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The Household Accounts of
Two Chinese Families

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BY

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The Household Accounts of Two Chinese Families

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ACCOUNT keeping is not unusual among Chinese families, especially those who have considerable income and sufficient education to make possible the writing of the accounts. Many of them are kept as a result of the Chinese large family system. In the large families with several collateral branches of the family living together there are usually several persons contributing to the family income. They naturally are interested in seeing that the money they put into the hands of the family treasurer is properly spent and so require him to keep complete accounts. In many families the funds are handled by one person who acts as treasurer for a long period of time. In others the treasurership is given to different members in rotation. In the latter case the treasurers are often representatives of the different family groups that make up the large family.

Chinese family accounts, being complete and accurate and covering a period of several years, are ideal material for family budget studies but almost none of them have been used. In the first place they are seldom available for study for it is not often that a Chinese family will allow an outsider to see its accounts. Then, too, the ordinary accounts must be entirely rewritten before they can be studied as they are usually only two lists, one of receipts, and one of expenditures. The daily totals of each are given but no attempt is made to classify the different kinds of receipts and expenditures. Food, clothing, education, health, recreation are all mixed in together. Segregation of the various items means a complete rewriting of the account.

The problem is further complicated by the fact that the accounts are usually kept in two kinds of money, silver and copper, and the silver-copper exchange rate fluctuates constantly. In the accounts given here all the amounts are given in silver.* It has been used as the standard and all copper expenditures have been converted. Silver is the money used for the larger transactions, and silver prices have been more stable than copper prices. The silver dollars have been kept to standard while the copper coinage has been greatly depreciated. From 1919 to 1924 the monthly average of the silver-copper exchange rates increased from 135.2 to 265 coppers to the dollar or almost 100%. The yearly averages were:¹

*\$=Silver dollars.

1919—138
1920—141
1921—152.8

1922—170.7
1923—193.2
1924—232.9

Two family accounts were made available to us through the help of Chinese friends. One, the record of a lower middle class family, covered five years and eight months from March 1, 1919, to October 31, 1924, the other, secured from a well-to-do family, ran for three years from January 1, 1922, to December 31, 1924. We could not hope for later accounts as our study was made in 1925. Both families were living in Peking.*

It seemed worth while to study these accounts. Practically all the available material concerning Chinese family income and expenditure was based on questionnaire or interview studies. The figures from the accounts covering several years would, of course, be much more accurate than any personal estimate. Then, too, even though there were only two budgets and they were in different income levels, the families were chosen at random and there was, therefore, a good probability that their figures would be typical for the particular income levels. Even if they were not typical they would be very significant and would give a complete picture of the distribution of the family income and expenditure.

If we were to have the accounts the families had to be completely anonymous. Not only could we have no direct contact with the family but even working through our Chinese friends it was not always possible to secure all the information we desired concerning the family. They gave us enough to give a general picture of the family but we could not get the exact ages of all the members of the family, size of the house, reasons for increases in rent, etc. Fortunately it was necessary to rewrite only the 1919-1924 account. The other account was kept in silver and the entries were classified as they were made. Even so, rewriting the one account took several months of a writer's time.

FAMILY No. 1.

The first family had twelve members, a man and his wife and their six children, his sister-in-law and her three children. His brother was not a regular member of the household as he was employed in another city and so was seldom with his family. Nevertheless he contributed almost half of the family income. The children of the first couple were fairly well grown for the oldest daughter was married in 1919, the first year covered by the accounts and the two oldest sons were employed in a bank in 1925. We were not able to secure any information concerning the ages of the other three children or of the three children of the sister-in-law. The family was able to have a servant for only part of one year.

*New called Peiping.

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The man was employed as a clerk or secretary in one of the government boards. His salary was nominally \$30 a month but during the years 1919 to 1924 government salaries were irregular and sometimes were not paid at all. During 1919 part of his salary was paid in the depreciated Bank of China notes whose silver value was, at times, less than half their face value. In 1922 his monthly receipts varied from \$6.00 to \$55.50. In 1923 there were four months when he received no salary but some months he received double payment. The monthly totals varied from \$12.52 to \$71.90. In 1924 the maximum monthly income was \$95.00, the minimum \$2.04, with two months of no income at all. The yearly totals varied from \$279.31 to \$367.00. The total salary income for the five years and eight months was \$1,935.05, or an average of \$28.45 a month.

TABLE 1
ANNUAL INCOME

| Income | 1919 | 1920 | 1921 | 1922 | 1923 | 1924 |
|-----------------------|-----------|----------|----------|----------|----------|-----------|
| Total | \$758.05* | \$619.52 | \$765.18 | \$829.07 | \$777.44 | \$684.62* |
| Salary | 308.17 | 330.00 | 367.00 | 356.03 | 279.31 | 294.54 |
| Support from Brother | 244.96 | 263.08 | 370.60 | 287.59 | 365.82 | 380.19 |
| Gifts | 155.06 | 24.50 | 15.05 | 36.16 | 12.05 | ..... |
| Interest | 1.00 | 1.00 | 12.53 | ..... | 4.00 | ..... |
| Sale of Property..... | ..... | ..... | ..... | ..... | 13.66 | .51 |
| Deficit | 48.86 | .94 | ..... | 149.29 | 102.60 | 9.38 |

* Ten Months.

TOTAL INCOME

| Income | Amount | Percent. | Average per Month |
|---------------------------|-------------------------|----------|----------------------|
| Total | \$4,432.04 ¹ | 100.0 | \$65.17 |
| Salary | 1,935.05 | 43.6 | 28.45 |
| Support from Brother..... | 1,912.24 | 43.2 | 28.12 |
| Gifts | 242.82 | 5.5 | 3.57 |
| Interest | 18.53 | 0.4 | .27 |
| Sale of property..... | 14.17 | 0.3 | .21 |
| Deficit | 309.23 ¹ | 7.0 | 4.55 |

¹ Not equal to sum of annual totals. Reduced by amount of 1921 surplus.

We were unable to learn what sort of work the brother was doing or what was his monthly salary. The accounts show that he contributed to the family income amounts varying from \$244.96 to \$308.19 a year. The total was \$1,912.24 or an average of \$28.12 a month. Besides that, of course, he had to meet his own living expenses so his salary was evidently \$40.00 or more a month.

Presents of money received by the family amounted to a total of \$242.82. Of this \$151.06 was received the month when the oldest daughter was married. As it is the Chinese custom to give presents of money at the time of weddings, funerals, etc., this undoubtedly was the amount contributed by friends and relatives for the daughter's wedding. It is not possible to determine the exact amount of the wedding expenses but from the expenditures for clothing, jewelry, entertainment, presents, transportation, etc., entered in the accounts at the time of the wedding it seems evident that the total was probably between \$175.00 and \$200.00. The wedding presents, therefore, paid much more than half the wedding expenses. A large part of the remainder had to be met with borrowed money.

Most of the other presents, \$91.76, were probably connected with the Chinese festivals. The two largest amounts, \$26.16 and \$20.50, were received at the time of Chinese New Year. Two gifts of \$10.00 each were received in December and may well have been Christmas presents. Gifts amounting to a total of \$9.05 were received in May of three different years. This was too early for the spring festival the 5th of the 5th moon so they may have been birthday presents. One gift of \$4.00 was received in October and one of \$12.05 in November.

Interest received on money loaned to others amounted to \$18.53. The various payments, however, do not seem to have any relation to loans made, at least as shown in the accounts. Almost half the entire interest amount was received in one year when there were two payments of \$4.50 each. Two years showed no interest receipts. Interest paid amounted to \$45.11.

The total current income for 68 months (man's wages, brother's contributions, presents, and interest), amounted to \$4,108.64 or an average of \$60.41 a month. The family expenses, however, totaled \$4,432.04 or \$65.17 a month so there was a deficit of \$323.40 or an average of \$4.76 a month. Every year but one showed a deficit. One year it was \$143.66, another year \$116.26. For a third year the deficit was only 94 cents. The one surplus was \$1.84. Considering the size of the family budget and the nature of some of the expenses, it is quite surprising to find that 7.0% of the family expenditure was met from capital rather than from current income.

The deficit of \$323.40 was met by selling some small items for \$14.17, by reducing the family cash balance by \$13.02, and by borrowing \$296.21. This was the net amount borrowed. The gross amount was \$1,142.08, almost four times as much. Loans paid off totaled \$835.44 so apparently it was necessary to shift a good many of the loans. Some money was borrowed during every month but four. Payments were made on loans in all but 9 months. The family's debts

TABLE 2
ACCOUNTS PAYABLE AND RECEIVABLE

Totals 1919-1924

| | |
|--------------------------------------|------------|
| Loans Returned | \$ 87.78 |
| Money Borrowed | 1,142.63 |
| Cash Balance March 1st, 1919..... | 25.18 |
| | \$1,255.59 |
| Total | |
| Loans Made | \$ 98.76 |
| Debts Paid | 835.44 |
| Cash Balance October 31st, 1924..... | 12.16 |
| | \$ 946.36 |
| Total | |

Amount Outstanding at End of Year¹

| | <i>Loans</i> | <i>Debts</i> |
|-----------|----------------------|--------------|
| 1919..... | \$ 2.70 ² | \$ 42.41 |
| 1920..... | .59 | 25.22 |
| 1921..... | 4.83 | 38.24 |
| 1922..... | 5.52 | 182.54 |
| 1923..... | 12.23 | 287.68 |
| 1924..... | 10.98 | 307.19 |

¹ Account totals only—No report from family of earlier amounts.
² More repaid than loaned.

apparently increased \$307.19, but as its bills receivable were increased \$10.98, the net amount borrowed to meet current expenses was \$296.21. The total amount loaned to others was \$98.76, but \$87.78 of this was repaid. The increase in loans made to others does not show on the expense side of the account as it was made with borrowed money. Being purely a capital transaction, it is not shown in either the income or expenses. Table 2 gives the total amounts loaned, borrowed and repaid and the net amounts of debts and loans outstanding at the end of each year. It does not, however, give any idea of the family's total accounts payable and receivable. The totals did not appear in the account books and we could not get a report from the family.

Chinese New Year is the time when everyone ordinarily attempts to settle his debts but the accounts do not show that the family made any special attempt to pay off its indebtedness at that time.

The current expenses of the family for 68 months totaled \$4,432.04, or an average of \$65.17 a month. The maximum monthly average for any year was \$75.80, the minimum \$51.63. For four years the average was between \$60.00 and \$70.00. The high average was the result of the wedding expenses in 1919. The low average came the next year and was the result of a decreased expenditure for clothing and miscellaneous.

TABLE 3
EXPENDITURE
Annual

| Expenditure | 1919 ¹ | | 1920 | | 1921 | |
|-----------------------------|-------------------|----------|----------|----------|----------|----------|
| | Amount | Percent. | Amount | Percent. | Amount | Percent. |
| Totals | \$758.05 | 100.0 | \$619.52 | 100.0 | \$765.18 | 100.0 |
| Food | 219.00 | 28.9 | 252.21 | 40.7 | 299.65 | 39.2 |
| Clothing | 131.86 | 17.3 | 48.71 | 7.9 | 133.06 | 17.4 |
| Rent | 60.63 | 8.0 | 70.78 | 11.4 | 75.51 | 9.9 |
| Heat, Light and Water | 38.54 | 5.1 | 37.87 | 6.1 | 43.25 | 5.6 |
| Miscellaneous | 308.02 | 40.7 | 210.03 | 33.9 | 213.71 | 27.9 |

| Expenditure | 1922 | | 1923 | | 1924 ¹ | |
|-----------------------------|----------|----------|----------|----------|-------------------|----------|
| | Amount | Percent. | Amount | Percent. | Amount | Percent. |
| Totals | \$829.07 | 100.0 | \$777.44 | 100.0 | \$684.62 | 100.0 |
| Food | 370.89 | 44.7 | 324.75 | 41.7 | 306.58 | 44.8 |
| Clothing | 61.55 | 7.4 | 47.77 | 6.2 | 100.91 | 14.7 |
| Rent | 89.00 | 10.8 | 132.00 | 17.0 | 110.00 | 16.1 |
| Heat, Light and Water | 66.45 | 8.0 | 32.52 | 4.2 | 29.80 | 4.4 |
| Miscellaneous | 241.18 | 29.1 | 240.40 | 30.9 | 137.33 | 20.0 |

Total—1919-1924²

| Expenditure | Amount | Percent. | Average per Month |
|--------------------------|-------------------------|----------|-------------------|
| Total | \$4,432.04 ³ | 100.0 | \$65.17 |
| Food | 1,773.08 | 40.0 | 26.07 |
| Clothing | 523.86 | 11.8 | 7.70 |
| Rent | 537.84 | 12.2 | 7.91 |
| Heat, Light, Water | 248.43 | 5.6 | 3.65 |
| Miscellaneous | 1,348.83 ³ | 30.4 | 19.84 |

¹ Ten Months.

² 68 months.

³ Not equal to sum of ANNUAL totals. Deficit decreased by amount of surplus.

Food is the outstanding item on the expense side of the account. The total for the 68 months was \$1,773.08, or 40% of all the family expenditure. Clothing for the family cost \$523.86, or 11.8% of the budget. House rent amounted to \$537.84, 12.2%, and heat, light and water to \$248.43, only 5.6%. A total of \$1,348.83 was spent for miscellaneous, all the other items of the budget. This was 30.4% of the family budget or less than half the amount spent for food, clothing, rent and fuel. The average expenditure per month was food \$26.07, clothing \$7.70, rent \$7.91, heat, light and water \$3.65, and miscellaneous \$19.84, a total of \$65.17. The amount per person per month was food \$2.17, clothing 64 cents, rent 66 cents, heat, light and water 31 cents and miscellaneous \$1.65, a total of \$5.42.

Some might question calling this a lower middle class family when it spent 40% of its budget for food and the amount for food was only \$2.17 per person per month. In the United States it is estimated that in an average bare subsistence budget 40% is spent for food.² It must

be remembered, however, that many Chinese families spend more than 70% of their budget for food and that the average percent for food given by many of the available budget studies is over 60%.³ The Chinese and American standards of living are very different.

Because of the large number of children in the family the amount spent for food per person is unusually small, only \$2.17 a month. A much better picture of the expenditure for food is given by the amount per adult male equivalent or per cost-consumption unit.⁴ This cannot be determined exactly as it was not possible to persuade the family to tell the age and sex of the children. However, by using different possible distributions of age and sex we can get a close approximation of the size of the family in terms of the food requirements of an adult male. If the children were relatively old the average amount for food per cost-consumption unit was about \$3.50 per month. If the children were younger the amount would be about \$3.75 per month.

Even this amount seems small but a family budget study we made in Peking in 1927 showed that many of the workers' families were then spending from \$3.75 to \$4.00 per month per cost-consumption unit and at that time food prices were some 40% higher than they were in 1921 and 1922.

The yearly totals show that the amount spent for food fluctuated from \$252.21 to \$370.89. They were below \$300.00 for the first three years and over \$320.00 for each of the last three years covered by the accounts. This increase must have come partly because the children were older and partly because of the increase in the price of food. The increase per cost-consumption unit, however, was not as rapid as the increase in general prices or in the prices of the grains and flours. From 1919 to 1924 the prices of grains and flours increased between 35 and 40 percent¹ but the expenditure per cost-consumption unit increased only about 20 percent. The figures giving the changes in the prices of fruit, vegetables, condiments and meats are not available but it seems evident that the change in the prices of the grains and flours is a fair index of the general change in food prices, especially as the grains and flours constitute such a large part of the family diet. Some families with small incomes spend over 70 percent of their food expenditure for grains and flours. Other families spending 40 percent of their total budget for food use, allow on the average, 52 percent of their food expenditure for grain and flour.

It is interesting to note that during four years there were only 8 days without some expenditure for food. Even on festival days some things were purchased. On a great many days the amount was only 20 coppers for Chinese cakes for breakfast. The expenditure for grain, flour, Chinese cakes, biscuits, etc., was 30 coppers or less a day on two days out of three during the three years, 1919-1921. Similar figures are not available for the last three years because of the rapid rise in

the silver-copper exchange rate. Expenditures of more than \$1.00 a day for grain and flour were made on the average of only twice a month. With but little space and almost no facilities for storing food, it is only natural that the Chinese families should regularly buy their food in small quantities and for small amounts.

The only regular large periodic expenditure for food was that for the Chinese New Year feasts in late January or early February. The food expenditure in those months was regularly the largest for the year. Special meals are eaten at the spring and autumn festivals but the expenditure for them did not increase the monthly totals enough to make them noticeably large.

Clothing cost \$523.86 or 11.8% of the family budget. This is a relatively high percent for Chinese families. Another budget study shows that the average for clothing is usually below 10% until the income is more than \$100.00 a month. The figures for American families are higher. An average budget for a New York family receiving relief calls for 15% for clothing. In Australia the average for skilled and unskilled workers is 13.6%.⁵ In American farm budgets it is 14.7%.⁶ In San Francisco, professional families spend 13.7% of their budgets for clothing⁷ and clerks' families 23.5%.⁸

For this Chinese family the average annual expenditure was \$92.40 or \$7.70 per person, a relatively large amount for Chinese families. Another group of families averaging 4.1 members and with monthly incomes under \$25.00, or about the same amount per person as this family, spent only \$2.40 per person per year for clothes.

There was a large fluctuation in the annual clothing expenditure. The maximum was \$133.06 and the minimum \$47.77. The percentages ranged from 6.2 to 17.4. There seems to be a tendency to spend a large amount one year and a small amount the next. The year with the largest percentage was naturally 1919, the year of the daughter's wedding.

The accounts show that there was some expenditure for clothing every month. Clothing items were entered, on the average, some twelve days a month but only twelve times a year was the daily expenditure more than \$1.00. April, May, September and November were ordinarily the months of large expenditure. July, August, February and March had the smallest average expenditure. The large purchases of clothing are naturally made spring and fall. The maximum monthly total was \$56.10. The minimum was 19 cents. Twelve months out of the 68 the clothing expenditure was less than \$1.00.

It should be remembered that most of the clothing expenditure is for cloth and cotton wadding. The women of the family make these into clothes, plain cloth for summer and cotton wadded for winter. Garters, hats, socks, and some shoes were bought ready made. A large

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part of the Chinese clothing being made in the home, may account, in part at least, for the fact that the proportion spent for clothing is smaller in the Chinese budgets than in those of other countries. For most American families the cost of clothing includes a considerable amount for tailoring. This would not appear in the Chinese accounts.

Rent for the family house averaged \$7.91 a month or 12.2% of the budget. This seems to be about the usual proportion spent for rent by middle class Chinese families. American budgets ordinarily have a much higher proportion, from 15 to 27 percent. In the large cities in Japan housing amounts to 17% of an efficient standard of living and 12% of a primary poverty budget.⁹ In Bombay rents run from 7.4 to 8.6% of the family budget.¹⁰ Government control in the U. S. S. R. keeps it down to 7.7% of a Moscow worker's budget.¹¹

The actual monthly rent was \$6.06 until August 1922. Then no rent was paid for three months but a large payment of \$40.52 was made in December. After that the rent was \$11.00 a month. Unfortunately we were unable to find out whether the increase in rent meant that the family moved into a larger house or that the rent was increased for their old quarters. It probably meant that the family moved though in that case we would expect the December payment to be \$45.12 instead of \$40.52. That would be two months at \$6.06 and three months at \$11.00. The third back month would not be paid as the rent for the last month is prepaid. Chinese custom ordinarily requires the payment of three months rent when a family rents a house, one for the first month, one for the last month, and one as a tip to the landlord's servants. There must have been some adjustment to make the amount \$40.52, probably the servants tip was less than a months rent.

We could not learn the exact size of the house but judging from the amount of the rent the first house probably had four or five rooms and the second six or seven. The number of persons per room would therefore be between two and three which is fairly high.

Zero weather is not uncommon in Peking and there are usually some six weeks of freezing weather during the winter. Even so this family spent an average of only \$43.80 a year for heat, light and water. Judging from the averages of other family budgets, this amount would provide, for all the cooking and heating, an average of some 20 pounds a day of coalballs and coal, 3½ tons of coalballs and possibly some 400 pounds of coal per year, 10 gallons of kerosene a year for light and would pay to have the water for the family brought in by the water carrier. Except for one year, 1922, the expenditure was fairly constant, ranging from \$32.52 to \$43.25 per year. The 1922 total was \$65.21.

Heat, light and water took an average of only 5.6% of the family

TABLE 4
MISCELLANEOUS EXPENDITURE
Annual

| | 1919 | | 1920 | | 1921 | |
|--------------------|----------|----------|----------|----------|----------|----------|
| | Amount | Percent. | Amount | Percent. | Amount | Percent. |
| Totals | \$308.02 | 40.7 | \$210.03 | 33.9 | \$213.71 | 27.9 |
| Entertainment | 211.81 | 27.9 | 101.16 | 16.4 | 104.34 | 13.6 |
| Health | 27.10 | 3.6 | 43.27 | 7.0 | 23.69 | 3.1 |
| Education | 17.98 | 2.4 | 17.93 | 2.9 | 15.88 | 2.1 |
| Communication .. | 10.98 | 1.5 | 10.13 | 1.6 | 13.82 | 1.8 |
| House Equipment | 3.72 | 0.5 | 13.00 | 2.1 | 7.43 | 1.0 |
| Labor ..... | ..... | ..... | .22 | ..... | 2.81 | 0.4 |
| Interest | 2.91 | 0.4 | 5.00 | 0.8 | 1.50 | 0.2 |
| Contributions .... | ..... | ..... | .07 | ..... | .18 | ..... |
| Miscellaneous | 33.52 | 4.4 | 19.25 | 3.1 | 42.22 | 5.5 |
| Surplus ..... | ..... | ..... | ..... | ..... | 1.84 | 0.2 |

| | 1922 | | 1923 | | 1924 | |
|---------------------|----------|----------|----------|----------|----------|----------|
| | Amount | Percent. | Amount | Percent. | Amount | Percent. |
| Totals | \$241.18 | 29.1 | \$240.40 | 30.9 | \$137.33 | 20.0 |
| Entertainment | 65.67 | 7.9 | 98.78 | 12.7 | 50.74 | 7.4 |
| Health | 71.57 | 8.6 | 21.63 | 2.8 | 19.07 | 2.8 |
| Education | 6.93 | 0.8 | 19.02 | 2.5 | 14.88 | 2.2 |
| Communication .. | 12.89 | 1.6 | 8.14 | 1.0 | 11.89 | 1.7 |
| House Equipment | 5.38 | 0.7 | 4.79 | 0.6 | 6.46 | 0.9 |
| Labor | 19.00 | 2.3 | 9.10 | 1.2 | 2.25 | 0.3 |
| Interest | 15.01 | 1.8 | 20.27 | 2.6 | .42 | 0.1 |
| Contributions | 1.00 | 0.1 | .20 | ..... | ..... | ..... |
| Miscellaneous | 43.64 | 5.3 | 58.47 | 7.5 | 31.62 | 4.6 |
| Surplus ..... | ..... | ..... | ..... | ..... | ..... | ..... |

TOTAL

| | Amount | Percent. of Budget | Percent. of Tot. Misc. | Aver. per Month |
|-----------------------|-------------------------|--------------------|------------------------|-----------------|
| TOTAL | \$1,348.83 ¹ | 30.4 | 100.0 | \$19.84 |
| Entertainment | 632.59 | 14.3 | 46.9 | 9.30 |
| Health | 206.33 | 4.6 | 15.3 | 3.04 |
| Education | 92.62 | 2.1 | 6.9 | 1.36 |
| Communication | 67.85 | 1.5 | 5.0 | 1.00 |
| House Equipment | 40.78 | 0.9 | 3.0 | .60 |
| Labor | 33.38 | 0.8 | 2.5 | .49 |
| Interest | 45.11 | 1.0 | 3.4 | .66 |
| Contributions | 1.45 | ..... | ..... | .02 |
| Miscellaneous | 228.72 | 5.2 | 17.0 | 5.30 |

¹ Surplus omitted—Used to decrease deficit.

penses were more than \$2.00 and only 2 when they were more than \$4.00. The largest monthly total was \$5.06.

Miscellaneous was the only other item with a total of more than \$100.00. It amounted to \$228.72 or \$3.37 a month. This heading included wine, tobacco, incense, paper money, etc. As several of these items are used specially in connection with the celebration of the New Year, January or February, were naturally the largest months.

Education, including books, newspapers, writing supplies, as well as tuition, averaged only \$1.36 a month. Evidently the family paid but little school tuition for any of the children who may have been in school.

Communications, carriage and ricksha fares, postage, etc., averaged just \$1.00 per month. The largest monthly total was \$4.52 and that included the extra transportation expenses for the daughter's wedding.

All the items bought for the house, baskets, tables, chairs, dishes, lamps, chopsticks, furniture, cost only \$40.78 or 60 cents a month. Interest on outstanding loans averaged 60 cents a month, but this was partly offset by the receipt of 7 cents a month for money loaned to others.

The total amount spent for labor was only \$33.38 or an average of 49 cents a month. More than half the total appeared on the 1922 account when the family had some outside service. For this help they apparently paid \$1.50 a month and board. Contributions amounted to a total of only \$1.45.

There was a surplus only one year and it amounted to only \$1.84.

The small monthly averages for the various budget headings show how little even a middle class Chinese family has to spend for all the things one ordinarily expects to find in a family budget. They give some idea of the care with which expenditure must be planned and explain somewhat why it is that food and money are the favorite topics of conversation of so many of the Chinese.

One wishes they might know how this family has fared since 1924. We know that after 1924 the Government bureaus had increasing difficulty in paying salaries and in 1928 the capital was moved from Peking. This undoubtedly meant that the man lost his position and he must have had great difficulty in finding another because of the economic depression in the city. We can only wonder how this family has met their financial problems. Probably with great difficulty for even with a moderate income they were going deeper and deeper into debt. If the two boys have been able to keep their positions in the bank their salaries even though small must have been most helpful.

FAMILY No. 2.

The accounts of the second family covering the three years from January 1, 1922, to the end of 1924, give a very different picture than those of the first family. The second family instead of being lower middle class can be classed as moderately well-to-do. It had sufficient income to satisfy its needs, give it a comfortable life with plenty of service and still leave enough surplus so it could send large amounts to the old family home where the father, mother, three brothers, and two sisters were living together.

In 1922 the Peking family consisted of thirteen persons, a couple,

their five children, the oldest of whom was ten years of age, and six servants, three men and three women. The man who was between 30 and 40 years of age, was a graduate of an American University. He held an administrative position with a salary of some \$400.00 a month. During two years he evidently was doing some extra work for which he was paid some \$50.00 a month. For the three years his average salary income was \$429.79 a month. This was 93.5% of the family's current income.

Presents of money totaled \$316.00 but all but \$19.00 of this was received during the month when the family gave a big celebration in honor of his father's sixtieth birthday. The \$297.00 was evidently given by those who were invited to the celebration. The money presents were apparently given to the man giving the party in order to help him with the expenses rather than to the guest of honor. He undoubtedly received other presents.

TABLE 5
INCOME

| | 1922 | 1923 | 1924 | Total Amount | Percent. |
|--------------------------|---------------------|---------------------|--------------------|--------------------------|----------|
| Total | \$5,633.29 | \$5,662.95 | \$6,807.16 | \$17,011.79 ² | 100.0 |
| Salaries | 5,050.00 | 5,500.00 | 4,922.50 | 15,472.50 | 91.0 |
| Presents | 11.00 | ..... | 305.00 | 316.00 | 1.9 |
| Interest | 517.19 ¹ | 139.86 ¹ | ¹ | 621.29 ¹ | 3.6 |
| Miscellaneous | 11.10 | 15.39 | 119.84 | 146.33 | 0.9 |
| Miscellaneous Sales..... | 44.00 | 7.70 | 4.40 | 56.10 | 0.3 |
| Savings Reduced ..... | ..... | ..... | 1,455.42 | 399.57 ² | 2.3 |

¹ Net amount. Total received less interest paid.

² Not equal to sum of annual amounts. Reduced by eliminating interest and savings from expense totals.

Interest received on outstanding loans amounted to \$963.37 or an annual average of \$321.12. Evidently the family had several thousand dollars out on loan. Interest paid on money borrowed amounted to \$342.08 so the net interest receipts were \$621.29 or \$207.10 a year. Miscellaneous receipts amounted to \$146.33.

The total current income for the three years was \$16,556.12, an average of \$5,518.71 a year or \$459.90 a month. Current expenses, however, totaled \$17,011.79, leaving a deficit of \$455.67. This deficit was the result of very large "special" expenses in 1924. The family did not have a deficit every year. In fact it had a surplus of over \$500.00 a year for the first two years, but the expenditure of over \$1,000.00 for his father's sixtieth birthday party and some \$750.00 for other special occasions in 1924 left a deficit for that year of \$1,459.82. This was more than enough to wipe out the surplus of the first two years. The deficit was met by income from the sale of miscellaneous articles and by reducing the family's accounts receivable by \$399.57.

TABLE 6
CAPITAL TRANSACTIONS
Totals 1922-1924

| | |
|---------------------------------------|-------------|
| Property Sold | \$ 4,591.64 |
| Loans Returned..... | 2,468.68 |
| Money Borrowed | 2,863.97 |
| Cash Balance January 1st, 1922..... | 395.00 |
| | \$10,319.29 |
| Property Bought | \$ 6,247.05 |
| Loans Made | 1,971.60 |
| Debts Paid | 1,692.95 |
| Cash Balance December 31st, 1924..... | 8.12 |
| | \$ 9,919.72 |
| Property Increased | \$ 1,268.53 |
| Indebtedness Increased | 1,171.02 |
| Loans Receivable—Reduced..... | 497.08 |
| | \$ 399.57 |
| Capital Reduced | \$ 399.57 |

The family's capital and property transactions amounted to almost \$20,000.00 for the three years. Property purchased cost \$6,247.05 and \$4,591.64 was received from the sale of property. There was some property expenditure every month. With a recurrent minimum of \$36.00, it seems probable that some property was being bought on the installment plan. The total amount borrowed was \$2,863.97 but \$1,692.95 of this was paid back. Loans to others amounted to \$1,971.60 but \$2,468.68 was received in repayment of outstanding loans. As a result of these transactions the net increase in family property was \$1,268.53, its indebtedness was increased \$1,171.02 and its accounts receivable reduced \$497.08. This was a net reduction of \$399.57 in the family's capital account. It was used to meet part of the deficit in the current account. It amounted to 2.6% of the family income.

The total current expenditure was \$17,011.79 or an annual average of \$5,670.60. The amounts for the first two years were almost identical, \$5,623.29 and \$5,662.95, but the third year was almost \$1,200.00 larger. The increase was due almost entirely to the birthday party and other special entertainment expenses.

The average annual expenditure for food was \$754.64, for clothing \$337.96, for rent \$530.55, for heat, light and water \$196.10 and for miscellaneous \$3,851.01. This latter item was more than twice the amount spent for all the other items.

Food averaged only 13.3% of the budget, clothing 6%, rent 9.4%, heat, light and water 3.5%, and miscellaneous 67.8%. The 67.8% spent for the items included under miscellaneous is a good index of the financial status of the family. If labor, house equipment, etc., items

TABLE 7
EXPENDITURE

| | 1922 | | 1923 | | 1924 | |
|---------------------|------------|----------|------------|----------|------------|----------|
| | Amount | Percent. | Amount | Percent. | Amount | Percent. |
| Total | \$5,633.29 | 100.0 | \$5,662.95 | 100.0 | \$6,807.16 | 100.0 |
| Food | 727.20 | 12.9 | 726.67 | 12.8 | 810.05 | 11.9 |
| Clothing | 232.53 | 4.1 | 385.05 | 6.8 | 396.30 | 5.8 |
| Rent | 453.53 | 8.0 | 379.00 | 6.7 | 760.12 | 11.2 |
| Heat, Light & Water | 157.02 | 2.8 | 211.97 | 3.7 | 219.30 | 3.2 |
| Miscellaneous | 4,063.01 | 72.2 | 3,960.26 | 70.0 | 4,621.39 | 67.9 |

| | Total | Monthly Average |
|--|--------------|-----------------|
| | Amount | Percent. |
| | \$17,011.79* | 100.0 |
| | 2,263.92 | 13.3 |
| | 1,013.88 | 6.0 |
| | 1,592.65 | 9.4 |
| | 588.29 | 3.5 |
| | 11,553.05* | 67.8 |

* Not equal to sum of annual amounts. Interest and savings not included.

that in many American accounts are included under the heading House Operation, are omitted the proportions spent for food and miscellaneous are almost the same as those spent by American college professors receiving over \$8,000 a year.¹⁴ The American figures are Food 12%, Miscellaneous 55%. For the Chinese family they are Food 13.3%, Miscellaneous approximately 56%.

The average monthly expenditure for food was \$62.89. For the entire household of 13, including the six servants, this was \$4.84 per capita or \$7.50 per cost-consumption unit. The servants are included as Chinese families ordinarily provide the food for their assistants. However, the food bought for the servants is undoubtedly less expensive than that served the family, especially where provision must be made for several servants. Allowing for this difference the average expenditure per cost-consumption unit for members of the family was probably \$10.00 or \$11.00 and for the servants about \$5.00 a month though the family amount may easily have been somewhat larger and the amount for the servants somewhat smaller. Other Chinese families with incomes of over \$300.00 a month spent \$13.43 per month per cost-consumption unit for food.

For the first two years the total food expenditure differed by only 53 cents. The third year the amount was \$83.00 more. This is easily accounted for by extra entertaining and increased prices. February or March, depending on the time of the Chinese New Year, September and December were the months with the largest expenditure for food.

Clothing for the three years cost \$1,013.88, an average of \$337.93 a year or \$28.16 a month. This was only 6% of the budget which is a small proportion for Chinese families and considerably smaller than the figures for American families. We have found that other Chinese

families with incomes of over \$100.00 a month usually spend a little more than 10% of their budget for clothing. For American professional families the figures run from 8 to 13%.^{7 & 14}

The per capita clothing expenditure was \$26.00 per year but this is misleading because of the number of servants in the family. Chinese families apparently furnish some clothing for their assistants but the amount is undoubtedly small. If only the family is counted the amount was \$48.25 per person or \$73.20 per cost-consumption unit. Special clothing bought for the birthday party made that the largest year. During the three months before the party the family spent \$209.77 or more than two and a half times the usual average.

The family's rent bill averaged \$44.23 a month. The total for the three years was \$1,592.65 but almost half of this was spent during the third year. Apparently the usual rent for the first two years was \$28.00 a month. During the third year either the rent was raised or what is more probable additional property was rented. During the latter part of the year the rent was \$58.00 a month. The total for the year was unusually large as rent for one month was \$183.17 and for the next month \$101.49. The accounts, of course, do not tell us what these amounts include, whether it is the first three months' rent on new property, rent for a special occasion, or some other rent item.

Rent averaged 9.4% of the family budget, the annual averages varying from 6.7 to 11.2%. Other Chinese families spent about the same proportion or a little more. American professional families with an income of some \$6,500 spend approximately 20% of their budget for rent, those with larger incomes from 8 to 13%.¹⁴

We were not able to learn the exact size of the house but it must have been fairly large. Undoubtedly it was an entire courtyard with servants' quarters besides, probably a total of fifteen or possibly twenty *chien* (rooms).

Heat, light and water cost an average of \$196.10 a year. This was only 3.5% of the budget, a small proportion but still more than the American professors average of 2.8%.¹⁴ Water for the family probably cost from \$1.50 to \$2.00 a month. Part of the house, at least, was probably lighted with electricity with kerosene possibly used in the servants' quarters. The fuel for cooking and heating was undoubtedly a combination of coal and coalballs, the total used being probably some eleven tons. This was only three times the fuel consumption of the first family. Even the well-to-do families do not make an effort to keep their houses fully heated during the winter.

Other items connected with the operation of the house were labor \$221.91 a year, house equipment \$265.17 a year, the telephone and

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postage included under communications and part of the health expenditure of \$114.05, as soap, cleaning materials, etc. are included under that heading. The total of all these would be something over \$600.00 a year or about 11 per cent of the budget. This together with the 3.5 per cent spent for heat, light and water would make the total for house operation 14.5 or 15 per cent, or about the same as for the American professors' families.

Miscellaneous expenditure which includes everything except food, clothing, rent and heat, averaged \$3,851.01 per year or 67.8% of the family budget. This very large proportion is a good index of the family's financial position. In most of the available budget studies of workers' and farmers' families miscellaneous amounts to from 25 to 35% of the budget.

The largest miscellaneous item was "contributions". This was not contributions made to a religious or charitable organization but was the money the man sent to his parents as his contribution toward the expenses of the old family home. The Chinese large family system puts a financial responsibility on all the members and those who have any surplus usually send larger or smaller amounts to their parents. The amount for this family happened to be large both in amount and percent. The total was \$3,117.57 or \$1,039.19 a year. This was almost one-fifth (18.3%) of the entire family budget.

The next largest item was "Special Expenses" which included the cost of moving the man's family to Peking, the expenses connected with family birthdays, weddings, funerals, etc. In this case it included the cost of the celebration given for the sixtieth birthday of the man's father. The usual Chinese attitude toward birthdays is described as follows:

"After the first birthday, birthdays only become of importance again when the ages of fifty, sixty and seventy years are reached. Then there are great celebrations."¹⁵

The "Special" expenditure for the month of the birthday party was \$1,042.00. Besides this there were, of course, special expenditures for clothes, house equipment, etc. It must be remembered in this connection, however, that the cost of the celebration was partly offset by money presents amounting to \$297.00. Whether this was received from other members of the family as their share of the celebration or from those who came as guests, is not clear, but it is customary for guests to give money presents at the time of weddings, funerals, birthdays, etc. There were "Special" expenses almost every month but they were over \$70.00 for only nine months. Five of these were in one year. The three-year total of \$2,447.05 was almost one-seventh

(14.4%) of the budget. Almost three-quarters of this, \$1,760.47, was spent the year of the birthday party.

Presents and entertainment, which included presents for New Years, weddings, funerals, etc., feasts and other meals for the entertainment of friends cost a little over \$1,200.00 or \$33.00 a month. This was some 7.5% of the total budget. The expenditure for Communications, which included the monthly charge for a telephone, ricksha and automobile fares, postage, was almost exactly the same.

New equipment for the house amounted to \$198.50 a year and labor to \$221.91 a year. If all six servants were employed for the three full years and drew all their wages it would mean that their average money wage was \$3.00 a month. As the amount spent for labor increased each year it may be that the number of servants was increased. On the other hand as servants quite often leave their wages with their employers to be drawn at some future time the amount may not represent the entire wage charge. Even allowing for these possible variations it does not seem possible that the average wage was much over \$3.50 a month. The women servants probably received a lower wage than the men. Evidently many of the Chinese servants receive a very small money wage besides the room, board, clothing, etc., that the family furnishes them. It is not to be wondered at that they feel entitled to any commissions or "squeeze" they can get.

The total spent for education was \$378.05 or \$126.02 a year. Almost half of this, \$164.08 or \$54.96 a year, was spent for newspapers and books other than school books. Not knowing how many of the children were in school it is difficult to determine what tuition fees were paid but they seem to have been about \$25.00 a year for each child with two children in school the first two years and three the third. School supplies evidently cost only some 80 cents a month. The proportion spent for education was 2.2% of the budget. For the American professors it was 1.5%.¹⁴

The expenditure for health and hygiene was \$114.05 a year. This included medical service, medicine, soap, tooth paste, etc. The amount seems small especially for a family with five children. It amounted, however, to 3.1% of the budget. The American families spent 3.9% for health.¹⁴

Besides Presents and Entertainment there was a heading for Amusements. The amount included in this classification was just under \$100 a year.

Wine and tobacco, incense and paper money, the variety of things that might be classed as "Useless Expenditure" averaged \$6.11 a month. The largest amounts naturally came at festival time.

TABLE 8
MISCELLANEOUS EXPENDITURE

| | 1922 | | 1923 | |
|---------------------------------|------------|----------|------------|---------|
| | Amount | Percent. | Amount | Percent |
| Total | \$4,063.01 | 72.2 | \$3,960.26 | 70.0 |
| Contributions | 1,171.94 | 20.8 | 1,244.91 | 22.0 |
| Special Expenses | 451.40 | 8.0 | 236.18 | 4.2 |
| Presents and Entertainment..... | 409.29 | 7.3 | 413.61 | 7.3 |
| Communications | 347.54 | 6.2 | 467.60 | 8.3 |
| House Equipment | 524.43 | 9.3 | 63.46 | 1.1 |
| Labor | 191.83 | 3.4 | 218.64 | 3.9 |
| Education | 116.05 | 2.1 | 116.53 | 2.1 |
| Health | 55.76 | 1.0 | 178.40 | 3.1 |
| Amusement | 106.71 | 1.9 | 107.76 | 1.9 |
| Wine, Tobacco, etc..... | 83.50 | 1.5 | 56.91 | 1.0 |
| Jewelry ..... | ..... | ..... | ..... | ..... |
| Miscellaneous | 55.79 | 1.0 | 5.00 | 0.1 |
| Insurance ..... | ..... | ..... | 331.00 | 5.8 |
| Business ..... | ..... | ..... | 13.19 | 0.2 |
| Interest ..... | ..... | ..... | ..... | ..... |
| Savings | 548.77 | 9.7 | 507.08 | 9.0 |

| | 1924 | | Total | | Aver. per Month |
|----------------------------------|------------|----------|--------------|----------|-----------------|
| | Amount | Percent. | Amount | Percent. | |
| Total | \$4,621.39 | 67.9 | \$11,553.05* | 67.8 | \$320.92 |
| Contributions | 700.72 | 10.3 | 3,117.57 | 18.3 | 86.60 |
| Special Expenses | 1,760.47 | 25.9 | 2,448.05 | 14.4 | 68.00 |
| Presents and Entertainment | 388.82 | 5.7 | 1,211.72 | 7.1 | 33.66 |
| Communications | 405.24 | 6.0 | 1,220.38 | 7.2 | 33.90 |
| House Equipment..... | 207.61 | 3.0 | 795.50 | 4.7 | 22.10 |
| Labor | 255.26 | 3.7 | 665.73 | 3.9 | 18.49 |
| Education | 145.47 | 2.1 | 378.05 | 2.2 | 10.50 |
| Health | 108.00 | 1.6 | 342.16 | 2.0 | 9.50 |
| Amusement | 82.67 | 1.2 | 297.14 | 1.7 | 8.25 |
| Wine, Tobacco, etc..... | 79.75 | 1.2 | 220.16 | 1.3 | 6.12 |
| Jewelry | 51.78 | 0.8 | 51.78 | 0.3 | 1.44 |
| Miscellaneous | 51.84 | 0.8 | 112.63 | 0.6 | 3.13 |
| Insurance | 348.00 | 5.1 | 679.00 | 4.0 | 18.86 |
| Business ..... | ..... | ..... | 13.19 | 0.1 | .37 |
| Interest | 35.76 | 0.5 | .....* | ..... | ..... |
| Savings ..... | ..... | ..... | .....* | ..... | ..... |

* Totals not equal to sum of annual amounts.
Interest and Savings eliminated by reducing interest received and deficit.

The total for luxury expenditure, jewelry, etc., was only \$51.78. Some three-quarters of this came at the time of the birthday celebration.

An unusually large amount was spent for insurance, \$679.00. Unfortunately the accounts do not tell whether this was for fire or life insurance. If it was the latter the man apparently took out a new policy for there was nothing for insurance the first year. The amount was about enough to pay the premium on a policy for \$10,000.00.

Various sundry miscellaneous expenditures that cannot be included under any of the above headings, amounted to \$112.63.

Interest and savings appear in the annual expense accounts but not in the totals. More interest was received than paid. Surplus is also omitted from the totals as the third year's deficit was larger than the combined surplus of the first two years.

The accounts of the two families tell two very different stories. The first is a large family with a relatively small income, \$60.41 a month. It found it difficult to live within its income of \$5.08 a month per person and the accounts show a deficit every year but one. At the end of six years the accumulated deficit was equal to some 5 month's average income. The family spent 40% of its budget for food but even then the amount was only \$2.17 per person per month or \$3.75 per cost-consumption unit. The proportion for miscellaneous was 30.4%.

The second family can also be called a large family if all the six servants are included but its monthly income was \$460.00 a month. It had a deficit, it is true, but only because it sent home over \$1,000.00 a year and spent over \$1,700.00 one year on birthday parties, etc. In spite of these large expenditures the deficit was less than one month's income. The proportion spent for food was 13.3% of the total expenditure. Counting both servants and members of the family the average amounts spent for food per capita and per cost-consumption unit were \$4.84 and \$7.50 or practically twice those of the first family. The amount per cost-consumption unit for members of the family was probably about \$11.00 a month and for the servants about \$5.00. The proportion of the budget spent for miscellaneous was 67.8%.

We have been interested to see if it was at all possible to find any economic levels in American life that correspond with those of these two Chinese families. The only basis of comparison we can discover is the proportion spent for food and for miscellaneous. A change in income makes but little change in the proportions spent for clothing, rent, and heat, light and water. Of course, it is hardly possible to compare the actual standards of living as the kinds, cost and amount of customarily used food, clothing, housing, practically everything are very different. It does seem possible, however, to compare the relative positions of various families and groups of families in the American and Chinese scales of living.

Using the proportions spent for food and miscellaneous as the indices of a family's comparative standard of living, it seems that our first family with an income of some \$780.00 silver a year occupied about the same relative position in the Chinese scale that families with an income of from \$1,800.00 to \$2,000.00 gold a year have in the American

scale. Forty percent is spent for food in both countries. The American miscellaneous is 22 to 29%, the Chinese 30%.

The second family with an income of approximately \$5,600.00 silver a year had about the same relative position as American professional families with over \$8,000.00 gold a year. The figures for the Chinese family are Food 13.3%, Miscellaneous 56%, for the American families Food 12%, Miscellaneous 55%.

When the constantly changing gold-silver exchange rate has fluctuated from 75 cents silver for \$1.00 gold in 1919 to over \$4.00 silver for \$1.00 gold in 1930 it is difficult to select any basis for the comparison of the cost of similar economic positions in China and the United States. A 2 to 1 ratio has long been considered parity for gold-silver exchange. If we use this as a basis for comparison, a Chinese family apparently can occupy a given position in the Chinese scale of living for from one-fifth to one-quarter of what it costs an American family to maintain the same relative position in the United States.

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