A True Story of a Real Budget

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A True Story of a Real Budget

By GERTRUDE LYNN
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On June 11, 1922 Mary West and Jimmie Morgan graduated from a well known agricultural college of the middle west. On June 12th they were married. They went immediately to their new home in Joonsville where Mr. Morgan had been recently appointed county agent.

Joonsville was a gay little town and the Morgans seemed to "fit in." They received many invitations to social affairs. They became members of several social and literary clubs and Mr. Morgan who was eager to form as many desirable contacts as possible, in a business way, joined various business organizations of the town. Many of the new friends were members of old established families and in quite comfortable circumstances. Entertaining was frequent and done on an expensive scale.

At the end of the second year their home was furnished but they had made no savings. Not only were they failing to save regularly or permanently; but they were finding it difficult to make their income cover current expenses.

At the beginning of the third year the Morgans decided that they must live on less and make a substantial saving, but they were never to know just where to begin to cut down on the expenses.

Just at this time a friend, Miss Isabel Smith, who was a budget adviser in an eastern bank, came for a visit.

Mrs. Morgan confided to her their disappointment that they had not been able to manage their seemingly generous income with better results and asked her what they could do about it. She told her that from the beginning they had kept accurate records of all expenditures, but that somehow these records had not seemed to help very much when it actually came to making ends meet.

Miss Smith asked her if they had studied their records each month. Mrs. Morgan replied that they had not paid so much attention to the totals until the end of the year and then the money was all gone.

Miss Smith at once prescribed a budget, and assured her that with a record of expenditures for two years there should be little difficulty in planning a budget which would provide reasonable savings.

With pencil and paper and the two account books the Morgans and Miss Smith proceeded to plan the budget.

The preliminary remark which opened the conference was from Mr. Morgan who said, "Well our first difficulty is a fur coat. Mary has a perfectly good coat, but she has worn it three years and she says it is out of style. Mary show Isabel your coat and see if she doesn't think you might wear it another year." Miss Smith insisted that she did not care to see the coat and told them that they would have to decide for themselves whether or not they really wanted the coat enough to pay the price and that after they decided, the budget would need to be planned accordingly. Jim left the room for a few minutes and Mary said, "Well I am going to show you the coat anyway." She brought it out with the remark, "You must remember Isabel, that I have worn it for three years and that every other woman in town has a fur coat, but take a good look at it and tell me truly, do you think I ought to wear it another year." Isabel thoughtfully replied, "Well that depends—how much do you and Jim think you should save out of your $2500 salary this year?" "We must save $1000. We feel that we can't do less than that. If we can't save now, we never can." "Can you do it and have a fur coat?" "No not possibly, if I have the kind I want." "Well, which do you want most, the coat or the thousand dollars in your savings account, and do you think with nothing saved that you can afford a fur coat? You must remember that you are only 24 and that fur coats really belong in the same class with the comfortable incomes of middle age." Mary quickly replied, "I didn't intend any of the time to get it. My coat really is quite good." So that was settled. All that had been necessary was just to do a little serious thinking, to weigh values and then to use a little common sense.

The next step was to get from the account books the totals for the two years of all fixed expenditures: for life insurance, food, rent, light, fuel, ice, telephones, laundry, household supplies, toilet articles, newspapers and magazines and certain club dues. There was not a great deal of variation in the totals for these items for the two years, so it was possible to make fairly accurate estimates of probable expenditures from these figures. With this data at hand the first draft of the budget was made. Estimates were made for necessary fixed expenditures for the next year. These were placed under the same group headings which headed the columns in their account book. These estimates were based on the average expenditures for these items the two previous years.

Estimates of expenditures which lay in the region of choice and which were quite varied in amount different years were based on probable needs and preferences rather than on the records of the previous year. Also the record to some extent served as a guide in determining costs. This list included equipment, furnishings, clothing, recreation and gifts.

Items were listed in detail under these heads, not however, without considerable discussion over the decisions as to what the estimates should be.

The first draft of the budget when totaled up was only $700.00 for savings instead of $1000.00. Each group was carefully studied to determine what could best be eliminated. There were several possibilities. They had included in the plan $50.00 for a piece of furniture which was to be their joint Christmas gift. They hoped each year in this way to buy something for the house. In addition to this there was to be a surprise gift at two or three dollars each. Since they had furnished their home during the previous two years it was decided to eliminate the $50.00 gift for this year and spend $3.00 each for gifts for themselves. Smokes which had amounted to $48.00, the previous year, were cut to $24.00. The food bill which

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While there are many different methods of preparing a budget, there are a few basic steps which can help you get started:

2. Estimate probable income.
3. From the year's account get totals for fixed expenditure.
4. Make itemized estimate for each group of expenditures for fixed expenditures.
5. Make itemized estimate of items which lie in the region of choice.
6. Total the itemized list for each group.
7. Add the totals.
8. Compare total estimate with estimate of total income.
9. Study your plan, weigh values, and make readjustments so expenditures and income will balance.
10. At the end of each month compare items of expenditure in account book with the items in your budget plan.

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Mary’s training and innate cleverness in clothing construction was a most valuable asset when it came to planning the clothing budget. The items included in it were two hats, $15.00; three pairs shoes, $20.00; material for dresses, $25.00; hats, $5.00; other material, $25.00; miscellaneous, $10.00. Total $101.00.

Isabel remarked that it seemed almost impossible that $101.00 could provide suitable clothes for a person to go out so much. Mary was confident however that it could be done for that amount.

When it came to planning for necessary and customary entertaining, it seemed to be a choice between elimination or of doing it much more simply than was the custom among their friends. The latter course was decided by the amount to be determined for the clubs, dinners, etc., they would need to give. Estimates for this item were made considerably lower than they had been the previous year.

Magazine subscriptions were listed with the decision that one or two expensive ones which were seldom read might be dropped.

Church giving was not so high as perhaps it might have been as was partially due to the fact that generous sorority and fraternity pledges were due and must be planned for. Plans were made, however, to include the church subscription another year.

At the end of a four hour session the plan was completed, and the Morgans were determined to make every effort to achieve the goal they had set up and save a thousand dollars.

During the year, comparisons were made each month between the items included in the estimated plan and the items which were actually bought. A number of times in cases of unexpected expense it was necessary to change the plan and to decide what they could most easily do without in order to meet the extra expense. As time went on, some changes were made where it seemed desirable but the budget was not exceeded.

On one occasion, in the first days of June, Mary told Isabel that Mr. Morgan had brought home two gorgeous fishing poles which cost $30.00. When asked where they got the money for them, Mary replied, "We had to take it off the summer trip which we will have to fish still nearer home than we planned, but he just couldn’t resist.”

The year is not yet completed but at the end of six months, the budget is working well and it is believed that the $30.00 has been deposited in the savings account. Mary and Jim are enthusiastic budgeteers and think that another year they will be able to plan budgets which will be even more satisfactory than their first one. Mary says, “It is such a satisfaction to have a clear conscience and to actually know that one can and cannot afford, and it is so much easier to do without things when you are definitely accomplishing a really important thing as we feel that we are this year.”

Corn Sugar

By BELLE LOWE

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The Use of Corn Sugar In Home Cookery,” is the title of a thesis by Miss Beatrice T. Olson. Miss Olson did her work with corn sugar at Iowa State College, 1921 and 1922. The following information is taken from her results and may be beneficial to the housewife if she is trying to use corn sugar.

The food value of crystalline dextrose corn sugar and ordinary granulated or sucrose sugar are practically the same. The corn sugar is in the form in which it is absorbed from the intestinal tract. Granulated sugar has to be changed by an enzyme before it is absorbed by the body. After they had listed all of the other organizations of which he was a member Jim decided that perhaps Mary was right about the budgetary plan and that it was just possible that he was over-doing the matter of business organizations a bit, both from the standpoint of time and money.

Corn Sugar is used in place of part of the granulated sugar in doughnuts they will brown more quickly. It also gives a good brown color to baked beans.

In cakes and doughnuts Miss Olson found that she could use 1/4 corn sugar very satisfactorily, but if all corn sugar were used the product came out not very sweet. The corn sugar gives a stiffer batter than the granulated sugar; in fact, it is so stiff that the housewife may think the cake is ruined before it goes in the oven. It was also found that if the liquid was reduced to one-half the usual amount the texture and flavor of the cake was improved. Sour milk also gave a better color than sweet milk. Corn sugar could be substituted for all of the sugar in muffins and griddle cakes and a good product obtained.

The slight acid of fruit juices does not decompose the corn sugar and all corn sugar could be used in sweetening fruit and making jelly. In jelly 1/4 corn sugar gave better results, for all corn sugar was not sweet enough. All corn sugar gave a tender jelly but gave less volume in the finished product. All corn sugar gave a more desirable color than the jelly while 1/4 corn sugar did not do this so readily.

In fudge and fritter, 1/4 less corn sugar could be used and be more satisfactory. More than 1/4 corn sugar required very long heating to crystallize and the candy became sticky on standing.

In divinity 1/4 corn sugar could be used. It was not satisfactory in caramels or brittles.