family would have therefore received an incremental income in food stamps of $30, and the relevant consideration would be whether or not the family spent $68 on food in a month. However, most of the respondents not buying food stamps said that they did not spend $98 (the "that much" to which they referred) on food, and therefore did not pay the $68 (the "that much" which is relevant) for food stamps. From a purely economic point of view, such behavior is not rational and does not serve to maximize their incomes.

If a family spent as little as $68 on food per month, it would have been rational to buy the food stamps and utilize them the next month, and not buy food stamps the following month. However, it seemed that most respondents did not fully comprehend the workings of the Food Stamp Program. This is a serious problem with the Food Stamp Program, and has been the subject of much recent controversy.[15] Moreover, not buying food stamps seemed to depend upon local administration of the program, for of the eight applicants and 16 participants not buying food stamps, the great majority, six applicants and 12 participants, lived in one of the three counties wherein this study was conducted. The county was Clay.

Cleaning Supplies

Laundry and dish detergents, face soap, floor wax, and other such items were included in this category. Cleaning supplies were probably a minor item in the total monthly budgets of applicant and participant families; however, since they could not be purchased with food stamps, they could represent a more than proportional amount of family's cash expenditures. It was reasoned that expenditures on cleaning supplies indicated a desire to improve both the appearance and cleanliness of homes and family members, and therefore such expenditures were properly regarded as developmentally significant. The hypothesis was that participants would spend slightly more on the average than applicants; data on monthly expenditures were used to test this.

Thirty-one applicants and 36 participants reported purchases of cleaning supplies in October; the total expenditures were $116 and $128, and the average expenditures were $3.22 and $3.56, respectively. Thus it appeared that the difference, if any, in expenditures for cleaning supplies was in the number of families reporting, so there seemed to be no significance which can be attached to this item of expenditure.

SUMMARY

The participants appeared to be a group of rather thrifty individuals. They took advantage of the free health services offered them, and they sent a significantly higher percentage of their children to school a significantly greater percentage of the time. The income elasticity of demand for participants for consumer durables was 2.33. Less than 10 percent of their total expenditures for consumer durables was in excess of the adjudged developmentally significant upper limits, and they seemed to buy, usually, used, rather than new, television sets or appliances. The participants bought a great deal more furniture than did the applicants. The income elasticity of demand for participants for cars was 2.75. While neither developmentally significant limits were placed nor a rating of quality possible, the possession of an automibile probably enabled the participant families to utilize health services, to go shopping in the lower-priced stores in town, and in general, to break down the traditional isolation of the Appalachian family.

Table 3.16 depicts the data on the average monthly expenditures by applicants and participants for the various developmentally significant categories. The participants' average expenditure in October 1966 for the entire class of developmentally significant expenditures was $123.50 versus $38.51 by the applicants. The participants thus spent 51 percent of their monthly income ($242 from Table 3.2) for the developmentally significant categories of expenditure while the applicants spent only 26 percent. A "t" test showed that both of these differences were significant at the 95 percent confidence level, and therefore the hypothesis that the participants would spend more than the applicants, both absolutely and proportionately, was accepted. The participants' income elasticity of demand for the total average expenditures for the developmentally significant categories was 2.10, and this reinforced the impression of the participant group as one that was expending most of its current income for items which were properly considered as investments in themselves and their children.

[15] *Louisville Courier Journal,* March 13, 1967, Editorial entitled, "Difficulties with Food Stamps Suggest a Fresh Approach," p. 8.