

THE BUDGETING OF HOUSEHOLD FUNDS

Susan Jenckes, '28

Ways Of Keeping a Budget And Ratios Worthy Of Consideration; Possibility Of Saving Ten Percent Of Yearly Income With Budget

DO YOU ASK WHY we should budget our funds and keep account books? It is true that there are many, many families that never keep any record of any type, and they apparently get along as well as if they did keep them. But I wonder just how much better they might get along if they had some system of checking up on family expenditures. Do you know that by keeping a budget it is possible to save at least 10 percent of your income yearly? To the average moderate-income family, 10 per cent of one's income can readily be used to advantage, and is not to be disregarded. If this can be done in other families, why can't it be done in yours, and isn't it worth trying?

There are many ways of keeping a budget—as many as there are budgets kept, and no single standard is going to satisfy every woman. But there are certain fundamental elements which should be considered when one is keeping household accounts on a budget basis, and it is those that I am going to try to point out, and show their importance.

With every individual situation there are three things which must be considered. Time, space, and adaptability. The woman with three children and her home to maintain can put her time to much better advantage than spending hours every week pouring over account books. Yet, on the other hand, she might spend a few minutes each day which would be invaluable to her. The marginal point of efficiency must be decided by the individual according to her own needs.

The adaptability of the form is the most personal element. It deals with the type of family as to the number, location, rural or urban; and interests; and the temperament and ability of the person who keeps the accounts. This may never be identical, and should be modified to meet personal conditions.

Budgets may be kept to extremes. One may be very detailed, use a great amount of space, and take an undue amount of time. Or one may merely record expenditures in the most haphazard fashion, and consider that sufficient. As I have stated be-



Successful Meals Depend on Budgeting

fore, it is absolutely up to the individual to evolve the plan best adapted to her needs, but judgment should be used.

It has been suggested by text writers that a cash book, and a household ledger are necessary in keeping adequate accounts. Let us consider a family of five on a moderate income basis. How much property beside their own home are they likely to possess? How much need is there for a household ledger book? I should advise that in this study the ledged be eliminated.

Of the various ways of keeping family accounts, I believe the check book method is the poorest, for one merely has an account of expenditures, but does not have them itemized or group, and cannot judge how payments compare with the budget ratio, if one has been made. To be sure, it is better than no account whatsoever, but it is not sufficient.

The Bank of Italy has put out a very satisfactory form for household accounting. The size is convenient to handle, it is clearly and neatly printed, and is adequate. Each sheet is prepared for the months' accounts for income, with space for items and amounts; savings, with sub-heads: saving account, investments, and life insurance; tax; obligations, doctor's bills, or emergency debts; allowances

for children; shelter, with sub-heads for rent or payments, property tax, and fire insurance, upkeep or repairs; food, with divisions for meat, fish, and poultry, groceries, milk, eggs, bread, fruits, vegetables, outside meals, hospitality; clothes, with items new, remodeling, cleaning, repairing; operating: fuel, light, water, laundry help, telephone, carfare; sundries, replacements, and additions of household goods with item and amount; automobile; advancements, with sub-heads for items: education, health upkeep, recreation, club dues, church, charity, gifts. A page for an annual survey should be provided. This is to serve as a report of all expenditures for the year, and act as a guide in forming the budget for the following year.

Two or three sheets in the back of the account book, devoted to a household inventory, is a great advantage. Space should be provided for the furnishings of each room, recording date of purchase, article, description, and cost. This serves as an inventory in case of destruction of property or theft, and as an aid to help one to plan wisely for replacement of household supplies. Two or three pages might also be wisely devoted to the recording of insurance policies, payments on property, stocks, bonds, etc.

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Early Pasture Is Watery

Be careful in spring not to stint the cows' feed when they are first put on pasture. The grass is usually watery in early spring and cows cannot get enough of it to supply milk and keep up body weight.

Consider Butterfat Test

Feeding a cow according to production does not mean feeding one pound of grain to four pounds of milk or any set amount. The butterfat test must be considered. A cow producing

5.5 percent butterfat must have nearly double the amount of grain per pound of milk that a 3 percent cow should have.

Dock Tails Fairly Long

Dock the tails of lambs fairly long. Leaving two inches on ewe lambs and three inches on wether lambs makes sex identification easier at market time. They will not bleed as badly if this method is followed.

Pictures seem better suited in a

room if they are hung so that the center of interest comes at about the eye level. It is distressing to enter a room and to see the furniture, then look up and see a line of pictures on the wall.

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Budget ratios are also worthy of consideration. Of the various studies that have been made there is but little variation. It is generally conceded that 25 percent of the income is sufficient expenditure for food, though in some cases it might go up as high as 40 percent. The percentage for rent ranges between 18 and 20, but 20 percent is more generally accepted. Clothing varies between 15 and 20 percent. Operating expenses approximate 15 percent, higher life ranges between 20 and 25 percent. In those estimates where higher life is divided into the elements of "personals" and "savings," 18 to 22 percent is apportioned to the former, and 3 to 6 percent to the latter.

Budget Comparison

	Andrews		American
	Richard Shaeffer	minimum	minimum
	Per cent	Per cent	Per cent
Food	25	25	30
Rent	20	20	18
Clothing	15	20	15.17
Operating Ex.....	15	15	14
Higher life	25	20	
Personals			18-22
Savings			3- 6
Misc.			20.4

But with the apportioning of funds, as with the forms of account books, it is absolutely up to the individual and to the particular family concerned as to the definite ratio apportioned to each division of expenditures. As you make out your own budget, use standard ones as a basis, but form them according to your individual needs.

Little boy (on his mother's return): "Mama, you sure had a time with the cat this evening while you were gone."

Mother: "Sure enough. Well, tell me all about it."

Son: "Well, he got to crying around and we thought we'd feed him. So we got the cream bottle to feed him some cream. He got his head hung in the bottle, and we had to cut his head off to save the bottle."

Mother: "Oh, you don't mean you did that?"

Boy: "Yes, and then we had to break the bottle to get the head out, and by then the cat was dead."

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