Abstract

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To navigate the family economy during a lifetime

At the beginning of the nineteenth century most people in Sweden were living in the countryside. In many respects traditions and usages were as they had been several centuries before. Compared to for example the U.K. and several other West European countries, Sweden can be seen as economically backward. We mean that the living conditions in Sweden in many respects were characteristic of a pre-industrial society.

At that time the family was the basic consumption unit as well as a unit of production. As a consequence families living of their own work were extremely sensitive to income losses in case of sickness, accidents and death. Also more predictable life cycle events as having children ("early adulthood squeeze") and getting old and weak ("retirement squeeze") put great stresses on the family economy. Studies on nineteenth century material show squeezes when the breadwinner was 30 years old and 50 years old respectively.[1] The first one was a consequence of having children. The latter one was more a result of decreasing income than of rising costs for children.[2]

International research has shown that children were not only a cost for the family, but also contributed to the family income during part of their life cycle. Children's earnings seem to have been very important for worker family incomes when the parents aged. In a classic study of data on the U.S. and five European countries for the years 1889-1890, Haines found that incomes for men peaked already when they were 30-39 years old. Family income, however, continued to increase and reached its peak when the male household head was at an age of 50-59 years. The explanation was mainly income contributions from the children. In comparison with the other two main strategies to increase family income – the wife working for wages or taking lodgers – children's work was definitely the most important strategy. Of course, the family's expenses also increased when the children grew older. This took much of the extra income they earned, but it seems that in fact also family savings increased and were at their highest when the male household head was 50-59 years old. After that, when the children began to move away from home, family income declined rapidly. However, the part of the family earnings contributed by the children still staying at

[1] Livio Di Matteo "Wealth accumulation and the life-cycle in economic history: Implications of alternative approaches to data", *Explorations in Economic History*, 35 (3) 1998, pp. 296-324.
[2] Brian Gratton "The Poverty of Impoverishment Theory: The Economic Well-being of the Elderly 1890-1950" *Journal of Economic History*, Volume 56, No. 1, 1996, pp. 39-61.

home increased. In families where the father was 60 years or older, children provided 30-40 per cent of the family income.[3] Similarly, in Swedish ironworkers' households during the 19th century, earnings from sons played a major role and resulted in family incomes peaking when the male household head was 55-60 years old.[4]

The importance of children's incomes to the family savings/wealth has also been highlighted in other studies. Furthermore, these studies give a more detailed picture of the importance of the children's age, number and sex. In a study of French-Canadian working families in Lowell, Massachusetts in 1875, Early demonstrated how significant the number of children was. The larger the number of working children, the higher the family income and material living standard. In families where the father had unskilled work, children's incomes were essential to stay above the poverty line.[5] In a study of Indianapolis 1860-1880, Robinson found that the number of working children in a family depended on the number of sons older than 10 years, whereas the number of daughters above the age of 10 was not a significant factor.[6]

One indication of children's importance in urban areas is that parents, even when they grew older, often lived together with their children. Alter, in a study of Verviers in 1831, showed that more than half of the parents even in their seventies were living together with one of their unmarried children. This proportion was significantly lower among the oldest parents, who more often lived together with their married children. Alter's interpretation is that children stayed with their parents until a comparatively old age and that some parents, after being widowed, moved in with their married children.[7] Data from pre-industrial Bilbao in 1825 likewise indicate a very high rate of cohabitation between parents and their children and, also, that this was not substantially affected by industrialization.[8] Similar conditions seem to have prevailed in Sweden. Högman, in a study of Sundsvall in 1845, found that two thirds of the men and half of the women older than 60 years were living together with their children.[9]

It follows that those who had children should have been able to support themselves in old age better than those who were childless. This is supported by a study of wealth, reflected by the proportion of tax payers among old people, by Alter. There was almost no

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[3] Michel R. Haines, "Industrial Work and the Family Life Cycle, 1889-1890" *Research in Economic History*, Vol. 4, 1979, pp. 299-302.
[4] Mats Larsson "Sparandet som ekonomiskt problemområde och nationalekonomisk teori", *Historisk Tidskrift,* 3 1989, pp. 354-374.
[5] Frances Early, "The French-Canadian family economy and standard-of-living in Lowell, Massachusetts, 1870" *Journal of Family history*, Summer 1982, pp. 184-189.
[6] Robert Robinson, "Economic necessity and the life cycle in the family economy of nineteenth-century Indianapolis", *American Journal of Sociology,* Volume 99, No. 1 (July 1993), p. 63.
[7] George Alter, "The European Marriage Pattern as Solution and Problem: Household of the Elderly in Verviers, Belgium, 1831", *The History of the Family*, Vol. 1:2, 1996, pp. 123-138;
[8] Pilar Pérez-Fuentes Hernández & Arantza Pareja Alonso, "Ageing alone or in a family: the case of Bilbao, 1825-1935. *Continuity and Change* 12 (1), 1997, pp. 79-102.
[9] Ann-Kristin Högman, *Ageing in a changing society. Elderly Men and Women in Urban Sweden 1830-1930.* Umeå 1999, p. 104.

difference between married and unmarried aged 55-59 years. However, for married people the proportion that paid taxes increased up to age 75 years, while for the unmarried it started to decline after circa 60 years of age. His conclusion was that the unmarried funded their own old age by consuming their assets/savings, while the married, thanks to support from their children, could postpone this until a later stage in life.[10]

Aim and research questions

The aim of this paper is to investigate how artisans and workers used savings and debts to navigate the family economy during a lifetime. Special emphasis is put on wealth during the years of building a family to a life cycle stage characterized by phasing out. This means that variations over time in the ages of children and variations in debts and assets are of special interest in this study. We investigate if life cycle squeezes occurred at certain stages in life. What impact did family size and socioeconomic position have on the duration and depth of the life cycle squeezes in the beginning of the nineteenth century? Is it likely that children's incomes were used to repay family debts? Is it probable that children also continued to help their parents economically even after the "retirement squeeze"? Was there a kind of "contract" that said that children had to take care of their ageing parents?

Quantitative method and cross-sectional analysis are used to analyse the relationship between family assets, debts, children and age at different periods. The main sources are probate records from the Swedish towns of Eskilstuna, Falun and Uppsala 1820-1825.

Results

Probate inventories indicate that for artisans as well as for workers family wealth increased with age. Two periods of economic stress were relatively marked. An early adulthood squeeze occurred for worker families when the husband was 40-45 years old. For artisan families this squeeze came earlier, when the husband was approximately 35-40 years old. Both groups also had something of a retirement squeeze at the age of 60-65 years. During the latter squeeze assets were decreasing, while increasing debts seem to have been the main component in the earlier squeeze.

According to the probates, artisans generally were somewhat wealthier and had considerably more assets and debts than workers. Young artisans were heavily indebted, although it seems as if some of them also had accumulated some initial capital (inherited?) before they became craftsmen. Their debts seem to have concerned purchases of real estate as well as personal property. Young artisans had much more personal property than young workers. A probable explanation is that tools , raw materials and finished products were included among personal property in the probate records. Consequently a large part of the debts almost certainly applied to the establishment of the artisans' own source of income.

[10] Alter 1996, pp. 131-134.

Noted can be that debts were significantly greater if the artisans had children younger than 10 years old, which clearly corresponds to an early adulthood squeeze.

As artisans grew older debts successively decreased and wealth increased. Regression analysis shows that wealth was greater if the artisan family had children, especially boys, aged 11-20 years. Our hypothesis is that boys of that age could do some work for the craftsman and thereby help him make better use of his productive assets. Perhaps this also can explain why artisan families attained their maximum wealth when the breadwinner were approximately 50 years old. Ten years later there seems to have been a moderate retirement squeeze. Personal property and debts decreased quickly, while assets in real estate remained relatively unchanged. This indicates that the artisan phased out his productive activity. Personal property was smaller if families had adult boys and greater if they had adult girls. This may indicate that some parts of personal property were given to adult boys when they left home. A supplementary explanation could be that adult girls more often remained at home and took care of their ageing parents and thereby helped to maintain family wealth.

In contrast to artisans young workers seem to have had very few assets. Debts were small and incomes were used to buy personal property. Wealth increased slowly as workers approached their forties . At that age the number of children reached its maximum and most likely income as well. In spite of this many workers acquired debts in order to be able to buy minor real estate of some sort (a house or a small plot of land to grow vegetables for example) . Considering that most male workers reached their maximum earning capacity early in life, we suppose that income from children were important for family wealth later in life. Regression analysis shows that families with adult children had more wealth and more assets than other working-class families.

This investigation confirms that also in pre-industrial time squeezes occurred during the life cycle. Asset management, as well as having children, could have effects on these squeezes. Incomes were low and economic surpluses small. As a consequence debt-incurrence was important to navigate the family economy during a lifetime. In the early adulthood squeeze families with children incurred more debts. Despite this families with children also had more assets and more wealth during and after the retirement squeeze. We believe that this outcome was caused by the fact that children´s incomes were important for the family economy and made asset management easier during the family life cycle.