CHAPTER XIII

BUDGET SYSTEM OF CLOTHING

Importance. Clothing is connected with one of the most im-
portant problems which confronts us today. We all desire to
dress as attractively as possible, which means that we must
spend a considerable part of our income for garments. The
task of getting full value out of every dollar we spend and as
much service as possible out of everything we purchase, requires
careful planning of our income, and we must purchase intelli-
gently in order to be able to include the necessities and some of
the luxuries of life.

Waste in Purchase. Investigations have demonstrated that
there is a tremendous waste in the purchase and care of clothing
in general, and of women’s clothing in particular. It has also
been shown that where the expenditures for clothing have been
carefully planned, one spends less and dresses better than when
one purchases clothing at haphazard.

How can expenditures for clothing be carefully planned? This
is best accomplished by planning ahead for two or three years
on the basis of our present wardrobe (an inventory). A survey
of this inventory enables us to plan for renewals and additions
and makes possible intelligent planning for the coming year.

Income and Expenses. A family is considered the unit of
society. It usually consists of a father, mother, and children.
The father provides, through his earning power, the income for
the support of the family. Sometimes the mother and grown-up
children may contribute to it. The income of the family includes
the money earned by all the members, or its material equivalent
derived from all sources, such as salary or earnings, interest on
investments, gifts, income equivalents such as shelter, fuel,
furnishings, and clothing, and food or other commodities raised on a farm or in a garden. The expenses for all members of the family are considered the charges. Occasionally a single person may live as an individual unit and may be regarded as such, as against the family unit, in considering the relation between earning and spending power. Receipts and expenses (sometimes called disbursements) for both the family and the individual unit should be tabulated as a yearly summary, as shown below:

**Yearly Summary**

<table>
<thead>
<tr>
<th>Receipts</th>
<th>Receipts</th>
<th>Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand January 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary, earnings, interest on investments, income equivalents — such as gifts, shelter, fuel furnishings and clothing, and food or other commodities raised on a farm or in a garden.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Disbursements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings and insurance, taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent, fuel, light</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clothing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laundry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car fares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stamps and stationery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gifts, church, charity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incidentals.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance on hand December 31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If we examine expenses, often called charges, we shall find that some of them, such as rent, taxes, etc., are absolutely necessary and are constant in value. That is, we know from month to month the amount of rent, etc. These expenses are called *fixed charges*, to distinguish from other expenses, called *estimated expenses*, that are also necessary but vary in amount from month
to month and must be estimated in working up a proposed plan of income and expenses; the sums spent for travelling, recreation, etc., may be governed by what we have left after the fixed and estimated charges have been deducted; hence they are called limited charges.

An expense account showing each year's record of receipts and expenditures is shown on page 315.

Budget. In order to spend our income effectively on clothing and other necessities we should have (1) a plan or statement of proposed expenditures, called a budget; (2) an accurate record of all the items involving income and expenditure as shown by the book of account; (3) a review of expenditures from month to month — or year to year — frequently called an audit — to see if the record is correct and justifiable. This last step will assist us in preparing the new budget for the stipulated time — a year or a month.

How Parts of Incomes Are Expressed. Parts spent or distributed may be expressed as a form of a common fraction, where the income is the denominator and the amount spent is the numerator. Thus, income $2000, amount spent for clothing $400:

\[
\frac{400}{2000} \quad \text{read "four hundred two thousandths."} \quad \text{Reduced to lowest terms by cancellation:}
\]

\[
\frac{400}{2000} = \frac{1}{5}
\]

Sometimes the common fraction does not easily reduce to simple terms by cancellation, so it is the usual custom to express the fraction as percentage or parts per hundred. This may be done by multiplying the fraction by 100 per cent which is the whole income. To illustrate:

\[
\frac{1}{5} = \frac{1}{5} \times 100\% = 20\%.
\]

Divisions of Budget. A budget should be apportioned into the following divisions: (a) food, (b) shelter, (c) clothing, (d) operation of house, (e) personal or family improvement, (f) sav-
ings. The food division should include all items of nutriment. All expenses relating to rent, taxes, insurance, interest on mortgage, etc., should be included under shelter. Clothing includes all articles of clothing, such as underwear, dresses, suits, shoes, hats, materials for making, cost of cleaning and repairing, and accessories. Operation expenses must include all items used in running the home, such as fuel for heat, light, household supplies, refurbishing, service, laundry, telephone, and expressage. Personal or family improvement includes expenses necessary to maintaining health (doctor, dentist, nurse, and medicine). Savings include bank accounts, postal savings deposits, building and loan shares, life insurance, stocks, bonds, mortgages, government securities, and real estate.

**Individual and Family Budgets.** Everyone, whether a family or individual unit, should maintain a budget system of expenditures. Many of us may associate the budget with the family or home unit, but experience proves that planned expenditures, savings made before spending, and a careful choice of purchases, rather than haphazard shopping, will prove just as profitable to the single business girl or man as to the family group.

The individual budget will differ very little from that of the family, since the principles involved are the same. Of course, the application of these principles will vary just as it does in the family budget.

Naturally, the business girl's budget will be different from that of the girl at home, who has the advantages that follow living at home, such as laundry, home sewing, etc. Clothes must be chosen for their durability and the selection made of those requiring only a minimum of cleaning.

The personal budget division of the business girl is likely to require a larger percentage of the income than the operating, although in a family budget they are usually allotted the same amount. In the individual budget, the term personal must cover recreation, education, health, new equipment, personal indulgences, travel, vacation, gifts, philanthropy, church, and club
dues. Some people further subdivide this section under such headings as health, education, recreation, benevolence; others subdivide it into health, lectures, books and magazines, classes, social life, theater, gifts, vacations, church, automobile, travel, etc. Everything depends on the size of the income and the standards of the individual.

If a person spends more than the proper allowance for clothing, there will naturally be less to spend for education, recreation, travel, or other forms of enjoyment of higher life.

**Value of a Budget.** The budget system of spending one's money teaches one:

(a) To understand and appreciate one of the biggest problems of the home.

(b) To get better returns for money spent, by careful analysis and through the experiences of others.

(c) To keep expenditures within income.

(d) To eliminate non-essential expenses.

Thus the budget system has distinct economic (guarding against waste) and social (habits of thrift) values.

**Limits of Expenditure.** With the income and past expenditure and an inventory of articles on hand as a basis (or, if you are a beginner, use a time-tried budget from the U. S. Government reports), make a detailed plan or clothing budget of the anticipated articles needed and the amount of expenditure (budget) for the coming year. If possible, it is a good plan to lay out a budget for three years.

The next important question is, "Is my amount of expenditures or budget too much or too little?" In other words, "How much should I spend for clothes?" That is, "What part or percentage of my income should be spent for clothing?"

Careful investigations made in different parts of the country show a variance. For example, in a small manufacturing or agricultural section where thrift or the saving habit is strong, people are inclined to be conservative in dress and style, and do

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1 Some spend as low as 8 per cent.
not spend as much as they do in larger commercial communities or style centers where the spirit of thrift is not strong and where every one desires to be up to date in every respect. Then again, we must consider that there are some people called "tightwads" or "misers." Some in every community go to the extreme in saving and deprive themselves of the necessities for decent living. On the other hand, there are more who go to the other extreme. Spendthrifts spend all, if not more, than they earn and are always hopelessly in debt. Between these limits there are many variations of standards in purchasing clothing. The one that should appeal to all of us is the person who displays sanity in all his transactions and shows a spirit of thrift or sane living.

Standard of Living. In order to consider the budget of clothing intelligently it becomes necessary to take an all-round view of living conditions and consider briefly other important items of expenditure.

The standard of living may be regarded as the list of goods and services that a person, family, or class has formed the habit of regarding as necessary. Experience shows us that this standard is fairly constant for each person, family, or class, due to the fact that every one, through pride, will try by sacrifice and practice to maintain it. To illustrate: If we look around the community we shall find that the laboring men's families satisfy themselves with inferior or cheaper clothing, etc., than the professional man, which is the same thing as saying that the standard of living of the average laboring man's family is lower than that of the professional man. The standard of living tends to determine the expenditure, or at least to set the limits below which budget or income cannot be lowered.

One's standard of living is usually acquired from the home in which he spends his childhood. Most of us feel compelled to dress in about the style that our associates expect us to. The standard of living depends upon the attitude of our mind as to what we think we need. Many of our wants are acquired simply
by imitation (of our neighbor) and in some cases by thedesier to out-do our neighbor.

Of course, we must bear in mind that the level of health and decency in clothing should be understood as a level which takes into account not only the physical needs of warmth, cleanliness, and comfort, but also regard for appearance and style, such as will permit the family members to appear in public, and within their necessarily rather narrow social circle, with neatness and self-respect. That is, the clothing standards of the family are intended to provide a fair degree of that mental satisfaction which follows being reasonably well-dressed. While admitting the desirability of a more generous wardrobe, one should provide only those quantities of clothing consistent with the minimum requirement for health and decency, and where a doubt exists, it is best to err on the side of conservatism. In other words, a health and decency budget is desirable, with provision for style or fashionable dress. A considerable amount of sewing at home is necessary in order to live economically. A working-man may need six sets of underwear a year, but with effective sewing and reasonable care he can manage on four. The same line of reasoning applies to other pieces of wearing apparel.

Our standard of living should be constantly checked to see if we cannot eliminate some of the things we usually think are absolutely necessary. This can be done only through a budget.

To summarize: A study of the income and expenditures of different classes of people will show that the principles governing the part or percentage of income spent for clothing (allotment) depends upon: (1) size of income, (2) occupation, (3) location, (4) social position, (5) taste, (6) knowledge, (7) individual contributions, (8) skill in purchasing.

Careful investigations have been made by the United States Government and other authorities with regard to the income and expenditures of various families in various stations of life, and from these investigations has been summarized the proportion or division of the income spent for different items, such as (a)
food, (b) shelter, rent, etc., (c) clothing, (d) fuel and light, (e) recreation, (f) savings, etc. Further investigation also shows the part or division of income spent by each member of the family. The following tables have been taken from such reports.

**Division of Income.** The minimum standard of living would be: (1) the standard of the unskilled worker, whose income would be about $800–$1400; (2) for skilled workers, skilled mechanics, clerical and business employees, $1900–$2500; (3) average professional workers, proprietors, and important executives, $2500–$5000; (4) advanced professional workers, proprietors, and executives, $5000–$20,000.

Proportion of income spent by different classes:

<table>
<thead>
<tr>
<th></th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>36 %</td>
<td>32 %</td>
<td>20 %</td>
<td>17</td>
</tr>
<tr>
<td>Shelter</td>
<td>25</td>
<td>25</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Clothing</td>
<td>16</td>
<td>18</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Fuel, light, Maintenance, etc.</td>
<td>10</td>
<td>10</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Recreation</td>
<td>10</td>
<td>10</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Savings</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>15</td>
</tr>
</tbody>
</table>

Class I must confine the purchase of clothing to what is absolutely necessary and with little regard for style. Considerable effort must be devoted to the making, repairing, and remaking of garments. The amount for each member of the family would be illustrated as follows:

Income, $1500; amount for clothing, 16 per cent = $240. Of this amount:

- $70 would be for the man (father)
- $60 would be for the woman (mother)
- $45 would be for the child of 16
- $35 would be for the child of 12
- $30 would be for the child of 5
Examples: 1. What per cent of the total income would be apportioned to each member of the family?

2. Why should the amount or proportion for the father be more than that allowed for the mother?

Class II income allows for more attractive and greater variety of dress than Class I income. Considerable repair and remaking are necessary for a family living on this scale. The amount for each member of a family of five whose income is $2200 would be as follows:

Income, $2200; amount for clothing, 18 per cent = $396; of this amount:

- $103 would be for the man (father)
- $118 would be for the woman (mother)
- $65 would be for the child of 16
- $60 would be for the child of 13
- $50 would be for the child of 6

Examples: 1. What per cent of the total income would be apportioned to each member of the family?

2. Why should the proportion for clothing for women be more than for men in Class II income?

In some cases one or more members of the family may require temporarily a larger proportion of the clothing allowance than is allotted, thus compelling other members to dress below their income in order that those members may have the additional allowance to meet their need for fashionable clothing.

Class III income would allow for excellent qualities of clothing, both in regard to durability and style. The selection should be made so as not to include extremes in styles. The better the quality of clothing, the less sewing and repairing required.

The amount for each member of a family of five with an income of $4000 would be as follows:

Income, $4000; amount for clothing, 20 per cent = $800. Of this amount:
$200 would be for the man (father)
$250 would be for the woman (wife)
$150 would be for the child of 15
$110 would be for the child of 12
$90 would be for the child of 8

Example: 1. What per cent of the total income would be apportioned to each member of the family?

Division of Budget. A recent circular issued by the Department of Agriculture at Washington shows that 12 1/2 to 20 per cent of the present-day income is being spent by the average wage-earner and his family for wearing apparel.

It may surprise many to know that there are thousands of people in this country, particularly families of five or more of the working class, who are clad with warmth and decency on 12 1/2 per cent of their income, due to the thrifty habits of the woman of the family. On the other hand, those who desire to keep abreast of the fashions and who dress with some degree of elegance will spend more than 20 per cent of the income. It is in this respect that the greatest difference appears between the families of the comparatively poor and the families of the well-to-do.

Of the percentages set forth by the Department of Agriculture the following apportionments are made:

70 per cent goes for outer clothing (coats, suits, sweaters, dresses, blouses, trousers, hats, caps, footwear, furs).
20 per cent for underclothing (underwear, corsets, chemise, suspenders, garters, nightdresses, bathrobes, etc.).
5 per cent for accessories (collars, cuffs, ties, handkerchiefs, scarfs, veils, umbrellas, etc.).
5 per cent for care and repairs (laundry, renovations, etc.).

Importance of Women’s Point of View. Usually men earn the money and women spend the greater part of the income. Statistics show that women spend 85 per cent of the money spent in America annually. Women also save 90 per cent of the money
saved. The woman handles the bulk of the family income, and what can be shaved off expenses represents the family savings. That is why most of the saving is done by women. American advertising is directed primarily to women, because it is conceded that, even in the purchases of a man's own personal belongings — for instance, his suit of clothes — she is often the controlling factor. Many men are too busy making money to worry about the details of spending it.

**Charge Accounts.** Many retail stores sell to their customers on charge accounts, and others sell only for cash. Some firms feel that the increased volume when charge accounts are allowed offsets the loss and expense of caring for them. Of course, if the volume of business is the same, it stands to reason that a house that sells for cash can sell as low as 6 per cent cheaper than a competitor who has large charge accounts.

A high-school girl takes an inventory and finds the following:

<table>
<thead>
<tr>
<th>Articles</th>
<th>On Hand</th>
<th>Needed</th>
<th>Approx. Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coat</td>
<td>3</td>
<td>3</td>
<td>$51.00</td>
</tr>
<tr>
<td>Hat</td>
<td>2</td>
<td>3</td>
<td>15.00</td>
</tr>
<tr>
<td>Gloves</td>
<td>1</td>
<td>1</td>
<td>4.00</td>
</tr>
<tr>
<td>Stockings</td>
<td>4</td>
<td>4</td>
<td>8.00</td>
</tr>
<tr>
<td>Sets Underwear</td>
<td>4</td>
<td>2</td>
<td>12.00</td>
</tr>
<tr>
<td>Slips</td>
<td>4</td>
<td>2</td>
<td>6.00</td>
</tr>
<tr>
<td>Dresses</td>
<td>5</td>
<td>3</td>
<td>40.00</td>
</tr>
<tr>
<td>Blouses</td>
<td>2</td>
<td>-</td>
<td>2.00</td>
</tr>
<tr>
<td>Skirts</td>
<td>1</td>
<td>-</td>
<td>1.00</td>
</tr>
<tr>
<td>Sweaters</td>
<td>1</td>
<td>1</td>
<td>4.00</td>
</tr>
<tr>
<td>Gym. Middles</td>
<td>3</td>
<td>1</td>
<td>3.00</td>
</tr>
<tr>
<td>Gym. Bloomers</td>
<td>1</td>
<td>-</td>
<td>1.50</td>
</tr>
<tr>
<td>Gym. Shoes</td>
<td>1</td>
<td>-</td>
<td>.85</td>
</tr>
<tr>
<td>Pocket-books</td>
<td>1</td>
<td>1</td>
<td>3.00</td>
</tr>
<tr>
<td>Galoshes</td>
<td>1</td>
<td>1</td>
<td>3.00</td>
</tr>
</tbody>
</table>

$$\text{\$154.35}$$

What suggestions have you to make as to new purchases?
EXAMPLES

1. What part (expressed as a common fraction) of an income of $3800 is used for clothing if the amount spent is $565?

2. What part (expressed as per cent) of an income of $2200 is used for clothing if the amount spent is $418?

3. A family of four has an income of $3100, and spends $496 for clothing; what is the percentage?

4. A family in a manufacturing community has an income of $1913.86 and spends $189.94 for clothing; what is the percentage?

5. A professional woman living in a large city has an income of $3660 and spends $530.90 for clothing; what per cent?

6. Is it possible for a family of five people living in a manufacturing community to live on $200 a year for clothing if the income is $1500? Prove your answer.

7. If 65 per cent of the average workingman's income is spent for shelter, warmth, and food, what amount is spent if the income is $2750?

8. A family spends $199.50 for clothing; what per cent of the income of $1512 is used?

9. A clerk earns $26 a week for 42 weeks, and in this time spends $296 for clothing. Is she living within the proper allowance?

10. A salesgirl earns $19.50 a week. She spends $212 a year for clothes. Is she living within her income?

11. A girl earns $15 a week and pays half of it to her home. She has two car fares (5 cents each) and 28 cents lunch each day. How much should she spend on clothing each year? How much has she for spending money each week? Should she save any money?

12. Which girl is better off financially, one earning $12 a week as a housemaid or one earning $17 a week in a store? Would their clothing budget be the same?

13. If $375 is spent for clothing from an income of $2500, what amount should be spent for (a) outer clothing, (b) under clothing, (c) accessories, (d) care and findings?

QUESTIONS

1. Why is clothing an important item in the cost of living?

2. Explain some of the reasons why we should plan the expenditure of our income very carefully.
3. (a) What is a budget system of spending our income? (b) State some of the advantages of a budget system of purchase of clothing.

4. What is meant by (a) family income, (b) individual source of income?

5. What is (a) income and (b) expenses?

6. Name some of the sources of income and also some of the disbursements of the average family.

7. Name some of the points to be considered in planning a budget.

8. (a) How is one's income usually expressed? (b) State how the amount he spends for clothing may be expressed as part of the income.

9. What are the divisions of the family budget?

10. In what way will the clothing budget of a family differ from the individual?

11. State the advantage of a budget.

12. What are the limits of expenditures for clothing (a) for a "tight-wad," (b) spendthrift, and (c) conservative person?

13. (a) What is meant by the standard of living? (b) Is it a fairly constant standard? (c) Why is it difficult for one to conform to a lower standard of living?

14. What principles govern the percentage of income spent for clothing?

15. State the proportion of income for clothing for the (a) unskilled worker, (b) skilled worker, (c) professional man and business man, and (d) high-grade professional and business man.

16. How is it possible for the family of the unskilled worker to dress on the small sum of $240?

17. How will the clothing of the unskilled and skilled workers' family differ?

18. Compare the clothing budget of the family of the skilled mechanic and the professional man.

19. What is the percentage of the clothing budget spent for (a) outer clothing, (b) underclothing, (c) accessories?