Improvements in housing consisted of new roofs, walls, rooms, porches, and general painting, maintenance, and repair. Such improvements could make a house warmer in the winter, and cleaner and more comfortable generally. Therefore, such improvements were considered as developmentally significant. No upper limits were utilized, for the variability of possible improvements was too great. The hypothesis was that more participants than applicants would make proportionately more improvements on their houses. Monthly expenditures for housing improvements were included in the analysis of expenditures for October 1966.

As has been indicated above, 19 participants owned houses at the time of this survey. All 19 participants, plus another one who was getting his house free from his family, made some form of improvement in their homes in the 12 months preceding this survey. The total expenditure was $2,642, and the average for those making improvements was $132. The mean expenditure for the entire participant group was $73. Only two applicants reported a total of $270 for home improvements in the 12 months preceding this survey, and the mean expenditure for the applicant group was only $8. The applicants reported a total of $25.52, or an average of $.70 per family in October 1966, while the participants reported a total of $196.56, or an average of $5.46 per family for home improvements. Thus, the hypothesis that more participants than applicants would make home improvements was accepted.

The five participants who purchased homes paid a total of $4,950, or an average of $990 per home.[11] Only one applicant reported buying a home; it cost $500. The average monthly repayments for the indebtedness of these purchases, $0 for the applicants and $2.46 for the participants, are included in the analysis of monthly expenditures.

Savings and Life Insurance

As the description of the WE and T Program in Appendix I indicates, there was an administratively determined upper limit of $1,000 for savings of WE and T participants. It was hypothesized in this study that some of the WE and T participants would save some of their income. Savings were classified as developmentally significant, for they represented an attempt by impoverished people to develop contingency funds. However, at the low levels of income which the participants received, and if the hypotheses of this study were correct and the propensity to consume was high, it seemed reasonable to hypothesize that few of the participants would save and their savings would be little. That was the hypothesis. Data on the total savings and rate of savings per month by applicants and participants were analyzed.

Life insurance premiums were similarly classified as developmentally significant, for they represented an attempt to care for a family in an emergency situation. It could also have indicated that life insurance salesmen were actively contacting the consumers. The hypothesis was that the number of participants buying life insurance policies in that past year would be more than the number of applicants. Data on the number of life insurance policies contracted in the preceding year was used to test the hypothesis.

As indicated in Table 3.11 below, only one applicant family reported any savings, and its total savings was $100 which was deposited in a savings account. Ten participants reported having total savings of $1,435, or an average of $143.50 for those with savings. Two of the participants had bank accounts: one had a checking and one had a savings account. The average monthly rate of savings was reported as about $3 per month per participant family, and nothing by applicants. The one applicant with savings had not saved anything in the previous year.

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[11] The participants averaged $990 expenditure for a house. If this were capitalized by dividing the prevailing interest rate, say 12 per cent, into the return from the investment, rent at $15 per month or $180 per year, the result would be $1,500. Therefore, the purchase of a house appears to be a good investment.