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EC1109 The Business Side of Housekeeping
THE BUSINESS SIDE OF HOUSEKEEPING

The Income, Keeping Accounts, System in Housekeeping, Standards of Living.

"The management of a household is as much a business enterprise as is the running of a store, office or as is the operation of a factory."

The Income

The income of a family should include investments, salaries, real estate. A money value should be given to home products such as garden products, live stock, dairy products, etc. Too often these are not given any money value by the farmer - vegetables, dairy products, like cheese, butter and milk are all accepted and used, but no money value is given them.

The productive labor of the wife and children must not be overlooked by the husband. The old idea that a woman should toil and slave and maintain a home for her husband, that she should bear, rear, clothe and feed the children as well as caring for him, that she should wreck her health in the doing of it (as many mothers are doing every year) and yet not receive any compensation in the way of money - and many times not even receive the right to share in what her husband has earned, nor the credit for helping to save it, is a supposition that is entirely wrong; and should be overcome. Men should recognize the fact that whatever wages or salary or income they bring into the family, already has been in part earned by the wife.

Handling the Income

The handling of the family income has many times been the source of much unhappiness and misunderstanding between husband and wife. Some plan for handling the finances is one of the important matters, which young people should discuss before marriage.

There are many ways of disbursing or handling the income. Probably the most common is the "doling method" which amounts to the wife being obliged to ask for all the money she needs. This method destroys the self-respect of any woman as no woman should be compelled to ask the "head of the family" for money; whether it be for the household necessities or for her own personal use. Men should recognize the fact that it takes money to run a home, to buy food and to clothe the members of a family. Aside from the chagrin to the wife, this method has another disadvantage in that a woman never has any money when she needs it. This method indirectly may cause a woman to pay more for things than she would otherwise.
The Allowance Plan

This plan consists in setting aside a certain sum of money for a given time to be used by the wife. This may be a weekly allowance or a monthly allowance. This method is much better than the first one but has its disadvantages, especially if the husband feels that in giving his wife an allowance, he is granting her a great privilege. In many cases this stipulated amount of money is not for the wife herself but a way of saving the husband the trouble of paying the butcher, baker, etc. Another objection to this plan is that a woman usually feels that she must make an accounting to her husband, in fact many husbands demand such a report, which is not pleasant to the average woman. Another objection is the fact that a housekeeper must expend a large sum of money during an allowance period, that cannot be met by any one week or month's allowance - for instance, fall clothing.

If the allowance is given in cash the wife must carry the money or keep it in the house. Pick pockets, burglars, carelessness in losing and fire are all factors to be considered here.

The Charge System

This system is common among many families. By this method charge accounts are maintained at all the principal stores and the wife is permitted to order and charge anything needed. Bills come in monthly to be paid by the husband.

If the housekeeper is careful to file and check all bills, this system has its advantages. One does not need have ready cash on hand, it simplifies household accounting and bookkeeping. It offers no chance for loss of money and charge account, customers receive more attention from employees and tradesmen than do customers who pay cash. Many stores assume that the cash customers cannot secure credit. This idea was not prevalent years ago but is most certainly true today. Some people argue that with a charge account more is purchased than if cash is paid. There may be a tendency to do this at first, but as soon as one becomes accustomed to the charge method, one will make an effort to keep the charge bills bear a certain figure each month.

The Checking System

This system is no doubt the only fair and business like method. Where all expenditures and the payment of all household bills are made by check. If a husband feels that he cannot trust his wife's judgment in money matters, he should study the finance problems with his wife and come to an understanding as to what rules they shall follow. If this be done in a sincere spirit, the average woman will do her part. Many times the husband is at fault in not letting his wife know his true financial condition.

In carrying out this system a joint bank account should be opened in the name of both husband and wife or the husband may open the account in his name and give his written consent to the banker to have his wife sign his name to checks. If a husband cannot trust his earnings to his wife, then he cannot trust her with his honor, his reputation or his name. If the woman is careless in this regard it is the duty of the husband to correct this habit by discussing their finances together.
Keeping Accounts -

The bank account is a valuable asset in the management of any home, even if the earnings are only twenty or twenty-five dollars a week, a man should have a bank account and pay all bills by check. Every farmer's family should have a bank account. Be sure that your bank is a State or a National bank, not a private bank.

There are many advantages in having a bank account. It gives one standing and credit with business people. Payment of bills by check teaches one to be systematic and careful - it promotes saving and prevents losses. Endorsed checks are the best possible evidence that can be presented as proof of a payment. A bank account helps to build up one's credit - thus enabling people to borrow money in case of need.

There are certain fundamental facts about banking accounts that every housekeeper should know. One of these is the opening of an account, which consists of acquainting yourself with the banker, and making your deposit. One should become familiar with the "Deposit slip" and learn the data entered on such a slip, such as the name of the person whose account is kept, date of deposit, character and amount of deposit, and the total of the deposit. The method of filling out a check giving the date, name of person to whom payment is to be made, amount to be paid written out in full and in figures, and the signature of the party drawing the check is important knowledge for every homemaker, also endorsing it at the left end on the bank. In paying household bills by check one should always carefully check bills up and see if they are correct, also form the habit of paying bills once a month at a given time.

Household Account -

The term household account frightens the average housekeeper. This is sometimes the fault of the system used and many times it is because many people have a wrong idea of the purpose of such an account. In the first place one should not feel that every penny must be accounted for, nor is there any real need of balancing household accounts. While both these may be done, this is not the real purpose of an expense account in the home.

The advantages of the household account should not be overlooked. In keeping a separate account for all the important divisions of household expenses, as rent, fuel, food, etc. One can tell exactly how much is being spent each week or month, so that a comparison may be made from time to time with previous weeks or months. In this way a check may be kept upon these expenses that show an abnormal increase. If properly kept, one is able to know from the expense record the exact date a payment was made. The expense record may easily show the dates of purchase, this enables one to place present values on different objects, such as furniture, rugs, etc. If it is clothing one can estimate the length of time different garments can be worn.

A successful expense record should be flexible, so that it may be changed from time to time to meet the growing needs of the family. It should provide for both weekly and monthly entries. A summary of each month should be made under each division and a sheet showing the yearly expenses should be made every six months or at least once a year.

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Following are a list of questions that any homemaker or any group of homemakers might ask:

"Am I paying too much rent in proportion to the amount spent for clothing?"
"Is the food expense running too high as compared with previous months?"
"If the food expense is higher - is there some good reason, such as canning of fruit, additional entertaining or company?"
"Am I spending more for necessities such as food and clothing than is reasonable.

Many other such questions will suggest themselves to ladies studying the question.

A Household Account form may be obtained free by writing to the Extension Service for Home Management Circular No. 5 and 5a.

The Budget System -

This consists in estimating or planning ahead for one's expenditures and then dividing the income during a definite portion of time, such as a week, a month, or a year.

The use of such a method distributes the income evenly throughout the year and does away with the "lean days" and "fat days" common to so many homes. No set rule for budget making can be given that applies to all families since families vary in the conditions that govern expenditures, but in making out a budget there are certain factors that must be considered in all families. These are:

- the number in the family, considering the number of adults, the number of children and the number of employees.

- The physical condition of the family, considering health, sickness and special physical conditions which might alter the budget.

- The shelter or house, whether it be a house or an apartment, whether heat, telephone, water tax and such expenses are furnished or not.

- The environment, whether it be city, in the suburbs of the city, a small town or on the farm - many factors will need consideration here, the garden, the cow, chickens, etc.

- Transportation - going to school, going to work, going to church, going to market, must all be included under this head.

Household expenditures are usually classified as "necessities" and those expenses that contribute to the "Higher Life" or as someone has said, "The Joy of Living". Under necessities come shelter which would include rent, taxes, fuel, etc. Food, which would include groceries, meat and fish; dairy products and ice. Clothing - which would include suits, dresses, underclothing, overclothing, like coats, hats, etc. and the laundry, cleaning, pressing and repairing.

Under Higher Life - comes insurance, savings, doctor, dentist; domestic activities, such as servants, entertaining; civic activities, such as clubs and lodges; culture such as books, music, travel and art, education, public and private schools, special instruction; and luxuries, such as automobiles, amusements, such as lectures and recitals.
Every family should plan their finances so as to leave a definite amount for those things which contribute to culture, education and the growth of the mind and soul. In other words, the homemaker must constantly recognize the fact that "man does not live by bread alone" and that the other needs must be as carefully considered as food, clothing and shelter.

**System in Housekeeping**

In this business of housekeeping, the housekeeper must learn to organize. It is just as necessary for the housewife to organize and arrange the affairs of her household as it is for the business man to organize a definite plan of work for his office. The homemaker should constantly keep before her the old saying, "Use your head and save your heels".

There is no doubt that successful financial management depends in part upon the system of household organization. One constantly sees haphazard methods and lack of system employed in the average American home. Homemakers take countless steps and motions in every task, many of which are entirely unnecessary. For instance a housekeeper may walk twenty or thirty feet to hang up the dish pan - she may stop and lift each piece of laundry separately from a basket at her feet when she might place the basket at her level - many a woman washes dishes three times a day over a sink so low that she might stoop down to it - instead of being able to stand erect - the same is also true of wash tubs.

System in managing the home means a lightening of the housekeeper's duties - in that it reduces the amount of energy expended and lessens the time spent in performing any given duty. Many times it reduces the amount of money expended also.

In order to plan efficiently, a housewife should have schedules worked out for herself, for the servants, and for the children. This may seem unnecessary on first thought, but will be found invaluable if once tried. Definite rules should be given to each servant, such an understanding should do away with many disputes.

There is no reason why children should not have a schedule and thus be taught system early in life. Children should have hours for arising and retiring, for leaving the house for school and for returning home - definite hours for study and for play and tasks that are assigned to them. A mother that teaches her child system in this way is not only helping herself but is benefiting her child more than she realizes.

Following are a few points in system that will increase the efficiency of any home.

1. **System in Arrangement of the House.**
2. **System in Daily Routine.**
   a. Fixed hours for arising and retiring, and serving of meals.
   b. Work of week planned. Certain days set aside for definite tasks, duties, and pleasure.
   c. Schedules for servants and children.