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The Teacher's Economic Position

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FOREWORD

THE economic status of any body of workers essential to the welfare of society cannot be a matter of indifference to citizens. The American people are committed to universal education at public expense. They furnish the money which supports it and the children who receive its benefits. They have fostered it by legal enactments for nearly three hundred years. They have protected it in the courts. And they have rebuked self-seeking interests which would hamper, belittle, or distort it. They must, therefore, be keenly sensitive to the welfare of teachers.

It is the Committee's intention in this report to inform the public concerning one important aspect of the welfare of teachers, namely, their financial position. Little is known about this topic in spite of many reports on teachers' salaries. Salaries do not cover the whole ground. Whether or not a given salary is sufficient may be a matter of endless dispute. What do we mean by sufficient? Do we mean sufficient to secure enough candidates to recruit the teaching staff?

That way lies disaster. Too long have the schools of many communities operated with salaries just large enough to secure teachers of minimum legal qualifications. Such schools fail to keep their teachers. The turnover is rapid. And the pupils rarely receive the benefit of experienced instruction.

Do we mean a sufficient salary to maintain an appropriate standard of living? But what is an appropriate standard of living? And standard of living for whom? For the teacher alone? How about dependents? What about the male teacher who normally will marry and maintain a home and family? The female teacher also has dependents. By the way, how many dependents has she?

The idea of a "sufficient" salary bristles with questions. Perhaps we can approach the problem of the economic status of the teacher more fundamentally.

Let us take the salaries as we find them. Let us find out what other incomes teachers have. Let us relate total income, however acquired, to cost of living, to number of dependents, and even to the skill with which teachers manage their money. Let us find out whether they are better off financially at the end of the year and by how much. Let us note something about their scheme of values—how much, for example, they spend for necessities and more particularly what they do with the rest of their incomes. Do they "give unto others" according to their ability? Do they spend a reasonable amount for the enrichment of their own lives? Let us find out how much they save from year to year. Let us see whether their capital is adequate at retirement to provide for their old age. In short, from a financial point of view and accepting conditions as they are, let us find out something about teaching *as a career*.

These efforts have been made in the report which follows. The Committee is keenly aware that it has not succeeded at every point in this program. Essential information is difficult and expensive to obtain. Moreover, such information

sometimes permits different interpretations. The Committee believes, however, that it has made considerably more than a start in dealing with the problem and that its findings ought to be reported without further delay.

The Committee acknowledges with gratitude its indebtedness to the teachers, upwards of 2500 in number, who in addition to answering a series of preliminary and final questions made out twelve monthly reports of detailed receipts and expenditures. Theirs was a task of such unusual magnitude that the Committee takes this occasion to express on its own behalf and on behalf of the National Education Association a genuine sense of obligation.

The Committee is also deeply indebted to the Research Division of the National Education Association and in particular to Dr. Richard R. Foster, Assistant Director of the Division. Without the work of Dr. Foster and the Research Division this report could not even have been contemplated.

COMMITTEE ON THE ECONOMIC STATUS OF THE TEACHER

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CHAPTER I

Introduction

Importance of the Teacher's Economic Status

The economic status of any teacher is naturally of major personal concern to that teacher. The economic status of teachers as a group is, or should be, a matter of fundamental professional concern to all educators and to parents and citizens generally. From the purely personal point of view, a satisfactory economic status is important because it means having the necessities of life in sufficient amounts for one's self and dependents; a reasonable amount for giving to worthy causes outside one's own household; ample opportunity for wholesome recreation and for cultural and professional growth; and a chance to make adequate provision for future emergencies and for retirement. From the strictly professional point of view, these things are important because they help to maintain the morale of teachers and to improve generally the efficiency of our schools. The profession of education may well give even more careful consideration than in the past, to the economic conditions and problems of its members and to ways of getting other citizens to do the same. This is essential to the well-being of one of society's most potentially valuable groups, and hence essential to the effectiveness of the work which society expects this group to do.

Contributions of the National Education Association

For many years the National Education Association has interested itself in the economic problems of teachers. Thru its committees on

salaries,¹ retirement allowances,² and tenure,³ the Association has contributed to factual knowledge and public opinion in these fields. The Research Division has collected essential data and published significant findings in its bulletins.⁴ The *Journal* of the Association has devoted considerable space to the topic of teachers' economic welfare, while in 1931 the Department of Classroom Teachers published an entire yearbook on this subject.⁵ Another department, the American Educational Research Association, periodically summarizes the research on this and other problems of teacher personnel in an issue of its *Review of Educational Research*.⁶

In 1927 the Association's Representative Assembly authorized the appointment of a Committee on the Economic Status of the Teacher to replace the existing committee on teachers' salaries. As its name implies, the new committee's function was to survey the field of teachers' economic problems and to make studies of those problems which were most in need of attention. For its first study the Committee selected the problem of teacher supply and demand in the United States. With the cooperation of the Research Division a survey was made and the results published in 1931.⁷ In the following year, the Committee decided that the time was ripe for a frontal attack upon its central problem: What is the economic status of teachers, and what suggestions can be made for its improvement? Again the facilities of the Research Division were utilized, and a careful survey was carried on for a period of more than two years. The results of this second investigation are presented in this report.

¹ For example: *Report of the Committee on Salaries, Tenure, and Pensions of Public School Teachers in the United States*. Washington, D. C.: the Association, 1905. 466 p. ¶ Evenden, E. S. *Teachers' Salaries and Salary Schedules in the United States, 1918-19*. (Prepared for the Commission on the Emergency in Education, National Education Association.) Washington, D. C.: the Association, 1919. 169 p.

² For example: Committee on Retirement Allowances (Anna Laura Force, chairman). *Report: Teacher Retirement Systems in Operation*. Washington, D. C.: the Association, 1932. (Mimeographed) 80 p.; and *Report: Retirement Systems in the Depression*. Washington, D. C.: the Association, 1934. (Mimeographed) 29 p.

³ For example: Committee on Tenure (Fred M. Hunter, chairman). *Report*. Washington, D. C.: the Association, 1924. 59 p. ¶ Committee on Tenure (Donald DuShane, chairman). *Report: Recent Court Decisions on Teacher Tenure*. Washington, D. C.: the Association, 1935. 61 p.

⁴ For example: "Salaries of School Employees, 1934-35." *Research Bulletin* 13: 1-32; March, 1935. ¶ "Administrative Practices Affecting Classroom Teachers—Part II: The Retention, Promotion, and Improvement of Teachers." *Research Bulletin* 10: 33-76; March, 1932. ¶ "Current Issues in Teacher Retirement." *Research Bulletin* 8: 221-88; November, 1930. ¶ "The Scheduling of Teachers' Salaries." *Research Bulletin* 5: 129-92; May, 1927. Washington, D. C.: the Association.

⁵ "The Economic Welfare of Teachers." *Sixth Yearbook*. Washington, D. C.: the Association, 1931. 244 p.

⁶ See: "Teacher Personnel." *Review of Educational Research* 4: 253-352; June, 1934. Washington, D. C.: the Association.

⁷ Buckingham, B. R., chairman. *Report: Teacher Demand and Supply in the Public Elementary and Secondary Schools of the United States*. Washington, D. C.: the Association, 1931. 99 p. (Published also as the November, 1931, issue of the *Research Bulletin* of the National Education Association.)

Purposes of This Survey

The specific purposes of this investigation were as follows: (1) to determine how teachers at different income levels and under various circumstances with respect to sex, marital status, living conditions, and number of dependents, actually used their incomes during a period of twelve months; (2) to shed light, thru an analysis of expenditures and related conditions, on the adequacy of the incomes received by the cooperating teachers; (3) to show the sources and amounts of income received by these teachers in addition to their salaries; (4) to reveal the amounts of property and of

indebtedness accumulated by these teachers in relation to the length of their service in teaching; (5) to measure the changes in teachers' cost of living and in the purchasing power of teachers' average salaries during the current economic depression; (6) to compare the average salaries of teachers with the average incomes of other occupational groups during the depression; and (7) to make suggestions for the improvement of teachers' economic status, with reference both to the management of personal income and to the determination of appropriate salary levels. The sources of data and methods of study used to achieve these purposes are described in the following chapter.

THE FIRST GREAT BENEFIT of financial independence is its contribution to the individual's self-respect, personal morale, or whatever one wishes to call this factor which is so important in making life worthwhile to the individual. The person who through incompetence, unforeseen emergencies, an inadequate basic income, or lack of education, is unable to maintain a reasonable standard of living for himself and his dependents is also likely to lack the zest and inspiration which life is capable of affording.

The second benefit of financial independence, closely related to the first, is its effect upon vocational efficiency. The person whose present needs are cared for, and who is free from worry as to what hardships the future may bring, is usually in the proper mental state for hard and effective work. On the other hand, the individual with a burden of financial worries on his mind cannot be expected to give his best to his daily tasks.—*The Economic Welfare of Teachers*, Sixth Yearbook, Department of Classroom Teachers, National Education Association, 1931, p. 13.

CHAPTER II

General Scope and Procedure of the Survey

Sources of Information

In pursuing the purposes mentioned in the preceding chapter, the Committee obtained information from a variety of sources. Data on sources and uses of teachers' incomes, and on their accumulated assets and liabilities, were collected directly from teachers in city school systems. Changes in commodity prices were secured from reports of the United States Bureau of Labor Statistics, the National Industrial Conference Board, and certain other agencies. Trends in teachers' salaries were obtained from surveys by the National Education Association and the United States Office of Education, and the incomes of other occupational groups from the recent studies of national income by the United States Department of Commerce. The Committee has also had occasion to refer to a number of earlier studies bearing upon the economic status and needs of teachers.¹ These earlier investigations have not only revealed significant problems for treatment in this report, but have suggested appropriate methods and possible pitfalls in the collection and interpretation of data. An effort has been made to profit from these suggestions, and to extend or improve upon them insofar as possible.

Most of these sources and the methods used in connection with them are described suffi-

ciently in later chapters. The remainder of this chapter describes the general procedure followed in collecting financial information from teachers, this being the most novel and elaborate phase of the survey from the standpoint of method. This description will interest research workers conducting similar studies, and other readers who wish to judge for themselves as to the reliability of the data obtained.

Nature of Report Forms Sent to Teachers

Information was obtained from teachers by means of an individual record booklet of thirty-two pages. This booklet consisted of twelve monthly record sheets designed to provide information for a full year concerning savings and investments, current expenditures, income from all sources and borrowing or reduction of debt. The booklet also contained general directions for reporting the data; a sheet for such personal items as name and address, sex, marital status, living conditions, number of dependents, length of school service, and type of school position held; and a sheet for general items of financial status at the end of the year, together with changes in living conditions which had occurred during the year. Each sheet was detachable, and all sheets in each booklet bore an identical serial number for convenience in re-assembling each teacher's reports.²

¹ Boothe, Viva. *Salaries and the Cost of Living in Twenty-seven State Universities and Colleges, 1913-1932*. Columbus: Ohio State University Press, 1932. 158 p. ¶ Butsch, R. L. C. "Trends in the Purchasing Power of Teachers' Salaries." *American School Board Journal* 87: 18-20; October, 1933. ¶ Cooke, Dennis H. "Adequacy of Teachers' Salaries." *Peabody Journal of Education* 11: 145-52; January, 1934. ¶ Eells, Walter Crosby. *Salary and Cost Study of Fresno Schools*. Fresno, Calif.: Fresno City Council of Education, May, 1932. 190 p. ¶ Eells, Walter Crosby. *Teachers' Salaries and the Cost of Living*. Stanford University, Calif.: Stanford University Press, 1933. 94 p. ¶ Harry, David P. *Cost of Living of Teachers in the State of New York*. Contributions to Education, No. 320. New York: Teachers College, Columbia University, 1928. 184 p. ¶ Hart, F. W., and Peterson, L. H. *Teachers' Salaries in San Francisco*. San Francisco, Calif.: Teachers Consolidated Salary Study Committee, 1929. 148 p. ¶ Holy, T. C., director. *Cleveland Teachers' Salaries*. Bureau of Educational Research Monographs, No. 16. Columbus: Ohio State University Press, 1932. 196 p. ¶ Hoyt, Elizabeth E., and Meints, Viola C. "Academic Incomes and Planes of Living." *American Economic Review* 22: 78-81; March, 1932. ¶ McGaughey, James R., director. *Teachers' Salaries in New York City*. Final Report of the Citizens' Committee on Teachers' Salaries. New York: Teachers College, Columbia University, 1927. 256 p. ¶ McKay, Marion K., and Warne, Colston E. *Survey of the Salaries of Teachers in the Public Schools of Pittsburgh in Relation to Cost of Living*. Pittsburgh, Pa.: Pittsburgh Teachers Association, June, 1927. 98 p. ¶ Meeker, Royal. *A Study of Costs and Standards of Living of Minneapolis Teachers in Relation to Their Salaries*. Minneapolis, Minn.: Central Committee of Teachers Associations, September, 1926. 39 p. ¶ Morton, Grace Margaret, and Clark, Ruth Marjorie. "Income and Expenditures of Women Faculty Members in the University of Nebraska." *Journal of Home Economics* 22: 653-56; August, 1930. ¶ Oakland Public Schools. Department of Research, and Heller Committee for Research in Social Economics of the University of California. *Adequacy of Salaries Paid to Oakland School Teachers*. Bulletin No. 11. Sacramento, Calif.: State Department of Education, June 1, 1932. 24 p. ¶ Peixotto, Jessica B. *Getting and Spending at the Professional Standard of Living*. New York: Macmillan Co., 1927. 307 p. ¶ "Personal Economics for the Teacher." *Common Ground* (Official organ of the Massachusetts Teachers Federation) 9: 341-57; May, 1930. ¶ Strayer, George D., and Elsbree, Willard S., directors. *Teachers' Salaries in Yonkers*. Report made by the Division of Field Studies, Institute of Educational Research. New York: Teachers College, Columbia University, 1929. 49 p.

² Copies of the report booklet, together with form letters and explanatory bulletins used in the survey, are on file in the Research Division of the National Education Association for the information of any who wish to examine them.

Selection of Localities

The localities originally selected for study were the fifty-one cities in which the United States Bureau of Labor Statistics regularly collects food prices, and for thirty-two of which the Bureau computes indexes of the total cost of living for wage-earners and small salaried workers. The selection was limited to these fifty-one cities for three reasons: (1) Financial limitations made it possible to include only a few representative localities; (2) the Committee believed that teachers in cities of considerable size would make a better response to such an inquiry than would teachers from small towns and rural areas; and (3) the selection of these cities enhanced the value of government figures on commodity prices in connection with this survey.

In May 1932 the chairman of the Committee wrote to the superintendent of schools in each of the fifty-one cities, enclosing a copy of the monthly record sheet, and requesting the superintendent to seek the cooperation of teachers in his school system for the following year. Follow-up letters were mailed to those superintendents who did not answer the first letter. Of the fifty-one superintendents, five did not reply at all; nine were unable or unwilling to have the teachers cooperate; and thirty-seven took action or made suggestions which resulted in the participation of at least a small number of teachers. The thirty-seven cooperating cities are listed here:

- | | |
|-------------------------|---------------------------|
| 1. Atlanta, Ga. | 20. Milwaukee, Wis. |
| 2. Baltimore, Md. | 21. Minneapolis, Minn. |
| 3. Birmingham, Ala. | 22. Newark, N. J. |
| 4. Bridgeport, Conn. | 23. New Orleans, La. |
| 5. Butte, Mont. | 24. New York, N. Y. |
| 6. Charleston, S. C. | 25. Peoria, Ill. |
| 7. Chicago, Ill. | 26. Pittsburgh, Pa. |
| 8. Cincinnati, Ohio | 27. Portland, Ore. |
| 9. Cleveland, Ohio | 28. Providence, R. I. |
| 10. Dallas, Texas | 29. Richmond, Va. |
| 11. Denver, Colo. | 30. Rochester, N. Y. |
| 12. Detroit, Mich. | 31. Saint Louis, Mo. |
| 13. Houston, Texas | 32. Saint Paul, Minn. |
| 14. Indianapolis, Ind. | 33. Salt Lake City, Utah |
| 15. Kansas City, Mo. | 34. San Francisco, Calif. |
| 16. Little Rock, Ark. | 35. Seattle, Wash. |
| 17. Los Angeles, Calif. | 36. Springfield, Ill. |
| 18. Louisville, Ky. | 37. Washington, D. C. |
| 19. Manchester, N. H. | |

Attitudes toward the Survey

Significant differences in the attitudes of superintendents toward the project were evi-

dent in their responses to the Committee's request for assistance. Most of them were eager to cooperate. Of the nine superintendents who replied but declined to cooperate, some expressed sympathy with the Committee's purpose but felt that the time and labor involved was too much to ask of the teachers, while one superintendent frankly condemned the project as unduly inquisitorial.

Following are excerpts from the replies of two superintendents and the authorized representative of a third who agreed to cooperate:

1. We shall be glad to have ten blanks or one hundred blanks as may seem best to you. If you prefer to make it one thousand or two thousand, please arrange it that way.

2. In accordance with your request of May 18, I submitted to our faculty your plan for investigating the economic status of the teacher. I am pleased to advise that 318 teachers have agreed to participate in your study. . . . The monthly record sheet for October was mimeographed together with the entire statement submitted by the committee in explanation of the proposed investigation, and copies were placed in the hands of each teacher agreeing to cooperate.

3. I have submitted the copy of the monthly record sheet to a committee of three members who have had considerable experience in dealing with the financial affairs of our teachers, and they agree that the investigation is very important and that we should participate. . . . During the summer I shall try to perfect an organization for securing understanding and cooperation among the teachers.

In contrast are the following statements from superintendents who felt that they could not help:

1. . . . I have talked this matter over with one or two school officials, and also with officers of the teachers association. We do not think it feasible at this time to fill out the questionnaires. I appreciate the splendid work which your committee is attempting to do and the objective which it has in mind.

2. I regret very much that, after consideration at two meetings of our Board of Superintendents, it was decided not to participate. . . . While the members of this board regarded the subject as one worthy of study, they thought that the amount of data and continuous effort required would be a little too much to ask of our teachers in these times of overloaded classes, crowded buildings, and extended programs.

3. Acknowledging your letter of May 18, I do not care to ask any of our teachers to keep such a monthly record of expenditures as the suggested inquiry blank enclosed in your letter purposes to secure. . . . I think the questions include a great many that are of such an intimate, personal nature that teachers would feel resentful at being asked to furnish such information.

4. . . . I forwarded your letter with the questionnaire to the president of our teachers club, with the suggestion that she present the matter to her governing board. . . . It was finally voted by the governing board that since no one on the board would care to keep for a year such a record as you proposed, it would not wish to ask the members of the club to do so.

No criticism of anyone is implied in reproducing the foregoing responses. These statements represent honest differences of opinion as to the value or the propriety of asking teachers for such information. In any study of this kind, considerable objection is likely to be encountered unless the purpose and value of the project are fully explained and unless all concerned are assured that their reports will be kept strictly confidential. The present Committee took what it considered to be adequate steps in these directions, but in the light of its experience recommends that future investigators make even more careful preparations for launching surveys of this nature.

Distribution and Use of Report Forms

Each superintendent was asked to obtain the cooperation of five hundred teachers, if possible, who were either single women or married men. Single men and married women were excluded because they constitute a relatively small proportion of the teaching staff in most cities, and it seemed unlikely that enough of them would cooperate to make separate analyses of their reports worthwhile. In September 1932, after estimates had been received from most of the superintendents as to the number of booklets they would need, the number called for was shipped to each city. The letter accompanying the booklets contained the following directions:

1. For the present, the Committee is interested in obtaining reports from members of the *white race only*. The inclusion of a few teachers of other races will not be objectionable, but no attempt should be made to include them as a representative group.

2. The cooperating group should be strictly limited to *single women and married men*. If possible, we should like to have the teachers divided about equally between these two groups. If this is out of the question in your system, please obtain as many of each group as possible, up to a total of (number requested) for the two groups combined. If you should discover that additional teachers are willing to participate, please write at once and the required number of extra booklets will be sent you.

3. The cooperating group should include teachers with a wide range in annual salaries received from

the board of education. The teachers should be distributed as well as possible over the entire salary scale.

4. The report booklets should, if possible, be distributed to the teachers not later than October 1, and preferably about a week or ten days earlier. The teachers should have an opportunity to study the booklet carefully before October 1, so that they will understand from the beginning what is expected of them.

5. The task of reporting is not a small one. Therefore, it will help greatly if you or your representative will explain to the cooperating teachers the purpose and scope of the study, emphasize its importance to them and to the profession generally, review briefly the procedure for reporting, and urge their continuous cooperation thruout the year. If convenient, such an inauguration of the project might best be accomplished at a meeting of the participating teachers. Or it might be done in a letter.

6. Complete directions for filling out and mailing the report forms are included in the booklet itself. Most of the items can be answered by writing figures or check marks.

7. The teachers may be assured that every item of information reported by them will be kept strictly confidential. We are not interested in the status of any individual, and will use the information only in preparing tabulations for the group. Special precautions will be taken to prevent identification of the participating teachers, except in case it becomes necessary for the Research Division to correspond with a teacher concerning the accuracy or completeness of the information reported.

8. From now on, the detailed work of administering the entire survey will be in the hands of Dr. Richard R. Foster, Assistant Director, Research Division of the N. E. A., 1201 Sixteenth Street, N. W., Washington, D. C. You should, therefore, address all further communications concerning details of the project to him. Acting for the Committee on the Economic Status of the Teacher, he will answer all questions and assist those cooperating in every way possible.

A similar set of directions was sent to a selected list of school principals in one city whose superintendent had requested that the entire project be administered directly thru the individual schools.

More than ten thousand booklets were sent to the thirty-seven cities listed above. More than half of these were not used, however, partly because some of the superintendents had over-estimated the number of teachers who would cooperate, and partly because many teachers who had tentatively agreed to participate were unwilling or unable to do so when they discovered how much time and effort would be required. If no report had been received from a particular booklet after the first two months of the survey, the Research Divi-

sion sent the serial number of that booklet to the person in charge of distribution in the appropriate city with a request that he use all reasonable means to secure the cooperation of the teacher holding the booklet. This procedure brought some additional responses from the teachers.

More than four thousand teachers submitted reports at the end of the first month of the survey (October 1932). At the conclusion of the project, 2566 had sent in twelve monthly records and the supplementary information in usable form. While this was not as high a percent of response as has been obtained in many questionnaire studies, the Committee considers it a remarkable return in view of the arduous and time-consuming nature of the task and the fact that most of the teachers were far removed from the source of the inquiry.

Checking and Following up the Monthly Reports

A special effort was made to maintain the interest of each teacher, to obtain his reports promptly, to check each report carefully as it was received, and to correct errors or misunderstandings by further correspondence. Usually the cooperating teachers mailed their reports directly to the Research Division, as requested. After a teacher had sent his records for the first month, including his name and address, any communications concerning his reports were addressed to him personally. No further follow-up thru the superintendent of schools was attempted.

Within a few weeks after each month's report was due, a postcard reminder was sent to the teachers who had not yet reported for that month. In addition, the chairman of the Committee sent two postcard messages (in January and May 1933) to all of the teachers who were not more than three months behind with their reports, expressing personal appreciation of their cooperation and urging them to continue reporting thruout the year.

The major task in collecting these data consisted of checking each individual report as it was received, and corresponding with teachers in regard to doubtful points. Many evidences of misunderstanding were found on the reports, and hundreds of requests were received for further explanation of certain items. All

such matters were given careful attention. Inquiries from teachers were answered personally by a responsible member of the Research Division staff. The items causing greatest difficulty were explained also in a series of form letters. Few of those participating failed to receive at least one such letter, and many received several of them. The response of the teachers to these letters was, on the whole, very satisfactory. Had such correspondence not been carried on, the number of usable reports available at the end of the year would probably have been only a minor fraction of the number actually received.

In addition to the form letters and the personal answers to individual requests for guidance, the Research Division sent out two brief mimeographed bulletins to clarify certain points in the record forms. One of these indicated the proper classification of expenditures for certain types of goods and services not enumerated on the record sheets themselves. The other bulletin attempted to define more clearly the nature of the figures desired under the headings of "Income," "Savings and Investments," and "Borrowing and Reduction of Debt." Each of these bulletins was sent to the key people in the cooperating cities, with the request that it be brought to the attention of the participating teachers. Copies of both bulletins were also enclosed in many of the personal letters addressed to individual teachers.

Shortly before the close of the year covered by the survey, a one-page multigraphed sheet headed "Supplementary Inquiry" was sent to each teacher who was not more than two or three months behind with his reports. This sheet asked for certain additional information which, because of reduced incomes and other factors not clearly foreseen, might be needed for proper interpretation of the data submitted on the monthly reports. This information included the amount of unpaid bills at the beginning and at the end of the year, salary due but unpaid at the end of the year because of insufficient school funds, and the amount of money lost or tied up in closed banks.

Tabulation of Data

As soon as the record sheets for the last month of the year (September 1933) began to come in, the Research Division began to summarize

the reports of each teacher for the year. The corresponding figures for all twelve months were added and their totals recorded on master sheets. Considerable follow-up work was necessary in obtaining the teachers' final reports, and the last of them were not received until about January 1, 1934. The task of summarizing the 35,000 separate record sheets was completed about April 1.

When the reports had been summarized, the data were punched on Hollerith cards—two 80-column cards for each teacher. These cards were then used in sorting and tabulating the data for various groups of teachers by means of electrical machines. While a great deal of clerical work was required also, most of the basic analyses were made on the Hollerith machines.

Summary

The Committee believes that the methods employed in this survey were such as to yield unusually accurate results. The collection of financial reports from teachers each month instead of only once at the end of the year; the pains taken to correct mistakes and misunderstandings throughout the course of the survey; and the use of mechanical equipment as well as high-grade clerical service in summarizing and tabulating the data—these factors of procedure may properly inspire confidence in the figures presented in the following chapters. A file of the record forms, explanatory bulletins, and form letters used in the survey is available in the Research Division of the National Education Association for the information of any who wish to examine it.

LEISURE, itself a by-product of money, is absolutely essential to mental and physical vigor. The teacher must have time for reading and study, time for recreation and diversion, time for cultural interests, and time for travel. If the teacher's salary is so low that she must either devote her out-of-school hours to making her own clothes, doing her own laundry, cooking, and cleaning, or else take on odd jobs to help defray expenses, she will have little time and less energy for those outside interests which would contribute to her effectiveness in the classroom. Teachers whose nerves are worn to a fine edge by mental and physical exhaustion, by too much routine and too little diversion, cannot have the patience, the tolerance, and the infinite sympathy which are essential to successful work with children.—Elsbree, Willard S., *Teachers' Salaries*, Teachers College, Columbia University, 1931, p. 4.

CHAPTER III

Basic Facts Concerning the Group of Cooperating Teachers

This chapter presents a number of facts concerning the group of participating teachers which have bearing upon the expenditures and other aspects of economic status considered in subsequent chapters. These basic facts in-

clude the distribution of teachers by cities, types of reporting, sex and marital status, living conditions, number of dependents, net incomes received, types of school position, and length of school service.

TABLE 1.—NUMBER OF TEACHERS IN EACH CITY SUBMITTING COMPLETE REPORTS FOR THE YEAR

City and state	Single women		Married men		Both sexes		Grand total
	Individual reporting	Communal reporting*	Individual reporting	Communal reporting*	Individual reporting	Communal reporting*	
1	2	3	4	5	6	7	8
North Atlantic Section:							
1. Bridgeport, Conn.....	3	0	0	0	3	0	3
2. Manchester, N. H.....	1	0	0	0	1	0	1
3. Newark, N. J.....	30	3	6	1	36	4	40
4. New York, N. Y.....	3	0	0	0	3	0	3
5. Pittsburgh, Pa.....	108	9	62	9	170	18	188
6. Providence, R. I.....	26	0	7	1	33	1	34
7. Rochester, N. Y.....	113	4	28	6	141	10	151
South Atlantic Section:							
8. Atlanta, Ga.....	48	2	12	9	60	11	71
9. Baltimore, Md.....	9	1	2	0	11	1	12
10. Charleston, S. C.....	26	0	4	0	30	0	30
11. Richmond, Va.....	58	3	0	0	58	3	61
12. Washington, D. C.....	46	2	3	1	49	3	52
North Central Section:							
13. Chicago, Ill.....	9	1	0	1	9	2	11
14. Cincinnati, Ohio.....	176	12	33	7	209	19	228
15. Cleveland, Ohio.....	82	4	18	4	100	8	108
16. Detroit, Mich.....	52	5	6	0	58	5	63
17. Indianapolis, Ind.....	28	1	19	1	47	2	49
18. Kansas City, Mo.....	122	6	25	9	147	15	162
19. Milwaukee, Wis.....	56	2	23	1	79	3	82
20. Minneapolis, Minn.....	141	12	20	6	161	18	179
21. Peoria, Ill.....	40	4	9	1	49	5	54
22. Springfield, Ill.....	5	1	0	0	5	1	6
23. St. Louis, Mo.....	77	5	28	3	105	8	113
24. St. Paul, Minn.....	52	8	10	0	62	8	70
South Central Section:							
25. Birmingham, Ala.....	27	0	1	0	28	0	28
26. Dallas, Texas.....	170	7	15	6	185	13	198
27. Houston, Texas.....	79	5	7	1	86	6	92
28. Little Rock, Ark.....	2	1	1	0	3	1	4
29. Louisville, Ky.....	89	9	31	6	120	15	135
30. New Orleans, La.....	7	0	1	0	8	0	8
Western Section:							
31. Butte, Mont.....	20	0	0	0	20	0	20
32. Denver, Colo.....	104	8	17	2	121	10	131
33. Los Angeles, Calif.....	43	8	7	4	50	12	62
34. Portland, Ore.....	39	3	4	0	43	3	46
35. Salt Lake City, Utah.....	26	0	2	0	28	0	28
36. San Francisco, Calif.....	25	1	1	0	26	1	27
37. Seattle, Wash.....	13	2	1	0	14	2	16
Total number.....	1955	129	403	79	2358	208	2566

Read table thus: Of the 3 teachers submitting complete reports from Bridgeport, Conn., all were single women and were cases of "individual reporting"; of the 40 teachers submitting complete reports from Newark, N. J., 30 were single women and represented "individual reporting," 3 were women representing "communal reporting," 6 were married men representing "individual reporting," and 1 was a man representing "communal reporting." Similarly read figures for other cities and for all cities combined.

* Cases of "communal reporting" are those in which the reporting teacher recorded the expenditure of money earned by or received from another person or persons and spent in behalf of such person or persons. For more detailed definition, see text accompanying this table, page 177.

Distribution of Teachers by Cities

Table 1 shows the number of teachers in each city who submitted complete reports of income and expenditures for the entire year. The numbers varied from only one teacher in Manchester, New Hampshire, to 228 in Cincinnati, Ohio. The following ten cities furnished at least one hundred complete reports:

Cincinnati, Ohio	Louisville, Ky.
Cleveland, Ohio	Minneapolis, Minn.
Dallas, Texas	Pittsburgh, Pa.
Denver, Colo.	Rochester, N. Y.
Kansas City, Mo.	Saint Louis, Mo.

Types of Reporting

Because of differences in living conditions and in ways of handling personal and family finances, not all of the reports submitted were strictly comparable. This difficulty was met by classifying the reports into two principal types: (1) those representing "individual reporting," and (2) those representing "communal reporting."

Individual reporting was defined as the usual type in which the teacher reported only expenditures for himself and his dependents from his own personal income. A small number of cases which did not quite meet this definition were nevertheless placed in this group. The nature of such special cases is implied in the following definition of "communal reporting."

Communal reporting was defined as the relatively infrequent type in which the teacher included the expenditure of money which was earned by or received from another person or persons and which was spent partly or wholly

in behalf of that other person or persons, except that teachers who reported less than \$50 of such receipts and expenditures under certain headings were arbitrarily classed as cases of individual reporting rather than communal reporting. Four specific types of communal reporting were distinguished as follows:

1. Teachers reporting the expenditure of at least \$50 received from boarders, irrespective of whether the boarders were dependents or non-dependents, relatives or non-relatives.
2. Teachers reporting the expenditure of at least \$50 earned or received by spouse from outside sources.
3. Teachers reporting the expenditure of at least \$50 received from members of their households other than spouse.
4. Teachers reporting the expenditure of money received from non-dependents who were sharing expenses equally with them.

Table 2 indicates how the teachers were classified according to types of reporting. Among both men and women the cases of individual reporting were greatly in the majority, constituting 91.9 percent of the two sexes combined. About 12 percent of the men were classed as cases of communal reporting because they included the expenditure of income received by their wives, but otherwise no type of communal reporting was represented by more than 4 percent of the teachers of either sex. As shown in Table 1, the cases of communal reporting were distributed among the thirty-seven cities roughly in proportion to the total number of teachers cooperating in each city.

The number of cases of communal reporting among all women was 129, while among all men it was 79, making a total of 208 for

TABLE 2.—TYPES OF REPORTING BY THE COOPERATING TEACHERS

Types of reporting ^a	Single women		Married men		Both sexes	
	Number	Percent	Number	Percent	Number	Percent
1	2	3	4	5	6	7
1. Individual reporting.....	1955	93.8	403	83.6	2358	91.9
2. Communal reporting:						
a. Receipts from boarders.....	47	2.3	18	3.8	65	2.5
b. Separate income of spouse.....			57	11.8	57	2.3
c. Receipts from other members of household.....	79	3.8	4	0.8	83	3.2
d. Receipts from non-dependents sharing expenses.....	3	0.1			3	0.1
Total.....	2084	100.0	482	100.0	2566	100.0

Read table thus: Of the 2084 single women reporting, 1955 or 93.8 percent represented cases of individual reporting; 47 or 2.3 percent reported receipts from and expenditures for boarders; 79 or 3.8 percent reported receipts from and expenditures for other members of the household; and 3 or 0.1 percent reported receipts from and expenditures for non-dependents who were sharing expenses. Similarly read figures for married men and for both sexes combined.

^a For detailed statement of the distinction between "individual reporting" and "communal reporting," see page 177.

both sexes combined. These groups were so small as to make it impracticable to analyze the data on income and expenditures for them in detail, in view of the further sub-groupings required if important influencing factors were to be taken into account. Consequently, the remaining tables dealing with the reports of teachers include only cases of individual reporting as defined above.

Sex and Marital Status

Table 3 shows the distribution of the 2358 cooperating teachers (excluding cases of communal reporting) by sex and marital status, including a classification of single women according to whether they were (1) unmarried, (2) married but separated, or (3) widowed. About 96 percent of the 1955 women were unmarried. Of the entire group combining both sexes, 1880 or 80 percent were unmarried women, while 403 or 17 percent were married men. The number of women and the number of men separately for each city are shown in Table 1.

Living Conditions

Table 4 contains a classification of the 2358 teachers according to six general types of living conditions defined as follows:

1. *Owning and maintaining a home*—The teacher owned or was purchasing the house in which he lived and in which most of his meals were prepared. He was administering the home himself and bearing all or most of the expense of operating it. He lived in this home for at least eight months of the year.

2. *Renting and maintaining a home*—The teacher was renting a house or apartment, and most of his meals were prepared therein. He was administering the home himself and bearing all or most of the operating expense. He lived in this home for at least eight months of the year.

3. *Rooming and boarding*—The teacher was paying for food and shelter at commercial establishments, or at a private home not operated by relatives. He lived under these conditions for at least eight months of the year.

4. *Living at the home of parents or other near relatives*—The home was owned or rented and usually administered by the relatives, while the teacher contributed anywhere from nothing to the entire expense of operation. The teacher lived under these conditions for at least eight months of the year.

5. *Living with others (not near relatives) and sharing expenses*—The teacher owned or rented a house or apartment jointly with others who were not near relatives, paying approximately his fair share of the operating expense. He lived under these conditions for at least eight months of the year.

6. *Combination of types*—The teacher lived under two or more of the above types of conditions at different times during the year, but under no one type for as long as eight months.

The first five of these types are relatively distinct from one another with respect to certain factors which are likely to affect a person's distribution of expenditures, except for Number 4, "Living at the home of parents or other near relatives." This category may include teachers whose living conditions are fundamentally similar to Type 1, 2, 3, or 5. For example, altho a teacher may live in a home owned by his parents, he may pay practically the entire cost of operating and maintaining it. In such a case his expenditures would not be expected to differ greatly from what they would be if he owned his own house, paid all operating expenses, and had his parents living with him. Or a teacher may live at his parents' home but pay the same amount for board and room that he would have to pay at some other private home. The reason for classifying these cases (as well as those in which the teacher obviously lived more inexpensively with his

TABLE 3.—TYPES OF MARITAL STATUS AMONG THE COOPERATING TEACHERS *

Types of marital status	Women		Men		Both sexes	
	Number	Percent	Number	Percent	Number	Percent
1	2	3	4	5	6	7
Single:						
Unmarried.....	1880	96.2	....	....	1880	79.7
Separated.....	10	0.5	....	....	10	0.4
Widowed.....	65	3.3	....	....	65	2.8
Married and living with spouse.....	....	....	403	100.0	403	17.1
Total.....	1955	100.0	403	100.0	2358	100.0

Read table thus: Of the 1955 women reporting, 1880 or 96.2 percent were unmarried; 10 or 0.5 percent were married but separated; and 65 or 3.3 percent were widows. Similarly read figures for men and for both sexes combined.

* Excluding cases of "communal reporting."

relatives than he could have done elsewhere) under Type 4, is that they represent situations in which teachers are popularly supposed to live at extremely low cost to themselves, especially with respect to food and lodging. By grouping all such cases together, it is possible to check this popular notion with reference to members of the group.¹

Table 4 shows that of the 1955 women, about one-third were living at the homes of parents or other near relatives, while only about 6 percent were living with non-relatives and sharing expenses. Slightly fewer than one-fourth were renting homes, while about the same number were rooming and boarding. Only 14 percent owned or were buying their homes.

In sharp contrast to these figures are the percentages for the men teachers. More than half of the men owned or were buying their homes, while all but a few of the remainder were renting homes.

In the following chapters the data on incomes and expenditures of the women are presented separately for each of the first five types of living conditions, while those of the men are given separately for only the first two types. The data for other types are omitted because the numbers of teachers so classified were too small to have significance.

Number of Dependents

Facts regarding the number of dependents per teacher appear in Tables 5 and 6. Table 5

¹ For data on this point, see Chapter IV, p. 194 and 195.

TABLE 4.—NUMBER OF TEACHERS OF EACH SEX IN VARIOUS TYPES OF LIVING CONDITIONS^a

Types of living conditions	Single women		Married men		Both sexes	
	Number	Percent	Number	Percent	Number	Percent
1	2	3	4	5	6	7
Owning and maintaining a home.....	277	14.2	213	52.9	490	20.8
Renting and maintaining a home.....	452	23.1	178	44.2	630	26.7
Rooming and boarding.....	430	22.0	1	0.2	431	18.3
Living at home of parents or other relatives...	655	33.5	8	2.0	663	28.1
Living with others (not relatives) and sharing expenses.....	127	6.5	1	0.2	128	5.4
Combination of types.....	14	0.7	2	0.5	16	0.7
Total.....	1955	100.0	403	100.0	2358	100.0

Read table thus: Of the 1955 single women reporting, 277 or 14.2 percent were owning and maintaining a home; 452 or 23.1 percent were renting and maintaining a home; 430 or 22.0 percent were rooming and boarding, etc. Similarly read figures for married men and for both sexes combined.

^a Excluding cases of "communal reporting."

shows, for the teachers of each sex, the average number of persons in each of four categories who were dependent upon the cooperating teachers. In reporting dependents, the teachers were asked to count themselves among the persons who were wholly dependent upon their (the teachers') incomes. This procedure was followed because it seemed simpler and more significant to measure the teacher's economic responsibility in terms of the total number of persons dependent upon his income.

TABLE 5.—AVERAGE NUMBER OF PERSONS DEPENDENT UPON INCOMES OF TEACHERS^a

Classes of dependents	Single women (1955 teachers)	Married men (403 teachers)	Both sexes (2358 teachers)
1	2	3	4
Wholly dependent:			
over 21 years ^b	1.2	2.1	1.4
under 21 years.....	0.1	1.2	0.3
Partly dependent:			
over 21 years.....	0.8	0.3	0.7
under 21 years.....	0.3	0.1	0.2
All classes.....	2.4	3.7	2.6

Read table thus: The single women were supporting, on the average, 1.2 wholly dependent persons over 21 years of age (including the reporting teacher herself); 0.1 wholly dependent person under 21 years of age, etc.; making an average total of 2.4 persons dependent upon the teacher's income to some degree. Similarly read figures for married men and for both sexes combined.

^a Excluding cases of "communal reporting."

^b Includes the reporting teacher in each case.

Changes in the number of a teacher's dependents during the year were taken account of by means of fractions. For example, if a

teacher reported two dependents for six months of the year but only one for the remaining six months, his number of dependents was counted as 1.5.

Dependency units—For convenience in classifying the data on expenditures, all degrees of dependency were combined in a single figure for each teacher, and this figure is referred to throughout this report as the number of dependency units. A "dependency unit" was defined as the equivalent of one person wholly dependent or two persons partly dependent upon the teacher's income, the teacher himself being counted as one whole unit. Each partly dependent person was counted as one-half unit, on the assumption that the amount of dependency in a group of partial dependents would average about one-half as much as that of a total dependent.

Table 6 contains a distribution of teachers according to the number of dependency units for which they were responsible. The average number for women was 1.9, while for men it was 3.5. A comparison of Tables 5 and 6 shows

TABLE 6.—NUMBER OF DEPENDENCY UNITS PER TEACHER^a

Number of dependency units ^b	Single women	Married men	Both sexes
1	2	3	4
1.0—1.4	653	0	653
1.5—1.9	395	0	395
2.0—2.4	430	69	499
2.5—2.9	151	32	183
3.0—3.4	140	100	240
3.5—3.9	70	29	99
4.0—4.4	58	94	152
4.5—4.9	20	20	40
5.0—5.4	14	28	42
5.5—5.9	9	9	18
6.0—6.4	1	15	16
6.5—6.9	9	2	11
7.0—7.4	1	3	4
7.5—7.9	2	0	2
8.0—8.4	0	2	2
8.5—8.9	1	0	1
9.0—9.4	1	0	1
Number of teachers	1955	403	2358
Average number of dependency units	1.9	3.5	2.2

Read table thus: Of the 1955 single women teachers, 653 were responsible for from 1.0 to 1.4 dependency units; 395 were responsible for from 1.5 to 1.9 units; 430 were responsible for from 2.0 to 2.4 units, etc.; the average for the entire group of single women being 1.9 units. Similarly read figures for married men and for both sexes combined.

^a Excluding cases of "communal reporting."

^b A "dependency unit" is the equivalent of one person wholly dependent or two persons partly dependent upon the reporting teacher's income, each partly dependent person being counted as one-half unit. The teacher himself is counted as one whole unit.

that the average number of dependency units was slightly smaller than the average total number of persons dependent upon the teacher's income.

In showing the relation between dependency and the financial status of teachers in later chapters, the teachers of each sex are grouped into three general levels according to the number of dependency units which they reported. For single women these levels are: (a) only 1.0 unit of dependency, (b) 1.1 to 2.9 units, and (c) 3.0 or more units. For married men a slightly different grouping is used, due to the fact that the figures for the men were larger, on the average, and were in no case less than 2.0. The levels for men are: (a) only 2.0 units, (b) 2.1 to 3.9 units, and (c) 4.0 or more units.

Total Net Incomes

One of the most important factors influencing the distribution of teachers' expenditures is the amount of income which they receive. Table 7 presents a general picture of the total net incomes received during the year by the 1955 women and the 403 men. In both these groups the incomes ranged from less than \$1500 to more than \$4000. More than one-third of the women received between \$1500 and \$1999, while about one-third of the men received between \$2000 and \$2499. The average for women was \$1968, and for men it was \$2404.

At least five different income levels for each sex are used, in addition to the factors already mentioned, in analyzing the data on economic status in subsequent chapters.

TABLE 7.—TOTAL INCOMES RECEIVED BY TEACHERS OF EACH SEX^a

Total income	Single women	Married men	Both sexes
1	2	3	4
Under \$1500.....	416	22	438
\$1500 to 1999.....	752	94	846
\$2000 to 2499.....	468	137	605
\$2500 to 2999.....	214	82	296
\$3000 to 3499.....	55	41	96
\$3500 to 3999.....	27	15	42
\$4000 and over.....	23	12	35
Total number.....	1955	403	2358
Average income.....	\$1968	\$2404	\$2043

Read table thus: Of the 1955 single women reporting, 416 received incomes under \$1500; 752 received incomes of \$1500 to \$1999; 468 received incomes of \$2000 to \$2499, etc. Similarly read figures for married men and for both sexes combined.

^a Excluding cases of "communal reporting."

Relation between Income and Number of Dependents

Table 8 shows the relation between size of income and number of dependents among the cooperating teachers. It indicates a very slight and perhaps insignificant increase in the average number of dependency units with increases in income among the single women, from 1.8 units in the group receiving less than \$1500 to 2.1 units in the group receiving \$3500 or more. Among the married men the relation was somewhat closer for the first three income levels, the average number of dependency units increasing from 2.8 in the group receiving less than \$1500 to 3.8 in the group receiving between \$2000 and \$2499. The number of units among the men did not increase, on the average, with increases in income beyond the latter level. These facts are significant because they indicate that, in general, the higher paid teachers had considerably more income per unit of dependency than did the lower paid teachers. In other words, differences in income among these teachers appear, insofar as the factor of dependency alone is concerned, to have provided

the opportunity for real differences in standards of living. If the number of dependents had increased in proportion to increases in income, no marked difference in living standards would have been possible.

Types of School Position

The general types of school position held by the cooperating teachers are shown in Table 9. Of the women, slightly more than three-fifths were elementary or kindergarten teachers, while most of the remainder were divided rather evenly between junior high- and senior high-school teaching. In contrast, more than half of the men were teaching in senior high schools, about one-fourth in junior high schools, and only 10 percent in elementary schools.

At the outset of the survey, it was intended to limit the participating group to classroom teachers only. However, eighty-seven usable reports from principals, supervisors, department heads, etc., were included on the ground that difference in type of school position probably was not a major factor in determining how incomes were spent. Positions other than that

TABLE 8.—AVERAGE NUMBER OF DEPENDENCY UNITS AMONG TEACHERS AT VARIOUS INCOME LEVELS^a

Sex and marital status of teachers	Groups according to net income					
	Under \$1500	\$1500-1999	\$2000-2499	\$2500-2999	\$3000-3499	\$3500 and over
1	2	3	4	5	6	7
Single women.....	1.8	1.9	2.0	2.0	1.8	2.1
Married men.....	2.8	3.2	3.8	3.6	3.7	3.7
Both sexes.....	1.9	2.0	2.4	2.4	2.6	2.6

Read table thus: Among the single women receiving incomes of less than \$1500, the average number of dependency units was 1.8; among those receiving \$1500 to \$1999 it was 1.9, etc. Similarly read figures for married men and for both sexes combined.

^a Excluding cases of "communal reporting."

TABLE 9.—NUMBER OF COOPERATING TEACHERS IN EACH TYPE OF SCHOOL POSITION^a

School positions	Single women		Married men		Both sexes	
	Number	Percent	Number	Percent	Number	Percent
1	2	3	4	5	6	7
Elementary or kindergarten teacher.....	1225	62.6	39	9.7	1264	53.6
Junior high-school teacher.....	313	16.0	108	26.8	421	17.9
Senior high-school teacher.....	358	18.3	228	56.6	586	24.8
Other positions ^b	59	3.1	28	6.9	87	3.7
Total.....	1955	100.0	403	100.0	2358	100.0

Read table thus: Of the 1955 single women reporting, 1225 or 62.6 percent were elementary or kindergarten teachers; 313 or 16.0 percent were junior high-school teachers; 358 or 18.3 percent were senior high-school teachers, etc. Similarly read figures for married men and for both sexes combined.

^a Excluding cases of "communal reporting."

^b Including elementary- and high-school principals, supervisors, and department heads.

of classroom teacher, however, were held by only 3 percent of the women and by only 7 percent of the men reporting.

Length of School Service

Table 10 shows a rather wide spread among the participating teachers of both sexes with respect to the number of years they had spent in school service. Such service varied from fewer than six to more than forty years. The average

TABLE 10.—LENGTH OF SCHOOL SERVICE AMONG TEACHERS OF EACH SEX *

Years in schools service	Single women	Married men	Both sexes
1	2	3	4
Fewer than 6	256	62	318
6-10	357	125	482
11-15	358	90	448
16-20	357	57	414
21-25	236	23	259
26-30	177	22	199
31-35	110	11	121
36-40	55	8	63
41 and over	18	2	20
Total number	1924	400	2324
Average years	16.5	13.2	15.9

Read table thus: Of the 1924 single women reporting the number of years they had been in active school service, 256 reported fewer than 6 years, 357 reported from 6 to 10 years, 358 reported from 11 to 15 years, etc., while the average for all single women was 16.4 years. Similarly read figures for married men and for both sexes combined.

* Excluding cases of "communal reporting."

number of years among the women was 16.5, while among the men it was 13.2. The facts given in this table are used later in showing the relationship between length of time in the teaching profession and certain aspects of the teachers' economic status.

Summary

1. The 2566 teachers submitting complete reports of incomes and expenditures were located in thirty-seven different cities, the number in a single city varying from 1 to 228. Ten of the larger cities furnished more than three-fifths of the entire group.

2. Of the 2566 complete reports, 2358 or 92 percent were cases of "individual reporting," while 208 or about 8 percent were cases of

"communal reporting." The latter group is omitted from the subsequent tables of this report.

3. Of the 2358 teachers whose reports are included in later tabulations, 1955 were single women and 403 were married men living with their wives.

4. The teachers of each sex were grouped according to five principal types of living conditions. Most of the women were living at the homes of parents or other near relatives, renting homes, or rooming and boarding. More than half of the men owned or were buying homes, while most of the others were renting homes.

5. The average total number of persons dependent upon the teacher's income (including the teacher himself) was 2.4 for women, 3.7 for men, and 2.6 for both sexes combined. The average number of "dependency units" for women was 1.9; for men, 3.5; and for both sexes combined, 2.2.

6. The net incomes of both sexes ranged from less than \$1500 to more than \$4000. The average for women was \$1968, while for men it was \$2404.

7. Among the women there appeared to be only a very slight relation between size of income and number of dependency units. Among the men a marked increase in dependency units accompanied increases in income up to about \$2500, but not beyond that level. These facts indicate that, on the average, the higher paid teachers had considerably more income per unit of dependency than did the lower paid teachers.

8. The great majority of both men and women were classroom teachers. Three-fifths of the women were elementary-school teachers, while more than half of the men were teaching in senior high schools.

9. Teachers of widely varying amounts of previous school experience were included in the survey. The average for women was 16.5 years, and for men 13.2 years.

Most of the factors just referred to have an important bearing upon various aspects of teachers' economic status, and the facts concerning them will be used in presenting and interpreting the data of later chapters.

CHAPTER IV

Sources and Uses of Teachers' Incomes

This chapter presents the essential facts concerning the sources of teachers' incomes and the ways in which these incomes were used during the year beginning October 1, 1932, and ending September 30, 1933. These facts are shown in relation to such important conditioning factors as sex and marital status, general living conditions, amount of income received, and number of dependents.

Sources of Income

As stated in Chapter II, each of the twelve monthly record sheets furnished to the co-operating teachers called for a detailed statement of income actually received during the month by the teacher and by his spouse if the latter was living with him. In reporting income from the sale of property or from commercial enterprises, the teacher was asked to include only the *net profit or loss*, rather than the gross receipts, from such enterprises. The nine separate items requested, and the total net income to be reported, were defined as follows:

1. The teacher's own salary for all services rendered to the board of education, including any amounts which were deducted from his check and paid into a retirement system, but excluding any amounts which were deducted or withheld to help balance the school budget. Scrip or tax warrants received were to be included at face value.

2. The loss, if any, from the teacher's own salary, from cashing at less than face value any scrip or tax warrants received since October 1, 1932.

3. The teacher's own earnings (or losses) in outside occupations, including wages, commissions, royalties, and profit or loss from commercial enterprises.

4. Profit (or loss) from sale of the teacher's own real or personal property, including securities.

5. Income from the teacher's own investments, including interest, dividends, rent, etc.

6. Total income of spouse, if living with the teacher and receiving a separate income.

7. Contributions from a spouse not living with the teacher, and from any other persons whether living with him or not. (Earnings of family members other than the teacher or his spouse were to be included here if such earnings were actually contributed for general family use and were accounted for in the report of expenditures.)

8. All other income (source to be specified).

9. Total net income (gains minus losses as reported above).

In tabulating and presenting the data obtained for these items, certain arbitrary procedures were followed which should be borne in mind by the reader: (a) the school salary shown is the amount received (as defined in Item 1 above), minus any amount lost thru cashing scrip or tax warrants at less than face value (as defined in Item 2 above); (b) the figures for income from outside occupations are net averages computed by subtracting average

TABLE 11.—AVERAGE AMOUNTS OF INCOME RECEIVED FROM VARIOUS SOURCES BY SINGLE WOMEN TEACHERS

Items of income	Groups according to net income											
	All women (1955 teachers)		Under \$1500 (416 teachers)		\$1500-1999 (752 teachers)		\$2000-2499 (468 teachers)		\$2500-2999 (214 teachers)		\$3000 and over (105 teachers)	
	Amount	Per- cent	Amount	Per- cent	Amount	Per- cent	Amount	Per- cent	Amount	Per- cent	Amount	Per- cent
1	2	3	4	5	6	7	8	9	10	11	12	13
School salary ^a	\$1849	94.0	\$1258	98.5	\$1699	97.0	\$2098	94.5	\$2484	91.3	\$2861	79.3
Outside occupations ^b	12	0.6	2	0.2	9	0.5	12	0.5	22	0.8	49	1.4
Sale of property ^c	3	0.1	0	0.0	1	0.1	4	0.2	4	0.2	25	0.7
Investment earnings.....	82	4.2	11	0.8	33	1.9	88	4.0	183	6.7	486	13.5
Contributions from others.....	6	0.3	2	0.2	4	0.2	7	0.3	8	0.3	31	0.8
Miscellaneous income.....	16	0.8	4	0.3	6	0.3	10	0.5	19	0.7	154	4.3
Total net income.....	\$1968	100.0	\$1277	100.0	\$1752	100.0	\$2219	100.0	\$2720	100.0	\$3606	100.0

Read table thus: The average net income of all single women teachers was \$1968. Of this amount, \$1849 or 94.0 percent was received as school salary, \$12 or 0.6 percent as earnings in outside occupations, \$3 or 0.1 percent, as profit from sale of property, \$82 or 4.2 percent as earnings from investments, etc. Similarly read figures for the several income groups.

^a Represents the actual amount of school salary reported, minus any amount lost in cashing scrip or tax warrants. The average amount of such losses among these teachers was negligible.

^b Computed by taking the difference between the average of profits and the average of losses from outside occupations.

^c Represents only *profits* from sale of property. Losses were not taken into account because they usually represented a reduction in capital rather than a negative factor in income.

losses from average gains; (c) the figures for sale of property represent only the profits from such transactions, any losses being omitted because they really constituted a reduction in capital rather than a negative factor in current income; (d) the omission of "communal reports"¹ eliminates all amounts of \$50 or more reported as income from boarders, from other members of the teacher's family, or from non-dependents sharing expenses with the teacher; and (e) the figures for total net income represent the sums of all receipts and gains reported, minus losses from cashing scrip or tax warrants and from outside commercial enterprises.

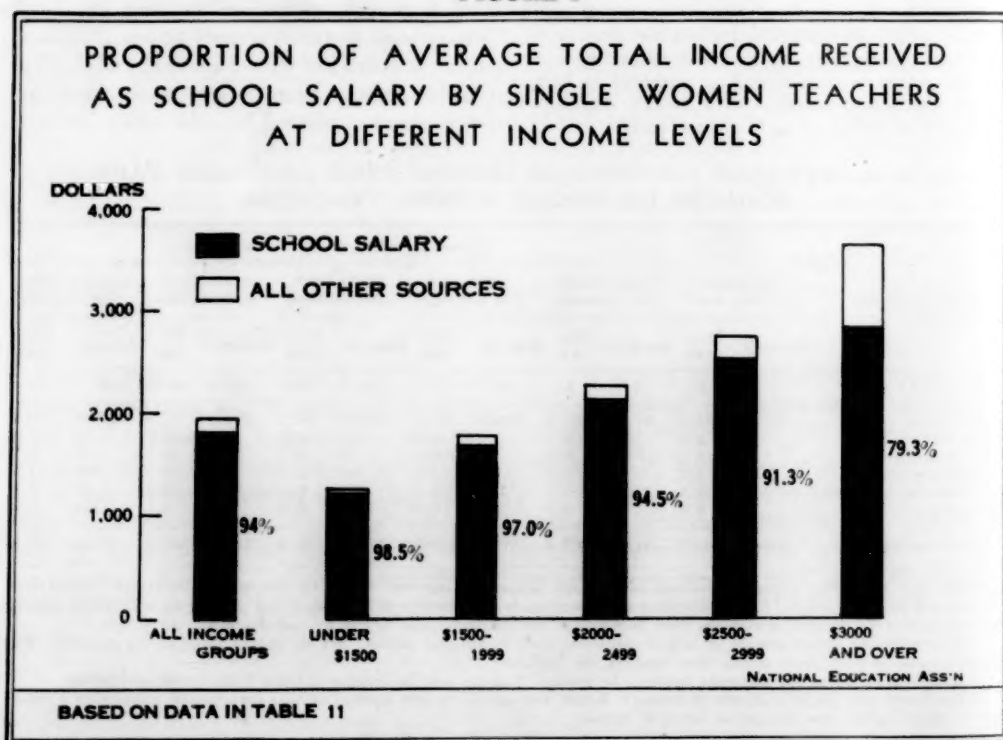
Table 11 shows, for all single women irrespective of living conditions (but excluding cases of communal reporting), the average amounts and percents of income from six different sources, at each of five different income levels. The outstanding fact here is the relatively small proportion of total income, on the average, which was received from sources other than the public schools. The percent received in the form of school salary declined, however, from 98.5 in the group receiving incomes below \$1500 to 79.3 in the group receiving \$3000 or more.

¹ See page 177 for complete definition of "communal reporting."

more (see Figure 1). The next largest item of income at all levels was that of investment earnings which increased from 0.8 percent at the lowest income level to 13.5 percent at the highest income level. No other source yielded as much as 1.0 percent of total income except in the group receiving \$3000 or more, where 1.4 percent came from outside occupations and 4.3 percent came from miscellaneous sources.

Table 12 reveals a similar situation with respect to the incomes of married men teachers. The percent received in the form of school salary varied from 95.8 in the group receiving incomes below \$2000 to 83.7 in the group receiving \$3500 or more. Investment earnings were somewhat less important than among the women, ranging from 0.8 percent at the lowest income level to 7.7 percent at the highest level. Earnings in outside occupations were slightly more significant than among the women, amounting to 2.6 percent of incomes under \$2000 and 5.9 percent of those totaling \$3500 or more. No other item contributed as much as 1.0 percent except at the highest income level where miscellaneous incomes amounted to 2.4 percent of the total.

FIGURE 1



Borrowing and Reduction of Debt

Under this general heading the teachers were asked to report the following items each month:

1. *Borrowing*: money borrowed from any source outside the household, including debt incurred in acquiring a home or other real estate. (Obligations incurred by purchasing automobiles or other goods on instalments were to be omitted here.)

2. *Reduction of debt*: payments of principal, (but not interest) on borrowed money, including payments on mortgages involving a home or other real estate. (Instalments paid on automobiles or other goods were to be omitted here and included under "expenditures.")

Late in the year covered by the survey a letter was addressed to all teachers who had reported significant amounts under the above items, asking them to specify how much of these amounts represented debt incurred or payments made on a home or other real estate. The latter amounts were then deducted from those originally reported, because it was felt that payments on real estate ought not to be counted both as investments and as reduction of debt. Such payments are included in this report under the heading of "surplus," which covers savings and investments of all kinds.

Data on increases or decreases in charge accounts during the year were obtained by means of another special inquiry sent to all cooperating teachers at the end of the year. These data, together with those on the borrowing of money,

are shown for certain groups of teachers in Tables 13 to 15, and in Figure II. The amounts of net increase or decrease in debt include both types of obligations.

The chief impression gained from an examination of these tables is that changes during 1932-33 in the amount of debt outstanding among these teachers were, on the average, very small in relation to the size of the teach-

FIGURE II

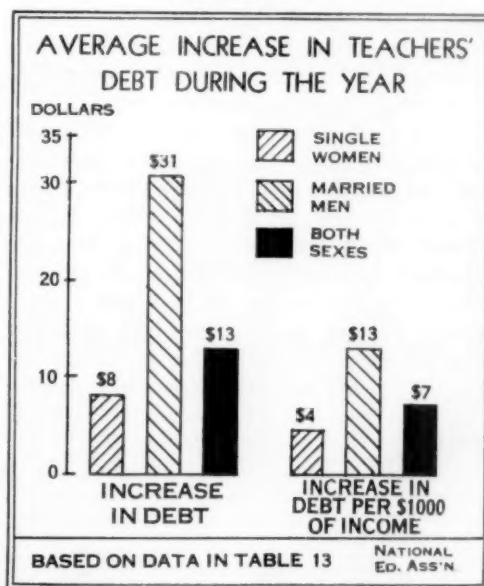


TABLE 12.—AVERAGE AMOUNTS OF INCOME RECEIVED FROM VARIOUS SOURCES BY MARRIED MEN TEACHERS

Items of income	Groups according to net income											
	All men (403 teachers)		Under \$2000 (116 teachers)		\$2000-2499 (137 teachers)		\$2500-2999 (82 teachers)		\$3000-3499 (41 teachers)		\$3500 and over (27 teachers)	
	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent
1	2	3	4	5	6	7	8	9	10	11	12	13
School salary ^a	\$2249	93.6	\$1611	95.8	\$2151	95.8	\$2585	95.5	\$2882	90.3	\$3505	83.7
Outside occupations ^b	63	2.6	44	2.6	42	1.9	42	1.5	107	3.4	247	5.9
Sale of property ^c	3	0.1	1	0.1	5	0.2	2	0.1	8	0.2	0	0.0
Investment earnings.....	64	2.7	14	0.8	29	1.3	60	2.2	161	5.0	321	7.7
Income of wife.....	0	0.0	0	0.0	0	0.0	2	0.1	0	0.0	0	0.0
Contributions from others.....	6	0.2	4	0.2	6	0.3	1	...	9	0.3	15	0.3
Miscellaneous income.....	19	0.8	8	0.5	12	0.5	16	0.6	24	0.8	101	2.4
Total net income....	\$2404	100.0	\$1682	100.0	\$2245	100.0	\$2708	100.0	\$3191	100.0	\$4189	100.0

Read table thus: The average net income of all married men teachers was \$2404. Of this amount, \$2249 or 93.6 percent was school salary, \$63 or 2.6 percent was from outside occupations, \$3 or 0.1 percent was from sale of property, \$64 or 2.7 percent was from investments, etc. Similarly read figures for the several income groups.

^a Represents the actual amount of school salary reported, minus any amount lost in cashing scrip or tax warrants. The average amount of such losses among these teachers was negligible.

^b Computed by taking the difference between the average of profits and the average of losses from outside occupations.

^c Represents only profits from sale of property. Losses were not taken into account because they usually represented a reduction in capital rather than a negative factor in income.

^d Less than 0.1 percent.

ers' incomes. Table 13 shows that while an average of \$61 was borrowed by the entire group of 2358 teachers, the average amount repaid was \$62, making a net repayment of \$1 for the year. This net repayment, however, was more than offset by an average increase of \$14 in unpaid bills, leaving a total net increase in debt amounting to \$13, or 0.7 percent of income, on the average. These figures clearly are not large enough to affect seriously the accuracy of the data on expenditures presented later in this chapter.² Moreover, they help to dispel any suspicion that economic conditions in the year 1932-33 were especially unfavorable to the teachers included in this survey.

On the other hand, it is important to note that the matter of borrowing and reduction of debt varied considerably among different groups of these teachers. As shown in Table 13, the average net increase in debt among the single women was only \$8, while among the married men it was \$31 in spite of the higher average income received by the men. This difference may be explained in part by the greater responsibility of the men for dependents in relation to the size of their incomes. The average

amount of income per unit of dependency was only \$687 among the men, as compared with \$1045 among the women.

Table 14 shows, for the men alone, how with average income practically constant, a heavier responsibility for dependents was accompanied by greater increase in debt. The group of men having only themselves and their wives to support (2.0 dependency units) actually decreased their indebtedness by a net average of \$11, while those with 4.0 or more units of dependency incurred additional debt to the net amount of \$58 on the average.

Table 15 shows, for women alone, how changes in indebtedness varied with differences in income. At each of the three lower income levels (under \$2500) there was an average net increase in debt of from \$10 to \$21, while among teachers receiving \$3000 or more there was a net decrease of \$65 on the average. It should be noted that the women at the higher income levels had very little more responsibility for dependents than did those at the lower levels.³ Consequently, the average amount of income per unit of dependency varied from only \$709 in the lowest income

² Ideally, increases in unpaid bills should be counted as current expenditures, but to reduce the likelihood of duplication in reporting the latter, the teachers were instructed to report expenditures only when bills were actually paid, rather than when charges were incurred but not paid.

³ See Table 8, page 181.

TABLE 13.—AVERAGE AMOUNTS OF BORROWING AND REDUCTION OF DEBT AMONG TEACHERS OF BOTH SEXES

Debt items	Single women (1955 teachers)		Married men (403 teachers)		Both sexes (2358 teachers)	
	Amount	Percent of income	Amount	Percent of income	Amount	Percent of income
1	2	3	4	5	6	7
Gross amount of money borrowed and repaid:						
Borrowed.....	\$ 54	2.7	\$ 95	4.0	\$ 61	3.0
Repaid.....	59	3.0	83	3.5	62	3.0
Net amount of money borrowed or repaid:						
Borrowed.....	.....	.....	12	0.5	.....	.....
Repaid.....	5	0.3	.....	.....	1	.4
Increase in unpaid bills.....	13 ^a	0.7	19 ^b	0.8	14 ^c	0.7
Total net increase in debt.....	8	0.4	31	1.3	13	0.7
Total net income.....	\$1968	100.0	\$2404	100.0	\$2043	100.0
Income per unit of dependency*.....	\$1045	.....	\$687	.....	\$929	.....

Read table thus: The single women teachers borrowed an average total of \$54 but repaid \$59 during the year, thus making an average net repayment of \$5. The same teachers increased the amount of their unpaid bills by \$13 on the average, thus incurring an average net increase of \$8 in debt during the year, or 0.4 percent of income. The average total income of these teachers was \$1968, and their average income per unit of dependency was \$1045. Similarly read figures for married men and for both sexes combined.

^a Based on only 1632 cases in which this item was reported.

^b Based on only 340 cases in which this item was reported.

^c Based on only 1972 cases in which this item was reported.

^d Less than 0.1 percent.

* A "unit of dependency" is one person wholly dependent or two persons partly dependent upon the teacher's income. The teacher himself is counted as one unit.

TABLE 14.—AVERAGE AMOUNTS OF BORROWING AND REDUCTION OF DEBT AMONG MARRIED MEN TEACHERS WITH DIFFERENT AMOUNTS OF DEPENDENCY

Debt items	Amounts of dependency ^a					
	Only 2.0 units (63 teachers)		2.1 to 3.9 units (167 teachers)		4.0 or more units (173 teachers)	
	Amount	Percent of income	Amount	Percent of income	Amount	Percent of income
1	2	3	4	5	6	7
Net amount of money borrowed or repaid:						
Borrowed.....			\$ 4	0.2	\$ 30	1.2
Repaid.....	\$ 16	0.7				
Increase in unpaid bills.....	5 ^b	0.2	16 ^c	0.7	28 ^d	1.1
Net increase or decrease in debt:						
Increase.....			20	0.8	58	2.3
Decrease.....	11	0.5				
Total net income.....	\$2336	100.0	\$2358	100.0	\$2472	100.0

Read table thus: The married men teachers having only themselves and their wives to support (2.0 dependency units) made an average net repayment of \$16 on borrowed money, but increased their unpaid bills by an average of \$5, thus making an average net reduction of \$11 in debt, or 0.5 percent of income, during the year. The average total income of these teachers was \$2336. Similarly read figures for men teachers with larger amounts of dependency.

^a A "unit of dependency" is one person wholly dependent or two persons partly dependent upon the teacher's income. The teacher himself is counted as one unit.

^b Based on only 54 cases in which this item was reported.

^c Based on only 139 cases in which this item was reported.

^d Based on only 147 cases in which this item was reported.

TABLE 15.—AVERAGE AMOUNTS OF BORROWING AND REDUCTION OF DEBT AMONG SINGLE WOMEN TEACHERS AT DIFFERENT INCOME LEVELS

Debt items	Levels of income									
	Under \$1500 (416 teachers)		\$1500-1999 (752 teachers)		\$2000-2499 (468 teachers)		\$2500-2999 (214 teachers)		\$3000 and over (105 teachers)	
	Amount	Percent of income	Amount	Percent of income	Amount	Percent of income	Amount	Percent of income	Amount	Percent of income
1	2	3	4	5	6	7	8	9	10	11
Net amount of money borrowed or repaid:										
Borrowed.....			\$ 0	0.0	\$ 3	0.1				
Repaid.....	\$ 1	0.1	0	0.0			\$ 8	0.3	\$ 82	2.3
Increase in unpaid bills.....	11 ^a	0.9	12 ^b	0.7	18 ^c	0.8	9 ^d	0.3	17 ^e	0.5
Total net increase or decrease in debt:										
Increase.....	10	0.8	12	0.7	21	0.9	1			
Decrease.....									65	1.8
Total net income..	\$1277	100.0	\$1752	100.0	\$2219	100.0	\$2720	100.0	\$3606	100.0
Income per unit of dependency ^a	\$709		\$922		\$1109		\$1360		\$1898	

Read table thus: The single women teachers receiving incomes of less than \$1500 made an average net repayment of \$1 on borrowed money, but increased their unpaid bills by an average of \$11, thus making an average net increase of \$10 in debt during the year, or 0.8 percent of total income. The average total income of these teachers was \$1277, and their average income per unit of dependency was \$709. Similarly read figures for women at the higher income levels.

^a Based on only 336 cases in which this item was reported.

^b Based on only 626 cases in which this item was reported.

^c Based on only 390 cases in which this item was reported.

^d Based on only 181 cases in which this item was reported.

^e Based on only 99 cases in which this item was reported.

^f Less than 0.1 percent.

^a A "unit of dependency" is one person wholly dependent or two persons partly dependent upon the teacher's income. The teacher himself is counted as one unit.

group to \$1898 in the highest income group. The need for incurring indebtedness during 1932-33 tended to disappear among the women with a total income of about \$2700 (or an income of about \$1350 per unit of dependency).

The data presented here do not reveal the differences between individual teachers which were naturally much greater than the differences between averages for groups of teachers.

Current Expenditures and Surplus

On each monthly record sheet the teacher was asked to report all of his current expenditures (and those of his spouse if living with him) for himself and all dependents for thirteen specified items. Such figures were to include *living expenses only*, and were to exclude the cost of conducting commercial enterprises. All expenditures were to be recorded for the month in which payment was actually made, and not when obligations to pay at some future date were incurred.

The thirteen separate items of expenditure were defined as follows:

1. *Food*: payments for all food supplies and for all meals purchased away from home.
2. *Clothing*: payments for new clothing and for repairing, laundering, and cleaning of clothing.
3. *Housing*: payments for rent, if any. (Payments for taxes, interest, and for the purchase of a home or other real estate were to be recorded elsewhere.)
4. *House operation*: all payments for operating and maintaining the household, such as heat, light, gas, fire insurance, repairs, domestic service, telephone, garbage removal, cleaning supplies, house furnishings, furniture and house equipment, laundering of household linens, care of grounds, etc.
5. *Taxes*: personal income, property, and all other taxes, except sales taxes and motor vehicle license fees.
6. *Interest*: interest paid on money borrowed from any source, including that on a mortgage involving a home. (Financing charges on an automobile or other instalment purchases were to be omitted here.)
7. *Health*: all payments to doctors, dentists, opticians, nurses, and for hospitalization, medicines, health appliances, and accident or health insurance.
8. *Transportation*: ordinary expenditures for carfare, railroad and taxi fare, and for purchase and ordinary operation of automobile including auto insurance, license, and other maintenance. (Expenses of long trips for recreation or improvement, whether by automobile or railroad, were to be recorded elsewhere.)
9. *Direct financial aid to dependents*: all pay-

ments made regularly to dependents which could not be reported satisfactorily under any of the other twelve categories of expenditures, regardless of whether the dependents were living with the reporting teacher or not. (In cases of teachers living at the home of relatives, some of the amounts originally reported in this category were later transferred to such items as "food," "housing," and "house operation" after further correspondence with the teachers in question.)

10. *Gifts and donations*: payments for Christmas, wedding, and birthday presents, special gifts of money, and all donations to church, charitable institutions, relief agencies, and needy persons.

11. *Education and recreation*: payments for books, magazines, membership in professional and non-professional organizations, music or dancing lessons, musical instruments, professional and non-professional study, social entertainments, theaters, concerts, lectures, sports, and travel for recreation or professional improvement.

12. *Miscellaneous needs*: payments for all needs not included in other categories, such as barber and beauty parlor service, toothpaste, postage, etc.

13. *Miscellaneous luxuries*: payments for all luxuries not included in other categories. (The distinction between "needs" and "luxuries" was left largely to the individual teacher's judgment.)⁴

The terms "surplus" and "saving" are used synonymously to represent the excess of total net income over the sum of all current expenditures, as defined above. A number of individual teachers showed a deficit rather than a surplus, but for every group of teachers isolated in this study the average income exceeded the average current expenditures. This surplus was handled in various ways by the teachers—deposited or invested in banks, building and loan associations, credit unions, retirement systems, life insurance premiums, stocks and bonds, loans to individuals, homes and other real estate, and sometimes it was used to reduce personal indebtedness incurred in some previous year.

On the monthly record sheet the teacher was not asked to report "surplus" or "deficit" but rather the "amount deposited or invested" and the "amount withdrawn from savings or investments" during the month. The latter items, altho defined with considerable care, were found to be so ambiguous and so often misinterpreted that the figures obtained from them could not safely be used. For this reason, in the following tables the figures for "surplus" or "saving" were obtained by subtracting total

⁴ The expenditures reported under "Miscellaneous needs" and "Miscellaneous luxuries" were combined for presentation in this report, because there was evidence that many teachers failed to make a distinction between these two types of items.

current expenditures from total net income.⁵

Most of the tables in this section are limited to rather general comparisons between men and women teachers in different living conditions, at different income levels, etc. More detailed analyses will be found in the Appendix, pages 238-64. For example, the distribution of average expenditures and surplus for single women teachers rooming and boarding, having only themselves to support, and receiving incomes under \$1500, is shown in column 3 of Table 41, page 260.

The Reporting Group as a Whole

While the influences of such factors as sex, living conditions, and size of income are important, it will be helpful to consider first of all the average expenditures of the entire group of cooperating teachers shown in column 2 of

Table 16. The significance of these figures may be best appreciated if the amounts devoted to all purposes are grouped under just four main headings as follows:

Saving ⁶	\$ 328 or 16 percent
Giving ⁷	\$ 259 or 13 percent
Necessities ⁸	\$1300 or 65 percent
Betterments ⁹	\$ 126 or 6 percent

Average total income..... \$2043 or 100 percent

This distribution of income may be compared with a tentative apportionment suggested in a recent plan for money management.¹⁰ This suggested apportionment is intended by its author to be a goal toward which effort may well be directed. It is recommended by the Committee on the Economic Status of the Teacher because of its reasonableness, and is used in this report both as a tentative basis for estimating the adequacy of teachers' incomes

⁵ Strictly speaking, any increase in unpaid bills during the year should be subtracted from the "surplus" as computed here, because the teachers were instructed to omit from their reports of expenditures any bills incurred but not paid during the year. However, since the average increase in unpaid bills was very small (only \$14 or 0.7 percent of income for all cooperating teachers), and since it was impossible to distribute this amount among the several categories of expenditure, it was not considered worthwhile to make any adjustment in the figures for "surplus."

⁶ "Saving" is the same as "Surplus."

⁷ "Giving" includes "Aid to dependents" and "Gifts and donations."

⁸ "Necessities" includes food, rent, house operation, clothing, taxes, interest, health, transportation, and miscellaneous items.

⁹ "Betterments" is the same as "Education and recreation."

¹⁰ *Money Management Method*. Book Two. "Key." Boston (9 Park St.): American Association for Economic Education, 1933. See Chapter IX for a fuller description of this plan.

TABLE 16.—AVERAGE DISTRIBUTIONS OF INCOME AMONG SPECIFIC ITEMS OF THE BUDGET BY MEN AND WOMEN TEACHERS

Items of budget	All men and women (2358 teachers)	Single women (1955 teachers)	Married men (403 teachers)
1	2	3	4
Food.....	\$296 ^a	\$266 ^b	\$440 ^c
Rent.....	205 ^a	209 ^c	198 ^f
House operation.....	190 ^a	159 ^d	329 ^e
Food, rent and house operation.....	691	634	967
Clothing.....	210	212	194
Taxes.....	53	45	92
Interest.....	48	34	112
Health.....	103	98	127
Transportation.....	155	143	207
Aid to dependents.....	109	118	59
Gifts and donations.....	150	160	109
Education and recreation.....	126	126	137
Miscellaneous.....	70	70	74
Surplus or saving.....	328	328	326
Total net income.....	\$2,043	\$1,968	\$2,404

Read table thus: The average income received by all men and women combined was \$2043. Of this amount, an average of \$296 was spent for food, \$205 for rent, \$190 for house operation, etc. Similarly read figures for single women and for married men.

^a Estimated on the basis of only 1791 cases in which this item was reported separately.

^b Estimated on the basis of only 1396 cases in which this item was reported separately.

^c Estimated on the basis of only 1428 cases in which this item was reported separately.

^d Estimated on the basis of only 1399 cases in which this item was reported separately.

^e Estimated on the basis of only 394 cases in which this item was reported separately.

^f Estimated on the basis of only 397 cases in which this item was reported separately.

and as a basis for the Committee's suggestions on the budgeting of teachers' incomes. This apportionment suggests 20 percent of income for saving and investment, 10 percent for giving, 50 percent for necessities, and 20 percent for personal betterments. As explained more fully in Chapter IX, the allotment of 50 percent for necessities is adequate only if the income is sufficiently large in relation to the number of dependents and other responsibilities of the individual. The 20 percent for saving is the approximate proportion which must be invested at compound interest each year during the average person's earning period in order to yield a retirement income which will provide the standard of living enjoyed during active service. The 20 percent for betterments balances the proportion for saving—a balance which is desirable because it provides equally for enrichment of life in the present and for an appropriate income after retirement. The 10 percent for giving is the Biblical standard, and is undoubtedly a fair proportion for sharing when income is adequate.

If this suggested distribution can be accepted as a reasonable goal for teachers in general to attain after fifteen years of service,¹¹ one or both of two conclusions must follow. Either these teachers did not manage their incomes as well as possible, or their incomes on the average were too low to permit the best distribution of money among the major values of life. Too large a proportion was spent for necessities (65 instead of 50 percent), and for giving (13 instead of 10 percent). On the other hand, the proportions used for savings and for betterments were too small and, what is more important, were out of balance (16 and 6 percent, respectively, instead of 20 percent for each). The excessive percentage for necessities may have been unavoidable; the lack of balance between savings and betterments was probably a matter of personal preference. These teachers on the whole were evidently more concerned about providing for their own future and assisting those less fortunate than themselves, than they were about enjoying the kinds of educational and recreational activities which cost money.

Three questions may be raised as to the validity of using any percentage distribution of income as a standard for judging the adequacy of a person's income. First, should not the management of income be, in some degree, a matter of personal choice? Who, other than the individual himself, is to decide how much he should devote to saving, to giving, to necessities, and to betterments? Second, even if some tentative standard be agreed upon as valid in a given year, would not this standard be quite inapplicable in another year because of different relative changes in the prices of different types of commodities? Third, even if differences in relative price changes are found to have little practical bearing on the problem, how can we determine whether the failure of a group to attain the accepted standard is due to inadequacy of income or to unwise management? The Committee believes that there is a satisfactory answer to each of these questions.

With respect to the first point, it must be admitted that every individual should have considerable freedom in planning his budget. On the other hand, it seems equally reasonable to formulate a tentative goal of income distribution for workers as a group. While the goal suggested above cannot be attained by all teachers, there is evidence that it can be attained on the incomes received by some of the better paid city teachers.¹² No more reasonable goal is likely to be devised unless someone can define, to the satisfaction of all concerned, a standard of living for teachers in terms of specific articles and services required.¹³

The second point—that different relative changes in the prices of different commodities would require modification of the standard distribution from year to year—is less important than it appears on first thought, for three reasons: (1) We are not speaking of a fixed income, but of an income which is to be adjusted as necessary to meet the criterion of adequacy; (2) the best assumption in regard to amounts for "saving" and "giving" is that they should change in accordance with the general price level of all current commodi-

¹¹ The average length of service reported by the teachers in this survey was 15.9 years.

¹² See Table 21, page 199.

¹³ An attempt to define standards of living for teachers in this manner is described in: Meeker, Royal. *A Study of Costs and Standards of Living of Minneapolis Teachers in Relation to Their Salaries*. Minneapolis: Central Committee of Teachers Associations, 1926. p. 24-32.

ties combined,¹⁴ which means that at a given standard of living they would occupy constant proportions of the total budget regardless of price changes; and (3) the commodities classed as "betterments," which tend to change in price much more slowly than do "necessities," also occupy a smaller proportion of the budget. Thus it can be shown that in 1928-29 only about 52 percent of income would have been required to purchase the necessities which 50 percent would have bought in 1932-33 (assuming the proposed distribution in the latter year), altho the total income required would have been considerably higher in 1928-29 than in 1932-33 because of the generally higher price level. Similarly, the average teacher reporting in this survey would have had to spend only about 66 percent of income in 1928-29 for the necessities which required 65 percent in 1932-33, assuming sufficient income in the earlier year to maintain the same standard of living as in the latter year.

As to the third question—that of determining whether failure to attain the standard is due to inadequate income or to unwise management—a partial answer may be obtained by considering the actual amounts spent for specific types of necessities. As shown in Table 16, the average amount spent for food by the 2358 teachers was \$296, or about \$25 per month. The average expenditure for rent, taxes, and interest combined was \$306, or about \$26 per month. An average of \$190 went for house operation, \$210 for clothing, \$155 for transportation, \$103 for health, and \$70 for miscellaneous items. It should be borne in mind that these figures represent married men as well as single women, and that the average member of the group was responsible for the equivalent of 1.2 total dependents in addition to himself. Part of the expense of supporting these dependents was included in the item of "giving" mentioned earlier, of which \$109 was given as direct financial aid to dependents. But even if this \$109 were distributed among the other main categories of expenditures, none of the latter would be increased by more than fifteen or twenty dollars for the year.

With these facts in mind, it is difficult to see how the reporting teachers could reasonably be accused of extravagance in purchasing the necessities of life, even tho the prices of most commodities reached their lowest depres-

sion levels during the year of the survey. It will be recalled that the general economic outlook thruout the country in that year was hardly such as to encourage wastefulness or even generous spending, specially among teachers. The available evidence, then, points toward inadequacy of income as the principal reason for the failure of these teachers, on the average, to achieve a better balance in the use of their incomes. That some groups of teachers were at a greater disadvantage in this respect than were certain other groups will be apparent in the comparisons presented in later sections of this chapter.

Comparison of Men and Women

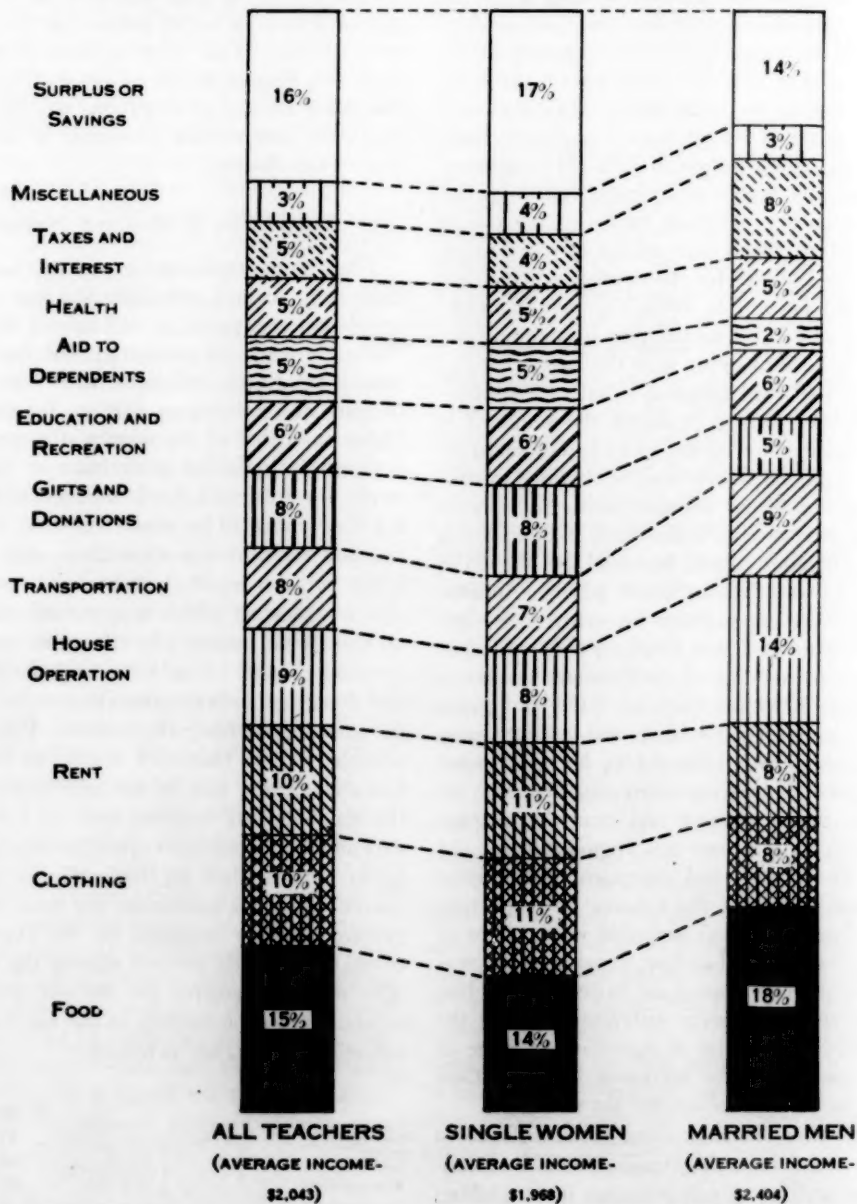
The average expenditures and surplus of the 1955 single women and of the 403 married men are shown separately in columns 3 and 4 of Table 16, while the percentage distributions of these expenditures are pictured in Figure III. In spite of receiving an average income \$436 higher than that of the women, the men spent a significantly larger proportion of their incomes for food and for house operation than did the women. The smaller percent spent by the men for rent was more than offset by the larger percents which they devoted to taxes and interest, most of which was undoubtedly paid on their own homes. On the other hand, the proportions used for aid to dependents and gifts and donations were considerably smaller among the men than among the women. This difference, as well as that with respect to food and house operation, may be partially explained by the tendency for married men to have more dependents within their own households, and fewer outside, than do single women. For all current purposes combined, the men spent 86 percent of their incomes, on the average, as compared with 83 percent among the women. The detailed percents for the two sexes may be summarized according to the fourfold classification used earlier as follows:

	<i>Women</i>	<i>Men</i>
Saving	17	14
Giving	14	7
Necessities	63	73
Betterments	6	6
Total income.....	100	100

¹⁴ See Chapter VII, pages 233 and 234.

FIGURE III

AVERAGE PERCENTS OF INCOME USED FOR VARIOUS PURPOSES BY ALL MEN AND WOMEN TEACHERS



BASED ON DATA IN TABLE 16

From these figures it may be concluded that if the incomes of the women were too low, those of the men were even less adequate, on the average, unless it can be assumed that the women were better managers of their money than were the men. The men, however, appear to have achieved a somewhat better balance between saving and betterments.

Comparison of Teachers in Different Living Conditions

In comparing the expenditures of teachers in various types of living conditions, significant differences in the average incomes of the several groups must be taken into account. Average income ranged from \$1814 among single women living at the homes of relatives to \$2608 among married men owning or buying their homes. In view of these differences, the comparison in Table 17 is limited to the four broad categories of saving, giving, necessities, and betterments. A more detailed distribution for each type of living conditions will be found in the Appendix, pages 258-64.

Judging by the smallness of the average percent required for necessities, it appears from Table 17 that the average incomes of the teachers who were rooming and boarding, living at homes of relatives, or sharing expenses with non-relatives were more adequate than those of the teachers who owned or rented

homes, in spite of the fact that the average incomes received by the latter groups were the larger. The percent used for necessities varied from 56 in the group of women sharing expenses with non-relatives to 79 among the men renting homes. Evidently the type of living conditions makes considerable difference in the amount of income needed if a teacher is to keep his expenditures for necessities within any given percent of income and still live in reasonable comfort. Further data on this point are presented in the next section which deals directly with the relation between use of income and size of income.

Table 17 shows also that the two groups of women spending the lowest proportions of income for necessities actually reached (or closely approximated) the goal of 20 percent for savings, while the men renting homes devoted only about 8 percent to savings. The same two groups of women likewise ranked highest in the percent given to dependents and other persons or institutions, while the men owning and renting homes ranked lowest. The proportion of income devoted to betterments was uniformly small in all groups, and except in the case of men renting homes, the amount spent for this type of commodities was only one-third to one-half as large as the amount saved.

The effects of certain types of living conditions upon expenditures for specific items are

TABLE 17.—PERCENTAGE DISTRIBUTIONS OF INCOME AMONG FOUR MAJOR DIVISIONS OF THE BUDGET BY TEACHERS IN DIFFERENT TYPES OF LIVING CONDITIONS

Items of budget	Single women				Married men		
	Owning home ^a (277 teachers)	Renting home ^a (452 teachers)	Rooming and boarding ^a (430 teachers)	Living at home of relatives ^a (655 teachers)	Sharing expenses with non-relatives ^a (127 teachers)	Owning home ^a (213 teachers)	Renting home ^a (178 teachers)
1	2	3	4	5	6	7	8
Saving ^b	16.5	14.7	19.1	15.8	20.1	17.8	7.7
Giving ^c	11.9	12.9	16.1	14.3	17.8	6.8	7.2
Necessities ^d	66.5	66.5	58.6	62.2	56.3	70.0	79.1
Betterments ^e	5.1	5.9	6.2	7.7	5.8	5.4	6.0
Average income.....	\$2,233	\$2,089	\$1,901	\$1,814	\$1,994	\$2,608	\$2,192

Read table thus: The single women owning homes received an average income of \$2233. Of this amount, 66.5 percent was spent for necessities, 16.5 percent was saved, 11.9 percent was given to other persons or institutions, and 5.1 percent was devoted to personal or family betterments.

^a During at least eight months of the year.

^b Identical with the item of surplus, shown elsewhere.

^c Includes the items of aid to dependents and gifts and donations, shown separately elsewhere.

^d Includes the items of food, rent, house operation, clothing, taxes, interest, health, transportation, and miscellaneous, which are shown separately elsewhere.

^e Identical with the item of education and recreation, shown elsewhere.

shown in Tables 18 and 19, with the factor of income held nearly constant in each comparison. Table 18 compares men owning or buying homes with men renting homes, both groups

being limited to teachers receiving incomes of \$2000 to \$2499, and the average income of the owners being only \$33 more than that of the renters. The average amounts spent by the two

TABLE 18.—AVERAGE DISTRIBUTIONS OF INCOME BY MARRIED MEN TEACHERS OWNING AND RENTING HOMES ON INCOMES OF \$2000 TO \$2499

Items of budget	Owning or buying home (76 teachers)		Renting home (56 teachers)	
	Amount	Percent	Amount	Percent
1	2	3	4	5
Food.....	\$442 ^a	19.6	\$435	19.5
Rent.....	...	...	429	19.3
House operation.....	356 ^a	15.7	299	13.4
Food, rent, and house operation.....	798	35.3	1,163	52.2
Clothing.....	184	8.1	189	8.5
Taxes.....	133	5.9	19	0.8
Interest.....	210	9.3	20	0.9
Health.....	123	5.4	123	5.5
Transportation.....	187	8.3	187	8.4
Aid to dependents.....	37	1.6	58	2.6
Gifts and donations.....	95	4.2	93	4.2
Education and recreation.....	114	5.1	146	6.5
Miscellaneous.....	64	2.8	87	3.9
Surplus or saving.....	317	14.0	144	6.5
Total net income.....	\$2,262	100.0	\$2,229	100.0

Read table thus: Among the married men teachers receiving incomes of \$2000 to \$2499, those who owned or were buying homes spent an average of \$442 or 19.6 percent of income for food, while those who were renting homes spent \$435 or 19.5 percent for the same item. Similarly read figures for each of the other items in the budget.

^a Estimated on basis of only 75 cases in which this item was reported separately.

TABLE 19.—AVERAGE DISTRIBUTIONS OF INCOME BY SINGLE WOMEN TEACHERS RECEIVING INCOMES OF \$1500 TO \$1999, IN THREE DIFFERENT TYPES OF LIVING CONDITIONS

Items of budget	Renting home (186 teachers)		Rooming and boarding (181 teachers)		Living at home of relatives (218 teachers)	
	Amount	Percent	Amount	Percent	Amount	Percent
1	2	3	4	5	6	7
Food.....	\$234 ^a	13.2	\$276 ^b	15.8	\$279 ^c	16.1
Rent.....	324 ^a	18.3	195 ^b	11.2	191 ^d	11.0
House operation.....	132 ^a	7.5	29 ^b	1.7	89 ^c	5.2
Food, rent, and house operation.....	690	39.0	500	28.7	559	32.3
Clothing.....	212	12.0	212	12.2	204	11.8
Taxes.....	19	1.1	21	1.2	22	1.3
Interest.....	15	0.8	16	0.9	14	0.8
Health.....	90	5.1	112	6.4	75	4.3
Transportation.....	136	7.7	135	7.7	161	9.3
Aid to dependents.....	110	6.2	130	7.4	91	5.3
Gifts and donations.....	125	7.0	146	8.4	154	8.9
Education and recreation.....	106	6.0	115	6.6	130	7.5
Miscellaneous.....	65	3.7	76	4.4	72	4.2
Surplus or saving.....	201	11.4	280	16.1	247	14.3
Total net income.....	\$1,769	100.0	\$1,743	100.0	\$1,729	100.0

Read table thus: Among the single women teachers receiving incomes of \$1500 to \$1999, those who were renting homes spent an average of \$234 or 13.2 percent of income for food, while those rooming and boarding and those living at homes of relatives spent \$276 or 15.8 percent and \$279 or 16.1 percent, respectively, for the same item. Similarly read figures for each of the other budget items.

^a Estimated on the basis of only 171 cases in which this item was reported separately.

^b Estimated on the basis of only 143 cases in which this item was reported separately.

^c Estimated on the basis of only 89 cases in which this item was reported separately.

^d Estimated on the basis of only 93 cases in which this item was reported separately.

groups were strikingly similar in the case of food and clothing, and were identical in the case of health and transportation. The major differences occurred in rent, house operation, taxes, and interest. Since all of these latter items are related to housing, in part at least, they may be combined and compared for the two groups of men as follows:

	Owners	Renters
Rent	\$ 0	\$429
Taxes	133	19
Interest	210	20
House operation	356	299
Total	\$699	\$767

The foregoing comparison does not take into account the payment of principal by the home-owners toward the purchase of their homes. Such payments are included in the figures for surplus, and cannot be separated from other amounts in that category. If, as assumed here, the purchase of a home can be considered an investment rather than an item of current expenditure, the men teachers who owned or were buying their homes evidently had some advantage over those who were renting homes. The owners receiving incomes of \$2000 to \$2499 spent only 75 percent for necessities and had 14 percent available as surplus, while the renters in the same income range spent 80 percent for necessities and had only 6.5 percent as surplus. It must be recognized, however, that fluctuations in real estate values may cause home ownership to be more costly than renting.

Table 19 compares expenditures in detail for women teachers in the three largest living-condition groups: renting homes, rooming and boarding, and living at the homes of relatives. To equalize the factor of income, only teachers receiving \$1500 to \$1999 are included. The largest difference between the average incomes of any two of these groups is \$40.

As might be expected, the women renting homes spent somewhat less for food than did those rooming and boarding, but more than made up for this economy by extra expenditures for rent and house operation. The latter two items occupied 26 percent of the home-renters' average budget, as compared with only 13 percent for those rooming and boarding. For most of the other items the women room-

ing and boarding spent more than did the other group, but the differences were relatively small. The renters had only 11 percent available as surplus, while those rooming and boarding had 16 percent in that category.

Of special interest in Table 19 are the figures for women living at the homes of relatives, because of the opinion often expressed that the necessary living expenses of such teachers are relatively low. The members of this group paid practically the same amounts for food and rent as did the women rooming and boarding, and larger amounts than the other group for house operation, transportation, and education and recreation. The percentages for these two groups of teachers according to the fourfold classification are as follows:

	Rooming and boarding	Living with relatives
Saving	16	14
Giving	16	14
Necessities	61	65
Betterments	7	7

Altho the woman teacher who lives with relatives may be able to get along comfortably on a smaller salary than the teacher who maintains her own home, she clearly cannot be expected to live more inexpensively than the teacher who is rooming and boarding away from home.

Comparison of Teachers at Different Income Levels

Size of income is probably the most important single factor determining the distribution of personal or family expenditures. In 1857, Engel formulated certain generalizations concerning the relation between income and expenditures which have received wide publicity. These "laws of consumption," based originally upon a study of expenditures of Belgian and Saxon working-class families, were as follows:

1. As the income of a family increases, a smaller percentage is spent for food.
2. As the income of a family increases, the percentage of expenditure for clothing remains approximately the same.
3. With all the incomes investigated, the percentage of expenditure for rent, fuel, and light remains approximately the same.
4. As the income increases in amount, a constantly increasing percentage is expended for education, health, recreation, amusement, etc.¹⁶

¹⁶ Engel, Ernst. "Lebenskosten Belgischer Arbeiterfamilien, Früher und Jetzt." *Bulletin de l'Institut International de Statistique* IX, 1895.

Studies of the family expenditures of American workingmen tend to support these conclusions with respect to expenditures for food and sundries, but not with respect to clothing, shelter, fuel, and light. Data collected in America indicate a somewhat larger proportion for clothing at the higher income levels, and slightly smaller proportions for shelter, fuel, and light at the higher income levels.¹⁶

Table 20, containing detailed distributions of expenditures for single women teachers at five different income levels, reveals trends similar in some respects but different in other respects from those noted above for wage-earners. As might be expected, the average amount devoted to each item of the teacher's budget increased substantially from the lowest income group to the highest. The average expenditure for food, for example, ranged from \$215 among women receiving less than \$1500 to \$344 among those receiving \$3000 or more. On the other hand, the average percent spent

for food declined from 16.8 at the lowest level to 9.5 at the highest level. The percent for rent and clothing likewise decreased, the former from 12.2 to 8.8, and the latter from 14.0 to 7.8. House operation, however, increased from 5.5 percent to 10.1 percent, due probably to the larger proportion of women maintaining homes at the higher income levels. This same factor also helps to explain the increases in the percents devoted to taxes and interest. Aid to dependents and gifts and donations showed no definite trend, while the percent spent for health, transportation, education and recreation, and miscellaneous items actually tended to decrease somewhat as incomes increased. The most striking trend of all was in the average proportion of income classified as surplus, which rose from only 9.1 percent among incomes under \$1500 to 27.5 percent among incomes of \$3000 or more. Figure IV summarizes these trends under the heads of saving, giving, necessities, and betterments.

¹⁶ National Industrial Conference Board. *Family Budgets of American Wage-Earners*. Research Report No. 41. New York: Century Co., 1921. p. 61-63.

TABLE 20.—AVERAGE DISTRIBUTIONS OF INCOME BY SINGLE WOMEN TEACHERS AT DIFFERENT INCOME LEVELS

Items of budget	Levels of income									
	Under \$1500 (416 teachers)		\$1500-1999 (752 teachers)		\$2000-2499 (468 teachers)		\$2500-2999 (214 teachers)		\$3000 and over (105 teachers)	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1	2	3	4	5	6	7	8	9	10	11
Food.....	\$215 ^a	16.8	\$255 ^d	14.6	\$293 ^f	13.2	\$331 ^h	12.2	\$344 ⁱ	9.5
Rent.....	155 ^b	12.2	234 ^a	11.6	231 ^e	10.4	243 ^j	8.9	316 ^k	8.8
House operation.....	70 ^c	5.5	125 ^d	7.2	187 ^f	8.4	245 ^h	9.0	364 ^j	10.1
Food, rent, and house operation	441	34.5	586	33.4	711	32.0	820	30.1	1024	28.4
Clothing.....	179	14.0	201	11.5	232	10.5	240	8.8	282	7.8
Taxes.....	18	1.4	32	1.8	60	2.7	81	3.0	104	2.9
Interest.....	14	1.1	22	1.3	50	2.3	55	2.1	83	2.3
Health.....	68	5.3	90	5.1	109	4.9	121	4.4	170	4.7
Transportation.....	112	8.8	143	8.2	154	6.9	160	5.9	187	5.2
Aid to dependents.....	75	5.9	112	6.4	125	5.6	172	6.3	196	5.5
Gifts and donations.....	104	8.2	143	8.2	180	8.1	225	8.3	271	7.5
Education and recreation.....	96	7.5	112	6.4	137	6.2	176	6.5	190	5.3
Miscellaneous.....	54	4.2	69	3.9	75	3.4	79	2.9	106	2.9
Surplus or saving.....	116	9.1	242	13.8	386	17.4	589	21.7	993	27.5
Total net income.....	\$1,277	100.0	\$1,752	100.0	\$2,219	100.0	\$2,720	100.0	\$3,606	100.0

Read table thus: The single women teachers receiving incomes under \$1500 spent an average of \$215 or 16.8 percent of income for food, \$156 or 12.2 percent for rent, \$70 or 5.5 percent for house operation, etc. Similarly read figures for teachers at the higher income levels.

^a Estimated on the basis of only 217 cases in which this item was reported separately.

^b Estimated on the basis of only 221 cases in which this item was reported separately.

^c Estimated on the basis of only 220 cases in which this item was reported separately.

^d Estimated on the basis of only 554 cases in which this item was reported separately.

^e Estimated on the basis of only 565 cases in which this item was reported separately.

^f Estimated on the basis of only 356 cases in which this item was reported separately.

^g Estimated on the basis of only 367 cases in which this item was reported separately.

^h Estimated on the basis of only 177 cases in which this item was reported separately.

ⁱ Estimated on the basis of only 182 cases in which this item was reported separately.

^j Estimated on the basis of only 92 cases in which this item was reported separately.

^k Estimated on the basis of only 93 cases in which this item was reported separately.

The most obvious conclusion suggested by the facts just presented is that, in general, the teachers at the higher income levels might better have used a part of their surplus funds for educational and recreational purposes (betterments), in view of the relatively small percent of income which they spent for the latter.

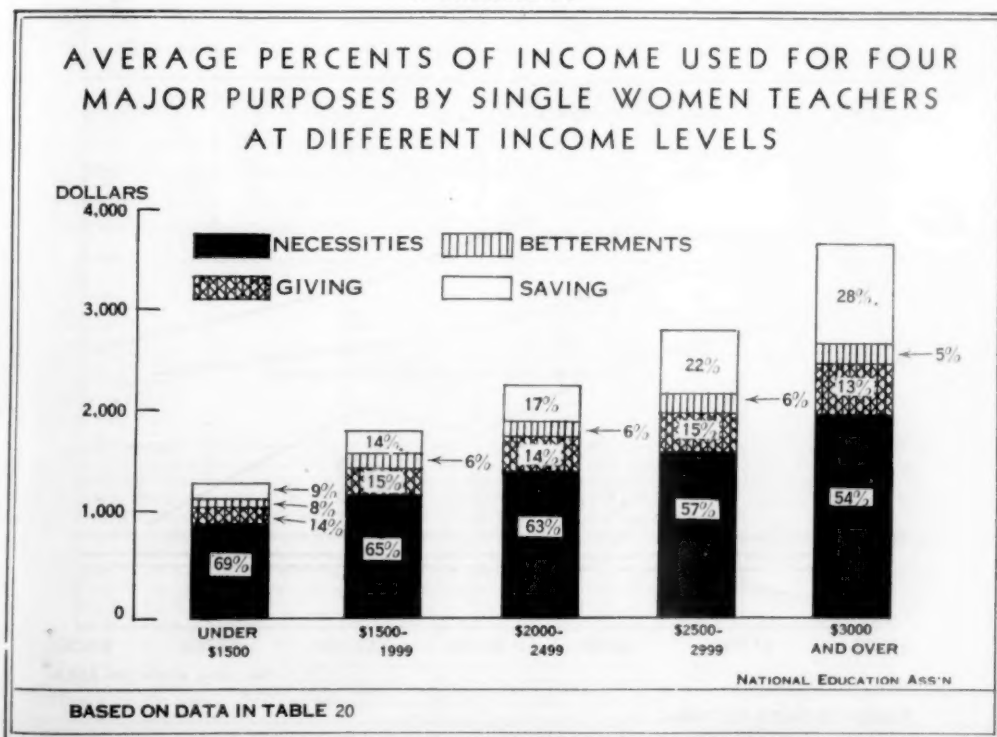
As intimated earlier, the relation between size of income and percentage distribution of expenditures has considerable bearing upon the question of what incomes are adequate for teachers under various conditions. Table 21 and Figure V throw light on this question by showing separately for three different groups of teachers the average percent of income spent at six different income levels for all current necessities¹⁷ combined. If the expenditure of a certain maximum proportion for necessities (such as 50 percent) be selected tentatively as a suitable goal for teachers of average experience, it is possible to draw provisional conclusions as to the adequacy of different levels of income for certain groups of teachers in this survey. In drawing such conclusions, we are not attempting to judge the adequacy of incomes for beginning teachers or for teachers

of unusually long experience. Rather are we thinking of "adequacy" with reference to a suitable standard for teachers with twelve to fifteen years of previous school service.

For practical reasons the teachers in the several types of living conditions considered in the preceding section have been combined in Table 21 under only three headings: married men maintaining homes, single women maintaining homes, and single women not maintaining homes. In all three of these groups the average percent spent for necessities decreased markedly with increases in income. Among the married men maintaining homes, for example, the percent dropped from 86.8 for those receiving less than \$1500 to 60.5 for those receiving \$3500 or more. At each income level the percent was highest for the men maintaining homes and lowest for the women not maintaining homes. In the latter group the tentative goal of 50 percent for necessities was approached closely by the teachers receiving \$2500 to \$2999, or an average income of about \$2750, but the percent increased slightly at the next higher income level. Neither the men nor the women maintaining homes closely ap-

¹⁷ It will be recalled that, as used here, the term "necessities" includes all items except saving, giving, and betterments.

FIGURE IV



proximated the goal at any of the income levels shown, spending an average of 60.5 percent and 57.6 percent for necessities, respectively, at the highest income level.

Assuming 50 percent for necessities as the goal for teachers with a medium amount of experience, it appears that the women of such experience in this survey who were not maintaining homes needed incomes somewhere between \$2500 and \$3500, on the average, while both men and women who maintained homes needed considerably more than \$4000, on the average. These amounts are markedly higher than the averages of \$1968 and \$2404 received by all women and all men, respectively.

Since it would be impracticable to differentiate between teachers maintaining homes and those not maintaining homes in the scheduling of salaries, the question arises as to which of

the two groups should be provided for in the schedule. This question must be decided according to whether or not the maintenance of a home is considered a reasonable and desirable undertaking for teachers. No one would contend that the salaries of beginning teachers should enable them to maintain homes, but the schedule of salary increments should make this possible eventually. The stability and effectiveness of the educational profession will be significantly increased when teachers generally can look forward to owning their homes well in advance of the age for retirement.

Comparison of Teachers with Different Numbers of Dependents

The influence of dependents upon teachers' expenditures is illustrated in Tables 22 and 23. These tables show the use of income by single

FIGURE V

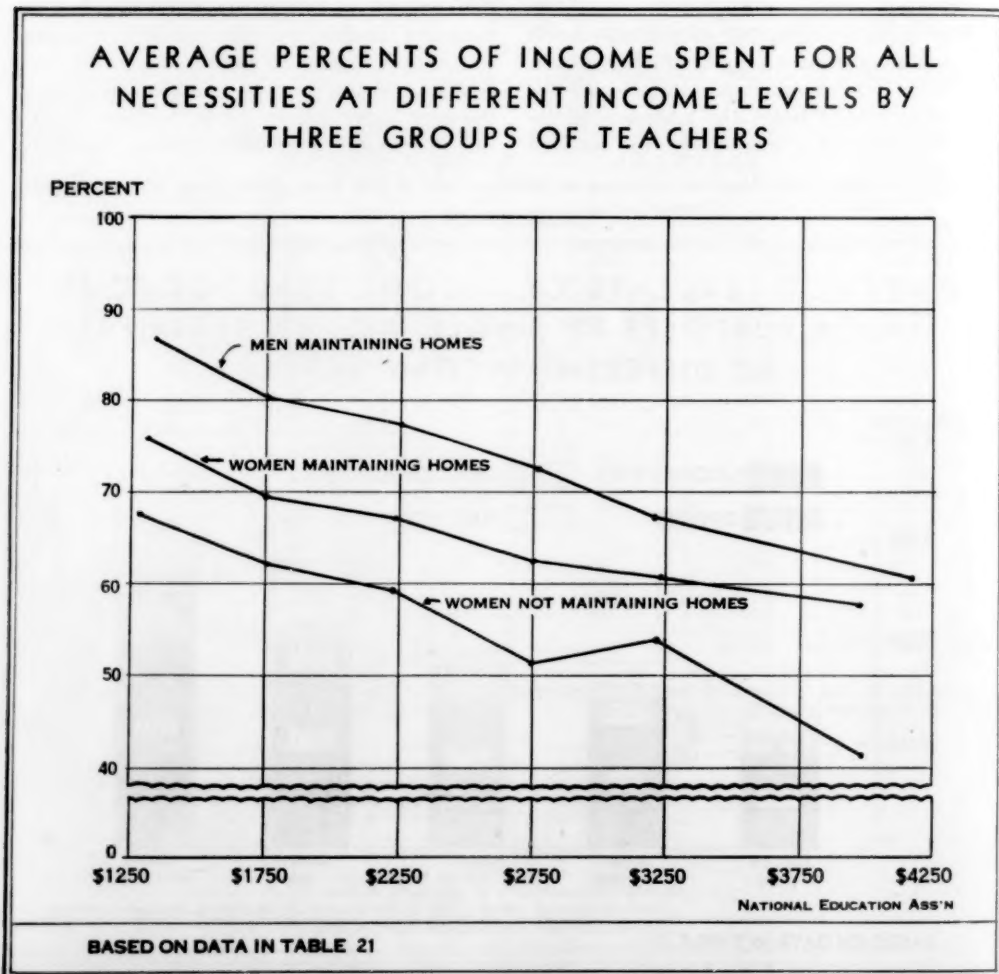


TABLE 21.—AVERAGE PERCENTS OF INCOME SPENT FOR ALL NECESSITIES COMBINED BY MEN AND WOMEN TEACHERS AT DIFFERENT INCOME LEVELS

Income level	Married men maintaining homes ^a	Single women	
		Main- taining homes ^a	Not maintaining homes ^b
1	2	3	4
Under \$1500.....	86.8	75.9	67.5
\$1500-1999.....	80.1	69.6	62.3
\$2000-2499.....	77.1	66.9	59.2
\$2500-2999.....	72.9	62.5	51.7
\$3000-3499.....	67.0	61.2	53.8
\$3500 and over.....	60.5	57.6	41.5

Read table thus: Of the married men maintaining homes, those receiving less than \$1500 spent an average of 86.8 percent of income for necessities; those receiving \$1500-\$1999 spent an average of 80.1 percent for necessities; etc. Similarly read figures for the two groups of single women teachers.

^a Includes those owning as well as those renting homes.

^b Includes those who were rooming and boarding, living at the homes of relatives, or sharing expenses with non-relatives.

women in each of three groups according to the number of dependency units¹⁸ for which

¹⁸ It will be recalled that a "unit of dependency" is defined here as one person wholly dependent or two persons partly dependent upon the teacher's income, including the teacher himself as one unit.

TABLE 22.—AVERAGE DISTRIBUTIONS OF INCOME BY SINGLE WOMEN TEACHERS HAVING DIFFERENT AMOUNTS OF DEPENDENCY

Items of budget	Amount of dependency ^a					
	Only 1.0 unit (612 teachers)		1.1 to 2.9 units (1016 teachers)		3.0 or more units (327 teachers)	
	Amount	Percent	Amount	Percent	Amount	Percent
1	2	3	4	5	6	7
Food.....	\$234 ^b	12.2	\$265 ^c	13.4	\$323 ^b	16.1
Rent.....	208 ^a	10.8	218 ^d	11.0	190 ^e	9.5
House operation.....	112 ^d	5.8	169 ^e	8.5	212 ^b	10.5
Food, rent, and house operation.....	554	28.8	652	32.9	725	36.1
Clothing.....	235	12.2	206	10.4	190	9.5
Taxes.....	33	1.7	45	2.3	65	3.3
Interest.....	24	1.3	32	1.6	58	2.9
Health.....	95	5.0	96	4.8	109	5.4
Transportation.....	154	8.0	138	7.0	140	7.0
Aid to dependents.....	0	0.0	149	7.5	238	11.9
Gifts and donations.....	187	9.7	151	7.6	138	6.9
Education and recreation.....	143	7.4	122	6.2	109	5.4
Miscellaneous.....	76	4.0	70	3.5	63	3.1
Surplus or saving.....	422	21.9	322	16.2	171	8.5
Total net income.....	\$1,923	100.0	\$1,983	100.0	\$2,006	100.0

Read table thus: The single women teachers with only themselves to support (1.0 unit of dependency) received an average income of \$1923. Of this amount, \$234 or 12.2 percent was spent for food, \$208 or 10.8 percent for rent, \$112 or 5.8 percent for house operation, etc. Similarly read figures for the teachers with larger amounts of dependency.

^a A "unit of dependency" is one person wholly dependent or two persons partly dependent upon the teacher's income, including the teacher himself as one unit.

^b Estimated on the basis of only 446 cases in which this item is reported separately.

^c Estimated on the basis of only 452 cases in which this item is reported separately.

^d Estimated on the basis of only 448 cases in which this item is reported separately.

^e Estimated on the basis of only 715 cases in which this item is reported separately.

^f Estimated on the basis of only 724 cases in which this item is reported separately.

^g Estimated on the basis of only 714 cases in which this item is reported separately.

^h Estimated on the basis of only 236 cases in which this item is reported separately.

ⁱ Estimated on the basis of only 246 cases in which this item is reported separately.

Figure VI pictures the situation for the same groups of teachers, using only the four main categories of saving, giving, necessities, and betterments. This chart emphasizes the fact that an income which is barely adequate for the teacher with only himself to support will be wholly inadequate for the teacher with a family or other dependents. While it would be impracticable to pay teachers according to the size of their families, it is important that a reasonable provision be made for dependents. Probably the best that can be done is to pay teachers at each level of experience at least enough to provide the appropriate standard of living for the *average number of dependents* for which teachers at that level of experience are responsible.

Comparison of Teachers in Ten Cities

The influence of locality upon the expenditures of city teachers is revealed only in part by the data of this survey. The number of teachers reporting from most of the individual cities was too small to be considered represent-

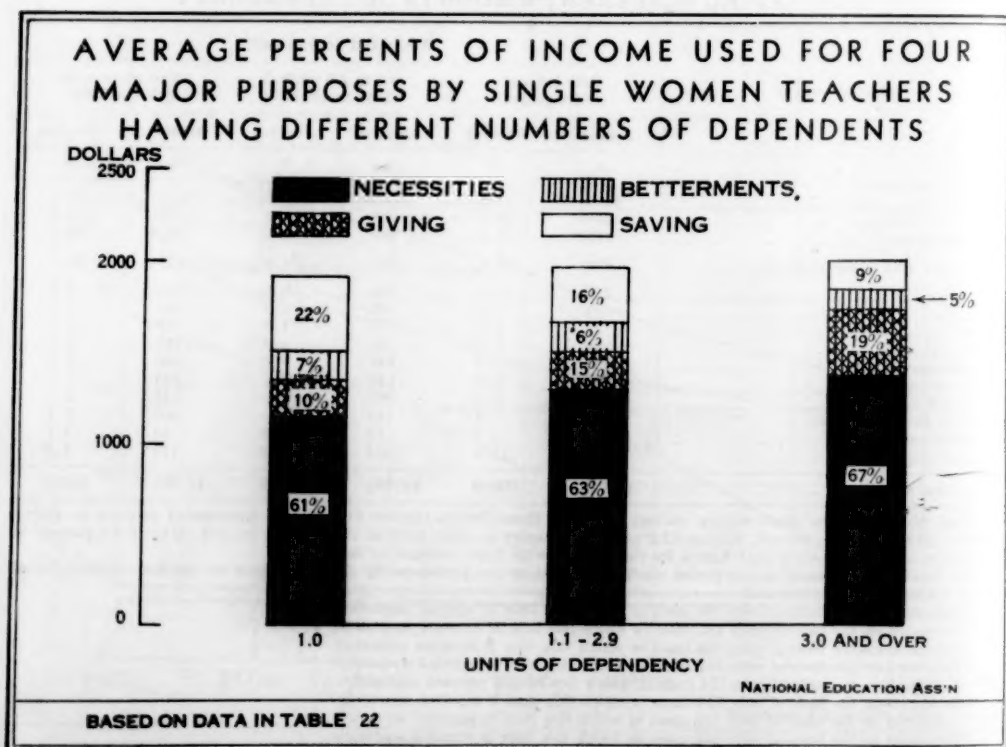
ative of all teachers in those cities. Moreover, the cooperating groups varied markedly from city to city with respect to average income, sex, marital status, and general living conditions. Differences in these important factors tend to obscure the effect of living in one city rather than in another.

It seems advisable to limit comparisons among cities to those ten from which at least one hundred usable reports of income and expenditure were received,¹⁰ and to make such comparisons for the entire group reporting from each city without classification as to sex, income level, living conditions, or number of dependents. A detailed analysis for the ten cities is presented on page 264 of the Appendix. The discussion at this point is concerned with certain summary figures, which appear in Tables 23 and 24.

Table 23 compares the ten cities with respect to the distribution of average income among the four categories of saving, giving, necessities, and betterments. The differences between cities seem to have been due partly,

¹⁰ These ten cities were: Cincinnati, Ohio; Cleveland, Ohio; Dallas, Tex.; Denver, Colo.; Kansas City, Mo.; Louisville, Ky.; Minneapolis, Minn.; Pittsburgh, Pa.; Rochester, N. Y.; and St. Louis, Mo.

FIGURE VI



but not entirely, to differences in average income, which varied from only \$1730 in Louisville to \$2665 in St. Louis. For example, the Louisville teachers used 69.0 percent of their incomes for necessities, while the St. Louis teachers used only 62.9 percent for necessities. On the other hand, the reporting teachers in Dallas, with the relatively low average income of \$1821, spent only 62.1 percent for necessities, while those in Pittsburgh, with an average income of \$2633, spent 68.9 percent for the same types of items. The Rochester teachers, with an average income similar to that of the entire reporting group, devoted 69.3 percent to such items, while the entire reporting group spent only 65.0 percent for those items.

The percents for saving and giving tended to vary inversely with changes in the percent spent for necessities, while the percent devoted to betterments showed no such tendency. The greatest variation was in the percent saved which ranged from about 12 in Louisville to 21 in Kansas City. In all of these cities the percent for betterments seems to have been unduly low. It was less than half as large as the percent saved in every city except one.

Judged in relation to the tentative goal of only 50 percent for necessities, none of these ten city groups were receiving adequate incomes, on the average, in 1932-33. The least adequate incomes were apparently those received by the reporting teachers in Louisville, Rochester, and Pittsburgh, while the incomes permitting the closest approach to the standard percent for necessities were received in Dallas, Kansas City, and St. Louis. Evidently the average income of \$2633 in Pittsburgh was

less adequate than the lower average incomes reported in several of the other cities. These conclusions rest, of course, upon the assumption of similar skill in money management among teachers in the several cities, but there seems to be no reason for suspecting significant differences in this factor from city to city.

The fact that relatively low average incomes in certain cities appear to be more adequate than higher incomes in other cities may be due in part to the tendency for persons with the smaller incomes to spend less money for necessities. This tendency, however, can hardly account entirely for the kind of difference just noted. As we have seen in an earlier section, when other factors influencing teachers' expenditures are kept approximately equal, increases in income tend to be accompanied by reductions in the percent of income used for necessities. A reverse tendency, as noted in comparing Dallas and Pittsburgh, may therefore be attributed largely to such factors as sex and marital status, number of dependents, and local commodity prices. These factors may create a real need for higher incomes in one city than in another. Their importance in the ten selected cities is indicated in Table 24.²⁰

Table 24 shows, for example, that the reporting group in Pittsburgh contained a larger percent of married men, had a greater proportion of teachers maintaining homes, and experienced substantially higher food prices than did the reporting group in any other city. The Pittsburgh group also had the second largest average number of dependency units. The Dallas group, on the other hand, contained the smallest percent of married men,

²⁰ See also the recommendations for determining minimum and maximum salaries in any locality, p. 251-52.

TABLE 23.—AVERAGE PERCENTS OF INCOME DEVOTED TO THE FOUR MAIN DIVISIONS OF TEACHERS' BUDGETS IN TEN SELECTED CITIES

Divisions of budget	Louisville, Ky. (120 teachers)	Cleveland, Ohio (100 teachers)	Dallas, Texas (135 teachers)	Minneapolis, Minn. (161 teachers)	Kansas City, Mo. (147 teachers)	Rochester, N. Y. (141 teachers)	Cincinnati, Ohio (209 teachers)	Denver, Colo. (121 teachers)	Pittsburgh, Pa. (170 teachers)	St. Louis, Mo. (105 teachers)
1	2	3	4	5	6	7	8	9	10	11
Saving.....	12.2	16.3	18.2	16.0	20.8	13.4	17.4	17.7	12.6	17.4
Giving.....	11.5	13.3	14.0	13.8	12.0	11.0	12.3	12.7	12.3	13.1
Necessities.....	69.0	64.1	62.1	65.2	62.2	69.3	63.7	63.2	68.9	62.9
Betterments.....	7.3	6.3	5.7	5.0	5.0	6.3	6.6	6.4	6.2	6.6
Average income.....	\$1730	\$1806	\$1821	\$1841	\$1915	\$2067	\$2245	\$2435	\$2633	\$2665

Read table thus: The average teacher reporting from Louisville received an income of \$1730, of which 12.2 percent was devoted to saving, 11.5 percent to giving, 60.0 percent to necessities, and 7.3 percent to betterments. Similarly read figures for each of the other nine cities.

had the lowest average number of dependents, included the second smallest percent of teachers maintaining homes, and experienced a level of food prices below the average. These differences go far toward explaining why the Pittsburgh teachers, with an average income of \$2633, spent 69 percent for necessities, while the Dallas teachers, with an average income of only \$1821, spent only 62 percent for necessities. The group in St. Louis, with an average income only slightly higher than that of the Pittsburgh group, spent only 63 percent for necessities, partly because of lower commodity prices and partly because of the smaller proportion of teachers who were maintaining homes. In Rochester the relatively high cost of food, together with an average income of only \$2067 and a normal amount of responsibility for dependents and home maintenance, helps to account for the relatively high percent of income spent for necessities by the teachers reporting from that city.

The preceding comments on the relative adequacy of the incomes reported by the co-operating teachers in the ten cities do not necessarily apply to the average incomes of *all* teachers in those cities. In the first place, the average income of all teachers in any city may have been different from that of the group reporting in this survey. In the second place, such influencing factors as sex and marital

status, dependency, and living conditions may not have been the same for an entire city group as for the sampling of that group which made the reports. Our conclusions must be limited to teachers receiving incomes and living under conditions similar to those reported here.

Expenditures of Teachers and Other Occupational Groups

Eells²¹ has shown that teachers in city school systems, colleges, and universities generally use a smaller proportion of their incomes for food and a larger proportion for such items as health, transportation, education, recreation, giving, and saving, than do wage-earners. It would be helpful also to know how the expenditures of teachers compare with those of other occupational groups having similar incomes and similar responsibilities. Data are not available, however, for answering this question precisely. Studies of other groups often differ significantly in their definitions of budget categories, in the localities and years represented and in the composition of the reporting groups with respect to sex, marital status, number of dependents, and incomes received. Moreover, such studies have not generally analyzed expenditures according to size of income and other influential factors.

Table 25 makes general comparisons be-

²¹ Eells, Walter C. *Teachers' Salaries and the Cost of Living*. Stanford University, Calif.: Stanford University Press, 1933. Table III, p. 28-29.

TABLE 24.—CERTAIN FACTORS AFFECTING THE RELATIVE ADEQUACY OF TEACHERS' INCOMES IN TEN CITIES, 1932-33

Factors	Louisville, Ky. (120 teachers)	Cleveland, Ohio (100 teachers)	Dallas, Texas (185 teachers)	Minneapolis, Minn. (161 teachers)	Kansas City, Mo. (147 teachers)	Rochester, N. Y. (141 teachers)	Cincinnati, Ohio (209 teachers)	Denver, Colo. (121 teachers)	Pittsburgh, Pa. (170 teachers)	St. Louis, Mo. (105 teachers)
1	2	3	4	5	6	7	8	9	10	11
Teachers' average income.	\$1730	\$1806	\$1821	\$1841	\$1915	\$2067	\$2245	\$2435	\$2633	\$2665
Percent used for "necessities"	69.0	64.1	62.1	65.2	62.2	69.3	63.7	63.2	68.9	62.9
Percent married men	25.8	18.0	8.1	12.4	17.0	19.9	16.3	14.0	36.5	26.7
Percent maintaining homes ^a	41.7	48.0	42.2	49.7	53.1	49.6	48.3	58.7	60.6	47.6
Average dependency units.	2.3	2.1	2.0	2.1	2.1	2.3	2.1	2.3	2.8	3.1
Index of food prices ^b (av. for ten cities = 100) . . .	91.3	98.8	97.1	94.6	102.5	106.6	98.8	102.5	109.9	99.6

Read table thus: The reporting teachers in Louisville in 1932-33 received an average income of \$1730, of which 69.0 percent was used for "necessities"; in the same group 25.8 percent were married men, 41.7 percent were maintaining homes, and the average number of dependency units was 2.3; in Louisville during the same year the total yearly cost of 42 food items was only 91.3 percent of the average cost for the ten cities in the table. Similarly read figures for each of the other nine cities.

^a Includes both those owning and those renting homes.

^b Index of total yearly cost of 42 food items in the budgets of wage-earners, computed from price and quantity figures supplied by the U. S. Bureau of Labor Statistics for the 12 months beginning October, 1932 and ending September, 1933. (Average for ten cities in 1932-33 = 100).

TABLE 25.—AVERAGE PERCENTS OF INCOME DEVOTED TO FOUR MAIN DIVISIONS OF BUDGET BY TEACHERS AND CERTAIN OTHER OCCUPATIONAL GROUPS UNDER SIMILAR CONDITIONS WITH RESPECT TO MARITAL STATUS AND SIZE OF INCOME

Divisions of budget	Single women				Men with families							
	Average incomes of \$1700-\$1800		Average incomes of \$2200-\$2300		Average incomes of \$1500-\$1700		Average incomes of \$2700-\$2800		Average incomes of \$3100-\$3400		Average incomes of \$4100-\$4200	
	Teachers in present survey, 1932-33 (752)	Federal employees in civil service, 1932-33 (76)	Teachers in present survey, 1931-32 (468)	Teachers in Fresno, California, 1931-32 (236)	Teachers in present survey, 1932-33 (116)	Employees in federal service, 1932-33 (105)	Teachers in present survey, 1932-33 (82)	Methodist ministers, 1932 (1038)	Teachers in present survey, 1932-33 (41)	Federal employees in professional service, 1932-33 (104)	Teachers in present survey, 1932-33 (27)	Faculty members at Iowa State Col., 1931 (75)
1	2	3	4	5	6	7	8	9	10	11	12	13
Saving ^a	13.8*	13.0	17.4*	16.9	6.8*	7.7	13.9*	12.0*	20.1*	15.0	25.2*	22.1
Giving ^b	14.6	18.0	13.7	11.6	6.1	2.2	7.8	8.1	6.9	5.3	8.9	4.3
Needs ^c	65.2	65.1	62.7	61.9	80.9	85.9	72.9	71.7†	67.5	74.9	60.5	64.0
Bequests ^d	6.4	3.9	6.2	9.6	6.2	4.2	5.4	8.2	5.5	4.8	5.4	9.6
Total income	\$1752	\$1752*	\$2219	\$2239	\$1682	\$1567*	\$2708	\$2735*	\$3191	\$3378*	\$4189	\$4107

Read table thus: A group of single women teachers in the 1932-33 survey receiving an average income of \$1752 is compared with a group of single persons in the federal civil service also receiving an average income of \$1752. The former group devoted 13.8 percent to saving, 14.6 to giving, 65.2 percent to necessities, and 6.4 percent to bequests, while the latter group devoted 12.9 percent, 14.8 percent, 60.5 percent, and 5.4 percent, respectively. Similarly read figures for other groups of teachers and for the corresponding groups in other occupations.

Sources of data: Figures in columns 2, 4, 6, 8, 10, and 12 are from the survey of teachers' incomes and expenditures in 1932-33, as reported in detail earlier in this chapter or in the Appendix; those in columns 3, 7, and 11 are based on detailed distributions for federal employees in Washington, D. C., as reported by the U. S. Bureau of Labor Statistics in *Monthly Labor Review* 39: 213; July, 1934; those in column 5 are based on the detailed distribution for single women teachers in Eells, Walter C. *Salary and Cost Study of Fresno Schools*, Fresno, Calif.; Fresno City Council of Education, 1932, p. 104; those in column 9 are based on data in "Cost of Living in the Methodist Episcopal Ministry," *Monthly Labor Review* 35: 438-40; August, 1932; those in column 13 are based on data in Hoyt, E. E., and Meints, V. C. "Academic Incomes and Planes of Living," *American Economic Review* 22: 78-81; March, 1932.

^a Includes savings and investments of all kinds, such as bank deposits, life insurance, retirement fund, etc.

^b Includes all gifts and contributions to needy relatives, friends, church, and charitable institutions.

^c Includes food, clothing, housing, house operation and furnishings, transportation, health service, personal care, and miscellaneous items not included under the other three main categories.

^d Includes educational, recreational, cultural, and vocational activities.

^e Computed by subtracting total current expenditures from total income.

^f Includes an amount for housing equal to 15 percent of \$2735 (estimated total income), which was not reported in the original study because housing was provided by the church.

^g Reported as "total expenditures and savings."

^h The average income, excluding housing received from the church, was reported as \$2325. This figure was divided by .85 because the value of the housing received was estimated as roughly 15 percent of total income. The resulting figure for total income is \$2735.

tween certain groups of teachers in the 1932-33 survey and a few other groups whose marital status and average incomes were similar to those of the teachers in this survey. For the sake of comparability, no data are included which were collected prior to the present economic depression. Comparisons are shown between teachers of this survey and (1) single women teachers in the Fresno, California survey, (2) single employees in the federal civil service, (3) families of federal employees in the custodial service, (4) Methodist ministers, (5) families of federal employees in professional service, and (6) faculty families at Iowa State College. The percents of income spent for necessities by the comparable groups of teachers in this survey were strikingly similar to those of the single employees in federal civil service, the single women teachers in the Fresno survey, and the Methodist ministers. In the case of families of employees in the federal custodial service, in the federal professional service, and in the college faculty, the percents for necessities were somewhat larger than those spent by the corresponding groups of city teachers. In most cases the percents devoted to savings by comparable groups were very similar, the greatest differences appearing at the highest income levels where the city teachers devoted a larger share of income to savings than did the federal professional employees or the college faculty members. The only groups which devoted as large a proportion to giving as did the corresponding groups of teachers were the single women in the federal civil service and the Methodist ministers. The Fresno teachers, the ministers, and the college faculty members were the only groups to devote a larger percent to betterments than did the corresponding groups of teachers in the present survey. While these data are not conclusive, they suggest that the teachers co-operating in the 1932-33 survey probably did at least as well as most other occupational groups in managing the incomes which they received.

Summary

This chapter has set forth results of the Committee's survey of city teachers in 1932-33 under three main heads: (1) sources of income, (2) borrowing and reduction of debt, and (3) current expenditures and surplus. These results may be enumerated briefly as follows:

1. A relatively small proportion of total income, on the average, was received from sources outside the school system. Among both single women and married men, about 94 percent was received in the form of school salary. Income from this source among the women varied, however, from 98 percent in the group with total incomes under \$1500 to 79 percent in the group with incomes of \$3000 or more. Among the men it varied from 96 percent in the group receiving less than \$2000 to 84 percent in the group receiving \$3500 or more. At the higher income levels investment earnings were of second importance among both men and women. Income from outside occupations was of little consequence among the women, but among the men it contributed significantly at the higher income levels.

2. The average change during 1932-33 in the amount of debt outstanding among these teachers was very small in relation to the size of their incomes. Including both borrowed money and unpaid bills, there occurred an average net increase of \$13 in total indebtedness, or 0.7 percent of average income. The women with an average income of \$1045 per unit of dependency increased their indebtedness by only \$8, on the average, while the men with an average income of only \$687 per unit of dependency increased their indebtedness by \$31. Generally speaking, the larger the amount of income per unit of dependency, the more favorable to the teacher was the change in his indebtedness during the year. Small incomes plus heavy responsibilities lead to relatively heavy borrowing.

3. Of the average income of \$2043 received by the 2358 teachers whose reports were analyzed, 16 percent was devoted to saving, 13 percent to giving, 65 percent to necessities, and 6 percent to betterments. This distribution is in marked contrast to that recommended by the Committee as a tentative goal for teachers with a medium number of years in school service. The proposed distribution allots 20 percent to saving, 10 percent to giving, 50 percent to necessities, and 20 percent to betterments. In the actual distribution made by the teachers, the lack of balance between betterments and saving was perhaps largely a matter of personal choice. The failure to attain the goal of 50 percent for necessities, however, was apparently due primarily, altho not entirely, to the inadequacy of the incomes received rather

than to mismanagement of those incomes. This conclusion is supported by the facts concerning expenditures for specific types of necessities. The average amount spent for food during the year was only \$296; for rent, taxes, and interest combined, \$306; for house operation, \$190; for clothing, \$210; for transportation, \$155; for health, \$103; and for miscellaneous needs, \$70.

4. Altho the married men received an average income \$436 higher than that of the single women, they spent 73 percent of it for necessities while the women used only 63 percent for the same items. This may be partially explained by the fact, mentioned above, that the amount of income per unit of dependency was only \$687 among the men, while among the women it was \$1045. Assuming equality of skill in money management between the men and the women, it appears that the incomes of the former were less adequate than those of the latter, on the average.

5. Among teachers of the same sex, marital status, and income level, those with larger responsibilities for dependents devoted greater proportions of their incomes to necessities and to giving, and smaller proportions to saving and to betterments. Obviously an income which is barely adequate for the teacher with only himself to support will be quite inadequate for the teacher with dependents. While it would be impracticable to pay each teacher according to the size of his family, teachers' salaries generally should be large enough to provide for the average number of persons dependent upon them.

6. Differences in living conditions exerted considerable influence upon the teachers' expenditures. The percent of income spent for necessities ranged from only 56 in the group of women sharing expenses with non-relatives to 79 among the men renting homes. Even among the women alone, those who owned or rented homes apparently received less adequate incomes than did those who were rooming and boarding, living with relatives, or sharing expenses with non-relatives, in spite of the larger amounts received by the owners and renters. Home-owners evidently had a slight advantage over the renters, as illustrated by the fact that the men owners receiving incomes of \$2000 to \$2499 spent only 75 percent for necessities, while the men renters with similar incomes spent 80 percent for necessities. The

women living at the homes of relatives were at a slight disadvantage compared to those who were rooming and boarding. The former devoted a little more to necessities, and a little less to saving and giving, than did the latter.

7. Other important factors being equal, the teachers at the higher levels of income devoted smaller percents of income to necessities than did those with lower incomes. Among the married men maintaining homes, for example, this percent declined from 87 for incomes under \$1500 to 60 for those of \$3500 or more. Accepting the proposed goal of 50 percent for necessities as reasonable for teachers with a medium amount of experience, it appears that the average woman in this study who was not maintaining a home needed an income somewhere between \$2500 and \$3500, while both the average man and the average woman who were maintaining homes needed considerably more than \$4000. It is not suggested that the salaries of teachers be determined according to whether or not they maintain homes. On the contrary, salary increments should be such as to enable every teacher to maintain a home of his own eventually, without sacrificing his standard of living too much in other directions.

8. A comparison of the teachers' expenditures in ten selected cities reveals differences which cannot be wholly accounted for by variations in average income. Other apparently influential factors were the ratio of married men to single women, the average number of dependents, the percent of teachers maintaining homes, and the relative position of local commodity prices. Due to the operation of such factors, comparatively low average incomes in certain cities seem to have been more adequate than relatively high incomes in other cities. In none of the cities was the goal of 50 percent for necessities attained. Those approaching it most closely were Dallas, Kansas City, and St. Louis, while those furthest from attaining it were Louisville, Rochester, and Pittsburgh.

9. It is impossible to make entirely satisfactory comparisons of expenditures between the teachers of this survey and other occupational groups. Such comparable data as are available, however, indicate that the cooperating teachers probably managed their incomes in 1932-33 with at least as much skill and wisdom as are characteristic of most other occupational groups.

CHAPTER V

Financial Assets and Liabilities of Teachers

The preceding chapter has dealt at some length with the current financial affairs of teachers during the year 1932-33. This chapter presents an analysis of the financial assets and liabilities of these teachers as of September 30, 1933.

Types of Information Collected

On a special sheet at the back of the report booklet, the cooperating teachers were asked to record the following items concerning property owned and debt outstanding on September 30, 1933:

1. Total present value of all real and personal property, *except money and securities*. (No attempt was made to define "present value" in the booklet, as it was felt wise to permit each teacher to give the best estimate he could, whether based on actual sales value, on the value assessed for taxation, or on some other basis.)
2. Total amount of savings accumulated and value of securities owned, *except life insurance policies*.
3. Value of life insurance policies in force:
 - a. Cash surrender value
 - b. Total face value.
4. Total amount of indebtedness.

In addition to these items, certain others were obtained by means of the one-page "Supplementary Inquiry" sent to all teachers at the end of the year as follows:

1. Total amount of salary due the teacher for school service rendered between October 1, 1932 and September 30, 1933, but not yet received because of insufficient school funds. (This item was to include only such amounts as had actually been promised to the teacher.)
2. Total amount of the teacher's deposits tied up on September 30, 1933, in banking institutions which were temporarily closed or in receivership on that date.
3. Total amount of the teacher's money which had been definitely lost since October 1, 1929, thru the liquidation of defunct banking institutions.

The data obtained by these inquiries are to be considered as general estimates rather than as exact statements of assets and liabilities. None of the items were reported by all of the

teachers, and many teachers who gave figures indicated that they were only approximately correct. Nevertheless, the averages shown in Tables 26 and 27 are believed to have considerable significance.

Comparative Status of Men and Women

Table 26 summarizes the reported facts concerning assets and liabilities for single women, married men, and both sexes combined. These figures indicate that while the men had accumulated about 40 percent more property, on the average, than had the women, they also had about three and one-half times as much debt outstanding as did the women. When the averages for outstanding debt are subtracted from those for total property owned, the result for the men is not much larger than that for the women. Average net assets among the women were \$4429, while among the men they were \$5040. The small difference in favor of the men may be partly explained by the differences between the two groups in average size of income and number of dependents. While the larger incomes of the men would tend to make their accumulated assets exceed those of the women, the larger number of persons dependent upon the men's incomes would have the opposite effect. Moreover, the men in this survey had been in school service about three years less, on the average, than had the women.

The women had a significantly larger proportion of their wealth in the form of money or securities than did the men. This difference was probably due largely to the fact that a majority of the men owned or were buying their homes, whereas a relatively small percentage of the women were doing so. There was a small difference in favor of the men with respect to the average cash surrender value of life insurance policies reported,¹ but no appreciable difference in the average amounts of back salary due. The latter item was very small in both groups.

¹ The average given for cash value of insurance among the women may be somewhat larger than was actually the case. The proportion of teachers failing to answer this item was much greater among the women than among the men, and it is possible that many of those failing to answer carried no life insurance at all.

**TABLE 26.—GENERAL SUMMARY OF
TEACHERS' ASSETS AND LIABILITIES
ON SEPTEMBER 30, 1933**

Items of financial status	Single women ^a	Married men ^a	Both sexes ^a
1	2	3	4
Value of property owned:			
All property except money and securities.....	\$2128 (1512)	\$4831 (369)	\$2658 (1881)
Money and securities ^b (except life insurance).....	\$2022 (1622)	\$1325 (332)	\$1904 (1954)
Life insurance (cash surrender value) ^c	\$901 (1152)	\$1116 (309)	\$946 (1461)
Back salary due.....	\$25 (1678)	\$22 (334)	\$25 (2012)
Total property ^d	\$5076	\$7294	\$5533
Total outstanding indebtedness.....	\$647 (1327)	\$2254 (346)	\$980 (1673)
Net assets ^e	\$4429	\$5040	\$4553
Supplementary items (1932-33):			
Total income.....	\$1968	\$2404	\$2043
Dependency units.....	1.9	3.5	2.2
Years of school service.....	16.5	13.2	15.9

Read table thus: The average amount of property (other than money or securities) reported by single women was \$2128; by married men, \$4831; and by both groups combined, \$2658. Similarly read figures for other types of property, outstanding indebtedness, total net assets, and the several supplementary items.

^a The number of teachers reporting on each item is given in parentheses below the average figure for that item, except in the case of "total property" and "net assets," which were derived by combining or subtracting figures based on different numbers of teachers.

^b The average amount tied up in closed banks was \$115 for the women, \$108 for the men, and \$114 for both sexes combined. The average amount definitely lost in bank failures since 1929 was \$66 for the women, \$53 for the men, and \$64 for both sexes combined.

^c The average face value of life insurance policies was \$3429 among the women, \$7170 among the men, and \$4158 among both sexes combined.

^d Computed by adding the average amounts given for the four types of property owned.

^e Computed by subtracting the average total indebtedness from the figures for total property owned.

Certain items of financial status not used in computing net assets are given in footnotes to Table 26. Footnote (b) indicates that neither the amounts tied up in closed banks on September 30, 1933, nor the amounts definitely lost in bank failures were, on the average, so large as to constitute a major difficulty in the economic affairs of these teachers. Both items were slightly larger among the women than among the men. Footnote (c) shows that the average face value of life insurance policies reported by the women was \$3429, or slightly less than one-half of the \$7170 reported, on the average, by the men.

Assets in Relation to Length of Service

Table 27 shows a marked relationship between length of school service and (1) total property owned, (2) total outstanding indebtedness, and (3) net assets. Among the women, average net assets increased from \$1807 in the group with one to ten years of service to \$9077 in the group with thirty-one to forty years of service. The corresponding figures for men were considerably higher, ranging from \$2727 in the lowest experience group to \$16,767 in the highest experience group.

While the factor of time may be largely responsible for these trends, the tendency for income to increase with length of service also has a bearing upon the situation. In 1932-33 the women with one to ten years of service received an average income of only \$1553, while those with thirty-one to forty years re-

TABLE 27.—AVERAGE ASSETS, LIABILITIES, AND CURRENT INCOMES OF MEN AND WOMEN TEACHERS AFTER VARIOUS PERIODS OF SCHOOL SERVICE

Items of financial status	Length of school service							
	1-10 years		11-20 years		21-30 years		31-40 years	
	Women ^a	Men ^b	Women ^c	Men ^d	Women ^e	Men ^f	Women ^g	Men ^h
1	2	3	4	5	6	7	8	9
Total property owned.....	\$2,261	\$4,503	\$4,820	\$8,178	\$7,139	\$10,406	\$10,100	\$19,139
Total indebtedness.....	454	1,776	595	2,682	891	2,992	1,023	2,372
Net assets ⁱ	1,807	2,727	4,225	5,496	6,248	7,414	9,077	16,767
Current income (1932-33).....	1,553	2,071	2,040	2,517	2,219	2,884	2,486	3,557

Read table thus: The women teachers with one to ten years of school service reported average property holdings of \$2261, outstanding indebtedness of \$454; net assets of \$1807; and current income of \$1553. Similarly read figures for both men and women with different periods of school service.

^a The smallest number of women reporting on any item included in these totals was 349.

^b The smallest number of men reporting on any item included in these totals was 142.

^c The smallest number of women reporting on any item included in these totals was 453.

^d The smallest number of men reporting on any item included in these totals was 117.

^e The smallest number of women reporting on any item included in these totals was 246.

^f The smallest number of men reporting on any item included in these totals was 31.

^g The smallest number of women reporting on any item included in these totals was 78.

^h The smallest number of men reporting on any item included in these totals was 14.

ⁱ Difference between "total property owned" and "total indebtedness."

ceived an average of \$2486. The comparable figures for men were \$2071 and \$3557. Figure VII shows how both net assets and current income were related to length of service.

The tendency for indebtedness to increase with length of service is not clearly explained by the data at hand. This tendency is probably due in part to the larger proportion of the older teachers who had undertaken the purchase of homes on the instalment plan. Another possible factor may have been a tendency for those with the larger amounts of property to borrow against their property more heavily during the depression than did those with smaller amounts of property.

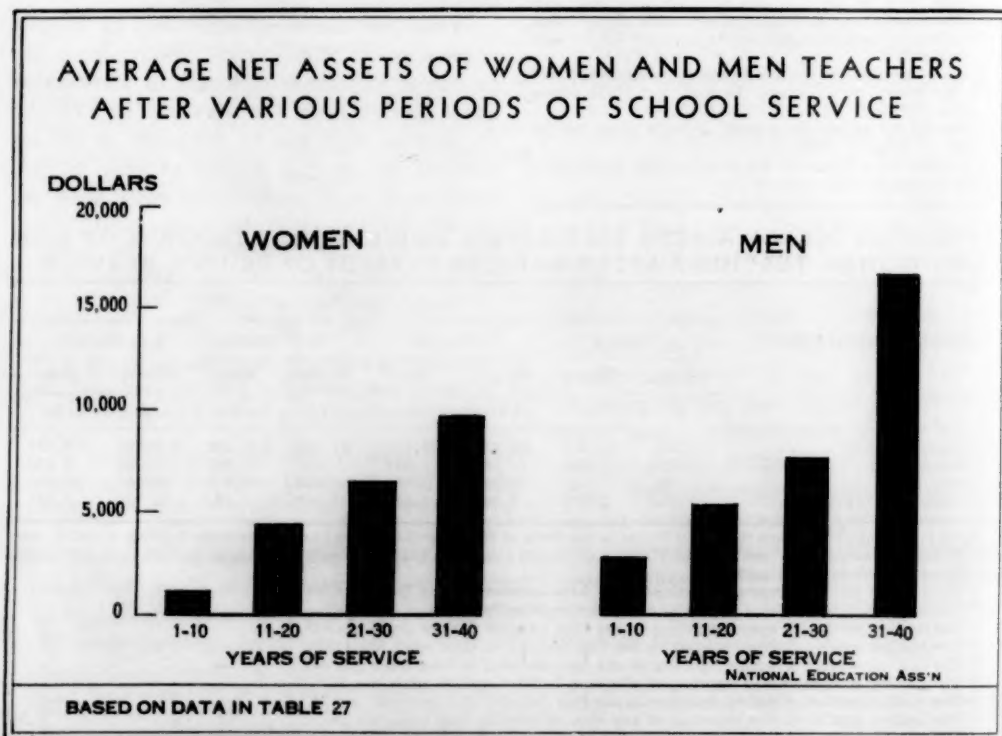
The number of cooperating teachers with very long periods of service was too small to permit definite conclusions. Their reports suggest, however, that after serving in the schools for thirty-five or forty years under conditions similar to theirs, and following similar practices with respect to saving and investment, single women on the average might expect to

accumulate net assets of \$9000 or \$10,000, while married men on the average might expect to accumulate \$16,000 or \$17,000. How adequate are these amounts as provision for the period of retirement? At 4 percent interest, the income from \$10,000 would be only \$400 per year, and the income from \$17,000 would be only \$680. If these amounts of capital were used to purchase straight life annuities at age sixty, the retirement income of the woman (paying \$10,000) would be about \$730 per year, while that of the man (paying \$17,000) would be about \$1375 per year.² These retirement incomes are much lower than the amounts spent for all current purposes in 1932-33 by the average woman teacher (\$1640) and by the average man teacher (\$2078) in this survey.

It should be noted also that the amounts of accumulated capital just mentioned are considerably less than the \$26,610 recommended by the American Provident Society as a suitable reserve at age sixty for persons who will

² Computed from rates in effect on January 1, 1935, as furnished by an authorized representative of a large mutual life insurance company. The amounts given are based on the assumption that the individual would receive his retirement income in monthly payments. They include dividends payable at the end of the first year, according to the dividend scale now in effect. The scale of dividends provides for a slight increase in each succeeding year.

FIGURE VII



attain an income of \$60 per week, or \$3120 per year, at the peak of their earning power.³ This recommended reserve would provide a straight life annuity at age sixty of about \$1940 for a woman, and of about \$2155 for a man.⁴

Summary

The principal facts revealed concerning the assets and liabilities of teachers in this survey are as follows:

1. The men teachers on the average had accumulated considerably more property than the women, but also had incurred more debt in proportion to the value of their property than had the women. Average net assets were about 14 percent larger among all men (\$5040) than among all women (\$4429).

2. The women had a considerably larger proportion of their property in the form of money or securities than did the men. More than one-half of the wealth reported by the men was real or personal property other than money or securities, due probably to the relatively large proportion of the men who owned or were purchasing homes.

3. The average *face value* of life insurance policies reported by the women was \$3429, as compared with \$7170 reported by the men.

4. The average amounts of back salary due, of money temporarily tied up in closed banks, and of funds definitely lost in bank failures during the depression were apparently not large enough to constitute a major difficulty in the financial affairs of these teachers.

5. There was a marked tendency for the

teachers of longer school service to have more property, greater outstanding indebtedness, greater net assets, and larger current incomes than the teachers of shorter periods of service. Altho the available data are not highly conclusive, they suggest that after thirty-five or forty years of service under conditions similar to those experienced by these teachers and following similar practises of saving and investment, single women might expect to accumulate \$9000 or \$10,000, on the average, while married men might expect to accumulate \$16,000 or \$17,000. These amounts of capital are distinctly inadequate to provide, at age sixty, retirement incomes equal to the average current expenditures reported by all men and all women teachers in this survey. They are also much smaller than the \$26,610 recommended by the American Provident Society as a suitable reserve at age sixty for persons receiving about \$3100 per year at the peak of their earning power.

6. These facts, together with those presented in the preceding chapter, indicate a need for (a) more adequate incomes for teachers, and (b) better management of income by teachers. At the same time it should be recognized that no amount of improvement along these two lines will guarantee a satisfactory retirement status for teachers (or for any other group), unless the economic system of the nation can be so ordered as to maintain the safety and productiveness of investments and to prevent major changes in the purchasing power of money.

³ deForest, Charles M., and others. *Are You as Old Financially as in Years? Make Sure*. New York: American Provident Society, Inc., 1932. p. 81.

⁴ Payable monthly, and including first-year dividends according to present scale.

CHAPTER VI

Case Reports of Teachers' Economic Status

This chapter differs from others in this bulletin in that it deals with teachers as individuals rather than as groups. At the end of the year covered by the regular monthly reports of income and expenditure, a selected group of one hundred teachers were asked to submit brief descriptive accounts of their economic situation in general, and especially of any significant changes therein during the year from October 1, 1932, to September 30, 1933. The illustrative material thus obtained adds vividness and human interest to the statistical information concerning groups of teachers presented elsewhere in this report.

As a general guide, in the preparation of these statements, the following list of points to be covered was suggested to the teachers selected:

1. Your living conditions, including dependents or other persons living with you, as well as dependents not living with you.
2. Reductions or increases, if any, in your income during the year. Factors causing such changes.
3. Unusual or increased financial responsibilities which you assumed during the year: extra aid to dependents, extra donations for charitable purposes outside your family, illness in family, etc. Factors causing these.
4. Expenses of a strictly professional nature: attendance at summer school, educational books and periodicals, travel for professional improvement.
5. Borrowing and repayment of debt, if any. Increase or reduction in unpaid bills. Reasons for these.
6. Losses or gains, if any, in accumulated capital: bank closings or failures, depreciation in value of securities or real estate, forced sale of property at loss, loss of property thru foreclosure, etc.
7. Financial aid received directly or indirectly from other persons or organizations.

Such descriptive statements were received from thirty-six teachers in widely scattered cities. Altho the statements varied considerably in length and interest, practically all of them contained some significant points. Limitations of space, however, made it advisable to include only nine of them in this chapter. These nine were selected, not because they

represent typical situations among teachers, but because they were among the most interesting descriptions received. The statements are presented essentially as the teachers submitted them, together with certain important facts obtained from the teachers' statistical reports.¹ For obvious reasons the names of the individuals and the cities in which they were teaching are omitted here.

Teacher A

Objective facts—This teacher is a married man with a wife and four children of school age. At the time of reporting he had been in active school service for eight years. He was buying the home in which he and his family lived. His total net income was reported as \$2218, and his school salary as \$2005. Expenditures and other financial items for the year were as follows:

Food	\$413	
Rent	0	
House operation	323	
Clothing	135	
Taxes	191	Necessities = 78.6%
Interest	324	
Health	149	
Transportation	108	
Miscellaneous	101	
Aid to dependents....	31	Giving = 4.0%
Gifts and donations..	58	
Education and recreation	122	Betterments = 5.5%
Surplus ²	265	Saving = 11.9%
Total income.....		\$2,218
Increase or decrease in borrowed money....		0
Increase or decrease in unpaid bills.....		0
Total net assets, September 30, 1933 ³		\$5,250

The personal statement submitted by this man is notable for its note of cheerfulness and lack of complaint. He and his family have evidently discovered that happiness depends upon many factors other than financial affluence. They seem to remain solvent and enjoy life thoroly on a relatively small income.

¹ Except in those cases where current expenditures exceeded total income, the percentages devoted to necessities, saving, giving, and betterments are shown. In connection with these distributions, it is well to have in mind the apportionments suggested in Chapter IX for teachers at various income levels and in different types of living conditions.

² In each case the figure for "surplus" or "deficit" is the difference between reported income and reported current expenditures.

³ In each case the figure for "total net assets" is the difference between total value of property and total indebtedness reported.

Teacher's own statement—There are six of us in my immediate family, including two boys and two girls of school age. In addition it has become necessary, during the past few months, to help other relatives less fortunately situated than we are. At present my father and mother are also members of our household.

A variety of circumstances is responsible for our present economic status. We have tried to make our small purchases wisely. We have been willing, as a rule, to forego those things which our budget would not permit. Commercial amusements have an almost negligible place in our budget; yet we have lots of fun. We drive a T-model Ford touring car in the summer when weather conditions and ability to start make such means of transportation a pleasure. We have learned that a pair of barber shears and a pair of clippers are cheap as compared to barber bills in these days of bobbed hair. We have systematized our buying so that an allowance of \$40 per month is ample to provide all food, including meats and milk as well as other items. We have learned successfully to make needed repairs on furniture and about the home. (But you should have seen our first attempt at paper hanging.) We have lived and enjoyed life, and altho some adversities have come our way we have been on the whole extremely fortunate.

Our salaries this year were reduced only 5 percent, altho a clause has been added to our contracts permitting a cessation of school "if and when, in the opinion of the board, it becomes necessary." Last year we lost a week's pay at the end of the term because of public demand for cuts in teachers' pay. This, in the opinion of the school treasurer, was unwarranted and unjust but was resorted to as a means of satisfying public clamor for reductions irrespective of prevailing schedules and of curtailments made along other lines.

Until a year and a half ago I had paid rent. When I discovered that I had paid out enough money to have purchased the place in which we lived, I became interested in vacant properties with the idea of purchasing. The opportune time arrived, a desirable property at a favorable figure was located, and by borrowing \$600 to add to the \$1200 which we had in building and loan stock, we negotiated a deal for an eight-room house. The lot, 55' x 125', is in a quiet residential neighborhood close to

schools and churches, in close proximity to transportation facilities, and within walking distance of a beautiful park. By trading in a lot valued at \$500, making a cash payment as before mentioned, and assuming a nine-year mortgage of \$3800 we secured a home which we could at least call our own. The fact that we now have ample room has made it possible for me, in a measure, to repay my father for the years of toil and sacrifice which he spent in providing for his family of four. While our home is not pretentious, it is a source of much pleasure to us, and we strive to make it a place where the young folks of the neighborhood may feel free to come and have their good times. This is paying us big dividends!

Since we were married, twenty-four years ago, we have had a charge account at a grocery only once, but that taught us a lesson. The account was small, but still too large in relation to our income, and was paid with difficulty. Consequently, we incur *no* bills but prefer to pay cash or go without. This plan has been a source of comfort to us as we look about and see some of our friends and neighbors trying to accustom themselves to "lowered standards" of living, and striving, often in vain, to liquidate their debts.

During the past year there have been no serious illnesses in our immediate family. However, the loss of my brother and father-in-law, and the serious illness of my own father all entailed unusual expenses.

We endeavor to support, by purchase of tickets and attendance, all the activities of the school community, and are also called upon repeatedly for donations by various welfare agencies.

Our state has placed upon us a 2 percent sales tax which applies to all purchases. Real estate, altho greatly depreciated in value, still bears as great an amount of tax as in the free-and-easy period during the War. We own a little place of thirty acres, fortunately without encumbrance, which until the past two years had netted us from 3 to 5 percent on the investment, but which has barely paid for taxes, let alone upkeep, during the past two years.

Having made our investment in a family, we have been able to make few others. As a result, recent bank failures, depreciations of securities, etc., have affected us personally very little, altho indirectly they have increased our

load by contributing to the financial difficulties of relatives on both sides of the house.

Insurance has been one of our large items of expense. A twenty-pay policy (which has but five more years to run), an accident and health policy (which has been sorely needed and beneficial in the past), liability insurance, and fire and hail policies cost us in the vicinity of \$275 annually.

A hobby? Yes, but one that's inexpensive as compared with the expenditures of some people for liquor, tobacco, and picture shows. My hobby is photography now and I feel entirely justified in such expenditures as I make for this purpose.

I can't close this account without mentioning one other point. Mother and I spent a day and a night at "A Century of Progress" on a total outlay of \$5.50. And nobody saw more for his money.

Teacher B

Objective facts—This teacher is an unmarried woman with a record of nineteen years of active school service. She was classified as rooming and boarding, but was responsible for 6.5 units of dependency. Her reported net income was \$2220 and her school salary \$1848. A summary of her expenditures and other pertinent financial items for the year follows:

Food	\$313
Rent	168
House operation.....	95
Clothing	227
Taxes	151
Interest	505
Health	81
Transportation	103
Miscellaneous	80
Aid to dependents.....	191
Gifts and donations.....	37
Education and recreation.....	132
Surplus (apparent)*.....	140
Total income.....	\$2,220
Increase in borrowed money.....	244
Increase in unpaid bills*.....	738
Total net assets, September 30, 1933.....	\$3,536

The following statement by the teacher herself gives a vivid picture of heavy financial

responsibilities not usually thought of as falling to the lot of an unmarried woman.

Teacher's own statement—My living conditions are rather complicated. During the week, I board and room in the city where I teach. Week-ends and vacations I spend on the family homestead, a distance of twenty-two miles.

Rather than have the farm sold, my sister and I purchased it in July 1931. Things went very well during the first year. I was receiving \$210 per month, and my sister was receiving \$112 per month as a practical nurse. During the year 1932-33, however, it became necessary for me to assume almost the entire support of the family. Living on the farm at the time were my brother, his wife and three little girls, an elderly aunt and uncle, my sister, and part of the time myself. My brother, with the aid of a tractor, operated the farm for us. I considered his family partially dependent and the others wholly dependent upon me.

The returns from the farm, owing to very low prices and a long period of drought, did not go very far toward meeting the expenses of running the farm. My brother did, however, raise enough feed for the stock and some of the food supply for the family. Our living plane was reduced to the minimum. Proper food and clothing for from seven to nine people is quite a problem in itself. We have not burned coal for three years.

During the school year beginning September 1932, I got my first salary cut in the form of a voluntary gift to the board of education. It amounted to \$31.50 per month for four months, and \$21 per month for the remaining six months, making \$252 in all. Beginning in January, I contributed 2 percent of my salary to the fund for unemployed teachers. Some voluntary and some compulsory gifts or contributions were made to the Community Chest, to unpensioned teachers, to the Federation of Churches, to my own church, and to five school organizations.

At first I tried to carry both my own insurance policies and my sister's, but we finally had to cut them both in half.

* In this particular case the surplus of \$140 is only apparent because there was an increase of \$738 in unpaid bills during the year. Strictly speaking, any increase in unpaid bills during the year should be subtracted from an apparent surplus (or added to an apparent deficit). Likewise, any decrease in unpaid bills during the year should be added to an apparent surplus (or subtracted from an apparent deficit). In this case, therefore, the increase of \$738 in unpaid bills should be subtracted from the apparent surplus of \$140, leaving a real deficit of \$598.

This procedure is not applicable to increases in borrowed money, however, because the expenditure of borrowed money is supposed to have been included in the regular report of expenditures, whereas bills incurred but not paid during the year are supposed to have been omitted from the report of expenditures.

The year itself was somewhat of an endurance contest for the whole family. A third baby girl was born to my brother's family, and of course I had to pay the hospital bill. It was a Caesarian birth. My sister, the nurse, came home to help and ended up by staying the entire year. The two older children had whooping cough, the aunt la grippe, and the little baby a very bad case of eczema for which she is still being treated. It goes without saying that the doctor's bills have been enormous. The obstetrician's bill isn't paid yet.

For myself, I have had to retrench in every way. I walk nearly two miles every day to school in order to save car-fare. I do my own washing. I do without dessert at meals (which is probably good for me). I stay away from downtown. I cut down on all amusements that cost money, except for a series concert ticket and a series theater ticket of six performances each. I have to content myself with attending free lectures. For my summer vacation I spent one week at the lake at a very low cost. The rest of the time I spent canning everything cannable to help out on the family's winter food supply. I also devoted a great deal of time to taking inventory of and mending my clothes so as to make them last a little longer. Most of them have served longer than I like to say.

I have not been able to do any university extension work for three years. I started out to complete a B. S. degree, but lack thirty-five points of doing so. Since I started my university work, the fee has increased from \$7 per credit point to \$9 per credit point. Considering the cost of board, room, car-fare, books, and fees, together with my cut in salary, I do not feel that I can afford it. I did, however, buy six books to use in my work.

During Easter vacation my sister and I managed to take a short recreational trip. We had a chance for a free ride to and from New York City, which we took advantage of. I paid all of the expenses for the six days. Part of the money had to be borrowed, which was perhaps foolish, but I felt that we both needed a change, especially my sister after caring for sick people all winter.

Since it was necessary to pay the hospital bills already referred to out of my September and October checks, I had to borrow \$300 to pay the November interest instalment on our

mortgage and the school taxes. The loan was obtained thru the Teachers' Credit Union. I paid it back in monthly instalments of \$30 plus interest at 1 percent of the unpaid balance. It was only half paid when I had to borrow \$150 more to help pay the May interest instalment on the mortgage. I also borrowed \$75 from a bank to tide me over the summer and \$45 on an insurance policy to pay the interest on some notes and to meet September 1933 expenses.

Several other unusual items of expenditure have made matters more difficult. Last summer I had to have some dental work done which cost me \$136, and I also have a doctor's bill of \$97. I had lightning rods put on the house at a cost of \$89, because insurance on rodded buildings is cheaper. I also had a combination pumphouse and woodshed built on to the main house at a cost of \$102. The floor of the old one was so unsafe that I was afraid the whole family would fall down the well.

The only financial aid I have received was \$300.47 in the form of milk checks, \$160 from the wheat crop, and \$25 from my sister, in addition to the foodstuffs that were raised on the farm.

My brother did some unwise buying during good times which we are having to pay for during very bad times. We owe about \$2809 worth of notes which accounts for a good deal of the interest and debt payments in my budget. The amount of indebtedness has not seemed great enough to warrant bankruptcy. We are trying to be optimistic and hope that next year will give us a "good break." High-pressure collectorship is the hardest thing to stand.

The third year of the depression finds us a little worse off than during the other two. In spite of trying to keep optimistic, one is bound to admit that there is an unpleasant reaction. Eating in the cheaper places, curtailing amusements, and wearing clothes that are cheaper and out of style does something to one's sense of well-being.

Teacher C

Objective facts—This is the case of an unmarried woman who had been in school work only five years. She and three other adult members of her family were dependent entirely upon her school salary, which was only \$1730

in 1932-33. They owned their home subject to a mortgage on which no principal had been paid for three years. Their difficulties were increased by a most unfortunate salary situation in the local schools.

Following are the figures on expenditures and other items reported by the teacher:

Food	\$445
Rent	0
House operation.....	385
Clothing	187
Taxes	123
Interest	150
Health	117
Transportation	217
Miscellaneous	68
Aid to dependents.....	0
Gifts and donations.....	36
Education and recreation.....	249
Deficit	248
Total income.....	\$1,730
Increase or decrease in borrowed money....	0
Increase or decrease in unpaid bills.....	0
Total net assets, September 30, 1933.....	\$5,400

The personal statement of this teacher reflects a discouragement and loss of morale not uncommon among the teachers of the city in which she was employed.

Teacher's own statement—How we have managed to live during the last year I do not know. I have an invalid mother; a father who has been unemployed for eight years because only younger men were being hired—altho he is still under seventy years of age; and a sister who stays at home to take care of my mother. We have no other income except my school salary.

The reduction in my annual salary now totals 25 percent, brought about by a straight 15 percent cut and a shortening of the school term from ten months to nine. From October 1932 to October 1933, I received \$1295.91 in cash and \$450 in warrants. At present the board of education owes me about \$1100.

In March 1933 our bank closed. My last pay check had been received at the end of February for the last half of November 1932. We did not have another pay day until the end of May 1933. At the end of April we had on hand only \$30 in cash, besides some coupon books that had been given by certain merchants in exchange for tax warrants, the coupons to be used for food and automobile upkeep.

A law was passed in May to stimulate the

collection of taxes, but we are receiving very little of the tax money.

My family and I wore our clothes as long as we possibly could. We could not afford to pay for amusements, so we went to as many free educational exhibits as possible: flower shows, the historical society, and the aquarium. We also explored new roads in and around our city. Our car is a 1927 model, and when it became rusty this summer we painted it ourselves. We haven't any money for travel. I have been wanting to go to the state capital for the last three years, but feel that I cannot afford it.

We went without a telephone for seven months, from February to September 1933, and did not take ice at all during the summer.

Our furniture is shabby. The pattern on the dining room rug is almost worn off. The house needs repairs badly: the outside should be painted; new front porch steps should be put on, if not a new porch altogether; and some cement work ought to be done. My sister and father take care of the decorating inside. The house has depreciated in value from \$10,000 to \$5000. Our securities also have depreciated to \$500, which is only about 20 percent of their original value. If some of our stock were sold at present, the proceeds would not pay the broker's fee.

The outstanding debt we have is a \$2500 mortgage which will be due a year from next April. I only hope that we have \$200 on hand with which to renew it. Nothing has been paid on the principal since 1931, when my mother received \$1700 as her share of my grandmother's estate, most of which was used to reduce the mortgage to its present size.

I have taken professional college work for the last three years, mostly by correspondence because I could not afford to attend the university in summer.

Teacher D⁵

Objective facts—This case is unusual in that it involves a family in excellent financial condition and with every reasonable want apparently satisfied. The reporting teacher is a married man whose wife is employed in a neighboring city. The former reported salary receipts of \$3521 for his own services, and of \$2869 for those of his wife. In addition he

⁵ This is a case of "communal reporting," as defined on p. 177, and therefore was not included in the tabulations for groups of teachers presented in this report.

reported other income of \$325 from investments. This couple had no dependents other than themselves. They had no rent to pay because they were living at the home of the wife's mother. The husband had been in school work for sixteen years. Their combined financial summary for 1932-33 is as follows:

Food	\$484	
Rent	0	
House operation.....	298	
Clothing	222	
Taxes	127	Necessities = 22.0%
Interest	0	
Health	9	
Transportation	224	
Miscellaneous	110	

Aid to dependents.. \$	0	Giving = 6.0%
Gifts and donations	406	
Education and recreation	1,968	Betterments = 29.3%
Surplus	2,868	

Total income	\$6,715
Increase or decrease in borrowed money	0
Increase or decrease in unpaid bills....	0

Total net assets, September 30, 1933.. \$28,085

This teacher's statement of his status is brief but requires no additional comment.

Teacher's own statement—My salary last year was only 5 percent below the maximum which I have received since the depression began. The city in which I teach is one of a very few which are still solvent and generous. My wife also has been fortunate in holding a well-paying position in an adjoining city. Our combined salaries in 1932-33, together with dividends and interest earnings, amounted to approximately \$6700. Of this sum we saved or invested about \$2870. We pay no rent because my mother-in-law owns the apartment in which we live.

My wife, mother-in-law, and I enjoyed a 54-day cruise to Europe last summer.

We have no debts, and have experienced no bank losses. Practically all of our assets have been accumulated thru salary earnings. We have had some losses in defaulted real estate bonds, but those have largely been made up.

Our assets are about 80 percent liquid. Our standard of living has never been lowered; possibly it is higher now than ever before.

Teacher E^c

Objective facts—This teacher is a widow of eleven years' teaching experience, with two young children and a mother dependent mainly upon her salary, which in 1932-33 was \$1860. During the year her mother contributed a total of \$100, garage rent brought in \$9, and additional earnings amounted to \$121, bringing her total income to \$2089. She was making payments on the home in which she and her family were living. Following is the list of her reported expenditures and related items:

Food	\$403	
Rent	0	
House operation.....	694	
Clothing	90	
Taxes	80	Necessities = 80.6%
Interest	40	
Health	200	
Transportation	166	
Miscellaneous	12	

Aid to dependents....	0	Giving = 3.4%
Gifts and donations..	71	
Education and recreation	23	Betterments = 1.1%
Surplus ⁷	311	

Total income.....	\$2,089
Decrease in borrowed money.....	10
Decrease in unpaid bills ⁷	2

Total net assets, September 30, 1933.... \$2,021

The following personal statement indicates how keenly a woman teacher may feel her financial responsibilities when she has children of her own and is dependent primarily upon her own earnings.

Teacher's own statement—I have two children, one of whom will be five years old this month and the other seven next month. The little one was born five months after my husband's death. As soon as possible after these experiences—in September 1929—I went back to work. Very fortunately I had been with the schools before my marriage and they were willing to take me back on the staff. My parents, who had been retired from business for some time, made their home with me. They helped me as much as they could in a financial way but my expenses were very great, including my husband's funeral expenses, my

^c Another case of "communal reporting," and therefore not included in the tabulations for groups of teachers.

⁷ Strictly speaking, the apparent surplus of \$311 should be increased by the amount of decrease in unpaid bills (\$2), making an actual surplus of \$313 for the year. See footnote 4 on page 212 for a more complete statement on this point.

own doctor and hospital bills during pregnancy and confinement, and later the pediatrician's bills. During the summer before my return to work I borrowed enough money to pay my bills and buy a used car. Since then I have been paying that money back. During the school year I repay all that I owe, and then have to borrow again to live thru the summer. Gradually, however, I have been able to decrease my debt each year.

My unusual expenses did not all come in 1928 and 1929. Since returning to work I have paid my sister, also a widow, for staying with my mother (who is almost 80 years old) and my two children. The sister has had her home to keep up and a daughter in school, so that it has been necessary to pay her more than an ordinary maid would receive, but the feeling of security which her help has given me has been worth the expense. I have continued to pay her during my summer vacations because it does not seem fair to hire her on a nine- or ten-months' basis.

In 1930 my father died after a long illness at home and in the hospital. My mother has frequently had to have doctor's care, and my children seem to have had more reason for medical attention than the average youngster. Both of the children have had tonsillotomies. The little one in her five years has been under the care of our regular pediatrician, an eye specialist, a throat specialist, and a surgeon. She had two minor eye operations before she was a year old. At about seventeen months she began her hospital experiences, and has had three such experiences of various lengths. All of this naturally has involved considerable expense.

Our home is subject to a mortgage, but I have been fortunate in needing only to pay the interest on it during the past year. We did have other property—some building lots, one piece of suburban property, and a large tract of uncultivated land—but I have made no effort to pay taxes on these for at least five years. At first I expected to keep them and did not try to realize any money on any of them. Then, when I realized how impossible it would be for me to carry the expense of their taxes, the depression was far enough advanced so that selling or mortgaging was out of the question. Now I am simply forgetting that such property ever existed, and especially am

I trying to forget all the money invested in them.

Our salary cuts this past year have made it very difficult for me to meet operating expenses from month to month. But the thought that worries me most is that whatever I might have had for my children's future is gone and I can see no possible way of saving anything for the proverbial "rainy day." I am trying to carry enough insurance so that, for a few years at least, the children will be cared for if I should drop out of existence. I would like to feel, above all else, that whether I am here or not they can have at least a decent place to live and an opportunity for a good education. Right now I do not see how I can assure them of these things to which they are entitled.

Teacher F

Objective facts—This teacher is a man of twenty-four years of teaching experience. He has a wife and one daughter, and owns the home in which they live. His reported salary for school services in 1932-33 was \$2822, and he received income from other sources amounting to \$1023. Other items of his financial report for the year are summarized below.

Food	\$ 540	} Necessities = 61.8%
Rent	0	
House operation....	636	
Clothing	123	
Taxes	480	
Interest	266	
Health	46	
Transportation	246	
Miscellaneous	41	} Giving = 7.1%
Aid to dependents..	200	
Gifts and donations	74	
Education and recreation	23	} Betterments = 0.6%
Surplus	1,171	
Total income.....		\$ 3,845
Increase or decrease in borrowed money		0
Increase or decrease in unpaid bills...		0
Total net assets, September 30, 1933...		\$12,528

As the foregoing figures show, this teacher was relatively well-situated financially. His personal statement indicates, however, that this condition has not been achieved without years of prudent management and wise investment.

Teacher's own statement—My family consists of a wife, a daughter, and myself. My daughter is fifteen years of age and she is a junior in senior high school. We have never had any servants because our income did not warrant it and because I have an extremely thrifty and industrious helpmate who takes great pride in her home.

I am forty-six years of age and have continuously taught senior high-school subjects since 1909. I have an A. B. degree from college and an M. A. degree from a large university. My entire college and university expenses were earned and paid for by myself from salaries which ranged from \$600 per annum in 1909, \$1250 in 1918, \$3500 in 1930, to about \$2500 in 1933. During the past two years my salary has been reduced \$1000 by supposedly voluntary contributions to balance the city budget and by retrenchment in school activities, such as the closing of night and summer schools.

My income from sources other than salary has also been greatly reduced. During the past year I earned approximately \$150 from private tutoring, while in previous years I had earned from \$500 to \$600 in this way. My income from investments did not change much and approximated \$850 during the year. I tried to keep this income intact by shifting or exchanging my bonds for others which seemed more secure. These bonds were originally purchased when the market was high, and their present market value is only about one-half of their actual cost to me. The major portion of my savings have been invested in public utility bonds, and these were especially hard hit during the past year. Up to this time, I have managed to steer clear of bonds which defaulted or companies which went into receivership by exchanging my holdings before they were a complete loss.

My wife and I have always kept our expenditures within our income, and at the same time have managed to save something each year for the home of our dreams and for the education of our daughter. Our entire present capital has been accumulated by these savings.

Our present home, which is the fulfilment of our dreams, is the third we have owned since 1921. It is, incidentally, the only one of the three for which we did not pay cash. Last October we traded our second home, which

was purchased at the peak of real estate values, for this one at a price of \$2000 less than we paid for it in 1928. We do not consider this a real loss, however, because we paid \$8000 less for our present home than our neighbors paid for a similar one in 1928.

We retrenched during the past year by reducing our donations to charity, and by curtailing our expenses for pleasure, clothes, travel, and items of a professional nature. During this period our expenses for books, periodicals, travel, and summer school have been practically nil. These retrenchments were caused by two things. The first was our reduced income and the second was the purchase of our home, which compelled us to pay \$20.80 per week into a building and loan association. The only assistance given to other dependents was in the form of a loan of \$200 to the parents of my wife who were severely hit by the depression and long illness.

We were fortunate in not losing anything thru bank closings or failures. Our only debt or unpaid bill is the building and loan mortgage of \$4160 on our home. This was obtained October 11, 1932, and now has been reduced to \$3500 by the payment of the weekly instalments which include all interest charges, taxes, and water rent.

We have always enjoyed good health. We have never received any financial aid from anyone. We never let bills accumulate. We seldom use a charge account. We simply do without things until we can pay cash for them. We have always religiously avoided finance companies and loan sharks. We have never paid a carrying charge on anything we have purchased. True, we have had to deny ourselves many of the pleasures and perhaps the finer things in life such as travel, the fine arts, and books. This was not because we did not crave them, but because we felt that we must first meet those obligations which are necessary to maintain our physical health and comfort.

Teacher G

Objective facts—This case, of an unmarried woman teacher with thirteen years of school experience, presents a quite different picture from that of Teacher F, in spite of the fact that the number of dependents was the same in both cases. This teacher rented and maintained an apartment for herself, her mother,

and her aunt, both of the latter being wholly dependent upon her. The following financial summary shows a terrific burden in the form of expenses for illness and other physical disabilities:

Food	\$ 550
Rent	560
House operation.....	335
Clothing	114
Taxes	1
Interest	5
Health	620
Transportation	56
Miscellaneous	39
Aid to dependents.....	26
Gifts and donations.....	47
Education and recreation.....	103
Deficit*	910
Total income.....	\$1,545
Increase in borrowed money.....	570
Increase in unpaid bills.....	43
Total net assets, September 30, 1933.....	\$ 863

Teacher's own statement—When I began to make these reports of financial status, my mother had been dependent upon me for three years, and my aunt since June 1932. They were aged sixty-five and seventy, respectively. My mother had been operated upon in July 1931 for cancer, and the resulting expense used almost all her own savings and practically all of mine. Then my aunt began to develop cataracts on both eyes.

I had been teaching in one of the smaller cities in my state. In September 1932, I was offered a similar position in a larger city, which afforded better opportunity for advancement. I decided it would be best to move to my place of work, where my mother could continue uninterruptedly her X-ray treatments and my aunt could be under closer supervision of her oculist. I sold what furniture we couldn't use and bought a few new pieces which were necessary to our comfort. What little money I could obtain was used to pay the traveling expenses of mother and aunt. I bore the cost of transfer of goods by van.

In 1932-33 my salary was supposed to be \$210 a month, but from this a 10 percent deduction was made to help balance the school budget. The sum of \$7.50 was deducted each month and paid into our state teachers retirement fund as an investment for my future use. In addition, I pay a premium of \$40.30

yearly on a twenty-year endowment policy which will mature in 1938, giving me \$1000. I pay \$5 monthly to a building and loan association and put aside another \$5 for my aunt.

In December 1932, I became seriously ill and was forced to undergo an operation. I was absent from school for four weeks in addition to my Christmas vacation. I received half pay for the time lost. My expenses during that time, including household, hospital, medical, and other costs were about four times the amount of my check for the month. The rest of my savings vanished.

In February 1933, my mother became seriously ill and grew slowly worse. I had a trained nurse for a few days and later a practical nurse to care for her and help with the house work. My aunt was too feeble to do more than prepare meals.

In March we moved to another apartment in this city. This was done under our physician's advice, as our other apartment was poorly heated and badly arranged for caring for a sick person. The expense of this moving, although small compared to the other, was nevertheless a significant item.

In May my mother died. Her funeral expenses were paid from the remnant of her savings which she had entrusted to me for this purpose. I continued, however, to pay all of our bills for food, clothing, rent, medicines, doctor's fees, etc., as well as my aunt's bills for the care of her eyes.

My greatest financial problem still lay before me. My doctor advised me not to work during the summer, as I was on the verge of a nervous collapse. I did, however, attempt to find employment but with no success. With the help of friends I was able to borrow \$300 from a bank by offering my building and loan stock as security. I used \$60 of this to attend the World's Fair.

So far I have been able to pay only the interest on my borrowed money, but I expect to repay \$100 during the coming year.

Teacher H

Objective facts—This is the case of a married man with seven years of teaching experience. In 1932-33 he had a family of six to support, including himself, on a reported salary

* Strictly speaking, the apparent deficit of \$910 should be increased by the amount of increase in unpaid bills (\$43), making a real deficit of \$953. See footnote 4 on page 212 for a more complete statement on this point.

of \$2613. No income was received from any other source. The family lived in a rented home. Their financial report is summarized as follows:

Food	\$472	} Necessities = 79.6%
Rent	660	
House operation....	354	
Clothing	233	
Taxes	4	
Interest	1	
Health	35	
Transportation	286	
Miscellaneous	34	} Giving = 1.5%
Aid to dependents....	3	
Gifts and donations..	36	
Education and recrea- tion	80	} Betterments = 3.1%
Surplus	414	
Total income.....		\$2,613
Decrease in borrowed money.....		223
Increase or decrease in unpaid bills....		0
Total net assets, September 30, 1933		Not reported

According to this teacher's personal statement, he had no serious cause for complaint with respect to his economic situation. His school district has had some financial difficulties, but apparently they have been less serious than in many other localities. He was not able to save much during 1932-33, but paid off some outstanding debts and contracted no new ones.

Teacher's own statement—At the beginning of October 1932, our prospects did not look especially unfavorable even tho we knew we were to get a 10 percent cut in salary. When we read of what was being done in other cities, we felt that we were rather fortunate in remaining so nearly on our regular salary schedule. Of course all increments were to be withheld, but it was said that the 10 percent cut would be made for the current year only. So we began the year's work, happy that we had a steady income and rather proud of our city.

In the latter part of October, my brother in another state became ill and we decided to take his oldest son, a boy of sixteen, into our home and give him the advantage of attending a first-class high school and also help to lighten my brother's financial load by caring for the boy's support. This new responsibility was in addition to my own family of three children, and made a perceptible difference in our expenses. At that time I owed something over a hundred dollars on my car and about fifty dollars on

some furniture. These accounts were being taken care of in monthly instalments. I was also making monthly payments of \$32.50 on building and loan stock, bought on the instalment plan, and held purely as a savings account.

Things went along smoothly and I was able to take care of current expenses each month. We did not get our February pay until the last of March, or our March pay until the last of April, and then we received no more until July. I borrowed one hundred dollars from the building and loan company and later seventy-five more. When the banks closed last March we were not seriously handicapped, as the issue of clearing-house scrip was negotiable and altho we would not get our money from the banks, we got thru the ten days without much inconvenience and with no loss at all.

Our June pay was received entirely in delinquent tax bonds, known as baby bonds, and all pay since that time has been half in cash and half in these bonds. My landlord takes them for rent, the coal dealer takes them in the same proportion in which I get them, the grocer accepts them, and I used them to pay a one-hundred-dollar note to the building and loan association.

I was fortunate in securing a position last summer as head of the mathematics department of our summer school. My nephew is not with us this year, and while our cut this year is 11 percent instead of 10 percent, we have not yet been greatly inconvenienced. My monthly bills are all paid, and I have been careful not to contract any more. Our current expenses are virtually the same as they were last year. We have received salary for September and October of this year, and altho November pay is past due, we are not hard pressed for money yet. Two hundred and fifty thousand dollars worth of the baby bonds have been redeemed by the city and 18,000 idle men have gone back to work in the past three weeks.

We are living in the same house that we have occupied for several years. The rent has been reduced from \$70 three years ago to \$55 for the past two years. I've contracted no new debts, and taken on no new obligations. I have made no payments to the building and loan company in the past year except the one-hundred-dollar note, but I've at least broken even and am thankful for that. I've received no help from any one and have paid out about

\$100 for charitable purposes in the past year. I have lost nothing thru bank failures or thru depreciation of real estate or securities.

Teacher I

Objective facts—This teacher is an unmarried woman maintaining a home for herself and four other adults who are almost wholly dependent upon her income. She reported a salary of \$1870 in 1932-33, and a total income of \$2020. She was paying for her home in instalments. She had spent twenty-four years in active school service. Her financial summary for the year follows:

Food	\$562	} Necessities = 89.0%
Rent	0	
House operation....	262	
Clothing	178	
Taxes	289	
Interest	221	
Health	86	
Transportation	147	
Miscellaneous	54	
Aid to dependents....	0	} Giving = 6.5%
Gifts and donations..	132	
Education and recreation	46	} Betterments = 2.3%
Surplus*	44	
Total income.....		\$ 2,020
Increase in borrowed money.....		139
Decrease in unpaid bills*		10

Total net assets, September 30, 1933... \$10,123

Teacher's own statement—Since 1925 I have been the only one in my family earning any income, as my father was forced to retire because of age. He is now past eighty-four years old, and my mother is sixty-four. Both are kept busy caring for my older brother, who has been a victim of infantile paralysis since October 1918. Both arms and both legs are paralyzed. We have spent hundreds of dollars for nurses and doctors, clinical examinations, etc., in an effort to improve his condition but with almost no success. To make matters worse he has been mentally unbalanced since 1924. However, with the exception of one month in 1925 and three months last winter we have been able to care for him ourselves.

My mother's oldest sister came to live with us after the death of her daughter in 1930.

For about five months her sons paid me four dollars a week for her board, but since then they have paid none because they themselves were seriously affected by the depression. Except for five months last winter, which she spent at one son's home, I have provided everything for her. However, since her son's application last April to the Catholic Charities for aid, my aunt has received orders for \$6 a month for room rent and about \$8 worth of groceries each month for her board.

The long strain of caring for my brother has affected my mother's health. She has been in the hospital twice during the past two years. It has been also necessary for me to pay my aunt's doctor bills during the past year, since her sons have been unable to do so.

Thruout the year 1932-33 my school salary was affected by the required contributions of 10 percent to help balance the school budget. There was also a 1 percent contribution to the Teachers' Emergency Relief Fund. The elimination of all summer school classes meant \$90 less income for me than usual because I had taught in summer school for several years. We rented a two-room apartment in our home at \$20 per month until January 1933, when our tenants moved because they found lower rent elsewhere.

In view of all my other obligations, my expenditures for professional improvement were limited to my dues for membership in local, state, and national education associations and a small amount for educational books.

As for debt, it became necessary for me to increase the loan from the Household Finance Corporation taken out originally to help pay my mother's first hospital bill. Last summer I had to borrow more to meet taxes and some of the interest on the bank mortgage against my home. Besides this I have been unable to repay a personal loan of \$100 made to me by a friend the year before, when the bank demanded that the final instalment of taxes be paid at once. The amount of other old accounts has been reduced by use of the Household Loan plan, so that some current monthly bills are practically all that remain unpaid.

The value of my home has decreased. Before the depression it would have sold for about \$7000. Now I doubt that it would bring even

* Strictly speaking, the apparent surplus of \$44 should be increased by the amount of decrease in unpaid bills (\$10), making a real surplus of \$54. See footnote 4 on page 212 for a more complete statement on this point.

\$5000, even if there were any buyers, altho it has been kept in pretty good repair. Thru the death of a relative I was left two small pieces of property in another large city, one of them on a contract. Not one cent have I received in interest or on the principal in three years, the people on the property being out of work. Last spring they moved out, giving up the contract and leaving me to pay the taxes. The other place has a squatter on it. He simply moved in, repaired the cottage a bit, and continues to live there. I pay the taxes. He can be ousted by calling the police, I understand, but that would do me no good and would take shelter away

from someone worse off than I am. The tax valuation of these two lots has decreased by two-thirds during the past three years.

My financial difficulties seem to be due mainly to having too many other responsibilities after investing in a home. When I bought the home my father was earning a fair salary and my young sister was nearly thru school. Then my father was retired with no pension or income of any kind, and my sister was married a few months after going to work. After that it was pretty difficult to meet mortgage and interest payments along with all current expenses.

AT FIRST GLANCE it might appear somewhat strained to apply the term standard to anything so variable as the way in which people live. A standard implies a rule, and the use of the term becomes explicable only when it is understood that there is not one standard of living but rather a multiplicity of standards. For every individual there is his own personal standard, consisting of what he is accustomed to provide for himself and his family. With mounting income that standard may grow, and with decreasing income it may shrink. But with a fairly maintained level of income will be found also fairly fixed habits of expenditure, which form the individual's standard of living. It would be extreme, however, to insist too strongly on the differences among individuals. In the social world, as in the natural world, there is, with all allowance for individual peculiarities, a marked tendency toward definite types. Men similarly situated will, as a rule, act in a similar fashion. Members of a group of families, enjoying about the same income, living in the same street, occupying houses of approximately the same size, having similar ideas regarding their obligations to society, church, and community, will be found to apportion their household expenditures in about the same manner—to have, in other words, a common standard of living.—*The Cost of Living in the United States, 1914-1930*, National Industrial Conference Board, 1931, p. 12.

CHAPTER VII

Changes in Cost of Living with Reference to Teachers' Salaries

Most discussions concerning the revision of teachers' salaries have emphasized the importance of changes in the cost of living. The usual line of reasoning prior to the depression was that since the cost of living had increased markedly since 1913 or 1914 (usually taken as the basic year), teachers' salaries should be raised at least enough to keep pace with the higher living costs. The fact that these costs reached their peak in 1920 and were somewhat lower during the following decade was not generally considered a valid reason for cutting salaries in the 1920's, because during the preceding period of inflation teachers' salaries had actually declined considerably in purchasing power. Partly to make up for these losses, and partly to place the remuneration of teachers on a more professional level, most school systems either maintained or increased teachers' salaries during the decade following 1920.

During the past few years, however, the economic depression has brought an insistence upon reductions in school costs, and particularly in teachers' salaries. The proponents of salary reductions have contended that because of the large drop in cost of living since 1929, substantial decreases in salary could be made without lowering standards of living. In support of this contention they could point to the index of cost of living computed by the United States Bureau of Labor Statistics,¹ which for the country as a whole decreased 25 percent between December 1929 and June 1933. More recently the counter-argument has been advanced that it is time to stop reducing salaries and, instead, to begin increasing them, because living costs are again on the rise. This chapter undertakes to reveal the facts concerning changes in living costs as they have affected the purchasing power of teachers' salaries during the depression. Such an undertaking requires a critical study of the nature and measurement of changes in cost of living.

Definition and Measurement of Changes in Cost of Living

In any discussion of this kind it is essential

to have clearly in mind what is meant by changes in the "cost of living." As everyone knows, the prices of commonly used goods and services fluctuate from year to year, from month to month, and even from day to day. Frequently, of course, the prices of certain commodities rise while the prices of others fall or remain unchanged. This may occur without affecting the cost of living as a whole. But when the general price level of a representative list of commodities shows a change, we say that the "cost of living" has increased or decreased, as the case may be. Because of such changes, the purchasing power of money is not a permanently fixed thing. A given sum of money will buy more at one time than at another.

Such changes in the cost of living are usually expressed in terms of *index numbers*. These index numbers are simply percentages based on the price level in some particular year. The cost in this basal year is expressed as 100 percent, while higher or lower costs at other periods are expressed as percentages which are proportionately greater or less than 100.

If indexes of the cost of living are to be most meaningful, they must be computed from the prices of commodities of the same kind and quality, combined according to the proportions which these commodities occupy in the budgets of persons whose cost of living we wish to measure. Thus there are really as many different "costs of living" as there are individuals who spend their incomes differently from other individuals. A cost-of-living index computed for a group of persons can be considered valid only for the *average* member of the group. Moreover, such an index must be applied with caution, if at all, to any other group whose standard of living and distribution of expenditures are significantly different from those of the original group for which the index was computed.

Two series of index numbers are commonly used to represent relative changes in the cost of living in the United States. One of these, already mentioned, has been computed for June and December of each year by the United States Bureau of Labor Statistics.² The other

¹ Published by the United States Department of Labor, Bureau of Labor Statistics, in the August and February issues of the *Monthly Labor Review*.

² Beginning in November, 1934 the Bureau of Labor Statistics plans to compute its index quarterly instead of semi-annually.

is computed monthly or oftener by the National Industrial Conference Board.³ Critical writers have objected to the use of these indexes in interpreting trends in teachers' salaries, largely because the commodities and weights used in constructing them are based upon the budgets of wage-earners and small-salaried workers other than teachers. How valid is this objection? Is it possible, with data now available, to measure changes in cost of living for teachers more accurately than do the indexes now generally used for this purpose? To answer these questions it is first necessary to examine more closely the indexes now in common use.

Nature and Trend of Current Cost-of-Living Indexes

Sources and methods used in constructing the indexes—The United States Bureau of Labor Statistics collects information regularly in each of thirty-two representative cities⁴ concerning the prices of a fixed list of commodities classified under these six headings: (1) food,⁵ (2) clothing, (3) rent, (4) fuel and light, (5) house furnishings, and (6) miscellaneous. A separate index is computed for each of these six groups of items, and the six indexes are then combined into a single index of the total cost of living.⁶ A simple average of the six separate indexes would not be satisfactory for this purpose because the six items represented are not equally important in a person's total expenditures. In computing the composite index therefore, the six component indexes are weighted according to the proportions of the average workingman's family budget devoted to these groups of items, as revealed by a comprehensive survey made by the Bureau in 1918-19. The following example shows how the composite cost-of-living index

was calculated from the six sub-indexes for the United States as a whole in June 1934, using prices in December 1913 as the base of 100:

Commodity	index	Weight	Product
Food	108.4	× 38.2	= 4140.88
Clothing	136.4	× 16.6	= 2264.24
Rent	102.3	× 13.4	= 1370.82
Fuel and light.....	156.0	× 5.3	= 826.80
House furnishings..	167.8	× 5.1	= 855.78
Miscellaneous	195.9	× 21.3	= 4172.67
		99.9	13631.19
Composite index = $13631.19 \div 99.9 = 136.448$			

The specific items whose prices were averaged in computing the six sub-indexes shown above are listed in the Appendix, page 265.

The cost-of-living index prepared by the National Industrial Conference Board is similar in construction to the one just described. It differs, however, in that prices in 1923 (instead of 1913) are used as the base, while the commodities priced are classified under only five headings with weights as follows: (1) food, 33.0; (2) housing, 20.0; (3) clothing, 12.0; (4) fuel and light, 5.0; and (5) sundries, 30.0. The Conference Board computes its own sub-index for each of these categories except food, for which the index of food prices furnished by the United States Bureau of Labor Statistics is used. The weights used in averaging the five separate indexes were obtained by combining the results of several studies of the budgets of wage-earners and small-salaried workers. They are intended to represent post-war conditions,⁷ whereas those used by the Bureau of Labor Statistics represent conditions during the latter part of the war period.

Commodity prices for the Conference Board's index, except those for food, are collected in a

³ Published in various bulletins and leaflets such as the following: National Industrial Conference Board. *The Cost of Living in the United States in 1931, 1932*. 52 p. *The Cost of Living in the United States in 1932*. Supplement to Conference Board Service Letter, March, 1933. 8 p. *Changes in the Cost of Living, January, 1933 to March, 1934*. Conference Board Information Service: Domestic Affairs, Memorandum No. 31, May 16, 1934. Mimeographed, 11 p. The Conference Board's address is 247 Park Avenue, New York City.

⁴ These thirty-two cities are: Atlanta, Ga.; Baltimore, Md.; Birmingham, Ala.; Boston, Mass.; Buffalo, N. Y.; Chicago, Ill.; Cincinnati, Ohio; Cleveland, Ohio; Denver, Colo.; Detroit, Mich.; Houston, Texas; Indianapolis, Ind.; Jacksonville, Fla.; Kansas, City, Mo.; Los Angeles, Calif.; Memphis, Tenn.; Minneapolis, Minn.; Mobile, Ala.; New Orleans, La.; New York, N. Y.; Norfolk, Va.; Philadelphia, Pa.; Pittsburgh, Pa.; Portland, Maine; Portland, Ore.; Richmond, Va.; St. Louis, Mo.; San Francisco and Oakland, Calif.; Savannah, Ga.; Scranton, Pa.; Seattle, Wash.; Washington, D. C.

⁵ Food prices are collected also in nineteen other cities as follows: Bridgeport, Conn.; Butte, Mont.; Charleston, S. C.; Columbus, Ohio; Dallas, Texas; Fall River, Mass.; Little Rock, Ark.; Louisville, Ky.; Manchester, N. H.; Milwaukee, Wis.; Newark, N. J.; New Haven, Conn.; Omaha, Nebr.; Peoria, Ill.; Providence, R. I.; Rochester, N. Y.; St. Paul, Minn.; Salt Lake City, Utah; Springfield, Ill.

⁶ In addition to constructing indexes for the United States as a whole, the Bureau computes percents of increase or decrease in prices of the same commodities in each individual city.

⁷ Formerly the National Industrial Conference Board used a different set of weights as follows: (1) food, 43.1; (2) housing, 17.7; (3) clothing, 13.2; (4) fuel and light, 5.6; and (5) sundries, 20.4.

larger number of cities and towns than are those obtained by the Bureau of Labor Statistics. The Conference Board, however, does not publish cost-of-living figures for individual cities, but only for the United States as a whole.

Trends in living costs of wage-earners—Figure VIII shows the variations in the separate commodity indexes and in the composite cost-of-living index computed by the United States Bureau of Labor Statistics from 1913 thru 1934. The average cost of each group of commodities in 1913 is taken as the base or 100 percent, and the costs for all subsequent dates are shown as percentages of the corresponding costs in 1913. The data indicate a rapid increase from 1913 to about 1920 in the total cost of living and in the cost of each group of items composing it. Following the depression of 1921-22, a period of comparative stability was maintained until about 1930, when the prices of many commodities began to show the effects of the current business depression. The cost of food dropped 39 percent from December 1929 to June 1933, when it reached a point 3 percent below its 1913 level. Clothing, rent, and house furnishings also decreased materially between 1929 and 1933. On the other hand, the index for miscellaneous commodities changed relatively little during this period. Since June 1933 there has been a small upturn in the prices of all these groups of commodities except rent, which has continued to fall altho more and more gradually.

The figures of the National Industrial Conference Board show trends similar to those in Figure VIII, and therefore need not be reproduced here. Later in this chapter the trend in total cost of living for wage-earners, as measured both by the Conference Board and by the Bureau of Labor Statistics, will be compared with trends in various cost-of-living indexes for teachers since the onset of the current economic depression.

Earlier Methods of Constructing Cost-of-Living Indexes for Teachers

The desirability of constructing a special cost-of-living index for teachers is suggested by the marked differences between the spending habits of city teachers and those of wage-earners and small-salaried workers.⁸ Since the weights as-

signed to the separate commodity indexes in computing the composite index should be based upon the spending habits of the group under consideration, there is at least theoretical justification for the assertion that a cost-of-living index based on wage-earners' budgets should not be applied to teachers. The following summary compares the average percentage distribution of teachers' budgets, as revealed in this survey, with the series of weights used by the United States Bureau of Labor Statistics and the National Industrial Conference Board in computing their respective indexes:

Average Distribution for 2358 Teachers

Food	14.5
Rent	10.0
House operation.....	9.3
Clothing	10.3
Other current expenditures.....	39.8
Investments and surplus.....	16.1

Weights Used by United States Bureau of Labor Statistics

Food	38.2
Rent	13.4
Fuel and light.....	5.3
House furnishings.....	5.1
Clothing	16.6
Miscellaneous	21.3

Weights Used by National Industrial Conference Board

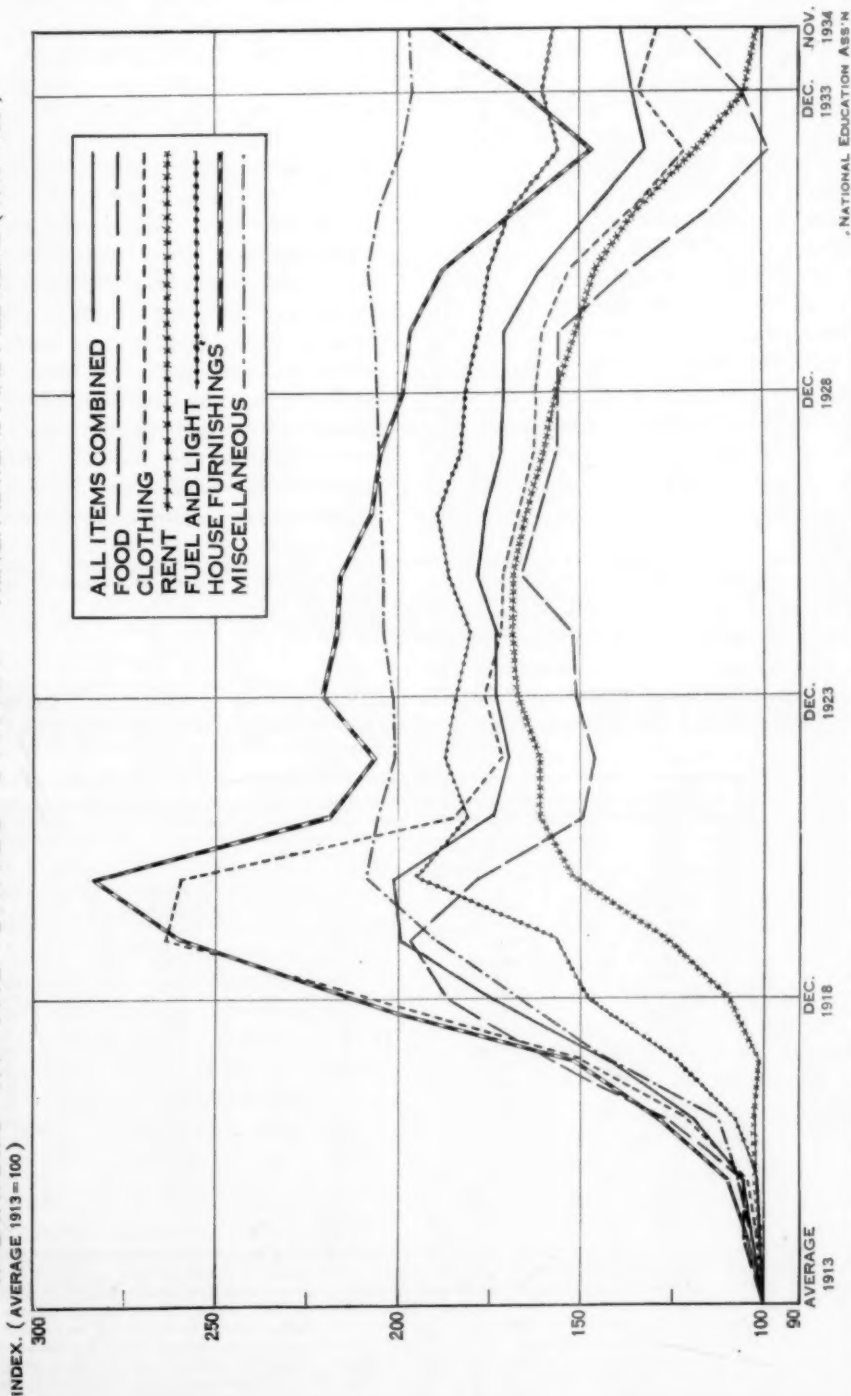
Food	33.0
Housing	20.0
Clothing	12.0
Fuel and light.....	5.0
Sundries	30.0

While there are differences between the weights used by the Bureau of Labor Statistics and those used by the Conference Board, such differences are small compared to those between the series of weights used by either agency and the distribution of expenditures for city teachers. The item of food, which is given a weight of 38.2 by the Bureau of Labor Statistics and of 33.0 by the Conference Board, occupied only 14.5 percent of the budget of the average teacher reporting in this survey in 1932-33. There are not such significant differences with respect to clothing, housing, and house operation, but the relative importance of all other current expenditures combined varies markedly among the three series of figures. The latter

⁸ See: Eells, Walter C. *Teachers' Salaries and the Cost of Living*. Stanford University, Calif.: Stanford University Press, 1933. Table 3, p. 28-29.

FIGURE VIII

TRENDS IN COST OF LIVING OF WAGE EARNERS AND SMALL SALARIED WORKERS IN THE UNITED STATES-- PRINCIPAL ITEMS AND ALL ITEMS (1913 = 100)



BASED ON DATA REPORTED BY U. S. BUREAU OF LABOR STATISTICS IN *Monthly Labor Review*, FEB., 1935, P. 515

category comprised nearly 40 percent of the average teacher's budget, but is assigned a weight of only 21.3 by the Bureau of Labor Statistics and of 30.0 by the Conference Board. In addition, the teacher's budget included 16.1 percent for investments or surplus, whereas no comparable item is taken account of in constructing either of the indexes for wage-earners.⁹

As already stated, food declined greatly in price during the early years of the depression, while the miscellaneous commodities priced by the Bureau of Labor Statistics declined very little during the same period. These facts, together with the budget figures shown above, suggest that a suitable cost-of-living index for teachers might exhibit a trend significantly different from the indexes prepared by the Bureau of Labor Statistics and the National Industrial Conference Board. The following paragraphs

describe procedures which have been suggested for computing a teachers' index, and show how the results compare with indexes for wage-earners and small-salaried workers.

An index for teachers and other professional workers in Pittsburgh—In 1927 McKay and Warne¹⁰ developed a cost-of-living index for professional workers in Pittsburgh in connection with their survey of teachers' salaries in that city. This index was a weighted average of six separate commodity indexes which were already available, namely, the index of food costs in Pittsburgh prepared by the United States Bureau of Labor Statistics; the index of rents in Pittsburgh prepared by the Bureau of Business Research of the University of Pittsburgh; and the indexes for clothing, fuel and light, house furnishings, and miscellaneous items prepared by the Bureau of Labor Statistics for the United States as a whole. Each of these six com-

⁹ A very small amount for life insurance premiums was included in the 21.3 percent for "miscellaneous" by the Bureau of Labor Statistics. All other savings or investments found in the budgets of workmen, however, were arbitrarily omitted in the determination of weights to be used in computing the cost-of-living index.

¹⁰ McKay, Marion K., and Warne, Colston E., compilers. *Survey of the Salaries of Teachers in the Public Schools of Pittsburgh in Relation to Cost of Living*. Pittsburgh: Pittsburgh Teachers Association, 1927. 98 p.

TABLE 28.—EARLIER COST-OF-LIVING INDEXES FOR TEACHERS COMPARED WITH THE INDEX OF THE UNITED STATES BUREAU OF LABOR STATISTICS (1913 = 100)

Date*	U. S. Bureau of Labor Statistics	Pittsburgh teachers* (McKay and Warne)	University faculty members (Boothe)	Fresno, Calif., teachers (Eells)	City teachers in general (Butsch)
1	2	3	4	5	6
Average, 1913.....	100.0	100.0	100.0	100.0	100.0
December 1914.....	103.0	103.0	102.5	102.6	100.9
December 1915.....	105.1	106.3	104.8	105.7	102.5
December 1916.....	118.3	115.7	115.3	114.7	113.5
December 1917.....	142.4	144.1	135.6	138.8	135.9
December 1918.....	174.4	171.0	164.1	166.7	165.7
December 1919.....	199.3	194.4	188.5	191.6	190.2
December 1920.....	200.4	224.1	196.5	202.2	199.0
December 1921.....	174.3	236.8	177.0	188.5	174.5
December 1922.....	169.5	209.6	172.9	183.3	168.2
December 1923.....	173.2	229.2	176.4	185.5	170.0
December 1924.....	172.5	216.6	176.1	185.1	169.3
December 1925.....	177.9	207.8	179.9	188.3	173.1
December 1926.....	175.6	203.4	177.3	187.4	171.4
December 1927.....	172.0	.....	174.6	185.9	167.9
December 1928.....	171.3	.....	173.5	186.3	167.5
December 1929.....	171.4	.....	172.9	186.4	167.2
December 1930.....	160.7	.....	164.6	181.4	159.7
December 1931.....	145.8	.....	151.7	172.5	147.5
December 1932.....	132.2	.....	.....	162.2	136.4

Read table thus: The cost-of-living index computed by the United States Bureau of Labor Statistics was 100.0 in 1913; 103.0 in December, 1914; 105.1 in December, 1915; etc. Similarly read figures for each of the indexes for teachers.

Sources of data: Figures in column 2 are from the *Monthly Labor Review* 39: 526; August, 1934. Those in column 3 are from McKay, M. C., and Warne, C. E. *Survey of the Salaries of Teachers in the Public Schools of Pittsburgh in Relation to Cost of Living*. Pittsburgh: Pittsburgh Teachers Association, Inc., 1927. p. 22. In column 4, from Boothe, Viva. *Salaries and the Cost of Living in Twenty-seven State Universities and Colleges, 1913-1932*. Columbus, Ohio. Ohio State University Press, 1932. p. 141. In column 5, from Eells, Walter C. *Teachers' Salaries and the Cost of Living*. Stanford University, Calif.: Stanford University Press, 1933. p. 17. In column 6, from Butsch, R. L. C. "Trends in the Purchasing Power of Teachers' Salaries." *American School Board Journal* 87: 18-20; October, 1933.

* All indexes after 1913 are for December of each year, with the possible exception of the series for Pittsburgh teachers for which the month was not specified.

modity indexes was weighted roughly according to its relative importance in the budget of a high-school teacher having a family of four, with a salary of \$1700 in 1913 and \$2850 in 1926. The weights were not determined solely by a study of the spending habits of Pittsburgh teachers, but were estimates based upon several different budget studies. The composite index is shown in column 3 of Table 28.

A peculiar feature of the technic in constructing this index was the use of different weights for the same group of commodities in different years. The weight assigned to food varied from 22 to 30; rent, from 16 to 33; clothing, from 10 to 18; house furnishings, from 5 to 8; and miscellaneous items, from 19 to 29. Fuel and light was the only item whose weight remained constant, the weight of 5 being used thruout. These variations in weights were introduced, according to the investigators, because "the apportionment of the expenses of a family is not uniform from year to year—especially during periods of changing prices."¹¹ The investigators evidently overlooked two facts which make such a procedure unsatisfactory: (1) that in any properly constructed cost-of-living index, changes in apportionment of the budget due to varying rates of change in the prices of different commodities are automatically taken into account without modifying the weights, and (2) that to change the weights from year to year introduces a variation in the *standard* of living whose cost is being measured, whereas the sole purpose of a cost-of-living index is to measure changes in the *cost* of maintaining a constant standard of living from year to year.

A cost-of-living index for university faculty members—In 1932 Boothe¹² constructed an index to represent changes in the cost of maintaining the average university professor's standard of living. The procedure used was as follows:

1. On the basis of questionnaire returns from 802 faculty members in twenty-seven institutions in 1925-26, the average percents of total expenditures devoted to the six major categories

of the budget were computed for the group. The average total expenditure was found to be \$3072, of which 23.3 percent was spent for food, 12.7 percent for clothing, 23.3 percent for housing, 4.7 percent for fuel and light, 6.0 percent for house furnishings, and 30.0 percent for miscellaneous items.

2. Since the cost-of-living index was to be constructed on a 1913 base, the percents of expenditure for the six groups of commodities as found in 1925-26 were adjusted so as to represent the distribution of expenditures which would have been necessary in purchasing the same kinds and amounts of commodities in 1913. This was done by (a) computing the relative price level for each group of commodities in 1913 with 1925-26 as the base, using the figures of the United States Bureau of Labor Statistics; (b) multiplying each of the resultant figures by the corresponding percent of expenditure found in 1925-26; (c) adding these six products and then dividing each one by their sum in order to obtain the percents which would have been required for the six groups of commodities in 1913. This modified distribution was as follows: food, 25.6 percent; clothing, 13.5 percent; housing, 25.0 percent, fuel and light, 4.5 percent; furniture and furnishings, 5.1 percent; and miscellaneous, 26.3 percent.

3. The modified percents just given were then used to weight the corresponding commodity indexes published by the United States Bureau of Labor Statistics, in computing the composite cost-of-living index for university faculty members.

The composite index obtained by the above procedure appears in column 4 of Table 28.

An index for public school teachers in Fresno, California—In 1932 Eells¹³ showed how a cost-of-living index might be constructed for the teachers of Fresno, California, which would presumably be more valid for that group than would the index published by the United States Bureau of Labor Statistics. Later he elaborated on this suggestion and actually computed such an index for the period from 1913 to 1932.¹⁴

¹¹ McKay, Marion K., and Warne, Colston E. *op. cit.*, p. 22.

¹² Boothe, Viva. *Salaries and the Cost of Living in Twenty-seven State Universities and Colleges, 1913-1932*. Columbus, Ohio: Ohio State University Press, 1932. 158 p.

¹³ Eells, Walter C. *Salary and Cost Study of Fresno Schools*. Fresno, Calif.: Fresno City Council of Education, 1932. 190 p.

¹⁴ Eells, Walter C. "It Would Be Unfair to Reduce Teachers' Salaries Now." *Nation's Schools* 10: 17-22; September, 1932. Also: Eells, Walter C. *Teachers' Salaries and the Cost of Living*. Stanford University, Calif.: Stanford University Press, 1933. 94 p.

The procedure followed by Eells was similar to, but not identical with, those employed in the studies already mentioned. He used five of the six separate commodity indexes computed by the Bureau of Labor Statistics for the United States as a whole, and weighted these indexes in accordance with the spending habits of Fresno teachers as revealed by a questionnaire survey covering the year 1931-32. The form on which the teachers were asked to report their expenditures did not conform exactly to the sixfold classification of the Bureau of Labor Statistics, and it was therefore necessary to group the expenditures under only four main categories instead of six. The following illustrates the calculation of the composite index for December 1931, using prices in 1913 as the base:¹⁵

	Index	Weight	Product
Food	114.3	$\times 16.2$	$= 1851.66$
Clothing	135.5	$\times 11.9$	$= 1612.45$
Housing (rent and house operation)....	145.2 ¹⁶	$\times 16.4$	$= 2381.28$
Miscellaneous	205.4	$\times 55.5$	$= 11399.70$
		100.0	17245.09
Composite index $= 17245.09 \div 100 = 172.5$			

From the foregoing it is evident that Eells made no use of the Bureau's index for house furnishings. This omission seems unwarranted, as does the averaging of indexes for rent and fuel and light to obtain a single index called "housing." The Fresno teachers reported as separate items (a) the amount of rent paid or interest on house indebtedness; and (b) house operation, including fuel, light, and house furnishings. With the data in this form, it would seem more reasonable to treat rent as a separate item, and to include the index for house furnishings either as a separate item or in combination with the index for fuel and light.

Eells' index for Fresno teachers is shown in column 5 of Table 28. The large differences since 1920 between his figures and those of the Bureau of Labor Statistics (column 2) are due mainly to the heavy weight of 55.5 assigned by him to the index for miscellaneous articles

and services, which has declined relatively little since that year. Following is a list of the specific items included in determining this weight, together with the percent of the average Fresno teacher's budget devoted to each item:¹⁷

Health	4.4
Dependents	4.3
Gifts	2.7
Cultural	1.3
Professional	1.8
Charity, church, etc.....	3.7
Automobile	7.8
Recreation and travel.....	4.9
Taxes	5.2
Savings, insurance, etc.....	15.2
Interest	1.1
Incidentals	2.4
Other miscellaneous.....	2.7
Total "Miscellaneous".....	55.5

The validity of this procedure in weighting the index for miscellaneous commodities will be considered later in this chapter.

An approximate index of cost-of-living for city teachers in general—In October 1933, Butsch¹⁸ published a criticism of Eells' index and presented a new series of index numbers for teachers based on somewhat different assumptions. Butsch's principal objection to the procedure used by Eells was concerned with the unusually heavy weight assigned by the latter to miscellaneous articles and services. Pointing out that many of the items included under this heading by Eells are not priced by the Bureau of Labor Statistics in the construction of its miscellaneous index, Butsch objected particularly to the inclusion of three items, namely, "dependents," "savings, insurance, etc.," and "automobile," which together comprised 27.3 percent of the average teacher's budget in Fresno. He contended that the costs of these items should not be assumed to vary in accordance with the Bureau's index for miscellaneous items. Money given to dependents is much more likely to be spent for food, clothing, and housing than for the types of miscellaneous commodities priced by the Bureau. Savings and investments likewise are eventually

¹⁵ Eells, Walter C. *Teachers' Salaries and the Cost of Living*. Stanford University, Calif.: Stanford University Press, 1933, p. 14-15.

¹⁶ The index used here for "housing" was a weighted average of the indexes for "rent" and "fuel and light" furnished by the Bureau of Labor Statistics. It was computed thus: $(136.2 \times 13.1) + (168.0 \times 5.2) = 145.2$
 $13.1 + 5.2$

¹⁷ Eells, Walter C. *Teachers' Salaries and the Cost of Living*, p. 12, Figure 3.

¹⁸ Butsch, Russell L. C. "Trends in the Purchasing Power of Teachers' Salaries." *American School Board Journal* 87: 18-20; October, 1933.

spent for a variety of commodities, rather than for miscellaneous items alone. With respect to automobile maintenance, Butsch suggested the construction of a separate index based upon a combination of the wholesale prices of automobiles, petroleum products, and automobile tires, as published by the United States Bureau of Labor Statistics.¹⁹

Butsch's proposal, then, would require a revision of the budget weights used by Eells for Fresno teachers, omitting savings and aid to dependents, and recalculating the percentages for the remaining items, as follows:²⁰

	Original weights	Revised weights
Food	16.2	20.1
Clothing	11.9	14.8
Housing	16.4	20.4
Miscellaneous (55.5)		
Automobile	7.8	9.7
Other miscellaneous	28.2	35.0
Savings	15.2	(omitted)
Dependents	4.3	(omitted)
Total	100.0	100.0

Following this principle, but using as weights the average percentages found in studies of teachers' budgets in five cities, Butsch constructed the series of index numbers shown in column 6 of Table 28. He made no claim as to their validity except that they probably give a more accurate picture of the situation for city teachers in general than do Eells' figures.

Relative merits of earlier indexes for teachers—In general, the indexes for teachers in Table 28 indicate a less rapid increase in cost of living prior to 1920, and a less rapid decline after 1920, than does the index of the Bureau of Labor Statistics. This difference is greatest in the case of the index constructed by Eells, due primarily to the excessive weight which it gives to miscellaneous articles and services. Butsch's index appears to be sounder in principle than any of the others because it assumes that savings and aid to dependents should vary according to the combined cost of all other items rather than according to the cost of a few miscellaneous items only, and because it makes use of a separate index for automobile maintenance which, altho not entirely satisfactory, is still better than the index of miscellaneous items as a measure

of changing transportation costs. The indexes for Pittsburgh teachers and for university faculty members are both open to question because of ambiguity concerning the nature of the expenditures included in the weight assigned to the index for miscellaneous items. The Pittsburgh index is questionable also because of the variation in weights assigned to the several commodity indexes in different years. The index for university professors possesses one advantage over the others, in that the budget weights found to be appropriate for professors in 1925-26 were adjusted to correspond with relative price conditions in the base year, 1913.

While the indexes just described have their limitations, each one represents a contribution and helps to provide a background for further progress in this field.

A Modified Index Utilizing Data from the 1932-33 Survey

This section describes the construction of still another cost-of-living index for city public school teachers in general. In developing this index, the best of earlier procedures have been utilized, and an attempt has been made to improve upon them so far as possible. The results are admittedly imperfect, but it is believed that further important refinements in procedure must await more exhaustive research than has yet been carried on. In the meantime, it is essential that statements concerning changes in the cost of living of teachers be based upon principles of fairness and reasonableness, rather than upon questionable assumptions which can readily be discredited by critical taxpayers.

Types of Commodities and Measures of Price Changes Used in the Index

As shown in Chapter IV, the present survey obtained the most comprehensive data available on the distribution of teachers' budgets in city school systems of the United States. More than two thousand teachers in thirty-seven cities reported the distribution of their incomes among thirteen groups of items. The average percents devoted to these items were as follows: food, 14.5; rent, 10.0; house operation, 9.3; clothing, 10.3; taxes, 2.6; interest, 2.3; health, 5.0; transportation, 7.6; aid to dependents, 5.3;

¹⁹ In the *Monthly Labor Review*. The Bureau of Labor Statistics does not collect retail prices of the three items mentioned here.

²⁰ Butsch, Russell L. C. *op. cit.*, p. 19.

gifts and donations, 7.4; education and recreation, 6.2; miscellaneous, 3.4; and investments or surplus, 16.1. An ideal cost-of-living index for these teachers would take into account changes in the cost of articles and services of all thirteen types. For various reasons, however, this ideal cannot be achieved. In the following paragraphs each type of commodity is discussed separately with reference to its inclusion or exclusion in the composite index, and the source utilized, if any, in determining changes in its cost.

Food—This item is included in the composite index because of its importance and because of the relatively satisfactory index of food prices published by the United States Bureau of Labor Statistics. The Bureau's food index is not a perfect measure of changes in the food costs of teachers, because it is based solely on retail prices of food products and does not take into account prices of meals in restaurants or at boarding places. It is, however, the best measure available and is used here to represent the trend in the cost of teachers' food.

Rent—The rent index computed by the Bureau of Labor Statistics is included here as a measure of changes in the rents which city teachers pay. This index is open to the objection that it is based on rents in houses and apartments occupied by families of wage-earners and other small-salaried workers, rather than those occupied by teachers, and that it takes no account of the rents charged for single rooms in private homes. It is probably safe to assume, however, that over a period of years there is considerable relation between the rents charged for workingmen's quarters and those charged for the type of quarters usually occupied by professional people. At present there appears to be no better measure of trends in rent in representative cities of the United States.

House operation—There is no single index of prices which will adequately represent the variety of items included under the heading of "house operation" in this survey.²¹ Apparently the best available procedure is to use two of the sub-indexes furnished by the Bureau of Labor Statistics, one for fuel and light and the other for house furnishings. The present survey, however, does not indicate what weights should be

assigned to these two indexes, since the teachers were not asked to report their expenditures separately for the two groups of items. It seems most probable that approximately the same proportion of the average teacher's budget was devoted to each group of items,²² and that the indexes for house furnishings and for fuel and light should therefore receive equal weights.

These two indexes have certain limitations when used to represent changes in the cost of "house operation" among teachers. Teachers living in rented rooms do not pay for fuel and light directly, and those living in apartments often have their heat furnished. The house furnishings priced by the Bureau of Labor Statistics are possibly of a somewhat lower grade than those usually purchased by teachers. Moreover, a few items reported by the teachers under "house operation," such as telephone, cleaning supplies, and laundering of household linens are not taken into account in the indexes for house furnishings and for fuel and light, but are included in the Bureau's index for miscellaneous items. In spite of these limitations, it is believed that the procedure used here furnishes a satisfactory approximation to the true trend in teachers' costs of house operation in representative cities.

Clothing—In the composite index for teachers the item of clothing is represented by the index of clothing prices constructed by the Bureau of Labor Statistics. Since the articles of clothing priced by the Bureau are those commonly used by workingmen and their families, the index may not give sufficient weight to the kinds and quality of clothing usually purchased by teachers. It should be remembered, however, that while the actual cost of a commodity in dollars at a given time depends upon the kind and quality selected, the *trend* in cost of teacher's clothing may be similar to the trend in cost of clothing purchased by workingmen's families. Therefore, while the Bureau's index possibly should not be considered as adequately representative of changes in clothing costs for single women teachers alone, it seems to be a reasonably satisfactory measure for a group of teachers which includes both single women and married men, many of whom are responsible for the support of children.

²¹ See page 188 for a description of this category.

²² As shown earlier, the proportions of the average wage-earner's budget devoted to these two groups of commodities were very nearly equal, being 5.3 percent for fuel and light, and 5.1 percent for house furnishings.

Taxes—No usable measure of changes in the cost of taxes from year to year is available at present. Property tax rates in representative cities are available, but they are wholly unsatisfactory for this purpose, whether computed on the basis of assessed value of property or on the basis of estimated true value. For example, consider the case of a man owning a certain piece of city property whose assessed valuation in a given year is \$5000. The next year a general revaluation of property is made in that city, resulting in an average increase of 50 percent in assessed valuations, the purpose being to increase the yield of taxes without raising the tax rate. Assuming that this man's property has been revalued at \$7500, he now pays 50 percent more taxes on that property than he did when it was valued at only \$5000, altho the tax rate remains the same. Or, take a situation in which the true or market value of city property declines 50 percent, while the total amount of money to be raised by taxation in the city remains the same. A tax rate computed on the basis of estimated true value would necessarily show an increase of 100 percent during the same period, but the actual number of dollars paid in taxes on a given piece of property would remain the same unless its assessed valuation or the actual tax rate had been changed.

From these examples it is clear that tax rates could not satisfactorily be used in constructing a cost-of-living index unless the assessed valuations of the individual pieces of property making up the total remained constant year after year, a condition which does not exist in most cities. It would be possible, if the necessary data were available, to obtain the equivalent of constancy by first expressing the total valuation of a city for each year in terms of the property buying dollars of some base year. The total valuation in these dollars of constant value could then be divided into the total amount of tax collections for each year, and the result would be a series of tax rates fairly representing the trend in amount of property taxes paid by the average taxpayer on the same piece or pieces of property year after year. Unfortunately, the data needed to convert current property values into dollars of a single base year are lacking. There is no index of the average value of individual pieces of property over a

period of years. According to the National Association of Real Estate Boards, even the best appraisers are unable to estimate the extent of depreciation in real estate values during the depression because true sales (not forced) have been so few. Until some fairly reliable index of property values has been developed, there seems to be no satisfactory way of estimating the trend in tax payments for use in constructing a cost-of-living index.

Since tax payments cannot be included as a separate item in the cost-of-living index, the question arises as to whether they should be taken account of in the weight assigned to the index for miscellaneous commodities, or whether they should be omitted entirely. So far as can be ascertained, all of the earlier cost-of-living indexes discussed in this chapter have followed the former procedure. It seems doubtful, however, that tax payments tend to vary more in accordance with the prices of certain miscellaneous items than in accordance with prices of food, clothing, shelter, etc. Taxes are not used in constructing the miscellaneous index of the Bureau of Labor Statistics. For these reasons the item of tax payments is omitted entirely from the computation of the modified cost-of-living index for teachers. This omission means that, insofar as teachers' salaries are to be adjusted according to the composite index, the amount of salary needed for tax payments will be assumed to vary from time to time approximately in accordance with the cost of all other items of current expenditure combined.

Interest—The earlier cost-of-living indexes for teachers have included interest payments, as well as taxes, in the weight assigned to the index of miscellaneous commodities. As in the case of taxes, there seems to have been little justification for such a procedure, except that no separate index for this particular item was available and it was obvious that interest rates had not changed during the depression as had food, clothing, housing, etc. Consultations with certain bank officers in Washington, D. C., have corroborated the general impression that interest rates on personal loans have changed very little if at all, on the average, over a considerable period of years, altho no published figures are available. Moreover, there is some evidence²³ that interest rates on home mort-

²³ President's Conference on Home Building and Home Ownership. *Home Finance and Taxation*. Publication No. II. Washington, D. C.: the Conference, 1932. p. 62, 65, 67.

gages have not changed significantly during recent years. Even if the rate on new mortgages should change, the rate on any particular mortgage would remain the same until the agreement was terminated. Rates of interest on various kinds of commercial loans are available for different years and show significant changes from time to time, but teachers as a rule do not pay interest on loans of this general type. Undoubtedly most of the interest paid by teachers is on personal loans and real estate mortgages.

In the light of these facts, it is assumed here that the "cost" of teachers' interest payments does not change appreciably, and therefore a separate index of 100.0 for this item in all years is used arbitrarily in constructing the composite cost-of-living index.

Health—Since no separate index of prices is available in this field, and since about one-third of the miscellaneous items priced by the Bureau of Labor Statistics are of the type reported by the teachers under "health," expenditures of this type are included here in the weight assigned to the index of miscellaneous items.

Transportation—It will be recalled that under this heading the teachers in the present survey were asked to report ordinary expenditures for car-fares; railroad and taxi fare; and payments for the purchase and ordinary operation of automobiles, including auto insurance, taxes, and other maintenance. The expenses of long trips for recreation or improvement were to be reported elsewhere.

There is no index available which adequately represents all of the articles and services included under transportation. The Bureau of Labor Statistics includes street car-fares in computing its index of miscellaneous items, but this one item cannot be considered representative of the transportation costs of city teachers, about one-half of whom operate their own automobiles. Eells, as noted earlier, assumed that the cost of automobile maintenance varied according to the Bureau's miscellaneous index, while Butsch constructed a new index for this item based upon the wholesale prices of motor vehicles, petroleum products, and automobile tires. Since the category of teachers' expendi-

tures for transportation presumably included both car-fare and automobile operation, a different index combining these items has been computed and is used here in building up the total cost-of-living index.

This new transportation index is a weighted average of indexes for four separate items as follows: (1) street car-fares in thirty-two cities,²⁴ (2) service-station prices of gasoline in fifty cities, including state and federal taxes,²⁵ (3) wholesale prices of motor vehicles,²⁶ and (4) wholesale prices of tires and tubes.²⁷ In weighting each of these four items, the first step was to estimate the proportion of teachers' transportation costs which go for car-fare. This was done on the assumption that the teachers who owned cars used all or practically all of their transportation budgets to operate and maintain their cars, and that those who did not own cars used all or most of their transportation budgets for street car-fare. Of the total expenditure of \$366,500 reported by the 2358 teachers for transportation, 25.2 percent was spent by those who did not own automobiles, while 74.8 percent was spent by those who did own automobiles. A weight of 25.2 was therefore assigned to street car-fares in computing the transportation index, and a combined weight of 74.8 was assigned to the three items representing automobile costs.

The weight assigned to each of the three items of automobile expense was based on a study of the per mile cost of operating and maintaining the average car in 1928, quoted in a publication of the National Automobile Chamber of Commerce.²⁸ This study showed the cost for nine specific items as follows:

Gasoline	1.31 cents
Oil	0.22 "
Tires and tubes.....	0.64 "
Maintenance	1.72 "
Depreciation	1.39 "
License	0.14 "
Garage at \$4 per month.....	0.44 "
Interest at 6 percent.....	0.36 "
Insurance (fire, theft, tornado).....	0.21 "
Total cost per mile.....	6.43 "

²⁴ As reported by the United States Bureau of Labor Statistics.

²⁵ As reported by the American Petroleum Institute, 50 West 50th St., New York City.

²⁶ As reported by the United States Bureau of Labor Statistics. The Bureau no longer issues figures for "automobiles" alone.

²⁷ As reported by the United States Bureau of Labor Statistics. The Bureau no longer issues figures for "automobile tires" alone.

²⁸ *Facts and Figures of the Automobile Industry* (1929 edition). New York: National Automobile Chamber of Commerce, 1929, p. 74.

The three items of gasoline (1.31 cents), tires and tubes (0.64 cents), and depreciation (1.39 cents) add to a total of 3.34 cents, and represent 39.2 percent, 19.2 percent, and 41.6 percent of this total, respectively. Applying these percents to the combined weight of 74.8 to be assigned to automobile costs, the individual weights for the three items are found to be 29.3 for gasoline, 14.4 for tires and tubes, and 31.1 for the cost of motor vehicles (depreciation).

The following shows the method of computing the composite transportation index for the year 1933-34, using the average of prices in 1928-29²⁹ as 100:

	Index	Weight	Product
Street car-fares.....	104.3	$\times 25.2$	$= 2628.36$
Gasoline (retail).....	90.5	$\times 29.3$	$= 2651.65$
Tires and tubes (whole-sale)	78.7	$\times 14.4$	$= 1133.28$
Motor vehicles (whole-sale)	88.7	$\times 31.1$	$= 2758.57$
Total		100.0	9171.86
Transportation index $= 9171.86 \div 100.0 = 91.72$			

It will be noted that this index takes no account of changes in the cost of automobile motor oil, maintenance (repairs and replacements), license, garage, interest, or insurance. These items, according to the study quoted above, totaled 3.09 cents per mile, or a little less than half of the total cost of 6.43 cents per mile. Unfortunately there is no satisfactory way of including these items. It would be especially desirable to include maintenance, which is the largest single item (1.72 cents), but investigation has indicated the impracticability of obtaining prices on comparable auto parts and repair work over a period of years. The transportation index as here computed, therefore, is admittedly far from perfect. Nevertheless, it appears to be an improvement over earlier methods of handling the item of transportation costs. It is especially superior to the inclusion of expenditures for transportation in the weight assigned to the miscellaneous index.

Aid to dependents—This is another group of expenditures which Eells included in the weight assigned to the miscellaneous index, but which Butsch omitted entirely in computing his cost-of-living index. There is, of course, no way of measuring changes in the cost of pro-

viding dependents with certain kinds of commodities without knowing what kinds are provided. In the absence of such knowledge, the fairest assumption seems to be that the cost of giving financial aid to dependents varies roughly according to the combined cost of food, clothing, housing, and other measurable items of the teacher's budget, rather than according to the cost of miscellaneous items only. If this assumption be accepted, the only satisfactory procedure is to omit the item of aid to dependents in constructing the composite index.

The objection may be raised that altho the cost of food, clothing, and shelter went down during the early years of the depression, unfavorable economic conditions brought a general increase in the responsibility of teachers for the support of relatives. As Butsch has pointed out, however, a cost-of-living index by its very nature cannot take account of changes from year to year in size of family, in the number of dependents outside the family, or in the degree to which these persons are dependent upon the head of the family. The function of such an index is to measure changes in the cost of providing a definite standard of living for persons living under certain conditions, having families of a specified size, and with certain needs and obligations to be met. It is basically unsound to introduce a variation in any of these factors except that of cost or price, unless an entirely new series of index numbers is to be developed.

Gifts and donations—This class of expenditures, like aid to dependents, is disregarded here in constructing the cost-of-living index. In this category the teachers were asked to report the cost of Christmas, wedding, and birthday presents; special gifts of money; and donations to church, charitable institutions, relief agencies, and needy persons. While presents given at Christmas, weddings, and birthdays may occasionally be of a type similar to some of the "miscellaneous" items priced by the Bureau of Labor Statistics, the other types of gifts and donations mentioned are more likely to consist of, or to be used for, food, clothing, and other necessities. It is probable, moreover, that a large proportion of the amounts reported by the teachers under gifts and donations were of the latter type. Often the teachers found it difficult or impossible to distinguish between this category and aid to dependents. Under these

²⁹ Each year is the period from September 1 thru the following August 31.

circumstances it would not be satisfactory to include the percent reported for gifts and donations in the weight assigned to the miscellaneous index, as was done in several of the earlier studies. It is better to assume that the cost of such items varies according to that of all other commodities combined.

Education and recreation—Expenditures for education and recreation are included here, as in the earlier studies, in the weight assigned to the index of miscellaneous articles and services. This procedure is not wholly satisfactory, but seems less objectionable than any other. No index of prices is obtainable for the types of educational and recreational activities in which teachers engage. In constructing its miscellaneous index, however, the Bureau of Labor Statistics includes prices of motion pictures and newspapers, two of the many items which the teachers reported under education and recreation. Moreover, it is believed that such items as concerts, stage plays, books, magazines, college tuition, membership in organizations, and travel have generally tended to vary but little in price during the last ten or twelve years. Since the Bureau's miscellaneous index likewise has varied only slightly during the same period, that index is used as a rough measure of price changes among items of this type. It should be used for this purpose, however, only until some better measure can be obtained.

Miscellaneous items—This category, as used in the classification of teachers' expenditures in this survey, includes some but not all of the items which are priced for the miscellaneous index by the Bureau of Labor Statistics. For this reason the teachers' miscellaneous expenditures are combined with their expenditures for health and for education and recreation in determining the weight to be assigned to the Bureau's index for miscellaneous articles and services.

Surplus or savings—This is one of the three categories which were treated differently by Eells and by Butsch, the former including it in the weight assigned to the miscellaneous index, and the latter omitting it entirely. It is clear, of course, that savings or investments cannot be considered as changing in cost from time to time, except in the case of life insurance or annuities. Moreover, there seems to be no justification for assuming that the amount of income available for these purposes should vary accord-

ing to the cost of miscellaneous articles and services only. Savings and investments usually are used eventually to purchase many other kinds of commodities, including food, clothing, and shelter. For this reason the amount available as surplus each year, if it is to vary at all in accordance with the cost of goods and services, probably ought to vary according to the combined cost of all the commodities provided for in the teacher's budget. It is true that the cost of these commodities may be different at the time when accumulated savings are spent than at the time when the money was saved. Yet in the long run a policy of paying teachers, on the average, at least enough salary so that the amount saved or invested each year can keep pace with increases or decreases in their total current cost of living would probably be the fairest and most satisfactory policy that could be devised for meeting this particular problem. In the cost-of-living index developed here, therefore, the percent of income saved or invested is not used in weighting any of the component indexes, but is omitted from the computation entirely.

Weighting the Eight Component Indexes

As already indicated, the amounts spent for various purposes by the 2358 teachers reporting in this survey are used as the basis for weighting the eight commodity indexes in the construction of a composite cost-of-living index. It would not be correct, however, to use as weights the percents of total income devoted to these eight categories, because the sum of those percents is considerably less than 100. It is necessary to recalculate the percents for the eight categories, using the sum of expenditures for these categories as 100 percent. Column 2 of Table 29 shows what part of each dollar spent by the teachers for all eight items in 1932-33 went for each one of the items. Each of the first seven items (food, clothing, rent, fuel and light, house furnishings, transportation, and interest), occupies a larger proportion of the total than it would occupy if taxes, aid to dependents, donations, and savings had been included in the total. The miscellaneous category, on the other hand, occupies a very much smaller proportion of the total than it would if taxes, aid to dependents, donations, and savings had been included in the miscellaneous category. By omitting the latter items, the percent for food is increased from 14.5 to 21.1, while the percent

for miscellaneous items is reduced from 55.9 to 21.3.

The figures just referred to (in column 2 of Table 29) would be the correct ones to use as weights in constructing a composite index with the school year 1932-33 as the base. But since it seems desirable to select as the base a year (1928-29) prior to the onset of the depression, it is better to modify the 1932-33 weights in accordance with the differing relative price levels prevailing in 1928-29. The essential points in the calculation of these modified weights are shown in the remaining columns of Table 29. The 1932-33 weight for each item (column 2) is multiplied by the ratio of 1928-29 prices to 1932-33 prices for that item (column 3). Each product (column 4) represents the fraction of a dollar required in 1928-29 to buy the same kind and amount of the commodity as could be bought in 1932-33 for the amount of money indicated in column 2. The figures for the eight commodities in 1928-29 total \$1.293, which was the amount necessary in that year to buy as much of these commodities combined as could be bought for \$1.00 in 1932-33. By dividing the 1928-29 figure for

each commodity by \$1.293, it is possible to express the figures for that year as fractional parts of the teacher's dollar in 1928-29 for the eight commodities listed (column 5). When the decimal point in each of these quotients is moved two places to the right (column 6), we have a series of percentages which total 100, and which may properly be used as budget weights in combining the eight price indexes on the 1928-29 base.

Owing to the fact that the price of food was much higher in 1928-29 than in 1932-33, while miscellaneous items were only slightly higher in the former year, the weight finally assigned to food is 26.2 and that assigned to miscellaneous items is only 17.3. The weights given to the other six items are not significantly different from those representing the 1932-33 distribution as shown in column 2 of Table 29.

The Teachers' Cost-of-Living Index from 1928-29 thru 1933-34 ³⁰

Table 30 shows price indexes for each of the eight groups of commodities and for all groups combined, using the average of available prices for 1928-29 as the base (100.0) in each case.³¹

³⁰ Each year is defined as the period from September 1 thru the following August 31, this being the twelve-month period which corresponds most closely to the school year.

³¹ The year 1928-29 is taken as the base because economic conditions were more favorable to teachers generally in that year than in any other prior to the onset of the depression, and because the general level of commodity prices was neither unusually high nor unusually low as compared with prices in other years of the decade following 1920. The price level in 1928-29 was practically the same as that in the calendar year 1923, which is used as the base for the cost-of-living index computed by the National Industrial Conference Board, and not quite so high as that in 1926, which has often been referred to as a "normal" level by economists in discussions of inflation.

TABLE 29.—METHOD OF CHANGING WEIGHTS FOR EIGHT SELECTED ITEMS IN TEACHERS' BUDGETS FOR 1932-33 TO THOSE FOR 1928-29

Selected items in teachers' budgets	Distribution of teachers' dollar for eight items in 1932-33	Ratio of commodity prices in 1928-29 to prices in 1932-33	Amount required in 1928-29 to purchase items costing a total of \$1.00 in 1932-33	Distribution of teachers' dollar for eight items in 1928-29	Revised budget weights for 1928-29 (in percents)
1	2	3	4	5	6
Food.....	\$0.211	1.600	\$0.338	\$0.262	26.2
Clothing.....	0.150	1.339	0.201	0.156	15.6
Rent.....	0.146	1.364	0.199	0.154	15.4
Fuel and light.....	0.068 ^a	1.168	0.079	0.061	6.1
House furnishings.....	0.068 ^a	1.350	0.092	0.071	7.1
Transportation.....	0.110	1.143	0.126	0.097	9.7
Interest.....	0.034	1.000	0.034	0.026	2.6
Miscellaneous ^b	0.213	1.053	0.224	0.173	17.3
Total.....	\$1.000	.....	\$1.293	\$1.000	100.0

Read table thus: Of each dollar spent by the average teacher for these eight commodities in 1932-33, \$0.211 went for food. Since in 1928-29 the average price of food products was 1.600 times as high as in 1932-33, the quantity of food costing \$0.211 in 1932-33 would have cost \$0.338 in 1928-29. The latter amount is 26.2 percent of the total cost in 1928-29 of the eight commodities costing \$1.00 in 1932-33. Hence, of each dollar spent in 1928-29 to maintain the same standard of living as in 1932-33, \$0.262 would have gone for food, and 26.2 is the weight which should be assigned to food prices in computing the cost-of-living index with 1928-29 as the base year. Similarly read figures for the other seven groups of commodities.

Sources: Column 2—Based on the complete distribution of teachers' expenditures in column 2 of Table 16, but excluding the amounts spent for "aid to dependents," "gifts and donations," "taxes," and "surplus or savings." Column 3—Computed from the indexes for each group of commodities in 1928-29 and 1932-33, as shown in Table 30. Column 4—Computed by multiplying each amount in column 2 by the corresponding ratio in column 3. Column 5—Computed by dividing each amount in column 4 by the sum of those amounts, \$1.293. Column 6—Obtained by moving decimal point in each figure of column 5 two places to the right.

^a Based on the assumption that the teachers spent equivalent amounts for house furnishings and for fuel and light.

^b Includes "health" and "education and recreation" as well as the items reported under "miscellaneous" by the teachers.

Following is a summary of the computation of the composite index for 1933-34:

	Index	Weight	Product
Food	69.4	× 26.2	= 1818.28
Clothing	83.5	× 15.6	= 1302.60
Rent	66.7	× 15.4	= 1027.18
Fuel and light	88.4	× 6.1	= 539.24
House furnishings	83.5	× 7.1	= 592.85
Transportation	91.7	× 9.7	= 889.49
Interest	100.0	× 2.6	= 260.00
Miscellaneous	94.5	× 17.3	= 1634.85
	100.0		8064.49
Composite index = $8064.49 \div 100.0 = 80.6$			

Column 10 of Table 30 indicates that the cost of living among city teachers, as measured here, declined steadily from 1928-29 to 1932-33 and then increased slightly in 1933-34. In 1932-33 the index stood at 77.3, or 22.7 percent below the general price level of 1928-29, but during the following year it rose to 80.6. These facts indicate that the salary of the average city teacher probably could have been reduced as much as 22.7 percent by 1932-33 without forcing him to lower his standard of living, provided he had experienced no increase in number of dependents. While data on this point are lacking, it is probable that for many teach-

ers, increases in the number of their dependents more than offset the favorable trend in cost of living from 1929 to 1933. Furthermore, in any locality where salaries were actually reduced as much as 22.7 percent, and where the trend in cost of living followed the average trend, some increase in salary should have been provided in the past year to avoid a reduction of teachers' living standards below the level of 1928-29.

Trends in Living Costs during the Depression as Measured by Various Methods

A comparison of cost-of-living indexes computed by various agencies and by various methods mentioned earlier in this chapter is presented in Table 31. First are shown the indexes for wage-earners derived from those published by the National Industrial Conference Board and by the United States Bureau of Labor Statistics. These are followed by three series of indexes intended to represent the cost of living of city teachers. All three of the latter were computed especially for this report and utilize the data on teachers' expenditures obtained in the present survey. They differ from one an-

TABLE 30.—INDEXES OF PRICES IN THE UNITED STATES FOR EIGHT GROUPS OF COMMODITIES AND FOR A COMBINATION OF THESE COMMODITIES ACCORDING TO THE SPENDING HABITS OF CITY TEACHERS (1928-29 = 100)

Year	Food (weight = 26.2)	Clothing (weight = 15.6)	Rent (weight = 15.4)	Fuel and light (weight = 6.1)	House furnishings (weight = 7.1)	Trans- portation (weight = 9.7)	Interest (weight = 2.6)	Miscel- laneous (weight = 17.3)*	Total of eight items
1	2	3	4	5	6	7	8	9	10
1928-29	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1929-30	98.2	98.8	97.4	98.6	98.8	97.8	100.0	100.5	98.6
1930-31	83.3	92.5	93.2	95.5	91.8	91.1	100.0	100.1	91.7
1931-32	69.4	81.5	85.3	91.2	80.5	88.2	100.0	98.3	83.5
1932-33	62.5	74.7	73.3	85.6	74.1	87.5	100.0	95.0	77.3
1933-34	69.4	83.5	66.7	88.4	83.5	91.7	100.0	94.5	80.6

Read table thus: The index for food, in relation to the base of 100.0 in 1928-29, was 98.2 in 1929-30, 83.3 in 1930-31, etc. Similarly read figures for each of the other commodities and for all commodities combined.

Sources: *Column 2*—Food index for each year computed from the average of twelve monthly indexes, September thru the following August, published by the United States Bureau of Labor Statistics (1913 = 100). *Columns 3, 4, 5, 6, and 9*—Indexes for clothing, rent, fuel and light, house furnishings, and miscellaneous items computed for each year from the average of semi-annual indexes, for December and the following June, published by the United States Bureau of Labor Statistics (1913 = 100). *Column 7*—Transportation index for each year represents (a) the average of service station prices of gasoline, including state and federal taxes, in fifty representative cities on the first of each month from September thru the following August, as reported to the Research Division of the National Education Association by the American Petroleum Institute, 50 West 50th St., New York City; (b) wholesale prices of motor vehicles and of tires and tubes for twelve months, September thru the following August, as reported in index form by the United States Bureau of Labor Statistics in the *Monthly Labor Review*, except for certain months prior to 1931 for which the figures on these items were furnished directly to the Research Division of the National Education Association; (c) semi-annual indexes of street car-fares, for December and the following June, as reported to the Research Division of the National Education Association by the Bureau of Labor Statistics. Weights used in averaging the four sub-indexes are as follows: retail gasoline, 29.3; motor vehicles, 31.1; tires and tubes, 14.4; and street car-fares, 25.2, as explained in the text. *Column 8*—Index for interest based upon general evidence that interest rates on personal loans and home mortgages changed very little, if at all, during the period under consideration. *Column 10*—The composite index for each year is a weighted average of the eight commodity indexes. The weights, given at the head of columns 2 to 9, inclusive, are explained in Table 29 and in the accompanying text.

* Includes "health" and "education and recreation" as well as the items reported under "miscellaneous" by the teachers.

other in respect to the grouping of items under main divisions of the budget, and in respect to the weights assigned to the separate commodity indexes. The methods used in grouping and weighting are those proposed in this study, in Butsch's study, and in Eells' study, respectively.

Figure IX, based on Table 31, shows that the two series of indexes for wage-earners agree closely with each other, but that they differ somewhat from each of the three series of indexes for teachers. In general, the trend in cost of living for wage-earners appears to have been more rapid than that for teachers, both downward from 1928-29 to 1932-33, and upward from 1932-33 to 1933-34. This difference is most marked when Eells' method is used in constructing the teachers' index, and least marked when the method of the present study is used. In 1932-33 the five series of indexes, in order of greatest decrease since 1928-29, were as follows: Conference Board, 74.1; Bureau of Labor Statistics, 74.6; present study, 77.3; Butsch's study, 79.4; and Eells' study, 84.7.

This same order prevailed generally thruout the period from 1928-29 thru 1933-34.

If the index developed for teachers in the present study can be accepted as a reasonably valid criterion, the use of either series of wage-earners' indexes as a measure of changes in teachers' living costs from 1928-29 thru 1933-34 would apparently introduce no serious error. It should not be assumed, however, that in the future these indexes for teachers and wage-earners will show such similar trends as in the past. It will undoubtedly be worthwhile to continue the computation of this particular index for teachers at regular intervals, at least until a more valid measure can be developed.

Limitations of the Teachers' Index

Altho the special cost-of-living index computed in this study is believed to be more satisfactory for teachers in general than any other index available, its limitations should be kept clearly in mind. These may be summarized as follows:

1. Some of the uses to which teachers put their money are, in a sense, left out of account

TABLE 31.—RECENT TRENDS IN INDEXES OF COST OF LIVING FOR WAGE-EARNERS AND TEACHERS IN THE UNITED STATES, AS COMPUTED BY VARIOUS METHODS

Year*	Wage-earners' families in the United States			Teachers in city school systems of the United States		
	National Industrial Conference Board ^b	U. S. Bureau of Labor Statistics	Method used in present study	Method used by Butsch in School Board Journal	Method used by Eells in Fresno, Calif., survey	
1	2	3	4	5	6	
1928-29.....	100.0	100.0	100.0	100.0	100.0	
1929-30.....	98.3	98.6	98.6	98.6	99.5	
1930-31.....	89.9	90.7	91.7	92.1	95.7	
1931-32.....	80.5	81.3	83.5	85.3	90.2	
1932-33.....	74.1	74.6	77.3	79.4	84.7	
1933-34.....	78.3	78.4	80.6	82.2	85.6	

Read table thus: The index of the National Industrial Conference Board, with the average of prices in 1928-29 as the base of 100.0, was 98.3 in 1929-30, 89.9 in 1930-31, etc. Similarly read figures for each of the other agencies or methods.

Sources: *Column 2*—Computed for each year from the average of twelve monthly indexes of total cost of living (1923 = 100) from September thru the following August, as published by the National Industrial Conference Board. *Column 3*—Computed for each year from indexes published by the United States Bureau of Labor Statistics (1913 = 100) for six separate groups of commodities, as follows: for food, the average of twelve monthly indexes from September thru the following August; for clothing, rent, fuel and light, house furnishings, and miscellaneous, the average of the semi-annual indexes for December and the following June. In computing the composite index, the average index for each group of commodities was changed to correspond with the new base (1928-29 = 100), and was then weighted according to the procedure used regularly by the Bureau of Labor Statistics. *Column 4*—Computed as shown in Tables 29 and 30, and as described in accompanying text. *Column 5*—Computed by method described in text, from commodity indexes published by the United States Bureau of Labor Statistics. The indexes for food and transportation for each year were obtained by averaging monthly indexes from September thru the following August; those for all other commodities by averaging semi-annual indexes for December and the following June. The weights assigned to the several commodities were based upon the percentage distribution of teachers' expenditures in the present survey, except that the percents spent by the teachers for specific items were combined according to the procedure used by the original investigator. *Column 6*—Computed by method described in text, from commodity indexes published by the United States Bureau of Labor Statistics. The index for food for each year was obtained by averaging monthly indexes from September thru the following August; those for all other commodities by averaging semi-annual indexes for December and the following June. The weights assigned to the several commodities were based upon the percentage distribution of teachers' expenditures in the present survey, except that the percents spent by the teachers for specific items were combined according to the procedure used by the original investigator.

* The indexes for each year represent as nearly as possible the twelve-months period from September 1 thru the following August 31.

^b The Conference Board's available cost-of-living indexes for each month since August, 1934 are as follows (1928-29 = 100): September, 81.0; October, 80.9; November, 80.8; December, 80.8; January, 1935, 81.6; February, 82.4; and March, 82.4.

in constructing the index: (a) taxes, (b) financial aid to dependents, (c) gifts and donations to church, charity, etc., and (d) surplus or savings. Changes in the cost of taxes could be measured satisfactorily if certain essential data were obtainable, but it is doubtful whether a wholly acceptable measure of change could be devised for the other three items. The latter are obviously of a different nature from those categories of goods and services whose quality, quantity, and price can be readily measured. Nevertheless, money saved or given to dependents, church, and charity is eventually used to buy commodities of the measurable type, and changes in the cost of such commodities could be determined if their nature and amounts were known. In the absence of specific knowledge, some assumption must be made as to their nature and amount, if the composite index is to represent changes in the average teacher's total cost of living. The safest assumption—that donations and savings are eventually used to purchase a wide variety of commodities rather than only one or two types—is utilized by omitting these categories in computing the composite

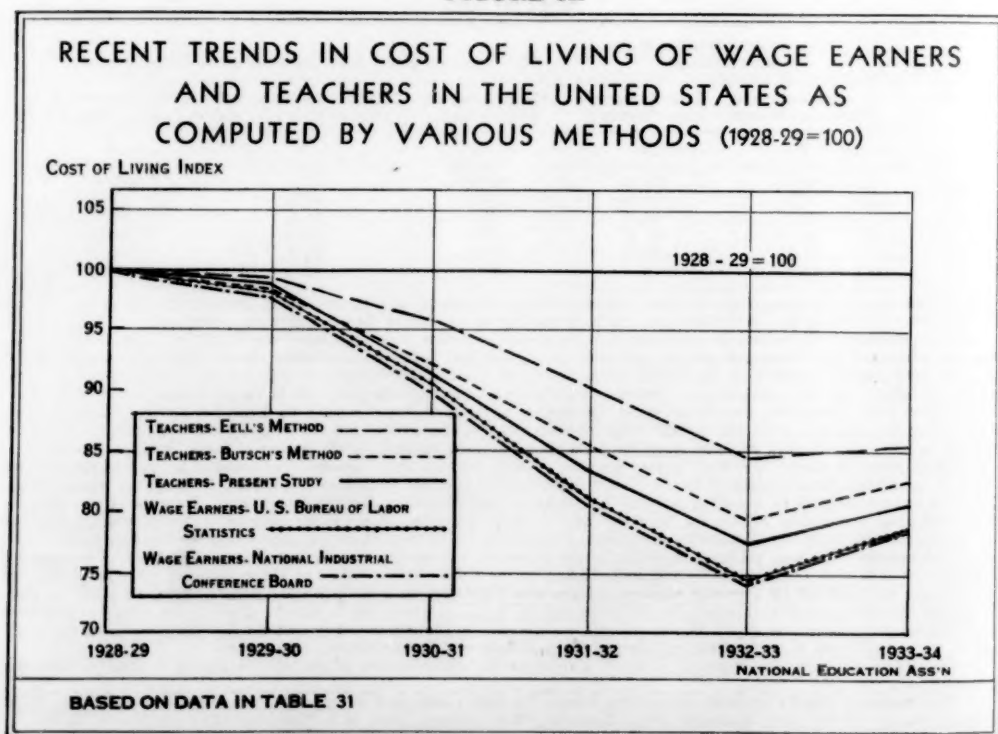
index. Granting that this is the best possible procedure under present circumstances, it still remains a weakness in the structure of the index. Whether this weakness is of major or only minor importance can be determined only by further investigation.

2. The separate indexes for food, clothing, rent, fuel and light, house furnishings, and miscellaneous items used in computing the composite index are based upon the kinds and amounts of specific commodities purchased by workingmen's families in 1918-19. The food index, for example, represents an average of retail prices for forty-two different items,³² weighted according to their relative importance in the average workingman's food budget. The quality and amount of such items in the average teacher's food budget may be somewhat different. Moreover, a considerable minority of the teachers purchase ready-cooked meals, and fluctuations in the price of board are known to lag somewhat behind changes in the store prices of food products, altho no satisfactory measure of the former is available.

3. The index of teachers' transportation

³² For a list of these forty-two items, see page 265 of this bulletin.

FIGURE IX



costs developed here does not include all types of transportation expense and hence is only approximately correct. Moreover, in the case of motor vehicles and automobiles tires and tubes, indexes of wholesale prices must be used because no corresponding indexes of retail prices are available.

4. Since the amounts spent by teachers for fuel and light and for house furnishings were not reported separately, it was necessary to estimate the proportions of income devoted to these two commodities in order to determine how much weight each should have in the composite index. Since these estimates were based upon the average teacher's expenditure for house operation, as well as upon the relative importance of house furnishings and fuel and light in the average wage-earner's budget, the results are probably sufficiently accurate for practical purposes.

5. The composite index is based on data from cities of considerable size. Hence it probably is

less valid for individual cities than for cities in general, and it may be less valid for teachers in small towns and rural areas. The index obviously should not be used in any locality for which more valid data are obtainable. Such data, however, are available at present for relatively few localities. The Bureau of Labor Statistics publishes regularly an index of food prices in each of fifty-one cities, but computes indexes for clothing, rent, fuel and light, house furnishings, and miscellaneous items for only thirty-two of these. Retail prices of gasoline are available for each of fifty cities, but wholesale prices of motor vehicles, tires, and tubes are published only for the nation as a whole. Reliable information as to how teachers in individual communities distribute their expenditures is even more meager. In the present study, average distributions based on reports from at least one hundred teachers could be computed for only ten cities, and even these distributions may not be closely representative of the total

TABLE 32.—RECENT TRENDS IN TEACHERS' AVERAGE SALARIES AND THEIR PURCHASING POWER (1928-29 = 100)

Year	Average salaries received ^a				Estimated purchasing power of average salaries			
	All teachers, principals, and supervisors in the United States		Classroom teachers in 65 cities over 100,000 in population		All teachers, principals, and supervisors in the United States		Classroom teachers in 65 cities over 100,000 in population	
	Amount	Index	Amount	Index	Amount	Index	Amount	Index
1	2	3	4	5	6	7	8	9
1928-29	\$1392 ^b	100.0	\$2235	100.0	\$1392	100.0	\$2235	100.0
1929-30	1420	102.0	2298 ^b	102.8	1440	103.4	2331	104.3
1930-31	1440 ^b	103.4	2343	104.8	1570	112.8	2555	114.3
1931-32	1417	101.8	2316 ^b	103.6	1697	121.9	2774	124.1
1932-33	1316 ^b	94.5	2199	98.4	1702	122.3	2845	127.3
1933-34	1222 ^b	87.8	2070 ^b	92.6	1516	108.9	2568	114.9
1934-35	1226 ^b	88.1	2076 ^b	92.9	1460 ^a	104.9 ^c	2471 ^c	110.6 ^c

Read table thus: In 1928-29 the estimated average salary of all teachers, principals, and supervisors in the United States was \$1392; in 1929-30 it was \$1420 or 102.0 percent of the 1928-29 figure; in 1930-31 it was \$1440 or 103.4 percent of the 1928-29 figure; etc. The estimated purchasing power (in 1928-29 dollars) of the average salary of this group was \$1392 in 1928-29; \$1440 in 1929-30, or 103.4 percent of the 1928-29 figure; \$1570 in 1930-31, or 112.8 percent of the 1928-29 figure; etc. Similarly read figures for classroom teachers in cities over 100,000 in population.

Sources of data: *Column 2*—Average salaries for 1929-30 and 1931-32 from the *Biennial Surveys of Education* published by the United States Office of Education; for 1928-29 by direct interpolation between 1927-28 and 1929-30; for 1930-31 based on returns from forty states and District of Columbia, plus 1929-30 figures for the other eight states (National Education Association, *Educational Research Service Circular No. 11*, 1932); for 1932-33, based on advance data on file at the United States Office of Education from twenty-three states; for 1933-34, by interpolation between 1932-33 and 1934-35 in accordance with the trend in total expenditures per teacher as estimated in May and September, 1934 by departments of education in thirty-two states; for 1934-35, based on estimates of October, 1934 from departments of education in thirty-one states. *Column 4*—Median salaries for 1928-29, 1930-31, 1932-33, and 1934-35 from the biennial studies of salaries in city school systems conducted by the Research Division of the National Education Association; for 1929-30, 1931-32, and 1933-34, by interpolation between the years immediately preceding and following. *Columns 6 and 8*—Purchasing power of salaries computed by dividing each figure in columns 2 and 4 by the teachers' cost-of-living index for the same year, as shown in column 4 of Table 31, except for the 1934-35 figures, which were computed by dividing the corresponding salaries in columns 2 and 4 by 84.0, on the assumption that the percent of increase in cost of living between 1933-34 and 1934-35 will be the same as that between 1932-33 and 1933-34. *Columns 3, 5, 7, and 9*—Indexes of average salaries and of purchasing power computed by dividing each amount in the preceding column by the amount for 1928-29 in that column.

^a Salary figures for all teachers, principals, and supervisors in the United States are arithmetic averages, while those for classroom teachers in cities over 100,000 in population are medians.

^b Estimated figure.

^c Since complete data on cost of living are not yet available for 1934-35, it was necessary to use an estimated index in computing these figures on purchasing power. The index used, 84.0, assumes the same percent increase in cost of living between 1933-34 and 1934-35 as occurred between 1932-33 and 1933-34.

teaching groups in the ten cities. A few other local studies of teachers' expenditures are available, but in most of them the expenditures have not been classified in such a way as to make possible the construction of an index according to the procedures used in this study. Until further research has been carried on, therefore, the general index as computed here will probably be the best available indicator of trends in teachers' cost of living in most localities, whether urban or rural.²³

Recent Trends in the Purchasing Power of Teachers' Salaries

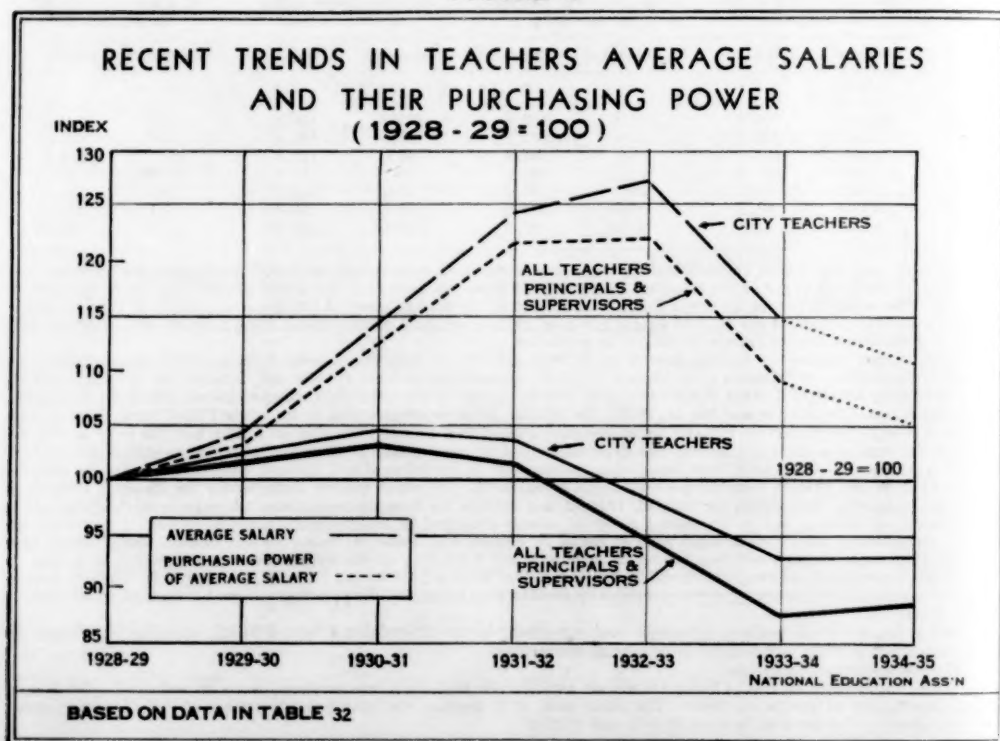
The trend of teachers' salaries in relation to changes in their cost of living may best be shown by translating the actual salaries received each year into dollars having the purchasing power of a selected base year. This is accomplished by dividing the actual salary for each year by the teachers' cost-of-living index for that year. Table 32 and Figure X show the

trend of average annual salaries and of their purchasing power since 1928-29 for two large groups: (1) all teachers, principals, and supervisors in the United States, and (2) all classroom teachers in sixty-five cities over 100,000 in population.

The average salaries received by both groups increased slightly from 1928-29 thru 1930-31, but began to decline in the following year. This decline was greater in the case of all teachers, principals, and supervisors than in the case of the classroom teachers in large cities. In 1932-33 the average for the nation as a whole was 5.5 percent below that in 1928-29, while the average for teachers in cities over 100,000 in population was only 1.6 percent below that in the earlier year. In 1933-34 both averages dropped still further, reaching levels which were 12.2 percent and 7.4 percent below the corresponding figures for 1928-29. The figures for 1934-35, however, indicate a slight upturn.

²³ It is not believed that the difference commonly prevailing between the salaries of urban teachers and those of rural teachers makes the teachers' index, as computed here, inapplicable to rural teachers. While data on the budgets of rural teachers are lacking, it is probable that the chief difference between them and the budgets of city teachers is in the proportion of income saved. As already explained, however, the item of savings (as well as taxes, aid to dependents, and other donations) has been omitted in computing the teachers' index, and the percentage distribution of the remaining items is likely to be about the same for low-salaried groups as for higher-salaried groups.

FIGURE X



The trend in purchasing power of average salaries is a quite different story. Apparently both groups of teachers gained in purchasing power between 1928-29 and 1932-33. In the latter year, it is estimated that the average teacher in the nation as a whole could buy about 22 percent more with his salary, and that the average teacher in the larger cities could buy about 27 percent more, than in 1928-29. In 1933-34, however, the purchasing power of the all-inclusive group dropped sharply to a point only 9 percent above that of 1928-29, while the buying power of the city teachers reached a level only 15 percent above that in the base year. While cost-of-living data are not yet available for the entire year 1934-35, it is estimated that if living costs continue to increase at the same rate as between 1932-33 and 1933-34, the purchasing power of these two groups in 1934-35 will be only 5 percent and 11 percent, respectively, above the levels of 1928-29.

Must teachers' salaries be increased immediately in order that their purchasing power may not fall below its pre-depression level? No single answer to this question will be true for all localities or even for all states. Teachers in some parts of the country have unquestionably suffered much greater cuts in salary than those shown in Table 32, while in other localities the salaries have been reduced very little, if at all, since the depression began. An example of unusually severe reduction is found in Kinston, North Carolina, where the median salary of all classroom teachers dropped from \$1319 in 1928-29 to \$718 in 1934-35, or 45.6 percent. A similar but less extreme case is that of Omaha, Nebraska, where the median fell from \$2135 to \$1551, or 27.4 percent, during the same period. On the other hand, Albany, New York, has reported a slow but steady increase amounting to 6.8 percent from 1928-29 to 1934-35. Clearly the need for adjustment in salaries to prevent a reduction in purchasing power below the pre-depression level can be determined only in the light of salary conditions and living costs in the individual states and local communities. To discover these conditions and the needs arising therefrom is essentially the responsibility of state and local school authorities and of state and local teachers associations.

As intimated above, the chief value of a cost-of-living index in the determination of teach-

ers' salaries is to serve as a warning of possible losses in purchasing power. No cost-of-living index should be used as the *only* criterion of need for adjustment in salaries, for several reasons: (1) Salaries in the base year may not have been sufficient to provide a suitable standard of living for teachers; (2) revision of salary scales in the past has usually lagged behind changes in the cost of living, and it may therefore be advisable to compensate teachers for past losses of purchasing power; (3) in a nation having the natural wealth and productive power of the United States, the trend in purchasing power and standards of living for all moderately paid groups of workers should be steadily upward for many years to come; and (4) to obtain teachers with the ability and training needed in the modern school, the salaries paid must permit standards of living similar to those enjoyed by people of comparable ability and training in other lines of work.

Summary

This chapter has presented a number of facts essential to an intelligent consideration of the trend in cost of living with reference to teachers' salaries. The principles underlying the construction of a cost-of-living index have been set forth, and the indexes published by the United States Bureau of Labor Statistics and the National Industrial Conference Board have been described. After reviewing several earlier studies in which special cost-of-living indexes for teachers were developed, the chapter has shown in some detail the calculation of a new index for teachers which is believed to have certain advantages over the earlier ones.

The general trend indicated by this new index during the present economic depression is not greatly different from that shown by the indexes for wage-earners. The teachers' index shows a somewhat slower trend than does the wage-earners' index, both downward during the early years of the depression, and upward since 1932-33. The new index has certain limitations which should be fully understood by those who use it. In spite of these limitations, the index is believed to be the most satisfactory measure of its kind now available, and should prove helpful in the study of salary problems.

Altho the average salary of all teachers in the United States declined considerably between 1928-29 and 1933-34, their purchasing power increased up to 1932-33 because of sub-

stantial reductions in cost of living. This is not, however, an argument against increasing salaries at this time. Teachers' living costs rose somewhat from 1932-33 to 1933-34 while salaries continued to fall; consequently the average teacher was considerably less well off in 1933-34 than in the previous year. If living costs continue to rise at the same rate, the average purchasing power of all teachers in the nation in 1934-35 will, it is estimated, be only about 5 percent above its 1928-29 level. If care is not taken to eliminate the customary lag of teachers' salaries behind increases in living costs, an even more serious loss of purchasing power is likely to result.

As emphasized in the preceding pages, no

cost-of-living index should be used as the sole criterion of need for revising teachers' salary scales. Two other considerations especially need to be kept in mind: (1) In a nation having the wealth and productive power of the United States, the mere maintenance of *present* purchasing power is insufficient; the buying ability of all moderately paid groups, at least, should be continuously increased for many years to come. (2) To obtain and keep teachers with the ability, professional training, and general culture needed in a modern program of education, salaries must provide standards of living as attractive as those enjoyed by persons of similar ability and training in other fields of work.

THE MISTAKE is frequently made of applying figures showing cost of living changes to other standards of living than the one employed in making the study, upon the assumption that changes in maintaining one standard will probably apply proportionately to others. This assumption is incorrect, however, since the relative importance of different items in the budget changes as the established standard of living changes. For example, food accounts for one-third to one-half of the cost of the wage-earner's budget, but this relative proportion tends to decrease as incomes become larger. Thus, a cost of living change which is largely influenced by the retail price of food items will not accurately reflect the effect of this change of food prices upon standards of living maintained by higher incomes. —*The Cost of Living in Twelve Industrial Cities*, National Industrial Conference Board, 1928, p. 2.

CHAPTER VIII

Incomes of Teachers and Other Occupational Groups

This chapter supplements the data of Chapter VII on teachers' salaries in relation to cost of living by comparing the average salaries of teachers with the estimated incomes of other important occupational groups during recent years. Table 33 shows this comparison for eleven different groups, including all public school teachers, principals, and supervisors in the United States, and all classroom teachers in sixty-five city school systems over 100,000 in population.

Relative Position of Teachers

In Table 33 the eleven occupational groups are listed according to the size of their average incomes in 1933 (the latest year for which comparable figures are available), with the higher-income groups at the top and the lower-income groups at the bottom of the list. In that

year the averages ranged from \$3940 for consulting engineers to \$1314 for state and county government employees other than those in education. The public school teachers in cities over 100,000 in population ranked fifth with an average salary of \$2199, while the group including all public school teachers, principals, and supervisors in the nation ranked tenth with an estimated average salary of \$1316. The average salary for the city teachers was exceeded by those for consulting engineers, physicians and surgeons, lawyers, and dentists. The average salary for all public school teachers in the nation was exceeded by those just mentioned, and also by the averages for salaried employees in a group of seven industries, clergymen, federal government employees, and city government employees outside of education. Of the nine non-teaching groups, the only one

TABLE 33.—AVERAGE ANNUAL INCOMES OF PUBLIC SCHOOL TEACHERS AND OTHER OCCUPATIONAL GROUPS, 1929-1933

Occupational group	1929		1930		1931		1932		1933	
	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index
1	2	3	4	5	6	7	8	9	10	11
1. Consulting engineers ^a	\$10,412	100.0	\$8,523	81.9	\$7,220	69.3	\$4,377	42.0	\$3,940	37.8
2. Lawyers ^a	5,560	100.0	5,219	93.9	5,114	92.0	4,170	75.0	3,879	69.8
3. Physicians and surgeons ^a	5,389	100.0	5,105	94.7	4,371	81.1	3,311	61.4	3,079	57.1
4. Dentists ^a	4,575	100.0	4,381	95.8	3,794	82.9	2,776	60.7	2,413	52.7
5. Classroom teachers in 65 cities over 100,000 in population ^b	2,235	100.0	2,298	102.8	2,343	104.8	2,316	103.6	2,199	98.4
6. Salaried employees in certain industries ^a	2,088	100.0	2,129	102.0	2,018	96.6	1,752	83.9	1,641	78.6
7. Clergymen ^b	2,136	100.0	2,014	94.3	1,881	88.1	1,701	79.6	1,573	73.6
8. Federal government employees...	1,472	100.0	1,467	99.7	1,464	99.5	1,467	99.7	1,434	97.4
9. City government employees ^d	1,498	100.0	1,517	101.3	1,573	105.0	1,528	102.0	1,414	94.4
10. All public school teachers, principals, and supervisors in the United States ^b	1,392	100.0	1,420	102.0	1,440	103.4	1,417	101.8	1,316	94.5
11. State and county government employees ^d	1,419	100.0	1,437	101.3	1,490	105.0	1,434	101.1	1,314	92.6

Read table thus: According to the best available estimates, the average annual income of consulting engineers was \$10,412 in 1929, \$8,523 in 1930, \$7,220 in 1931, \$4,377 in 1932, and \$3,940 in 1933. Using the 1929 income as a base or 100.0 percent, the incomes of this group in succeeding years were 81.9 percent, 69.3 percent, 42.0 percent, and 37.8 percent of the 1929 income. Similarly read figures for each of the other occupational groups.

Sources: Figures for all occupational groups except public school teachers are tentative estimates by the Division of Economic Research of the United States Department of Commerce. Such estimates for the years 1929 thru 1932 were originally published in: *National Income, 1929-32*. 73d Congress, 2nd Session, Senate Document No. 124. Washington, D. C.: Government Printing Office, 1934, 261 p. The figures presented here include certain changes in the published estimates for 1929-32, and preliminary estimates not heretofore published for 1933, as reported to the Research Division of the National Education Association by the Department of Commerce. Figures for classroom teachers in cities over 100,000 in population and for all teachers, principals, and supervisors in the United States are those presented and explained in columns 2 and 4 of Table 32, p. 239 of this bulletin.

^a Individual entrepreneurs (not employed by a governmental agency). Their average incomes as reported do not include income from property.

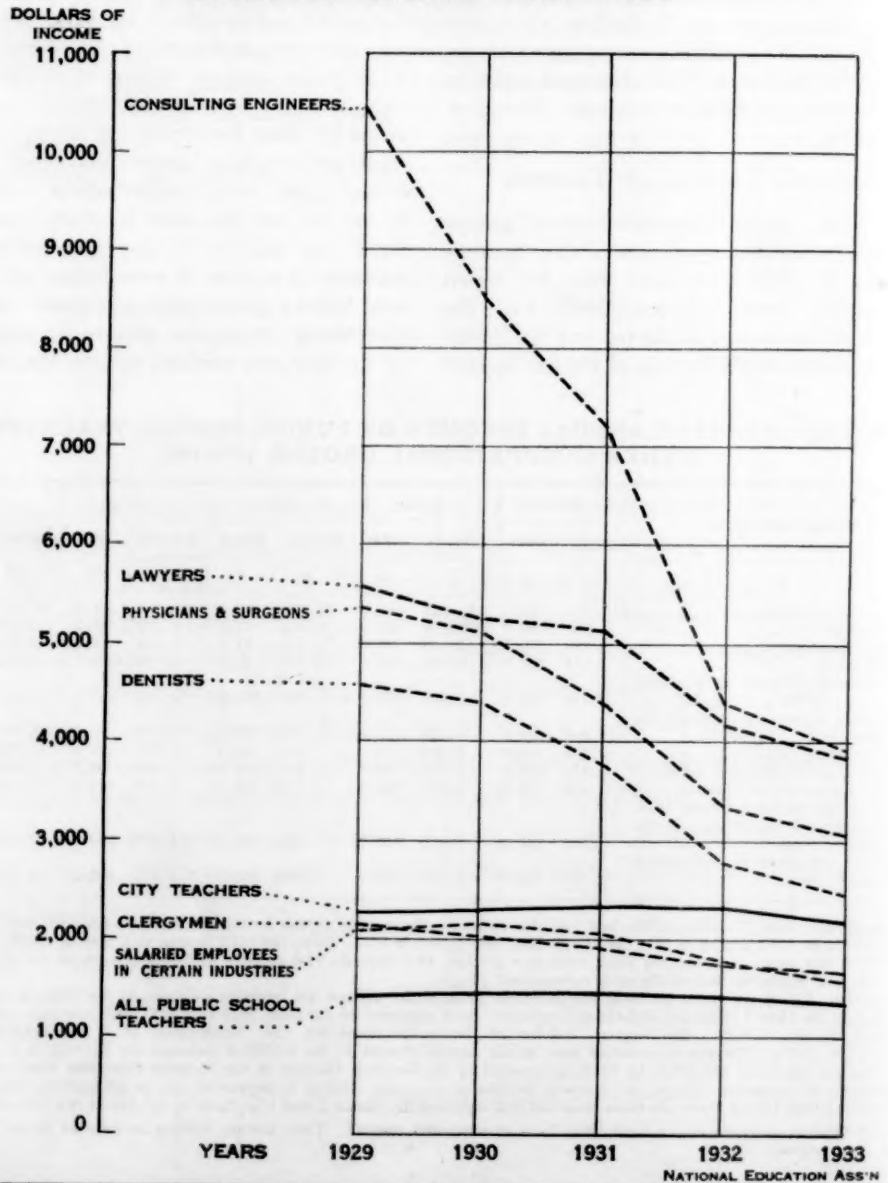
^b Salaries only.

^c Mining, manufacturing, construction, steam railroads, Pullman, railway express, and water transportation.

^d Excluding those in public education.

FIGURE XI

AVERAGE ANNUAL INCOME OF PUBLIC SCHOOL TEACHERS AND CERTAIN OTHER PROFESSIONAL OR PRIVATELY EMPLOYED GROUPS 1929-1933



BASED ON DATA IN TABLE 33

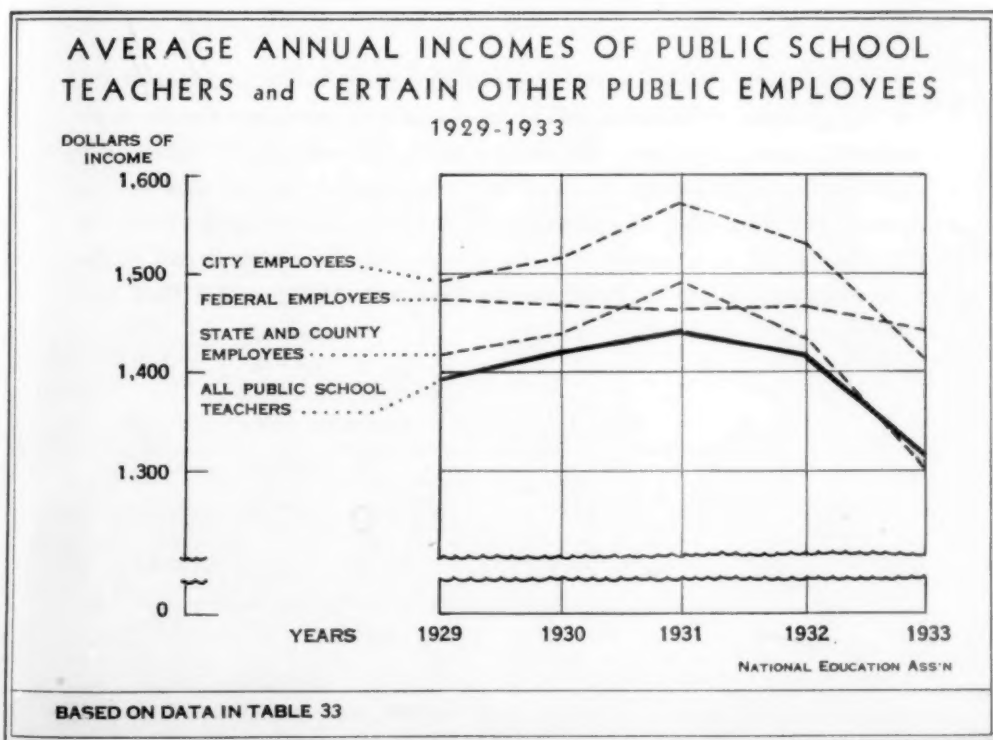
receiving a lower average income than the all-inclusive group of teachers was that of state and county employees outside of education.

With minor exceptions, the eleven groups ranked about the same in each of the other years from 1929 thru 1932. It is clear that during the entire period, teachers in general occupied a decidedly unfavorable position in relation to most other groups with qualifications comparable to those needed in teaching. Even the salaries of large city teachers did not compare in attractiveness with the incomes of four other prominent professional groups. Doubtless one important reason for the latter discrepancy is the fact that most engineers, physicians, lawyers, and dentists are men, whereas the majority of teachers are women. The conclusion is inescapable, however, that in fixing teachers' salaries, greater consideration must be given to income levels among comparable occupational groups, if highly competent people (especially competent men) are to be attracted to the teaching profession in sufficient numbers to meet the needs of our schools.

Comparative Trends in Incomes

Figures XI and XII compare the trends in teachers' average salaries with those in the average incomes of other groups from 1929 to 1933. They show that altho teachers generally were at a disadvantage with respect to their salaries, this disadvantage decreased somewhat during the period under consideration. In other words, while all of the fourteen groups suffered reductions in income during this period, such reductions were proportionately less among teachers than among several of the others. By 1933 the average salary of public school teachers in the nation as a whole had dropped about 6 percent, and that of the large city teachers about 2 percent, below their 1929 levels. In contrast, the average income of engineers had decreased 62 percent; of physicians, 43 percent; of lawyers, 30 percent; of dentists, 47 percent; of clergymen, 26 percent; and of salaried employees in industry 21 percent. It should be observed, however, that none of the groups just mentioned, except teachers, are

FIGURE XII



public or governmental employees. A comparison of teachers with other publicly employed groups shows little difference in the trends of their respective incomes during the depression (see Figure XII). The average for federal employees declined only 3 percent, for city employees 6 percent, and for state and county employees 7 percent. Moreover, of the eight groups which suffered greater percents of reduction than did public school teachers in the nation as a whole, all but one were still receiving higher incomes than this group of teachers in 1933.

It should be noted also that the figures for teachers and other employed groups represent only those workers who kept their jobs, and therefore take no account of the incomes in these groups which dropped 100 percent during the depression. If all those employees who were dismissed could be included in the averages, such groups would doubtless compare

even more unfavorably with private practitioners in the major professions.

Summary

This brief chapter has brought out two facts of general significance concerning the incomes of teachers and other occupational groups from 1929 to 1933: (1) Teachers, in common with other groups of public employees, suffered smaller decreases in income than did salaried employees in industry or private practitioners in the other major professions; and (2) altho teachers experienced less reduction in income than several other groups, they continued to occupy an unfavorable position in relation to most of these groups thruout the period under consideration. The remuneration of teachers generally must be made to compare more favorably with that of comparable occupations, if it is to attract an adequate supply of persons with first-rate ability and training for teaching.

THE SCALE OF REMUNERATION must be appropriate to the service, with due consideration for the attraction of the desired man power and for the maintenance of a standard of living commensurate with the work to be performed. The scale should provide both for automatic salary increases for faithful work and for increase with promotion. Comparable positions in the various services should be paid alike as far as is possible.—*Better Government Personnel*, Report of the Commission of Inquiry on Public Service Personnel, McGraw-Hill Book Co., 1935, p. 28.

CHAPTER IX

Improving the Economic Status of Teachers

There are two principal ways of improving the economic position of teachers: (1) by increasing the skill and judgment with which teachers manage their incomes, and (2) by increasing the purchasing power of their incomes. Earlier chapters have touched upon these points in connection with the findings of this survey. This chapter brings them into sharper focus and makes certain definite suggestions for improvement both in money management and in the determination of salaries.

Suggestions for the Management of Income

An outline of life values—The plan of money management suggested here is an outgrowth of a study undertaken in 1919 by a special committee of the Massachusetts Teachers Federation, and continued by a member of that committee during a period of fifteen years.¹

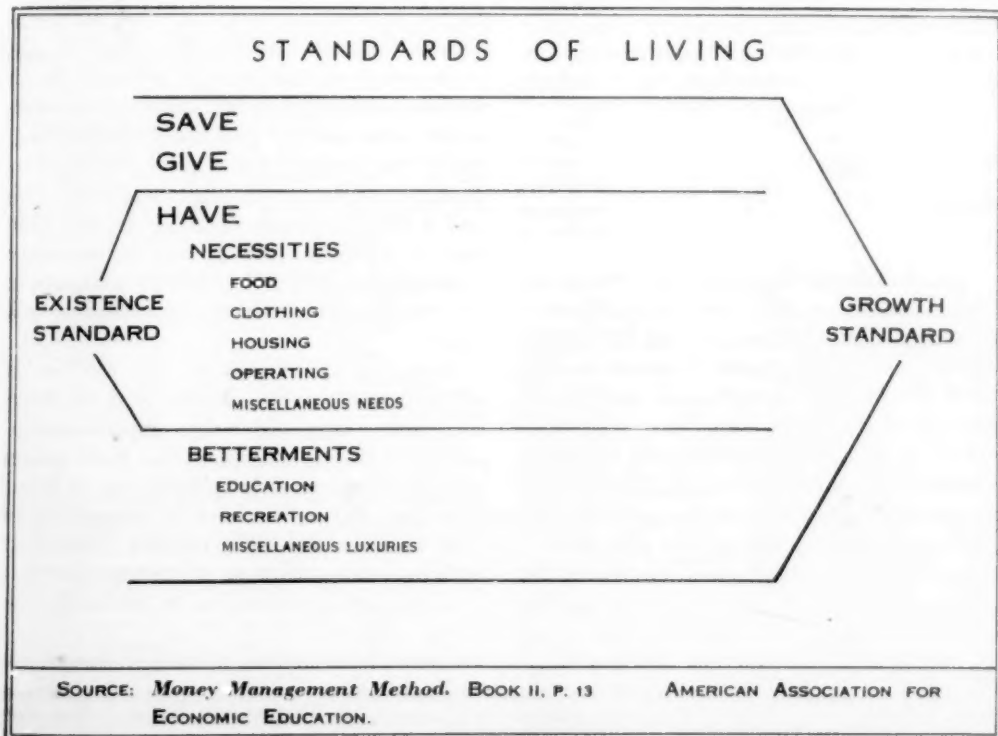
This committee was concerned primarily with the problem of adjusting teachers' salaries upward in a manner that would be equitable for both teachers and taxpayers. In attacking this problem, however, it was necessary to reach some conclusion as to the standard of living which teachers as a group should be able to maintain. Based upon the general premise that teachers should live well-rounded lives, the conclusion reached was that such a standard would necessarily include the following:

1. A dignified scale of living in the present, including the ability to share one's substance with others.
2. Freedom from financial worries in the present, and provision for financial independence after retirement.
3. Study and recreation to enrich the mind and to insure mental and physical health.

These essential human needs are expressed most clearly and simply in Figure XIII, which

¹ See: "Personal Economics for the Teacher." *Common Ground* (Official organ of the Massachusetts Teachers Federation) 9: 341-57; May, 1930.

FIGURE XIII



classifies all possible uses of money under the three main heads of "Save," "Give," and "Have," the last of these being sub-divided into "Necessities" and "Betterments."² The chart shows the difference between a mere "existence" standard and the "growth" standard of living deemed essential for teachers. The existence standard includes only the group of necessities: food, clothing, housing, operating, and miscellaneous needs. The growth standard includes these necessities and the items of saving, giving, and betterments as well. An appropriate distribution of income among these four categories is essential if the individual and his dependents are to lead well-rounded lives.

A "goal" apportionment of income—The proper distribution of income among these four uses is essentially a problem for each individual, depending upon the size of his income, the relative costs of various items, his personal tastes, and his responsibilities for the support of dependents. Nevertheless, it is possible to set up as a goal an apportionment which, assuming a sufficiently large income, will provide not only a dignified standard of living during active service, but also a similar standard of living during the years of retirement. The goal proposed in the money-management plan mentioned above, and recommended for its reasonableness by the Committee on the Economic Status of the Teacher, is as follows:

Saving	20 percent
Giving	10 percent
Necessities	50 percent
Betterments	20 percent

The percentages in this goal distribution are based upon simple facts and straightforward reasoning. Compound interest and life annuity tables show that 20 percent of income must be saved and invested at compound interest each year for at least thirty-two years, if the individual is to accumulate sufficient capital to provide a retirement income equal to his average current expenditures during active service.³ If 20 percent each year is to be laid aside for the retirement period, it seems reasonable that an equivalent amount be used for personal im-

provement and recreation during active service. Enrichment of life in the present is surely as important as provision for the future. A balance between savings and expenditures for betterments, while not an infallible guide to maximum happiness, will help to prevent present extravagance on the one hand, and the unwarranted hoarding of money on the other. Thus far we have accounted for 40 percent of income. An additional 10 percent is assigned to giving because this is the Biblical standard and because, on a moderate or large income and under present social conditions, it seems to be a fair proportion for sharing. Having thus allotted a total of 50 percent of income to saving, betterments, and giving, we have left only 50 percent for necessities.

It cannot be too strongly emphasized that the foregoing distribution is a tentative goal toward which to work. While the committee believes that competent teachers after a reasonable period of service should receive incomes large enough to permit the attainment of this goal, it recognizes that the present incomes of most teachers are considerably below such a level. As shown in Chapter IV, page 198, the smaller the income, other factors being equal, the larger is the percentage required for necessities. Altho there may have been room for improvement in the management of money by the teachers cooperating in this survey, it is nevertheless clear that the goal apportionment suggested here cannot be attained by all teachers regardless of income or living conditions. This goal is presented primarily to clarify the problem of intelligent living, and to encourage teachers to achieve as satisfactory a balance in the use of income as their circumstances will permit.

Suggested apportionments for teachers in various circumstances—Tables 34 to 36, inclusive, present suggested budget apportionments, according to size of income, for three groups of teachers classified by general type of living conditions and number of total dependents. In each of these tables the percents allotted to necessities are similar to the average amounts actually spent for necessities by the correspond-

² See: *Money Management Method*. Book Two. "Key." Boston (9 Park Street): American Association for Economic Education, 1933.

³ See: *Money Management Method*. Book II. "Key." Boston: American Association for Economic Education, p. 13. ¶ Davis, Horace W. *Money Sense*. New York: McGraw-Hill Book Co., 1934, p. 168-70, 242, 246 ¶ Schnedler, William A. *How to Get Ahead Financially*. New York: Harper and Bros., 1926. Chart 1, facing p. 22.

ing groups of teachers in this survey, as shown in Table 21 on page 199. The percents allotted to saving, giving, and betterments were obtained by arbitrarily dividing the remainder of the budget so as to provide the same balance among these three items as is provided in the goal-apportionment described above. To obtain a smooth trend in the percents for necessities from the lowest income level to the highest, the figures presented in Table 21 were modified as follows:

1. The percent spent for necessities by teachers in the highest income interval (\$3500 or more) was disregarded in each case because of the small number and wide scattering of cases in that interval. The percent for the second highest income interval (\$3000-3499) was also disregarded in the case of single women not maintaining homes, because that percent was obviously inconsistent with the general trend.

2. The average difference between the percents spent for necessities in the remaining income intervals was computed for each of the three types of teacher.

3. The percent for necessities at each income level from \$1250 to \$3750 (the mid-point of each five-hundred-dollar interval) was then adjusted so as to make the difference between successive percents approximately equal to the average difference computed in step 2 above. The starting point for this adjustment was the percent actually spent by teachers at the income level representing the largest number of teachers—\$1750 for both groups of women, and \$2250 for the men.

**TABLE 34.—SUGGESTED BUDGET AP-
PORTIONMENTS FOR A SINGLE
WOMAN TEACHER IN A LARGE CITY
WHO DOES NOT MAINTAIN A HOME
BUT SUPPORTS ONE OTHER TO-
TALLY DEPENDENT PERSON**

Items of budget	Percents of budget at each income level					
	\$1250	\$1750	\$2250	\$2750	\$3250	\$3750
1	2	3	4	5	6	7
Saving.....	14	15	17	19	20	22
Giving.....	7	8	8	9	10	10
Necessities....	66	62	58	54	50	47
Betterments..	13	15	17	18	20	21

Read table thus: It is suggested that the single woman not maintaining a home but supporting one dependent on an income of \$1250, allot approximately 14 percent of her budget to saving, 7 percent to giving, 66 percent to necessities, and 13 percent to betterments. Similarly read the allotments suggested for such a teacher at higher income levels.

Source: See explanation on p. 248. Percents for necessities are slight modifications of those reported in column 4 of Table 21. Percents for saving, giving, and betterments were obtained by dividing remainder of budget to produce a ratio of approximately 2:1:2 among these items.

Table 34 suggests, for example, that while the average single woman not maintaining a

home should be able to approximate the goal-apportionment on an income of \$3250, she may need to spend as much as 66 percent for necessities if her income is only \$1250.

**TABLE 35.—SUGGESTED BUDGET AP-
PORTIONMENTS FOR A SINGLE
WOMAN TEACHER IN A LARGE CITY
WHO MAINTAINS A HOME AND SUP-
PORTS ONE OTHER TOTALLY DE-
PENDENT PERSON**

Items of budget	Percents of budget at each income level					
	\$1250	\$1750	\$2250	\$2750	\$3250	\$3750
1	2	3	4	5	6	7
Saving.....	11	12	14	15	17	18
Giving.....	5	6	7	8	8	9
Necessities....	73	70	66	62	58	55
Betterments..	11	12	13	15	17	18

Read table thus: It is suggested that the single woman maintaining a home and supporting one dependent on an income of \$1250, allot approximately 11 percent of her budget to saving, 5 percent to giving, 73 percent to necessities, and 11 percent to betterments. Similarly read the allotments suggested for such a teacher at higher income levels.

Source: See explanation on p. 248. Percents for necessities are slight modifications of those reported in column 3 of Table 21. Percents for saving, giving, and betterments were obtained by dividing remainder of budget to produce a ratio of approximately 2:1:2 among these items.

**TABLE 36.—SUGGESTED BUDGET AP-
PORTIONMENTS FOR A MARRIED
MAN TEACHER IN A LARGE CITY
WHO MAINTAINS A HOME AND SUP-
PORTS THREE OTHER TOTALLY DE-
PENDENT PERSONS**

Items of budget	Percents of budget at each income level					
	\$1250	\$1750	\$2250	\$2750	\$3250	\$3750
1	2	3	4	5	6	7
Saving.....	5	7	9	11	13	15
Giving.....	3	4	5	6	7	8
Necessities....	87	82	77	72	67	62
Betterments..	5	7	9	11	13	15

Read table thus: It is suggested that the married man maintaining a home and supporting three dependents on an income of \$1250, allot approximately 5 percent of his budget to saving, 3 percent to giving, 87 percent to necessities, and 5 percent to betterments. Similarly read the allotments suggested for such a teacher at higher income levels.

Source: See explanation on p. 248. Percents for necessities are slight modifications of those reported in column 2 of Table 21. Percents for saving, giving, and betterments were obtained by dividing remainder of budget to produce a ratio of approximately 2:1:2 among these items.

Tables 35 and 36, which suggest apportionments for single women and married men maintaining homes, indicate that neither of these groups can reasonably be expected, on the average, to attain the 50 percent standard for necessities at any of the income levels shown. The suggested percents for necessities range

from 73 percent of \$1250 to 55 percent of \$3750 for the single woman maintaining a home, and from 87 percent to 62 percent at these same income levels for the married man maintaining a home. No apportionments are proposed for higher incomes because the number of teachers reporting such incomes in this survey was too small to provide a satisfactory basis for budget recommendations.

The principal difference between these suggested apportionments and those actually reported by teachers is in the percents allotted to saving, giving, and betterments. As shown in Chapter IV, the reporting teachers tended to save and to give excessively in proportion to their expenditures for betterments. It is recommended that, insofar as possible, the allotments for both saving and betterments be approximately twice as large as the allotment for giving.

The reader should bear in mind that the apportionments proposed will not apply to every member of the group which they are intended to represent. Due allowance must be made for differences in the type of home maintained or in the type and location of rooms occupied, as well as in many other matters of personal choice or necessity. For example, the single woman rooming and boarding away from home will need to spend more for necessities than the woman whose parents furnish her room and board without charge. Similarly, the teacher whose home is entirely paid for will probably need to spend less for necessities than the teacher who is renting or buying a home on instalments. Moreover, many teachers have incomes and numbers of dependents which are different from those specified in the accompanying tables. All such factors must be taken into consideration by any teacher who wishes to use the suggested figures as a guide in managing his or her income. Some help in making necessary adjustments may be obtained by consulting the detailed figures on teachers' actual expenditures in the Appendix, pages 258-64, but as a rule the number of reporting teachers in each specific sub-group was hardly large enough to warrant definite recommendations.

Influence of changes in cost of living—One factor which will doubtless affect significantly the budget apportionment of any given income during the next few years, is that of rising commodity prices. If income remains the same during a period of rising prices, the amount devoted

to saving, to giving, or to betterments must be reduced or else a lower scale for necessities must be adopted. Which of these courses to follow will be to some extent a matter for individual choice. Table 37 shows how the suggested apportionment of a \$1750 income for a single woman not maintaining a home but supporting one dependent, might be changed to take account of a hypothetical 15 percent increase in the average cost of necessities over the 1932-33 level. The modified figures are based on the assumption that the kinds and quantities of necessities purchased are to remain the same, and that the amounts of money devoted to saving, giving, and betterments are all to be reduced proportionately so as to maintain the same ratio among them. The result is an increase from 62.0 to 71.3 percent for necessities, together with a corresponding decrease in the percent for each of the other items.

TABLE 37.—SUGGESTED CHANGE IN BUDGET APPORTIONMENT FOR A SINGLE WOMAN TEACHER NOT MAINTAINING A HOME BUT SUPPORTING ONE TOTAL DEPENDENT ON AN INCOME OF \$1750, IN CASE OF A 15 PERCENT INCREASE IN COST OF NECESSITIES

Items of budget	Apportionment if cost of necessities is:			
	Same as in 1932-33		15 percent greater than in 1932-33	
	Amount	Percent	Amount	Percent
1	2	3	4	5
Saving.....	\$262.50	15.0	\$200.90	11.5
Giving.....	140.00	8.0	100.45	5.7
Necessities.....	1085.00	62.0	1247.75	71.3
Betterments....	262.50	15.0	200.90	11.5
Total income....	\$1750.00	100.0	\$1750.00	100.0

Read table thus: With the cost of necessities at the 1932-33 level, it is suggested that the average teacher described here devote approximately \$1085.00 or 62.0 percent of her income to necessities, but that this allotment be increased to \$1247.75 or 71.3 percent if the cost of necessities should increase 15 percent above the 1932-33 level. Similarly read the figures for saving, giving, and betterments.

Source: Figures in columns 2 and 3 correspond to those in column 3 of Table 34. Those in columns 4 and 5 were computed by increasing the allotment for necessities by 15 percent and adjusting the remainder of the budget to obtain a ratio of 2:1:2 between saving, giving, and betterments.

Keeping accurate account of expenditures—No budget plan can be carried out successfully without keeping an accurate account of expenditures. In fact, it is advisable to keep such a record for several months or a year before setting up one's budget plan. Knowledge of how one has been using his income in the past is of

great help in planning his program for the future. If the record reveals that it will probably be impossible for him to achieve the apportionment suggested for a teacher in his particular circumstances, the suggested apportionment should be modified accordingly. Once the plan of apportionment has been adopted, all payments of money should be recorded daily and summarized every month or two so that the individual can tell how well he is following his adopted plan.

It is not necessary to classify expenditures in great detail. The essential values of budgeting can be obtained by simply classifying all uses of money under the four heads of saving, giving, necessities, and betterments.⁴ Many teachers will find it helpful, however, to divide one or more of these categories into several sub-items, such as those indicated in Figure XIII, or those used in collecting information on teachers' expenditures in this survey. Even if a detailed classification is used, the four main categories should be retained, because they represent the four general types of life values which every individual should strive to obtain in the best possible proportions.

Usually a person to whom the study of money management is new can, by exercising greater care and judgment, achieve a significantly better balance in his use of income. Probably the most effective way of accomplishing this is to concentrate on necessities;⁵ that is, to avoid buying what is not needed, to eliminate waste in the use of necessities, and to buy where prices are lowest for goods and services of adequate quality. Increased skill in the purchase and use of necessities will reduce the percent of income required for such items and will automatically increase the percent available for saving, giving, and betterments. The achievement of the suggested ratio (2:1:2) among the latter three items is relatively simple, depending primarily upon the individual's own desire to attain such a standard.

Suggestions for Determining Appropriate Salary Levels

Maximum salaries—It is recommended that wherever financial resources permit, the maximum salary for teachers be tentatively estab-

lished at a figure not less than twice the total annual cost of appropriate necessities for an experienced teacher, these necessities to include the maintenance of a home and adequate provision for the average number of persons dependent upon such teachers for support. Thus, if the cost of appropriate necessities for an experienced teacher in a given community were found to be \$1750, the recommended maximum salary would be not less than \$3500. This amount would enable the average teacher maintaining a home in that community to pay for all necessities, including the maintenance of a home for himself and dependents, out of 50 percent of income. However, if the maximum arrived at in this manner were found to be less than the average income received by persons of similar ability, training, and experience in other occupational groups, it might need to be increased somewhat in order to attract persons of the calibre needed in teaching. Some communities may find it desirable to raise the maximum still further in order to attract the very best teaching talent available.

Minimum salaries—It is recommended that the minimum salary for teachers be tentatively established at a figure not less than one and one-third times the total annual cost of appropriate necessities for an inexperienced teacher without dependents, and living apart from relatives but not maintaining a home. Thus, if the cost of appropriate necessities for an inexperienced teacher in a given community were found to be \$900, the recommended minimum salary would be not less than \$1200. This amount would permit the average beginning teacher rooming and boarding in that community to pay for all necessities out of 75 percent of income,⁶ and to have left 10 percent for saving, 5 percent for giving, and 10 percent for betterments. However, if the salary so determined were found to be significantly less than the average income obtainable by inexperienced persons of equivalent ability and training in other lines of work, it might need to be raised in order to attract the kind of individuals desired as teachers. Some communities will wish to raise the minimum still further so as to attract the best inexperienced persons available.

Schedule of salary increments—It is recom-

⁴ See: *Money Management Method*. Book II. "Key." Boston: American Association for Economic Education, 1933, p. 14.

⁵ This allotment for necessities is exactly half way between spending the entire income for necessities and spending only 50 percent for necessities, as recommended in determining the maximum salary. The Committee believes that even the beginning teacher's salary should be large enough so that not all of it need be spent for necessities.

mended that the salary schedule be so arranged that about ten years are required for the teacher to progress from the minimum to the maximum salary, provided he (or she) obtains the maximum amount of training recognized in the schedule. The application of this recommendation is illustrated in Table 38, which presents a hypothetical salary schedule for a community in which \$900 is the cost of appropriate necessities for the beginning teacher, and \$1750 is the cost of appropriate necessities for the experienced teacher.⁶ In this schedule the minimum salary (for a teacher of no experience and only two years of college training) is \$1200, while the maximum salary (for a teacher of ten years' experience and five years of college training) is \$3500. The increments are graduated so as to stimulate teachers to obtain additional training up to five years, which is the maximum amount recognized in this particular schedule. Thus, while the annual increase in salary is only \$50 for a teacher with only two years of training, the annual increase is \$200

for the teacher with five years of training. Moreover, at each successive level of experience, the salary increment for an additional year of training becomes larger. For teachers of no experience, the salary differential between successive levels of training is only \$100, while for teachers of ten years' experience the corresponding differential is \$600.

The schedule shown in Table 38 is not intended to be adopted without modification in any school system. Adaptations must be made to local costs of necessities and other conditions affecting the needs of teachers, as well as to the peculiar needs and financial resources of the local schools.

Summary

This chapter has made suggestions for improving the economic status of teachers in two ways: (1) by increasing the skill and judgment with which teachers manage their incomes, and (2) by establishing maximum and minimum salaries for teachers on a sounder basis than in the past.

As a guide to better money management, an outline of fundamental life values has been presented, and the following apportionment of income has been suggested as a general goal: saving, 20 percent; giving, 10 percent; necessities, 50 percent; and betterments, 20 percent. Since this goal is difficult or impossible of attainment on the incomes received by large numbers of teachers, the chapter has suggested three series of modified goals for teachers at different income levels, and under various living conditions. These modified apportionments are based in part upon teachers' actual expenditures, and in part upon the theory of appropriate balance underlying the general goal-apportionment. None of the suggested apportionments are intended to be applied rigidly. Individual teachers will need to adapt them intelligently to their own peculiar requirements in accordance with differing incomes, living conditions, family responsibilities, and commodity prices. It is important, however, for each teacher to strive continuously to approach the ultimate goal as closely as possible.

The recommendations for the more satisfactory determination of salaries are four in

TABLE 38.—HYPOTHETICAL SALARY SCHEDULE FOR TEACHERS (BASED ON ASSUMPTION OF \$900 AS LOCAL COST OF NECESSITIES FOR THE BEGINNER,^a AND \$1750 AS COST OF NECESSITIES FOR THE EXPERIENCED TEACHER.^b)

Years of experience	Years of training beyond high school			
	Two	Three	Four	Five
1	2	3	4	5
None.....	\$1200	\$1300	\$1400	\$1500
One.....	1250	1400	1550	1700
Two.....	1300	1500	1700	1900
Three.....	1350	1600	1850	2100
Four.....	1400	1700	2000	2300
Five.....	1450	1800	2150	2500
Six.....	1500	1900	2300	2700
Seven.....	1550	2000	2450	2900
Eight.....	1600	2100	2600	3100
Nine.....	1650	2200	2750	3300
Ten.....	1700	2300	2900	3500

Read table thus: According to this hypothetical schedule, the teacher with only two years of training beyond high school would receive \$1200 the first year (no experience), \$1250 the next year (after one year of experience), \$1300 the next year (after two years of experience), etc. Similarly read the figures for teachers with larger amounts of training.

^a Necessities for the beginning teacher assume that he (or she) has no dependents and lives apart from relatives but does not maintain a home.

^b Necessities for the experienced teacher assume that he (or she) maintains a home and has the average number of dependents.

^c One such schedule might be used for women, and a different one for men, or the same one might be used for both men and women. In the latter case, the necessities used as the basis for the minimum salary should be those of the single woman without dependents and not maintaining a home, while the necessities used as the basis for the maximum salary should be those of the married man maintaining a home and supporting dependents.

number: (1) that the maximum salary for teachers in any community be at least twice the annual cost of necessities for an experienced teacher who maintains a home and has the average number of dependents; (2) that the minimum salary be at least one and one-third times the annual cost of necessities for an inexperienced teacher who has no dependents and who lives apart from relatives but does not maintain a home; (3) that if the salaries so determined are significantly less than the average incomes obtainable by persons of similar ability, training, and experience in other occupations, they be increased as necessary to attract people of the calibre needed in teaching; and (4) that salary increments be so arranged that a teacher may progress from the minimum to the maximum salary in about ten years, pro-

vided he (or she) obtains the maximum amount of training recognized in the salary schedule.

The Committee on the Economic Status of the Teacher strongly recommends that the methods suggested in this chapter be generally utilized to improve the economic position of the teaching profession. More adequate salary schedules will eliminate much mental unrest and worry on the part of teachers, while the use of an objective and reasonable procedure in determining such schedules will help to obtain the understanding and approval of taxpayers. It is essential, however, that the wise management of income by teachers accompany the adoption of better salary schedules if teachers in general are to attain and maintain a satisfactory economic status.

THE WORKER should follow a definite plan of expenditure based on genuine needs and modified in accordance with his income. The person who spends his income without regard for such a plan runs a dangerous risk. Unless he enjoys an unusually large income he is likely to exceed it at any time and to contract unnecessary debt. Moreover, he and his dependents are likely to suffer from a poorly balanced program of living, with too much emphasis upon the superficial, less essential aspects, and too little emphasis upon self-improvement and cultural development. Again, such a person ordinarily makes little or no provision for future contingencies, and what provision he does make is usually of the hit-or-miss variety. He saves what is left, and too frequently there is nothing left.—*The Economic Welfare of Teachers*, Sixth Yearbook, Department of Classroom Teachers, National Education Association, 1931, p. 15-16.

CHAPTER X

General Summary and Recommendations

In the preceding chapters of this report the Committee on the Economic Status of the Teacher has presented detailed information on the following topics: (1) the sources of teachers' incomes; (2) the extent of current borrowing and reduction of debt among teachers; (3) the financial assets and liabilities of teachers in relation to length of service in teaching; (4) the amounts of income used for various purposes by teachers at different income levels and under varying circumstances with respect to sex, marital status, number of dependents, and general living conditions; (5) trends in cost of living and in the purchasing power of teachers' salaries during the depression; (6) recent trends in the average incomes of other important occupational groups; and (7) ways of improving the economic status of teachers, including suggestions for better personal management of money and for the development of more adequate salary schedules. It remains for this chapter to summarize the Committee's principal findings and recommendations.

Sources of income—The incomes of teachers consist largely of salary from the school systems in which they are employed. About 94 percent of the income received by 2358 city teachers in 1932-33 came from this source. The larger the total income, however, the smaller was the percent of income from school salary, generally speaking.

Current borrowing and reduction of debt—On the average, the amount of borrowing and reduction of debt among the reporting teachers in 1932-33 was not significant. There was less borrowing or greater reduction of outstanding debt at the higher income levels than at the lower. Among teachers with similar incomes, those having greater responsibility for dependents incurred more debt than did those with fewer dependents.

Net assets accumulated—Reports from the city teachers cooperating in this survey indicate that after thirty-five or forty years of teaching service under conditions such as these persons have experienced and following similar practices of saving and investment, single women might expect to accumulate about \$10,000, on the average, while married men might expect

to have as much as \$17,000, on the average. These amounts are distinctly inadequate to provide, at age sixty, retirement incomes equal to the average current expenditures reported by all men and all women teachers in this survey. They are also much smaller than the \$26,610 recommended by the American Provident Society as a suitable reserve at age sixty for persons who will reach an income of about \$3100 at the peak of their earning power.

Distribution of income among major items of budget—The average income of the 2358 city teachers reporting in 1932-33 was \$2043. Of this amount, 16 percent was devoted to saving, 13 percent to giving, 65 percent to necessities, and 6 percent to betterments. This distribution compares unfavorably with the apportionment proposed as a reasonable and desirable goal, namely, 20 percent of income allotted to saving, 10 percent to giving, 50 percent to necessities, and 20 percent to betterments. The teachers' detailed expenditures indicate that their failure to keep the average expenditures for necessities within 50 percent of income was due primarily to inadequacy of income rather than to unwise management of income. On the other hand, the lack of balance between the average amount saved and the average amount spent for betterments indicates a need for better judgment of relative values among teachers as a group.

Incomes needed to maintain desirable standards of living—Other factors being equal, the percent of income required for necessities decreases as income increases. To attain the tentative goal of only 50 percent for necessities in 1932-33, the unmarried women teachers who were not maintaining homes evidently needed an income somewhere between \$2500 and \$3500 on the average, while both the unmarried women and the married men who were maintaining homes needed incomes upward of \$4000 on the average. These figures are based on returns from the larger cities only, and do not necessarily apply to teachers in small towns and rural areas. They are in sharp contrast, however, to the median salary of \$2199 reported as paid to all classroom teachers in sixty-five cities over 100,000 in population in 1932-33.

Income status of teachers and other occupational groups—A comparison of teachers' average salaries with the estimated incomes of other occupational groups from 1929 to 1933 shows that thruout this period teachers in general occupied an unfavorable economic position in relation to most other groups with ability and training comparable to those needed by teachers in the modern school. In 1933 (the latest year for which figures on incomes in most other occupations are available), the estimated average salary of all public school teachers, principals, and supervisors in the United States was \$1316. This amount was somewhat higher than the preliminary estimates of average income for state and county employees other than those in education. On the other hand, the teachers' average salary was lower than the preliminary estimates for (1) city employees other than those in education, (2) federal government employees, (3) clergymen, (4) physicians and surgeons in private practise, (5) dentists in private practise, (6) lawyers in private practise, (7) consulting engineers, and (8) salaried employees in the mining, manufacturing, construction, steam railroad, Pullman, railway express, and water transportation industries.

In the same year the average salary of classroom teachers in sixty-five cities over 100,000 in population was \$2199, which was lower than the estimated average incomes of (1) physicians and surgeons, (2) dentists, (3) lawyers, and (4) consulting engineers.

Recent trends in incomes of teachers and other groups—By 1934 the average salary of all public school teachers in the nation is estimated to have fallen 12 percent, and that of teachers in sixty-five large cities about 7 percent, below their 1929 levels (with evidence of a very slight average upturn in 1935). These figures refer, of course, only to the salaries of those who kept their jobs. The number of teachers who were dropped from service and whose salaries therefore fell 100 percent cannot be told from the data at hand.

Between 1929 and 1933 the average incomes of employees in city, county, state, and federal governments showed trends similar to those for teachers, ranging from 3 to 7 percent lower in 1933 than in 1929. The decreases were much greater among most of the professional and privately employed groups, ranging from 21 percent for salaried employees in seven industries

to 62 percent for consulting engineers. Yet, as already stated, the average incomes of all these groups except state and county employees remained higher in 1933 than the average salary of all public school teachers.

Recent trends in purchasing power of teachers' salaries—During the early years of the depression, the purchasing power of teachers' average salaries increased markedly, because the decline in cost of living was greater than the decrease in average salaries received. In the school year 1932-33, the purchasing power of the average salary of teachers in the nation as a whole was about 22 percent greater than in 1928-29, and that of teachers in sixty-five large cities was about 27 percent greater than in 1928-29. In 1933-34, however, further reductions in salaries together with a small increase in total cost of living brought the average purchasing power of all teachers in the nation down to a level only 9 percent above that of 1928-29, and that of teachers in the sixty-five large cities to a level only 15 percent above that of 1928-29. While facts on cost of living are not yet available for the entire year 1934-35, it is estimated that if living costs continue to rise at the same rate as between 1932-33 and 1933-34, the average purchasing power of all teachers will have fallen to a level only 5 percent above that of 1928-29, and the purchasing power of the large city teachers to a level only 11 percent above that of 1928-29. Thus it is clear that the gains made during the first few years of the depression may soon be lost entirely if the usual lag of salary adjustments behind changes in living costs is permitted to continue. Moreover, there is evidence for believing that the extra burdens placed upon many teachers since 1929 tended to offset the early favorable trend in the cost of living. The number of dependents upon teachers, both men and women, has undoubtedly increased during the depression.

Variations among individual states and communities—It should be emphasized that the average figures for teachers given above do not represent the situation in all localities. The teachers in many communities have fared much worse during the depression, while others have fared better, than the national averages indicate. The need for adjustment of teachers' salaries in the individual states and local communities can be determined only in the light of conditions in each state and community. To study

these conditions and to discover the needs arising therefrom are primarily the responsibility of state and local agencies.

Basic principles for adjusting teachers' salaries—Two general considerations should be kept paramount with respect to adjustments in teachers' salaries: (1) To obtain and keep teachers with the natural ability, professional training, and general culture needed in a modern program of education, the salaries paid must provide standards of living fully as attractive as those enjoyed by persons of comparable ability and training in other fields of work; and (2) in a nation having the natural wealth and productive power of the United States, the mere maintenance of present purchasing power for most of our people is socially indefensible; the buying ability of *all* low and moderately paid groups, at least, should be continuously increased for many years to come. While teachers in general seem to have suffered no more than many comparable occupational groups during the depression (and less than some groups), the need for improvement in their economic status is great. This improvement should and will be achieved, not at the expense of, but in connection with, the economic progress of our people as a whole.

Determining appropriate salary levels—It is recommended (1) that wherever financial resources permit, the maximum salary for teachers be tentatively established at a figure not less than twice the annual local cost of suitable necessities for an experienced teacher—these necessities to include the maintenance of a home and adequate provision for the average number of persons dependent upon such teachers for support; (2) that the minimum salary be tentatively established at a figure not less than one and one-third times the annual local cost of suitable necessities for an inexperienced teacher without dependents and living apart from relatives but not maintaining a home; (3) that if the salaries so determined are found to be significantly less than the average incomes obtain-

able by persons of similar ability, training, and experience in other lines of work, they be increased as necessary to attract people of the calibre needed in teaching; and (4) that the schedule of salary increments be so arranged that a teacher may progress from the minimum to the maximum salary in about ten years, provided he (or she) obtains the maximum amount of training recognized in the schedule.

Suggestions for the management of income—There is evidence that teachers need to give increased attention to the problem of personal money management. This need is especially apparent in the lack of balance between teachers' savings and their expenditures for betterments. As a guide to better management, Chapter IX has presented an outline of fundamental life values and has suggested a general goal of apportionment toward which everyone may work. The chapter has also suggested three series of intermediate goals for teachers at different income levels and in various living conditions. None of the proposed apportionments should be followed slavishly. Individual teachers will need to modify them in accordance with varying incomes, living conditions, numbers of dependents, and living costs. The important thing is that each teacher should strive to approach the ultimate goal as closely as his circumstances will permit. Wisdom and skill in money management must accompany the establishment of more adequate salary schedules if teachers generally are to attain a satisfactory economic status.

Need for stable economic conditions—Important as are better salary schedules and better management of income, they alone cannot guarantee the financial stability and security which teachers (like all other groups) should have. To assure such stability and security, the economic system of the nation must be so ordered as to maintain the safety and productiveness of personal investments, and to prevent major changes in the purchasing power of money.

APPENDIX

Tables Showing Average Distributions of Income for All Specific
Groups of Teachers

Complete List of Commodities Priced in Constructing the Cost-of-
Living Index of the U. S. Bureau of Labor Statistics

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TABLE 39.—AVERAGE DISTRIBUTIONS OF INCOME BY VARIOUS GROUPS OF SINGLE WOMEN TEACHERS OWNING OR BUYING HOMES.^a

Items of budget	Total group (277 teachers)	Groups according to dependents and net income															
		Only 1.0 dependency units ^b					1.1 to 2.9 dependency units ^b					3.0 or more dependency units ^b					
		Under \$1500-1999 (2 teachers)	\$1500-1999 (15 teachers)	\$2000-2499 (10 teachers)	\$2500-2999 (4 teachers)	\$3000 and over (10 teachers)	Under \$1500-1999 (12 teachers)	\$1500-1999 (47 teachers)	\$2000-2499 (50 teachers)	\$2500-2999 (38 teachers)	\$3000 and over (8 teachers)	Under \$1500-1999 (9 teachers)	\$1500-1999 (33 teachers)	\$2000-2499 (19 teachers)	\$2500-2999 (11 teachers)	\$3000 and over (9 teachers)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Food.....	\$322 ^d	\$222	\$180 ^e	\$227	\$247 ^f	\$331	\$268 ^g	\$302 ^h	\$325 ⁱ	\$335 ^j	\$345	\$337 ^k	\$334 ^{lm}	\$410	\$394	\$461	
Rent ⁿ	0	0	0	16	0	0	0	0	0	7 ^k	6	0	0	0	0	0	
House operation.....	412	192	383 ^e	491	435 ^f	786	260 ^g	342 ^h	435 ⁱ	475 ^j	686	255 ^k	289 ^{lm}	364	482	558	
Food, rent, and house operation.....	734	414	563	734	682	1,117	528	644	760	817	1,037	592	623	774	876	1,019	
Clothing.....	183	50	150	172	220	221	135	165	193	197	207	128	148	225	191	358	
Taxes.....	142	60	91	154	351	300	83	110	122	174	147	96	106	148	264	223	
Interest.....	107	90	58	190	176	202	60	71	92	112	225	110	62	137	200	214	
Health.....	102	25	63	140	31	167	77	91	78	120	147	70	100	135	118	185	
Transportation.....	147	140	132	74	70	140	82	158	152	188	121	76	138	136	186	276	
Aid to dependents.....	101	0	0	0	0	0	65	76	72	132	222	47	188	133	168	247	
Gifts and donations.....	165	84	183	130	100	346	100	124	162	190	225	78	120	165	104	223	
Education and recreation.....	115	30	111	102	151	156	90	98	100	170	162	50	73	117	111	288	
Miscellaneous.....	69	34	73	57	50	68	44	66	65	70	201	33	38	64	52	194	
Surplus or saving ^o	368	143	296	512	891	859	92	168	420	585	1,002	73	182	198	443	505	
Total net income.....	\$2,233	\$1,070	\$1,720	\$2,265	\$2,722	\$3,576	\$1,356	\$1,771	\$2,216	\$2,755	\$3,696	\$1,353	\$1,778	\$2,232	\$2,713	\$3,732	

Read table thus: The total group of single women owning or buying homes received an average income of \$2,233, and spent, on the average, \$322 for food, nothing for rent, \$412 for house operation, etc. Similarly read figures for the various sub-groups according to number of dependents and size of income.

^a Includes all teachers who lived in their own homes for at least eight months of the year.

^b A "dependency unit" is one person wholly dependent or two persons partly dependent upon the reporting teacher's income. The teacher herself is counted as one unit.

^c Amounts reported under "Rent" are accounted for by cases in which teachers lived in their homes for eight months or more but not for the entire year.

^d Estimated on basis of only 237 cases in which this item was reported separately.

^e Estimated on basis of only 14 cases in which this item was reported separately.

^f Estimated on basis of only 3 cases in which this item was reported separately.

^g Estimated on basis of only 11 cases in which this item was reported separately.

^h Estimated on basis of only 44 cases in which this item was reported separately.

ⁱ Estimated on basis of only 46 cases in which this item was reported separately.

^j Estimated on basis of only 34 cases in which this item was reported separately.

^k Estimated on basis of only 35 cases in which this item was reported separately.

^l Estimated on basis of only 8 cases in which this item was reported separately.

^m Estimated on basis of only 28 cases in which this item was reported separately.

ⁿ Excess of income over current expenditures.

TABLE 40.—AVERAGE DISTRIBUTIONS OF INCOME BY VARIOUS GROUPS OF SINGLE WOMEN TEACHERS RENTING HOMES^a

Items of budget	Total group (452 teachers)	Groups according to dependents and net income																
		Only 1.0 dependency units ^b					1.1 to 2.9 dependency units ^b					3.0 or more dependency units ^b						
		Under \$1500 (13 teachers)	\$1500-1999 (52 teachers)	\$2000-2499 (30 teachers)	\$2500-2999 (15 teachers)	\$3000 and over (9 teachers)	Under \$1500 (36 teachers)	\$1500-1999 (98 teachers)	\$2000-2499 (71 teachers)	\$2500-2999 (29 teachers)	\$3000 and over (17 teachers)	Under \$1500 (7 teachers)	\$1500-1999 (36 teachers)	\$2000-2499 (23 teachers)	\$2500-2999 (11 teachers)	\$3000 and over (5 teachers)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
Food.....	\$256 ^c	\$148 ^d	\$204 ^e	\$210	\$289	\$241 ^f	\$224 ^g	\$231 ^h	\$271 ⁱ	\$275 ^j	\$323	\$239	\$283 ^k	\$368 ^l	\$456	\$516		
Rent.....	386 ^c	243 ^d	307 ^e	394	508	460 ^f	275 ^g	335 ^h	425 ⁱ	434 ^j	671	345	322 ^k	426 ^l	540	614		
House operation.....	160 ^c	55 ^d	109 ^e	168	228	234 ^f	91 ^g	131 ^h	170 ⁱ	195 ^j	291	161	163 ^k	201 ^l	320	490		
Food, rent, and house operation.....	802	446	620	772	1,025	935	590	697	866	904	1,285	745	768	995	1,316	1,620		
Clothing.....	222	170	244	252	357	283	159	200	212	240	307	165	203	192	302	325		
Taxes.....	24	5	17	16	36	39	13	20	38	32	43	9	23	33	25	62		
Interest.....	22	10	13	30	42	19	8	13	25	26	43	9	25	58	30	42		
Health.....	109	92	84	114	189	191	95	93	113	116	175	98	84	112	138	204		
Transportation.....	139	117	136	138	114	214	110	133	155	129	160	68	145	138	153	284		
Aid to dependents.....	124	0	0	0	0	0	110	136	156	234	154	71	190	286	153	430		
Gifts and donations.....	146	112	142	212	238	308	74	113	144	206	214	58	135	122	153	266		
Education and recreation.....	123	83	130	165	230	209	71	100	122	182	170	51	91	102	151	195		
Miscellaneous.....	70	56	74	88	87	107	44	63	73	84	97	41	60	58	60	45		
Surplus or saving ^m	308	178	287	431	398	1,317	73	204	334	596	1,077	36	71	147	254	63		
Total net income.....	\$2,089	\$1,269	\$1,747	\$2,218	\$2,716	\$3,622	\$1,347	\$1,772	\$2,238	\$2,749	\$3,714	\$1,342	\$1,795	\$2,243	\$2,735	\$3,513		

Read table thus: The total group of single women renting homes received an average income of \$2089, and spent, on the average, \$256 for food, \$386 for rent, \$160 for house operation, etc. Similarly read figures for the various sub-groups according to number of dependents and size of income.

^a Renting homes for at least eight months of the year.

^b A "dependency unit" is one person wholly dependent or two persons partly dependent upon the reporting teacher's income. The teacher herself is counted as one unit.

^c Estimated on basis of only 472 cases in which this item was reported separately.

^d Estimated on basis of only 12 cases in which this item was reported separately.

^e Estimated on basis of only 49 cases in which this item was reported separately.

^f Estimated on basis of only 8 cases in which this item was reported separately.

^g Estimated on basis of only 33 cases in which this item was reported separately.

^h Estimated on basis of only 90 cases in which this item was reported separately.

ⁱ Estimated on basis of only 63 cases in which this item was reported separately.

^j Estimated on basis of only 28 cases in which this item was reported separately.

^k Estimated on basis of only 32 cases in which this item was reported separately.

^l Estimated on basis of only 22 cases in which this item was reported separately.

^m Excess of income over current expenditures.

TABLE 41.—AVERAGE DISTRIBUTIONS OF INCOME BY VARIOUS GROUPS OF SINGLE WOMEN TEACHERS ROOMING AND BOARDING^a

Items of budget	Total group (430 teachers)	Groups according to dependents and net income																
		Only 1.0 dependency units ^b					1.1 to 2.9 dependency units ^b					3.0 or more dependency units ^b						
		Under \$1500 (45 teachers)	\$1500-1999 (66 teachers)	\$2000-2499 (39 teachers)	\$2500-2999 (17 teachers)	\$3000 and over (6 teachers)	Under \$1500 (47 teachers)	\$1500-1999 (87 teachers)	\$2000-2499 (40 teachers)	\$2500-2999 (19 teachers)	\$3000 and over (11 teachers)	Under \$1500 (9 teachers)	\$1500-1999 (25 teachers)	\$2000-2499 (11 teachers)	\$2500-2999 (2 teachers)	\$3000 and over (3 teachers)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
Food.....	\$278 ^e	\$234 ^f	\$286 ^g	\$305 ^h	\$313	\$339	\$214 ⁱ	\$268 ^j	\$329 ^k	\$384 ^l	\$346 ^m	\$221 ⁿ	\$285 ^o	\$273	\$317	\$228 ^p		
Rent.....	142 ^f	203 ^h	232 ⁱ	254	296	296	161 ^j	194 ^k	225 ^l	281 ^m	417 ⁿ	132 ^o	169 ^p	237	283	145 ^q		
House operation.....	38 ^e	23 ^e	26 ^h	34 ^e	35	68	26 ⁱ	25 ^j	38 ^k	82 ^l	110 ^m	33 ⁿ	59 ^o	46	162	45 ^q		
Food, rent, and house operation.....	521	399	515	571	602	703	401	487	592	747	873	386	513	556	762	418		
Clothing.....	222	213	227	252	250	264	188	213	256	290	287	134	162	209	122	202		
Taxes.....	26	11	17	44	18	41	17	24	47	27	50	14	22	74	0	27		
Interest.....	20	5	13	26	9	6	16	12	37	40	59	0	37	52	0	0		
Health.....	113	75	135	143	127	142	81	83	112	125	262	131	147	106	96	108		
Transportation.....	132	126	147	158	153	202	96	129	131	129	157	131	123	158	131	81		
Aid to dependents.....	140	0	0	0	0	0	150	193	226	265	362	358	265	417	377	808		
Gifts and donations.....	166	144	174	220	339	251	87	135	179	216	254	117	105	223	242	194		
Education and recreation.....	118	110	128	118	155	191	82	117	131	181	121	64	76	109	101	262		
Miscellaneous.....	79	82	83	83	85	106	60	74	98	104	72	45	62	73	66	67		
Surplus or savings.....	364	119	327	561	982	1,991	92	268	396	602	781	52	193	262	678	1,788		
Total net income. \$1,901		\$1,284	\$1,766	\$2,176	\$2,720	\$3,897	\$1,270	\$1,735	\$2,205	\$2,726	\$3,278	\$1,381	\$1,705	\$2,239	\$2,575	\$3,955		

Read table thus: The total group of single women rooming and boarding received an average income of \$1901, and spent, on the average, \$278 for food, \$205 for rent, \$38 for house operation, etc. Similarly read figures for the various sub-groups according to number of dependents and size of income.

^a Rooming and boarding for at least eight months of the year.

^b A "dependency unit" is one person wholly dependent or two persons partly dependent upon the reporting teacher's income. The teacher herself is counted as one unit.

^c Estimated on basis of only 336 cases in which this item was reported separately.

^d Estimated on basis of only 340 cases in which this item was reported separately.

^e Estimated on basis of only 337 cases in which this item was reported separately.

^f Estimated on basis of only 30 cases in which this item was reported separately.

^g Estimated on basis of only 31 cases in which this item was reported separately.

^h Estimated on basis of only 57 cases in which this item was reported separately.

ⁱ Estimated on basis of only 34 cases in which this item was reported separately.

^j Estimated on basis of only 28 cases in which this item was reported separately.

^k Estimated on basis of only 69 cases in which this item was reported separately.

^l Estimated on basis of only 33 cases in which this item was reported separately.

^m Estimated on basis of only 17 cases in which this item was reported separately.

ⁿ Estimated on basis of only 10 cases in which this item was reported separately.

^o Estimated on basis of only 6 cases in which this item was reported separately.

^p Estimated on basis of only 2 cases in which this item was reported separately.

^q Excess of income over current expenditures.

TABLE 42.—AVERAGE DISTRIBUTIONS OF INCOME BY VARIOUS GROUPS OF SINGLE WOMEN TEACHERS LIVING AT HOMES OF RELATIVES.

Items of budget	Total group group (655 teachers)	Groups according to dependents and net income														
		Only 1.0 dependency units ^b						1.1 to 2.9 dependency units ^b						3.0 or more dependency units ^b		
		Under \$1500- 1999 (79 teachers)	\$1500- 2000- 2499 (78 teachers)	\$2000- 2499 2999 (43 teachers)	\$2500- 2999 3000 (17 teachers)	\$3000 and over (6 teachers)	Under \$1500- 1999 (100 teachers)	\$1500- 2000- 2499 (116 teachers)	\$2000- 2499 2999 (72 teachers)	\$2500- 2999 3000 (28 teachers)	\$3000 and over (14 teachers)	Under \$1500- 1999 (32 teachers)	\$1500- 2000- 2499 (24 teachers)	\$2000- 2499 2999 (26 teachers)	\$2500- 2999 3000 (10 teachers)	\$3000 and over (1 teacher)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Food.....	\$284 ^a	\$195 ^a	\$265 ^b	\$278 ¹	\$324 ^k	\$343 ¹	\$229 ^m	\$276 ⁿ	\$328 ^p	\$416 ^r	\$398 ^t	\$254 ^k	\$359 ^m	\$400 ^w	\$537 ^e	\$ 0
Rent.....	178 ¹	136 ¹	173 ^b	176 ¹	174 ^k	218 ¹	126 ^k	204 ^p	192 ^q	209 ^s	318 ^u	160 ^u	181 ^k	203 ^r	205 ^w	0
House operation.....	100 ^a	20 ^a	57 ^b	65 ¹	108 ^k	273 ¹	82 ¹	112 ^a	167 ^p	178 ^r	354 ^u	49 ^k	78 ^k	225 ^w	128 ^w	25
Food, rent, and house operation.....	562	351	495	519	606	834	437	592	687	803	1 070	512	618	828	870	25
Clothing.....	212	198	236	278	265	271	177	179	260	256	220	160	172	205	193	265
Taxes.....	32	8	15	49	49	12	20	23	61	40	110	7	42	55	125	524
Interest.....	20	8	10	22	29	12	13	13	38	24	18	8	27	80	32	265
Health.....	80	51	58	86	109	156	53	80	111	115	136	70	109	116	152	95
Transportation.....	156	144	200	197	224	244	112	134	180	184	174	82	166	176	169	95
Aid to dependents.....	96	0	0	0	0	0	77	132	127	238	183	130	174	202	547	684
Gifts and donations.....	163	124	164	242	323	246	106	148	192	235	348	85	144	152	201	325
Education and recreation.....	140	127	150	199	251	226	100	120	183	156	172	90	113	126	217	85
Miscellaneous.....	67	59	77	70	99	87	47	62	86	47	76	108	67	107	62	59
Surplus or savings ^a	286	168	303	544	757	1 460	115	245	305	611	934	70	77	237	100	727
Total net income...	\$1 814	\$1 238	\$1 708	\$2 206	\$2 712	\$3 548	\$1 257	\$1 739	\$2 226	\$2 702	\$3 556	\$1 261	\$1 742	\$2 239	\$2 665	\$3 145

Read table thus: The entire group of single women living at homes of relatives received an average income of \$181.4, and spent, on the average, \$284 for food, \$178 for rent, \$100 for house operation, etc. Similarly read figures for the various sub-groups according to number of dependents and size of income.

Living at homes of relatives for at least eight months of the year.

b. A "dependency unit" is one person wholly dependent or two persons partly dependent on another person for at least eight months of the year.

* Estimated on basis of only 255 cases in which this item was reported separately.

Estimated on basis of only 268 cases in which this item was reported separately.

* Estimated on basis of only 257 cases in which this item was reported separately.

* Estimated on basis of only 31 cases in which this item was reported separately.

* Estimated on basis of only 32 cases in which this item was reported separately.

^b Estimated on basis of only 38 cases in which this item was reported separately.

¹ Estimated on basis of only 22 cases in which this item was reported separately.

¹ Estimated on basis of only 23 cases in which this item was reported separately.

* Estimated on basis of only 9 cases in which this item was reported separately.

¹ Estimated on basis of only 3 cases in which this item was reported separately.

^a Estimated on basis of only 30 cases in which this item was reported separately.

reporting teacher's income. The teacher herself is counted as one unit.

Estimated on basis of only 45 cases in which this item was reported separately.

Estimated on basis of only 46 cases in which this item was reported separately.

Estimated on basis of only 27 cases in which this item was reported separately.

* Estimated on basis of only 28 cases in which this item was reported separately.

Estimated on basis of only 11 cases in which this item was reported separately.

^a Estimated on basis of only 12 cases in which this item was reported separately.

^a Estimated on basis of only 7 cases in which this item was reported separately.

^a Estimated on basis of only 8 cases in which this item was reported separately.

Estimated on basis of only 6 cases in which this item was reported separately.

Estimated on basis of only 10 cases in which this item was reported separately.

TABLE 43.—AVERAGE DISTRIBUTIONS OF INCOME BY VARIOUS GROUPS OF MARRIED MEN TEACHERS OWNING OR BUYING HOMES.*

Items of budget	Total group 213 teachers	Groups according to dependents and net income															
		Only 2.0 dependency units ^b						2.1 to 3.9 dependency units ^b						4.0 or more dependency units ^b			
		Under \$2000 (5 teachers)	\$2000- 2499 (5 teachers)	\$2500- 2999 (5 teachers)	\$3000- 3499 (3 teachers)	\$3500 over (5 teachers)	Under \$2000 (14 teachers)	\$2000- 2499 (26 teachers)	\$2500- 2999 (21 teachers)	\$3000- 3499 (14 teachers)	\$3500 and over (7 teachers)	Under \$2000 (15 teachers)	\$2000- 2499 (45 teachers)	\$2500- 2999 (25 teachers)	\$3000- 3499 (16 teachers)	\$3500 over (7 teachers)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Food.....	\$467 ^a	\$275	\$337	\$427	\$308	\$540	\$319	\$415 ^d	\$457 ^e	\$489	\$508	\$395	\$469	\$599	\$576	\$569	
Rent.....	0	0	0	0	0	0	0	0	0	0	0	13 ^f	0	0	0	0	
House operation.....	388 ^g	256	370	468	567	693	268	369 ^d	393 ^e	518	496	265	348	397	408	516	
Food, rent, and house operation.....	855	531	707	895	875	1,233	587	784	850	1,007	1,004	673	817	996	984	1,085	
Clothing.....	202	97	173	200	229	303	138	197	214	260	324	126	178	220	236	279	
Taxes.....	163	147	192	168	166	373	96	143	192	173	283	99	121	172	205	268	
Interest.....	194	137	222	195	328	175	97	206	180	230	200	164	211	200	227	146	
Health.....	132	133	119	91	79	115	138	138	190	110	144	106	114	113	133	261	
Transportation.....	210	93	205	143	225	385	121	176	210	293	381	186	192	203	292	211	
Aid to dependents.....	56	0	0	0	0	0	28	54	90	55	221	50	30	41	53	276	
Gifts and donations.....	120	89	98	198	189	328	65	97	133	176	206	64	94	111	134	188	
Education and recreation.....	141	113	118	103	139	209	83	94	136	215	247	93	125	160	165	261	
Miscellaneous.....	70	52	71	122	73	77	57	61	85	85	69	45	64	71	69	91	
Surplus or savings.....	465	305	352	584	885	1,921	199	275	434	591	957	200	338	419	691	963	
Total net income..	\$2,608	\$1,697	\$2,257	\$2,699	\$3,188	\$5,119	\$1,609	\$2,225	\$2,714	\$3,195	\$4,036	\$1,806	\$2,284	\$2,706	\$3,189	\$4,029	

Read table thus: The total group of married men owning or buying their homes received an average income of \$2,608, and spent, on the average, \$467 for food, nothing for rent, \$388 for house operation, etc. Similarly read figures for the various sub-groups according to number of dependents and size of income.

* Includes all married men who lived in their own homes for at least eight months of the year.

^b A "dependency unit" is one person wholly dependent or two persons partly dependent upon the reporting teacher's income. The teacher himself is counted as one unit.

^c Estimated on basis of only 210 cases in which this item was reported separately.

^d Estimated on basis of only 25 cases in which this item was reported separately.

^e Estimated on basis of only 19 cases in which this item was reported separately.

^f The amount reported for "rent" in column 13 is due solely to the fact that one or more of these teachers did not live in their homes during the entire twelve months.

^g Excess of income over current expenditures.

TABLE 44.—AVERAGE DISTRIBUTIONS OF INCOME BY VARIOUS GROUPS OF MARRIED MEN TEACHERS RENTING HOMES.*

Items of budget		Total group (178 teachers)		Groups according to dependents and net income																	
				Only 2.0 dependency units ^b						2.1 to 3.9 dependency units ^b						4.0 or more dependency units ^b					
				Under \$2000-2499 (21 teachers)	\$2500-2999 (11 teachers)	\$3000-3499 (3 teachers)	\$3500-3999 (1 teacher)	Under \$2000-2499 (33 teachers)	\$2500-2999 (22 teachers)	\$3000-3499 (19 teachers)	\$3500-3999 (4 teachers)	\$3500-3999 and over (2 teachers)	Under \$2000-2499 (22 teachers)	\$2500-2999 (23 teachers)	\$3000-3499 (9 teachers)	\$3500-3999 and over (6 teachers)					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16						
Food.....	\$417 ^a	\$286 ^d	\$390	\$301	\$325	\$336	\$398	\$468	\$502	\$563	\$425	\$493	\$462	\$833	\$728						
Rent.....	428 ^e	368 ^d	405	526	605	368	429	535	566	692	339	443	505	523	592						
House operation.....	265 ^e	178 ^d	223	277	485	224	284	285	277	378	208	345	265	354	482						
Food, rent, and house operation..	1,110	832	1,028	1,104	1,415	928	1,111	1,288	1,345	1,633	972	1,281	1,232	1,710	1,802						
Clothing.....	188	145	184	161	276	152	172	221	202	313	136	208	225	514	397						
Taxes.....	13	6	10	7	0	12	20	11	13	9	8	21	8	9	17						
Interest.....	20	10	18	17	0	15	21	40	18	54	14	20	20	59	29						
Health.....	122	95	108	187	46	108	131	142	72	144	110	124	158	109	200						
Transportation.....	202	195	246	211	446	154	190	318	392	343	122	155	258	164	252						
Aid to dependents.....	62	0	0	0	0	17	44	80	314	60	43	97	291	9	111						
Gifts and donations.....	97	87	118	271	146	72	74	100	104	284	86	100	112	104	141						
Education and recreation.....	132	120	150	131	197	114	135	155	167	224	90	154	138	99	174						
Miscellaneous.....	78	77	110	51	97	68	87	81	50	114	55	75	93	194	92						
Surplus or savings ^e	168	141	197	472	532	26	230	273	496	422	60	35	203	259	760						
Total net income.....	\$2,192	\$1,708	\$2,169	\$2,612	\$3,155	\$1,666	\$2,215	\$2,709	\$3,173	\$3,600	\$1,696	\$2,270	\$2,738	\$3,230	\$3,975						

Read table thus: The total group of married men renting homes received an average income of \$2,192, and spent, on the average, \$417 for food, \$428 for rent, \$265 for house operation, etc. Similarly read figures for the various sub-groups according to number of dependents and size of income.

* Renting homes for at least eight months of the year.

^b A "dependency unit" is one person wholly dependent or two persons partly dependent upon the reporting teacher's income. The teacher himself is counted as one unit.

^c Estimated on basis of only 177 cases in which this item was reported separately.

^d Estimated on basis of only 20 cases in which this item was reported separately.

^e Excess of income over current expenditures.

TABLE 45.—AVERAGE DISTRIBUTIONS OF INCOME BY VARIOUS GROUPS OF SINGLE WOMEN TEACHERS SHARING EXPENSES WITH NON-RELATIVES *

Items of budget	Total group (127 teachers)	Groups according to net income				
		Under \$1500 (13 teachers)	\$1500-1999 (67 teachers)	\$2000-2499 (29 teachers)	\$2500-2999 (12 teachers)	\$3000 and over (6 teachers)
1	2	3	4	5	6	7
Food.....	\$215 ^b	\$165 ^d	\$211 ^e	\$209 ^e	\$235	\$348
Rent.....	223 ^e	167 ^d	227 ^f	227 ^e	219	322
House operation.....	129 ^b	75 ^d	108 ^e	138 ^e	215	236
Food, rent, and house operation.....	367	407	546	574	670	906
Clothing.....	210	167	200	232	196	320
Taxes.....	34	40	24	36	55	91
Interest.....	33	19	27	26	72	91
Health.....	86	51	92	90	77	102
Transportation.....	128	118	124	109	141	266
Aid to dependents.....	174	121	145	188	282	332
Gifts and donations.....	182	77	168	178	314	320
Education and recreation.....	115	72	96	132	143	266
Miscellaneous.....	64	62	65	60	63	81
Surplus or saving ^h	401	211	293	570	649	703
Total net income.....	\$1,994	\$1,345	\$1,780	\$2,195	\$2,662	\$3,478

Read table thus: The total group of single women sharing expenses with non-relatives received an average income of \$1994, and spent, on the average, \$215 for food, \$223 for rent, \$129 for house operation, etc. Similarly read figures for the various sub-groups according to size of income.

* Living with others (not relatives) and sharing expenses for at least eight months of the year.

^b Estimated on basis of only 115 cases in which this item was reported separately.

^c Estimated on basis of only 116 cases in which this item was reported separately.

^d Estimated on basis of only 8 cases in which this item was reported separately.

^e Estimated on basis of only 61 cases in which this item was reported separately.

^f Estimated on basis of only 62 cases in which this item was reported separately.

^g Estimated on basis of only 28 cases in which this item was reported separately.

^h Excess of income over current expenditures.

TABLE 46.—AVERAGE DISTRIBUTIONS OF INCOME BY ALL COOPERATING TEACHERS IN TEN SELECTED CITIES

Items of budget	Pitts- burgh, Pa. (170 teachers)	Roches- ter, N. Y. (141 teachers)	Cincin- nati, O. (209 teachers)	Cleve- land, O. (100 teachers)	Kansas City, Mo. (147 teachers)	Minne- apolis, Minn. (161 teachers)	St. Louis, Mo. (105 teachers)	Dallas, Tex. (185 teachers)	Louis- ville, Ky. (120 teachers)	Denver, Colo. (121 teachers)
1	2	3	4	5	6	7	8	9	10	11
Food.....	\$414 ^a	\$320 ^b	\$311 ^c	\$258 ^d	\$252 ^e	\$265 ^f	\$363 ^g	\$234 ^h	\$290 ⁱ	\$323 ^j
Rent.....	284 ^a	200 ^b	252 ^c	223 ^d	169 ^e	214 ^f	226 ^g	141 ^h	165 ⁱ	194 ^j
House operation.....	258 ^a	210 ^b	223 ^c	135 ^d	174 ^e	163 ^f	300 ^g	144 ^h	170 ⁱ	257 ^j
Food, rent, and house operation.....	956	730	786	616	595	642	889	519	625	774
Clothing.....	256	203	228	178	176	201	260	227	193	225
Taxes.....	80	74	39	52	61	47	71	47	35	70
Interest.....	74	80	42	38	61	26	91	34	30	49
Health.....	145	82	106	78	99	87	126	108	96	110
Transportation.....	221	198	160	133	128	129	166	124	149	227
Aid to dependents.....	135	86	102	114	100	125	161	116	78	131
Gifts and donations.....	188	142	174	127	131	128	188	138	121	177
Education and recreation.....	162	131	148	114	96	93	177	104	127	156
Miscellaneous.....	84	64	70	61	70	69	72	73	65	84
Surplus or saving ^k	332	277	390	295	398	294	464	331	211	432
Total net income.....	\$2,633	\$2,067	\$2,245	\$1,806	\$1,915	\$1,841	\$2,665	\$1,821	\$1,730	\$2,435

Read table thus: The reporting teachers in Pittsburgh, Pa., received an average income of \$2,633, and spent an average of \$414 for food, \$284 for rent, \$258 for house operation, etc. Similarly read figures for the other nine cities.

^a Estimated on basis of only 152 cases in which this item was reported separately.

^b Estimated on basis of only 104 cases in which this item was reported separately.

^c Estimated on basis of only 159 cases in which this item was reported separately.

^d Estimated on basis of only 82 cases in which this item was reported separately.

^e Estimated on basis of only 118 cases in which this item was reported separately.

^f Estimated on basis of only 133 cases in which this item was reported separately.

^g Estimated on basis of only 66 cases in which this item was reported separately.

^h Estimated on basis of only 149 cases in which this item was reported separately.

ⁱ Estimated on basis of only 79 cases in which this item was reported separately.

^j Estimated on basis of only 106 cases in which this item was reported separately.

^k Excess of income over current expenditures.

COMPLETE LIST OF COMMODITIES PRICED IN CONSTRUCTING THE COST-OF-LIVING INDEX OF THE U. S. BUREAU OF LABOR STATISTICS

(From report forms used by the Bureau)

1. Food (42 items): sirloin steak, round steak, rib roast (bone in), chuck roast (bone in), plate boiling beef (not corned), pork chops (loin), bacon (clear, smoked, sliced), ham (smoked, sliced), leg of lamb (yearling), hens (year or more old, dressed, not drawn), salmon (Red Alaska, tall), bread, milk (fresh, bottled), milk (evaporated, unsweetened), butter (creamery, extra), margarine (animal and vegetable fats), cheese (American, whole milk), lard (pure, loose), vegetable lard substitute, eggs (strictly fresh), wheat flour, corn meal, rolled oats, corn flakes, wheat cereal (uncooked), macaroni, rice (whole), beans (small, white navy, hand-picked), potatoes (Irish or white), onions (yellow), cabbage, pork and beans, corn (standard), peas (standard), tomatoes (standard), sugar (granulated), tea, coffee, prunes (California), raisins (seeded), bananas, oranges.

2. Clothing (73 items):

For men and boys (35 items)—felt hats, caps, overalls or work trousers, cotton socks, cotton shirts, pajamas or nightshirts, collars, neckties, rubbers, caps (12-year), wool suits (12-year), cotton stockings (12-year), cotton shirts or blouses (12-year), pajamas or nightshirts (12-year), neckties (12-year), high shoes (12-year), straw hats, summer suits (palm beach, mohair, etc.), athletic union suits, low shoes, cotton trousers (12-year), athletic union suits (12-year), winter suits, overcoats, winter union suits, high shoes, wool trousers (12-year), overcoats (12-year), winter union suits (12-year), light weight suits, light weight union suits, light weight union suits (12-year), whole soles and heels (sewed), half soles and heels (sewed), half soles and heels (12-year).

For women and girls (38 items)—house dresses, chemise, etc., princess slips, nightgowns or pajamas, corsets or corselettes, brassieres, silk stockings, cotton or rayon stockings, cotton or rayon stockings or socks (6-year), underwaists (6-year), low shoes, rubbers, rubbers (6-year), gingham or prints (per yard), percale or apron gingham (per yard), summer kimono, summer union suits, summer union suits (6-year), summer bloomers or drawers (6-year), summer nightgowns or pajamas (6-year), low shoes (6-year), voile (per yard), tub silk (per

yard), silk (per yard), silk dresses, wool dresses, wool coats, wool coats (6-year), winter kimono, winter union suits, winter bloomers, winter union suits (6-year), winter bloomers (6-year), winter nightgowns or pajamas (6-year), winter shoes high or low (6-year), serge or flannel (per yard), half soles and heels (sewed), rubber heels.

3. Rent: From 500 to 2500 unfurnished houses and apartments in each city.

4. Fuel and light (5 items): coal, wood, gas, electricity, and kerosene.

5. House furnishings (28 items): wool rug, grass rug, linoleum, living room chair, dining chair, library or living room table, dining table, kitchen table, sanitary couch or bed, dresser, chiffonier, buffet, bedstead, bed spring, mattress, baby carriage, pillowcase, sheet, tablecloth, cotton towel, cotton blankets, wool blankets, comfort, cook stove (coal, wood, gas, or oil), heating stove (coal, wood, gas, or oil), broom, sewing machine, refrigerator.

6. Miscellaneous (43 items): regular street car-fare (adult), movies (first floor, week night, adult), daily newspaper on street, Sunday newspaper on street, visit to doctor's office (usual charge), house visit by doctor (usual charge), obstetrical case (usual charge), calomel tablets (one-fourth grain, per dozen), aspirin tablets (5-grain, per dozen), castor oil (2 ounces), quinine pills (per dozen), standard liquid prescription (2 ounces), standard liquid prescription (4 ounces), standard capsule or pill prescription (3-grain mixture), hospital pay ward (per week), dental filling (usual charge), dental crown (usual charge), dental plate (full upper, usual charge), spectacles (gold-filled rims, flat spherical lens), single separate lens, laundering men's collars, plain shirts, sheets, turkish towels, and flat work, soap, laundry soap (6 to 12 ounces), soap powder (8 to 16 ounces), cleaning powder (14 to 18 ounces), man's shave, haircut, toothbrush, toilet soap, shaving soap or cream, tooth powder or paste, talcum powder, vaseline (1 to 2 ounces), residence telephone service (per month), cigars, cigarettes, cigarette tobacco (1 to 2 ounces), pipe tobacco (1 to 2 ounces), plug tobacco 1 to 3/2 ounces).

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