

Money Management

Financial planning in the 1940's and 1950's didn't consist of 401K or IRA plans. Instead, it was necessary to plan carefully how each dollar might be allocated from payday to payday for the best use of the family. My dad served as a great role model when it came to budgeting. He was a firm believer that if we didn't have the money to pay for something, we didn't need it.

Our family had a sugar bowl on the second shelf of the kitchen cupboard that didn't hold sugar - it was more commonly known as "the pot," and it contained money. This was a line item for the family budget. On payday, our mother would receive cash to cover the cost of groceries until the next payday. Everything else came out of "the pot." Need new stockings? Get the money from the pot. Fabric for a new dress? Check the pot. Money for the violin teacher? A birthday present? Lights for the Christmas tree? You guessed it, we hoped there would be money in the pot. Obviously, we learned to do without a lot of the things that we thought we wanted, because the pot really didn't contain very much money for all of the incidentals. Or, we loved it if Mom would serve us Swedish pancakes for dinner when we'd used a little of the grocery money for an unexpected expense.

The family had no credit cards, but if finances were especially tight and our groceries were depleted, Mom would sometimes "charge it" at Zinzer's Market just three blocks from our house. George Zinzer would just put it into his books until we had the cash. You can be sure that the bill was promptly settled on payday. And as teenagers, if my sister or I really wanted that matching skirt and sweater from The Fashion or LaRose (local clothing stores), we would put them "on layaway" and pay some hard-earned baby sitting money each week until the items were finally ours and we could take them home.

These lessons became the "life commandments" that followed me into marriage.

"You're what?" said my parents when Dick and I announced our engagement and desire to be married. "What will you live on? Love?" We were both in school, and our parents did not have the means to offer financial assistance.

"We have it all figured out," we said.

My husband was completing his first year of medical school at the University of Iowa. He had decided to "split" his sophomore year, which meant that he would spend time as an assistant in the anatomy lab and the rest of the time, he would take half of his sophomore academic courses. He would do this for two years, thus extending his medical school training by one year.

So, as newlyweds in 1963, Dick and I lived on the meager \$200 per month stipend that he received from the University of Iowa. We had saved money for our tuition at our summer jobs. I worked as a waitress at the Hasty Tasty in Moline, and Dick substituted as rural mail carrier.

Old WWII tin barracks filled the town of Iowa City. Most of our friends lived in Riverside Park, Quonset Park, Stadium Park, Templin Park, Finkbine Park . . . and the rent was \$62.50 per month. The central heat - an oil burner in the living room - was not exactly a picture of luxury! And this became our home for four years.

We set up a budget and had to stick to it - no choice! We created an envelope system - there was not a sugar bowl in the cupboard at 208 Riverside Park - but envelopes in a kitchen drawer. Into the envelope marked "Groceries" we put \$48 per month. Obviously, we didn't eat out, bought no name-brand items, and learned to drink powdered milk. (This was pretty nasty in the Spring of the year, when tap water smelled and tasted terrible.) I looked forward to the day that I could buy Velveeta if I wanted it, instead of the store brand.

We had other envelopes - one for our 10 year old Ford, one for medical needs. and others for various categories. The envelope for entertainment may have contained \$5 per month, so we learned very quickly to take advantage of all of the things that could be done at no charge by using our student ID cards. At that time, all athletic events were free with a student ID and some lifelong Hawkeye fans were born. We watched men's football, basketball, wrestling, gymnastics, swimming, and even fencing by showing our student ID. We probably had a miscellaneous envelope. I don't remember having any envelopes for clothing. Most likely, we didn't get anything new that first year!

The second year of marriage, I had landed a teaching position in Lisbon, Iowa, at a salary of \$4650 a year. Life was good. We continued to live in the barracks and decided to use Dick's stipend to purchase a car that would safely transport me to and from Lisbon each day. His \$200 per month then went to pay for our new 1964 ivy green Mustang with harvest gold interior. The \$2400 debt was completely paid off in one year. (We often wish we still had that car!) Rent in the barracks was raised to \$67.50 per month.

I sincerely appreciate the lessons in budgeting that I learned from my parents. We do use credit cards now, but you can be sure that I pay off the full balance each month. Our tin barracks neighborhood was replaced by Hancher Auditorium and the Levitt Center, but the old oak tree that stood near our home is still there, right across Riverside Drive from St. Thomas More Church. Now I can buy Velveeta if I want it. We still follow the Hawkeyes. And the sugar bowl in my cupboard contains sugar.

Carolyn Otis