it as saved.
- 9. If you have any questions, call Mrs. Westbrook.

# APPENDIX F

Teacher Directions for Administering

Questionnaire

# TEACHER DIRECTIONS FOR ADMINISTERING QUESTIONNAIRE

- Read the questionnaire through before giving to the pupils. This will help you anticipate questions they may have.
- 2. Explain to pupils that this is not a test, and that the information will be used in planning units of study in money management and consumer education for eighth grade students in North Carolina. Accuracy is important and NO names are to be recorded anywhere.
- 3. Administer the questionnaire to your class. There is no time limit. You may wish to read aloud the directions to be sure they are understood.
- 4. Each student is to record on this questionnaire the number assigned to the card he or she used for income and expenditure records. This number is the only way for the data on the cards and questionnaires to be useful in this research project. PLACE the number in the blank for teacher's name.
- 5. If students have difficulty determining the answer, urge them to give or choose the BEST ESTIMATE they can.
- 6. Check each questionnaire as they are turned in to see that all items are checked in accordance with directions.

# APPENDIX G

Cover Letter to Credit Managers

August 1, 1969

Dear Credit Manager:

The Home Economics Education Department of the University of North Carolina at Greensboro in cooperation with the State Department of Public Instruction is conducting a study concerning money management practices of eighth grade students.

This study is being conducted to determine the extent to which credit is available to teen-agers in Greensboro and store management attitudes toward teen credit. You are one of several stores selected for this survey. We believe this survey can be beneficial to you. A summary of the findings will be sent to you if you check the last statement on the questionnaire.

Won't you help us by completing the enclosed questionnaire concerning your experiences with teen credit accounts? You may be assured that all responses will be held in strict confidence as no names are used in the report. Please return the completed questionnaire in the self-addressed stamped envelope by August 15, 1969.

Your cooperation and promptness will be greatly appreciated. Sincerely.

Nellie B. Westbrook Graduate Student Home Economics Education

Enclosure: Questionnaire

Self-addressed Envelope