

1918

Farm household accounts

W. C. Funk

United States. Department of Agriculture

Follow this and additional works at: https://egrove.olemiss.edu/acct_fed

Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

Funk, W. C. and United States. Department of Agriculture, "Farm household accounts" (1918). *Federal Publications*. 286.
https://egrove.olemiss.edu/acct_fed/286

This Article is brought to you for free and open access by the Accounting Archive at eGrove. It has been accepted for inclusion in Federal Publications by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

FARM HOUSEHOLD ACCOUNTS

W. C. FUNK
Scientific Assistant



FARMERS' BULLETIN 964

UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

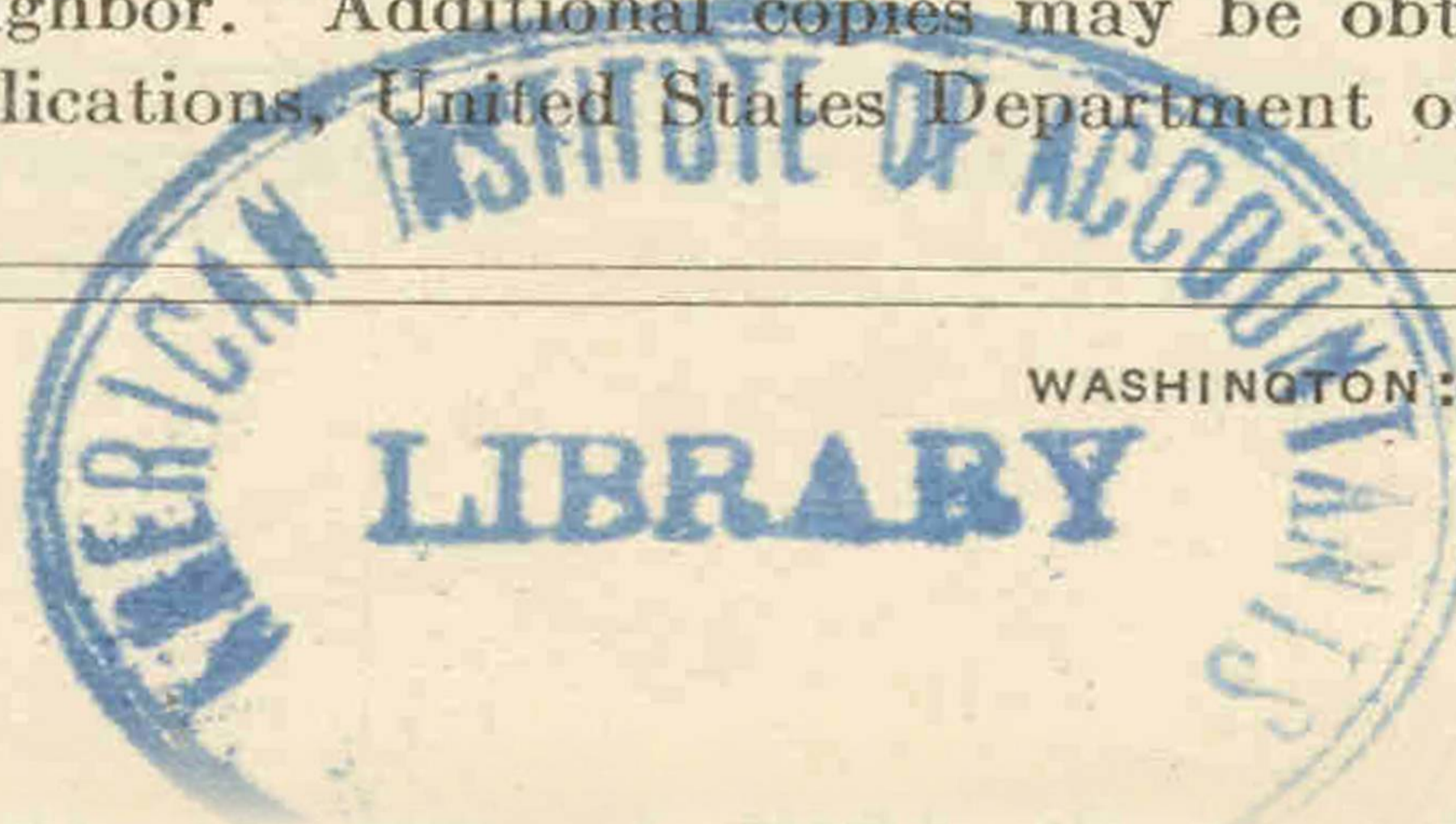
Contribution from the Office of Farm Management

W. J. SPILLMAN, Chief

Washington, D. C.

June, 1918

Show this bulletin to a neighbor. Additional copies may be obtained free from the
Division of Publications, United States Department of Agriculture



FARM HOUSEHOLD ACCOUNTS are valuable, both as supplements to the records of the farm business in general and as a means of effecting savings in operating the household. The methods of household account keeping outlined in the following pages are of the simplest character, and are intended to suggest how household accounts may be kept, rather than to outline any hard and fast system for all families to follow.

FARM HOUSEHOLD ACCOUNTS.

CONTENTS.

	Page.
Importance of household accounts.....	3
Methods of keeping records.....	3
Allowance for supplies provided by home farm.....	10

IMPORTANCE OF HOUSEHOLD ACCOUNTS.

HOUSEHOLD EXPENSES on the farm are very intimately associated with the business of the farm itself. The farm normally supplies much material which otherwise would become a household expense. The household, in turn, very often furnishes board for farm labor, which would otherwise be a farm expense. Merely from the standpoint of keeping track of household expenses as related to the farm business, household accounts are desirable and should serve to supplement and round out farm accounts.¹

But the value of household accounts goes beyond this. Such accounts are an important aid to economy. A dollar saved is a dollar made, and the first step toward the saving usually lies in finding out where unnecessary expenses are incurred. This can be determined only by keeping careful records of expenses for the whole year.

Generations ago neither the farm nor the farm household had any but minor dealings with the outside world. Under such conditions the need for accounts was slight. But those conditions no longer exist. The farm household, though still in many cases receiving its major support in farm products consumed at home, purchases far more extensively than ever before from outside sources. Farm household accounts have become essential to economy.

METHODS OF KEEPING RECORDS.

There are two methods of keeping a record of household expenditures. One is to record the purchases or money paid out, without classifying the expenditures. The other is to classify when the record is made.

The first method is very simple, requires no special form, and gives all necessary information regarding expenditures (fig. 1). At the end of the month or at the end of the year the total expenditures readily may be determined. In order, however, to know the totals for each kind or class it will be necessary to make up a monthly summary (fig. 2), in which the items will be distributed in different columns, by classes. This extra work at the end of each month (or at the end of the year) may cause discouragement and neglect of

¹ Farmers' Bulletin 511, Farm Bookkeeping.

Household Expenditures

Date 1918	Item	Value
	Amount and Kind	
Apr. 2	2 ^{lb} Coffee	.50
2	Shoes, ma.	4.50
2	lamp chimney	.15
2	flower seed	1.00
5	24 ^{lb} flour	1.70
5	1 doz. lemons	.30
5	2 ^{lb} cheese	.60
5	US Savings certificate	4.15
7	Church	.50
8	Notary fee	.25
8	Subscription () paper	1.00
8	Telephone bill	2.20
8	Hair cut, fa	.25
9	Emma washing	.60
10	Tea bottle	1.50
13	movie parma	.20
	Hitching	.10
	Candy and cigar	.15
	Oswell Henry	1.25
14	Missions ()	1.00
16	Pencil	.05
	1 bal. broom	.13
	Life insurance	25.00
	5 ^{lb} sugar	.45
17	my trip to Aunt Susie	3.20
	Cataract treatment	1.00
	watch repaired	1.25
	dinner in town	.40
20	Daily paper, Apr. & May	.50
	5 ^{lb} oatmeal	.35
	2 ^{lb} prunes	.20
	2 spools white thread	.10
	Total	54.53

FIG. 1.—Simple account; no classifications. When this form is used, a monthly summary arranged to show the totals of the different classes of expenditures, is essential to show the way to economy.

classification, with the result that the greatest good that could be derived from the records is not realized.

Under the second method, in addition to being entered all together in one column, the items are classified in separate columns (fig. 3). This method has the same advantages as the first method and the additional advantage of allowing for the distribution of the items of expenditure to the proper classes without the inconvenience of turning to some other page. The distribution may be left to moments of leisure if the farmer is busy at the time the entry is made. When the page is filled the next page is begun, the top line next to the heading being reserved for the total carried forward from preceding page. The items may be totaled at the end of the month and these totals carried to the summary page at the end of the book (fig. 2).

A modification of the second method (fig. 4), which classifies directly, without using a column in which all the items are included, is suggested to allow for saving space. It will be seen that with this method each item occupies but a fraction of a line. This system will thus require fewer pages than the foregoing and make it convenient to have one page to each month, thus permitting a study of the daily figures and part of the summary before the year is ended. The chief dis-

Monthly Summary		Monthly Summary														
		Item	Value	Animal Food	Fruits Vegetables	Coal Products	Other	Blothing	Household	Personal	Advances	Savings	Drives			
Sept. 1918	Amount and Kind															
Apr.		50.10	3.20	1.50	1.35	1.72	8.60	23.33	4.75	1.20	1.30					4.15
May																
June																

FIG. 2.—Form for monthly summary. This summary is used with either the simple form of accounts shown in figure 1 or the classified forms shown in figures 3 and 4.

Household Expenditures

Date 1918	Item	Amount and Kind	Value	Animal Food	Fruits Vegetables	General Products	Other Groceries	Electrical	Household Furnishings	Personal Expenses	Personal Savings	Incidental
Apr. 2	2# Coffee		.50				.50					
	Shoes, 2		4.50					4.50				
	2 Jamf Chomney		.15						.15			
	2 Flower seed		1.00									1.00
	5 24# flour		1.70			1.70						
	5 1 doz. bananas		.30		.30							
	5 2# cheese		.60									
	5 U.S. Savings certificate		4.15								4.15	
	7 Church		.50							.50		
	8 Notary fee		.25									.25
	8 Subscription paper		1.00							1.00		
	8 Telephone bill		2.20							2.20		
	8 Hair cut, 7c		.25									.25
	9 Emma washing		.60							.60		
	10 Tea bottle		1.50						1.50			
	13 Movie picture		.70							.20		.10
	Wiring		1.0									
	Candy and cigar		.15									.15
	Orville Henry		1.25					1.25			1.00	
	14 Missions		1.00								.05	
	16 Revil		.05							.13		
	Paul Brown		.13									
	Life insurance		25.00									25.00
			44				44.5					

FIG. 3.—Form of classified account. This form necessitates entering each amount twice, but simplifies greatly the work of making the monthly summary.

FARM HOUSEHOLD ACCOUNTS.

Household Expenditures

Date	Animal Food	Fruits Vegetables	Cereal Products	Other Groceries	Clothing	Date	Household Furnishings	Operating Expenses	Amusement Savings	Incidentals
Apr 2	Chickens 1.60			Coffee .50	Shoes 4.50	Apr 2	Electricity 1.15			
5	Feed 1.45	Tomatoes .30	Tomatoes 1.70			7			Savings 4.15	String 1.00
7						8		Church .50		
8						9		Telephone 2.20	Postage 1.00	Hand out 1.25 Movie 1.25
9						10	Books 1.50	Telephone 1.10		
13					Shoes 1.25	13			Movie 1.20	Hand out 1.15 Movie 1.10
16				Sugar .45		14			Insurance 35.00	
17				Bacon .40		16		Movie 1.30		
20	Butter 1.90	Butter 5 ^{cts} .35			Shoes 1.10	17			Books 3.20	Hand out 1.00 Movie 1.25
						20			Postage 50	
Total	2.60	1.10	2.60	2.10	5.85	Total	7.00	3.72	7.20	29.15
										53.5

FIG. 4.—A compact form for classified account. This form economizes space, but prevents complete description and the assembling of all items in a single column.

advantage of this system is that the spaces for description of the articles bought are narrow, if the book is of the usual width, making complete description impossible.

KIND OF ACCOUNT BOOK TO USE.

The kind of book to use is not important. An ordinary blank day-book or ledger book with a stiff cover may be bought at a reasonable price. If the vertical rulings in the book do not serve the purpose others may be inserted with a pen or pencil. The blank book used by the writer has a stiff, pressed paper cover; is 12 inches long and 7 inches wide, has 34 spaces for items, contains 48 pages, and was bought at a retail store for less than 25 cents. With the vertical ruling and headings inserted, as indicated in figures 2 and 3, it served the purpose admirably. In order to eliminate the necessity of writing the headings on each page the tops of a number of pages may be cut off, allowing one set of headings to serve for all pages.

Accounts are sometimes kept in a book having small pages. A small page, however, is soon filled, is often crowded, and the information is scattered over too many pages for convenience in recording and studying the expenditures.

GROUPING OF EXPENDITURES.

Reference has been made to groups or classes of expenditures. These are suggested in order to simplify the accounts. If the farmer attempted to list the purchases of all individual items in separate columns, it would require a great amount of detail work. If, however, he groups, for instance, his expenditures for meats, lard, oysters, eggs, butter, milk, cream, and cheese under "animal food," he will have the total expenditures for a distinct class of foods. At the end of the year he may be interested to know how much cheese was bought during the year. He need then only run down the column of animal food purchases and pick out the items for cheese.

The outline which follows may be used in grouping the expenditures. The first three food groups are distinctly farm products. The totals for these groups at the end of the year will show how much was bought of these classes of food. The data thus obtained should offer suggestions as to how the expenses for goods of this class may be reduced by greater home production. On the average farm 80 per cent of the animal products and 70 per cent of the fruits and vegetables consumed by the family are taken from the farm.¹

The distribution of the different household expenditures into groups is largely a matter of individual viewpoints. The following ten divisions are suggested for the average farm family, as the smallest number of headings consistent with intelligent study:

¹ U. S. Department of Agriculture Farmers' Bulletin 635, What the Farm Contributes Directly to the Farmer's Living.

Animal food.

Meats.
Lard.
Oysters.
Fish.
Eggs.
Butter.
Milk.
Cream.
Cheese.

Fruits and vegetables.

Fresh fruits.
Dried fruits.
Canned fruits.
Citrus fruits.
Fresh vegetables.
Dried vegetables.
Canned vegetables.

Cereal products.

Wheat flour.
Rye flour.
Buckwheat flour.
Corn meal.
Hominy.
Breakfast foods.
Rice.
Bread.
Pastry.
Macaroni.
Crackers.

Other groceries.

Coffee.
Tea.
Cocoa.
Sugar.
Sirup.
Baking powder and soda.
Gelatin.
Spices.
Flavorings.
Olive and other oils.
Honey.
Nuts.
Pickles.
Olives.

Clothing.

Suits.
Shoes.
Hats.
Other clothing.
Repairs, cleaning, pressing.

Household furnishings.

Furniture.
Table and bed linen.
Curtains.
Carpets, rugs.
Kitchen utensils.

Running expenses.

Fuel.
Light.
Ice.
House servants.
Stationery and postage.
Telephone.
Laundry.
Soap.
Toilet articles.
Poll tax.
Accident insurance.
Fire insurance (contents of house).
Life insurance.

Advancement.

Recreation :
 Picnics.
 Trips.
 Fairs.
 Movies.
Education :
 Schooling for children.
 Books.
 Periodicals.
 Daily papers.
 Music.
 Pictures.
 Lectures.
 Chautauqua.
Benevolence :
 Gifts.
 Church.
 Red Cross.
 Charity.

Incidentals.

Doctor.
Medicine.
Dentist.
Lawyer.
Liquors.
Tobacco.
Candy.
Flower seeds.
Barber.

Savings.

Investments.
Savings-bank account.

ALLOWANCE FOR SUPPLIES PROVIDED BY HOME FARM.

It has been found that, in general, over 60 per cent of the food and over 50 per cent of the fuel consumed by farm families is produced on the farm. This important contribution of the farm is often not fully appreciated by the family enjoying it. A record of the actual products retained on the farm for family use may be of interest and value. This earning of the farm is probably of value secondary to the net cash income from crop and live-stock sales, but it is of sufficient importance on the average farm to be borne in mind in the management of the farm.

It may seem difficult to make record of each bunch of beets, each head of lettuce, each quart of berries, and each quart of milk as taken from the garden or saved from the day's supply of milk. The task is not as arduous as it may seem, however. During the summer, when the farmer's wife is very busy, she may not have time to do this every day, or she may forget. This need not seriously affect the value of the record, since the average housekeeper can estimate very closely the quantity of the different kinds of vegetables, the number of eggs, the quarts of milk, etc., used during the week. Thus she can find time once a week or oftener and bring her record up to date. At the end of the year her record probably would be sufficiently accurate for all practical purposes.

It may be well to lay special stress on the more important items. According to an investigation made by the United States Department of Agriculture with a large number of farm families, animal products which group includes meat products, poultry products, and dairy products, constitute about 75 per cent of the food furnished by the farm. All fruits constitute about 6 per cent, and vegetables about 18 per cent. Thus the garden vegetables, which are gathered in varying amounts nearly every day during the growing season, are only one-fourth as important in the aggregate as animal products.

The number of bushels or barrels of potatoes put into the cellar for winter use should be recorded and if in the spring any of these are taken out for seed or sale the quantity taken should be deducted. Do the same with beef, pork, lima beans, vegetables or fruits, or any other product saved for home use.

At the end of the year or season total the quantity of each item. To determine the value of products use the price that they would have sold for on the farm.

In keeping these records the form suggested is illustrated by figures 5 and 6. It will be noticed that the edge of the middle leaf is cut off. There are usually too many items to be listed on two pages of the open book. The short leaf will thus serve as an insert, allowing space for additional columns and at the same time making them easily available for entry.

48		Farm Products Retained for Home Use.										51			
Butter	Unit	Pork	Unit	Eggs	Unit	Butter	Unit	Milk	Unit	Apples	Unit	Peaches	Unit	Berries	Unit
Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit
Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit

FIG. 5.—Suggested form for showing short leaf.

48		Farm Products Retained for Home Use.										51			
Butter	Unit	Pork	Unit	Eggs	Unit	Apples	Unit	Peaches	Unit	Berries	Unit	Potatoes	Unit	Tomatoes	Unit
Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit
Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit

FIG. 6.—Reverse side of short leaf (see fig. 5).