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Otis, D. H.

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The Banker-Farmer

WISCONSIN
BANKERS'
ASSOCIATION

News Bulletin

BANKER-
FARMER
EXCHANGE

A Little Journal of Agricultural
Information for the Farmer

BULLETIN No. 28

DECEMBER, 1922

Farm and Household Accounts

By D. H. OTIS

Director Banker-Farmer Exchange



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Farm and Household Accounts

"Sayings of Wise Men"

The Pleasure of Knowing: What a delight to know a thing and to know you know it. Did you ever look a man in the eye, who was talking about something you knew all about and he thought he did but you knew he didn't? That is the feeling and the pleasure that comes to a farmer who is keeping books and knows what he is doing.—J. R. Wheeler in the Banker-Farmer.

The Farmer A Capitalist: Many farmers have investments of fifteen to twenty thousand dollars, yet few of them keep book accounts. They may jot down notes of their more important deals, but these are of little use in arriving at any conclusions regarding the business as a whole. No other business, however small, is conducted without a system of books. The farmer should not be content to earn merely a laborer's wages, but should also strive to make himself an efficient manager of the capital he has invested.—Kansas Farmer.

Agriculture Ranks First—Its Accounting Lags Behind: Agriculture is more important than mills, factories, blast furnaces and railroads. It is from agriculture that these other activities arise. Yet in its system of accounting it has lagged behind all the rest. The farmer has been the sport of the financial pirate, the fair game of the land shark; and all because it has taken us so long to perceive that farm accounting lies at the basis of all our material economic character.—Farm Service.

Farm Bookkeeping Bound to Come: It is just a matter of education and pounding away—and the banker is in a strategic position to bring it about.—A. D. Folker, County Agent, Kansas.

Nothing More Valuable: Nothing is more valuable and necessary for the farmer than to keep a perfect record of all his doings and of all his expenses of production, that he may at all times know whether he is making or losing money in his enterprises, and that he feels satisfied after the year's labors, that he has accomplished something good and has been fully compensated for all his efforts and hardships, that he may enjoy his profession, and will encourage his children to remain on the farm to continue the noblest work ever consigned to man.—J. C. Wohlenberg in the Banker-Farmer.

How to Get the Largest Dividends: Not until the farmer keeps an accurate account of his business and is able to eliminate the losing enterprises can he expect to make the farm pay the largest dividends.—R. S. Reynolds, North Dakota.

Records Develop Confidence: The only way to be sure of one's ground is to have a simple, rapid and efficient system of accounts that gives the vital details in such form that they show just what one's business is doing.—E. T. Robbins, in the Breeders' Gazette.

A Trusted Guide: A simple and easily kept record has shown many a farmer where his profits came from, what part of the farm operations did not pay, and where changes must be made to make them pay.—S. W. Mendum, in Wisconsin Agriculturist.

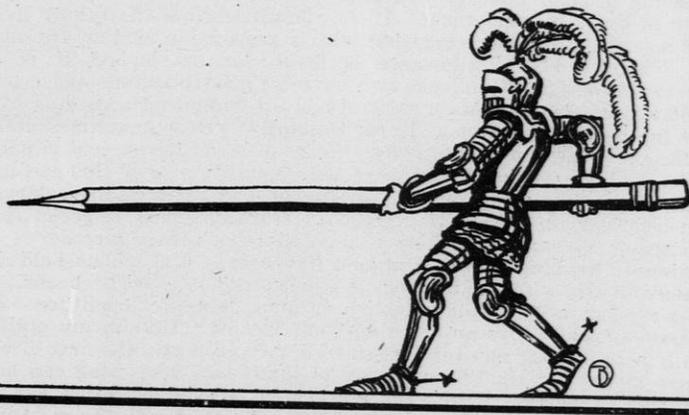
Farm Accounts a Revelation: It would be a revelation if farmers could be induced to keep accounts and find out the sources of their income, the expense of conducting their farms, what the crops have made them and what have been the sources of loss. The farmer is then able to examine himself critically and note the reasons for success or failure.—Wallace's Farmer.

Farm Accounts Essential to Good Farm Management: If farmers are going to run their own business and put it on a more profitable basis they must pay attention to the leaks which have cost them millions of dollars. They can no longer afford to look upon bookkeeping as being entirely foreign to their business, but must regard it as an essential part of good farm management.—Wisconsin Farmer.

Shows Profit When the Farmer Thinks He Is Losing: Many farmers who believe that they have made a very small income find that while their cash balance in the bank may not have increased during the year, they are worth a thousand to two thousand dollars more than they were at the beginning of the year, because of the large increase in inventory. When this has been demonstrated, the average farmer becomes intensely interested in the business end of farming.—Dean E. C. Johnson, Kansas Agricultural College.

Little Trouble to Keep—a Great Satisfaction: Now, this, (keeping farm accounts) may seem like a lot of trouble, but when a person gets into the habit of doing it and gets the thing systematized, it is really very little trouble and the satisfaction of knowing just what things cost and what departments are really paying a profit is something that cannot be expressed in figures.—Chas E. Prescott in Hoard's Dairyman.

How Farm Accounts Helped One Farmer: I have discovered how essential to success it is to keep an accurate book account of the income and expenditures for the



“THE PEN IS MIGHTIER THAN THE SWORD”—USE IT IN THE FARMING CRUSADE.

farm. Heretofore these detail duties were burdensome and neglected. When I started this work I opened a bank account, and have deposited every dollar received from the farm. I pay all my bills by check. By this method I have an accurate day book account of every dollar received and paid out. When these records are carried to the account book I can see the exact source of my income and how much I have paid out for various items. The account book shows me what items of expense are too large and where economy can be practiced. This work puts my farm on a good business basis and enables me to determine my exact yearly income and outgo. I have made my banker my financial adviser.—C. J. Hansen, North Lake Farm Management Club.

Solving Income Tax Problems: If the average farmer would keep his accounts according to the outline you have made in the book you have sent me it would be a very easy matter indeed to get an absolutely accurate statement of the figures necessary for income tax purposes.—Burt Williams, formerly Internal Revenue Collector, Wisconsin. (Note: “Farm Accounts Simplified” is the book mentioned.)

How the Banker Can Help: It seems to me that bankers can render the largest possible kind of service in getting farmers to put their business on a business basis, but this cannot be accomplished by simply sending around farm account books. It needs personal contact. It is by personal contact and acquaintance that they gradually get one farmer after another to take up business methods.—John A. Schuerle, Hampton County (Mass.) Improvement League.

FARM AND HOUSEHOLD ACCOUNTS SHOULD BE KEPT SEPARATE.

Farm accounts should, of course, be kept separate from those of the family or the cost of keeping up the residence, its furnishings and grounds. The cost of living for the family and all expenditures that are not a part of the farming equipment have nothing to do with the farming investment, and in keeping accounts should be looked upon as separate investments as is the store and goods of the merchant, and his residence and family expenses.—W. H. Jenkins in Hoard's Dairyman.

HOW HOUSEHOLD ACCOUNTS HELP REDUCE HOUSEHOLD EXPENSES

Running the household efficiently and economically is a business. It should be done in a business way.

Preparing a Household Budget: If an estimate of the family needs in the way of food, clothing, rent, incidentals, equipment, recreation, benevolence, advancement, etc., is made at the beginning of each month, it will give both husband and wife a better understanding of their financial problems and enable them to figure where they should economize in order to meet them. If an allowance from the family income can be set aside for meeting the budget together with a reasonable amount for savings it will be helpful. Where a liberal allowance is made for the budget it is generally good economy to allow the wife all she can save by good planning and economical buying. Household account books contain suggestions for budgeting according to family income.

How to Meet Large Annual Items Promptly: It is sometimes difficult to have on hand sufficient money to promptly pay large bills, as taxes, coal supply, winter vegetables, etc. Where the family has a regular monthly income this can be solved by setting aside a monthly apportionment of the income to meet these large annual items. This can be placed in a savings account or transferred to a special checking account. Some household account books have a page adapted to this purpose.

Pointers in Keeping Down Household Expenses: Run a household checking account at the bank in the wife's name and pay household bills with checks. A person hesitates to write out a check for a foolish or unnecessary expenditure. Keep account of income and expense. Live on less than your income. Do not buy until there is money to pay. If accounts are run for convenience, pay promptly the first of each month. Do not borrow money for running expenses or luxuries. Borrowing can best be restricted to productive property. Watch the market for special bargains and buy judiciously, anticipating future needs. Buy the best but not necessarily the most expensive. Save on little things as a matter of principle. It helps to form the saving habit.

A household account book, which is simple and easy to keep and yet complete enough to make provision for carrying out suggestions made above, will pay for itself many times over during the year, not only in money but in genuine satisfaction that comes from conducting the household in a business-like manner.

WHERE TO OBTAIN ACCOUNT BOOKS?

There are several good ones on the market. The Wisconsin Banker's Association has arranged to handle, for demonstration purposes, two that they know are good. Patrons of banks can secure them at a special reduced rate.

	Retail *	Our Price
Farm Accounts Simplified.....	\$1.75	\$1.00
Household Accounts Simplified.....	1.75	1.00

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