

**THE USE OF MONEY;  
HOW TO SAVE AND  
HOW TO SPEND**

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The use of money; how to save and how to spend by Edwin A. Kirkpatrick

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# THE USE OF MONEY

HOW TO SAVE AND HOW TO SPEND

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FUNDAMENTALS OF CHILD STUDY, GENETIC PSYCHOLOGY  
THE INDIVIDUAL IN THE MAKING, ETC.

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## EDITOR'S INTRODUCTION

Parents have always had more or less trouble in the financial training of their children; and there has probably been no aspect of family life which has been the cause of greater strain and stress than the problem of the child and his money. The problem has grown more acute in our country with the development of urban life, until to-day it has become imperative for the welfare, alike of the family and of the community, that there should be some intelligent plan systematically followed in dealing with the child and the youth in relation to the earning and spending of money.

Present-day family life in the city is not well adapted to give children a right understanding of financial operations small or large. Probably the great majority of city children do not in the ordinary course of events have experiences which impress on them the value of money and the need of restraint, or at least of reasonable economy, in expending it. In many homes, and the number seems to be increasing constantly, the children easily gain the notion that anything they want or that is required for the maintenance of the household can

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be secured by telephoning for it. Those who spend the funds of the household ordinarily do not produce them. In the city children usually do not come into contact with the workers of the household when the latter are exerting themselves to earn the money with which to pay the bills. When the father is at home the children tend to regard him simply as one member of the household, and he makes little or no impression on them as a producer. When their requests for money are not readily granted they tend to look on the one who controls the resources as "mean" or "stingy." When one has not put forth effort one's self as a producer one can not easily take the point of view of the one who has earned by the sweat of his brow, and who is disposed to expend the results of his effort only for necessary purposes. Further, when children are in no way responsible for meeting the obligations created by the household, they can not realize the necessity of being cautious about incurring obligations. It was different in an earlier day, however, when the children lived close to the parent who was working to secure money, and when they heard every one around them talking about not contracting a debt until one had the money to pay for it. Then they gained experience which enabled them to

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interpret a dollar in terms of actual work; that is, they learned to appreciate the value of money.

The writer has had the confidence of some parents regarding financial experiences with their children. Here is a more or less typical case. A man now forty-five years of age has acquired a reasonable competence by hard work and thrifty habits. He has a family of four children, the oldest nineteen, the youngest eight. In order to make his wife and children happy and to save them from hard work of every kind he has provided them with an attractive home and has willingly paid their bills up to the limit of his capacity. But with growing years the demands of his children have constantly increased, until now he can not meet them. Until recently he has never discussed any business matter in his household. It has been the custom for his wife and children to telephone for practically anything they wished and order the bill to be sent "to the office." As a consequence they have come to feel that the chief trouble involved in securing what they wish is in telephoning for it, or in waiting to have it made or delivered. That some one has had to earn what they have expended has not been deeply impressed on them. The father has found it necessary of late, however, to talk to his children



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about their expenses, but he does not appear to be able to induce them to take his point of view. He is beginning now to feel that they are quite unreasonable in their demands and that they show no gratitude for what they receive; and he is coming to see that they are very poorly equipped to do anything for themselves or to keep their expenditures within proper bounds. It is inevitable that henceforth in this household there should be a good deal of disturbance over the question of adjusting expenses to resources.

There are other types of homes, especially in rural sections, in which children are from the very beginning so oppressed with the difficulty of getting money that they never feel any freedom in expending what funds may come into their possession. Not infrequently one finds a home in which the ambition of all its members seems to be concerned mainly with saving. Again, there are households in which the one who earns feels so keenly the trials of his work, while at the same time those who consume what he produces appear to him not to be sharing his burden at all or to be appreciative of his labors, that he can not discuss any other subject in their presence.

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There is still another type of home in which the young are made aware of what it requires to secure money and are given some training in its proper use. In such a home the children get experience more or less beneficial by employing money to secure things of real worth. They are made to realize that excess or wastefulness can not be tolerated; but at the same time they are not made so inhibited in regard to the use of money that their energies are largely spent in mere saving and in trying to eliminate trivial expenses.

There are many questions which both the parent and the teacher must consider in training the young so that they can earn and use money in an intelligent and efficient manner as, for illustration: How early should children be given the money with which to buy the things they desire, and should they be required to make the actual purchases? Should there be much discussion in a household of the sources and amount of the income, or should "business" be kept out of the home? How can the wage-earner in a family best lead the consumers to understand what he has to do in order to secure the family funds? Should children be made aware of the character and amount of the expenses of the household day by day, and should they compare outgo

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with income? Should they actually see the bills as they are presented? If they are paid by check, should the children write the checks? Should a child be given a certain amount which he may expend according to his desires, and should he be limited in his expenditures exactly to this allowance? If children are given a definite sum each week or month, will they come to expect this as a right, and will this lead them to think that the funds are supplied from heaven, and no one has to earn them? Does it preserve more intimate and natural relations between child and parents for the former to go each time to the latter for money to secure what he desires? Is it possible to overemphasize with children the necessity of saving? Should they be impressed with the desirability of developing productive power, rather than of taking too much thought about saving in details? How early should children be required to earn money, and in what ways? How can the work of the school extend and reinforce the training of the home in giving children a knowledge of the value and proper use of money? Should children in the manual-training or domestic-science departments of high schools receive pay for their work if they can sell their products? Will the keeping of regular accounts of