TABLE 5.7.—*Mean indebtedness of applicants and participants by developmentally significant classes, Oct. 1, 1966*

Category	Applicants		Participants	
	Mean indebtedness	Percent of total indebtedness	Mean indebtedness	Percent of total indebtedness
Developmentally significant:				
Consumer durables	$56.56		$121.41	
Automobiles	84.56		305.56	
Housing	1.66		60.54	
Clothing	15.27		16.11	
Hospitals and medical	36.70		33.51	
Subtotal	194.75	57	537.13	92
Developmentally related:				
Gasoline for autos	6.03		2.70	
Coal	2.64		1.73	
Subtotal	8.67	3	4.43	1
Probably not developmentally significant: Groceries and store bills	77.58	23	19.06	3
Other:				
Finance companies	7.59		24.81	
Relatives and former employers	51.11		0.00	
Subtotal	58.70	17	24.81	4
Total	339.70	100	585.43	100

For developmentally significant categories, the participants reported $537, or 92 per cent of their total indebtedness; the applicants reported $195, or 57 per cent of their indebtedness. This of course, reflected the over-all consumption pattern; that is, the participants spend far more in proportion to their income than the applicants on the developmentally significant categories of expenditures. However, within this, the participants reported a total of $487, or 83 per cent of the mean indebtedness per participant family, for the three categories: consumer durables; automobiles; and houses. For these same categories, the applicants' mean indebtedness was only $143, or 42 per cent of the mean indebtedness per family. This was an important distinction, for it indicated that the participants were not only incurring debts for developmentally significant purposes, but that their sources of credit were probably of the less expensive kind. Moreover, it was difficult to interpret much about the indebtedness for the clothing and medical categories. The applicants and participants had about the same amount of indebtedness for clothing and medical bills, absolutely, but proportionately the participants had less than the applicants. Nonetheless, the participants' indebtedness for the developmentally significant categories was 92 per cent of their total indebtedness; the applicants' indebtedness was 57 per cent. The difference, 35 per cent was significant at the 95 per cent confidence level, and therefore the hypothesis that the patricipants would incur a greater percentage of their total indebtedness for the developmentally significant categories was accepted.

There was not much indebtedness for the developmentally related categories reported by either applicants or participants. The applicants did report that three per cent of their total indebtedness was for coal and gas while the participants reported only one per cent of their total indebtedness for such items.

Groceries and store bills both referred to purchases from local general stores, and probably indicated the payment of higher prices than would have been obtained in local towns. Applicants reported substantially more indebtedness of this kind, a mean of $77.58 or 23 per cent of their total debts, than did participants, who reported a mean of only $19.06 or 3 per cent of their total debts. These expenditures were classified as probably not developmentally significant, for they probably represented food not bought with food stamps primarily, or items bought for higher prices than they would have been purchased elsewhere. The author observed that, in many cases, one of the first things a participant did when he entered the WE and T Program was to pay off his debts at the local grocery or general store. These data seemed to confirm this.