Loans from finance companies and from relatives and former employers were not classified according to their developmental significance, for it was impossible to ascertain the use to which the borrowed money was put. The participants had over three times the mean indebtedness to finance companies than did the applicants, $24.81 and $7.59, respectively. Most of the respondents stated that they borrowed money from finance companies to pay off accumulated bills. The much greater indebtedness of the participants probably indicated their improved credit ratings by virtue of having a regular income. None of the participants reported any outstanding debts to relatives or former employers while the applicants reported a mean debt of $51.11. From this, it appeared that the participants were not only paying off loans from local stores, but to relatives and former employers as well.

From this small cross section, there appeared the distinct impression that the participants in the WE and T Program were going into debt for developmentally significant purposes primarily, and that their sources of credit were shifting from local general stores to merchants and banks in towns. The ramifications of these shifts could be great. In addition to the potential impact upon the participant families from having the developmentally significant items such as automobiles, television sets, and better clothing, the change in orientation from the local, geographic neighborhood to the nearby town could have great repercussions, not only upon the neighborhood or town, but probably more important, upon the individual participant family members.

CHAPTER VI.—CHARACTERISTICS OF PARTICIPANTS ASSOCIATED WITH VARIOUS EXPENDITURES AND ACTIVITIES

INTRODUCTION

Thirteen characteristics were tested using multiple regression analysis to see which ones were associated with expenditures among the three classes of expenditure: (1) developmentally significant, (2) developmentally related, and (3) probably not developmentally significant. The amounts spent in October 1966 within these classes were the dependent variables in the analysis, in addition to the number of visits to physicians and dentists for the year preceding the survey. Thus, there were four regression equations obtained; two for the developmentally significant class, and one for each of the remaining classes.

The independent variables were selected characteristics of the participant heads of households, and their families. These characteristics were judged as likely to be associated with varying levels of expenditure among the different expenditure classifications. The characteristics were:

Participants:

- X_1—age in years
- X_2—Education; number of years of schooling completed before entering the WE and T Program
- X_3—Education; number of years of schooling completed at the time of the survey
- X_4—Number of months in the WE and T Program
- X_5—Attitude toward the WE and T Program; as indicated by one for the least, two for a more, and three for the most positive attitude[1]
- X_6—Employment history; as indicated by a zero for no regular job for one year out of the last ten, and one for a regular job for at least one year out of the last ten.
- X_7—Earnings history; the highest annual income in the last ten years

Family:

- X_8—Number of children eight years old or less
- X_9—Number of children between the ages of nine and 17
- X_{10}—Total number of family members
- X_{11}—Total distance to town in miles
- X_{12}—Total unpaved mileage to town
- X_{13}—Total cash income for October

With the assistance of the Computing Center of the University of Kentucky, a step-wise multiple regression analysis was undertaken.[2] The following results were obtained at the 90 per cent confidence level for the various classes of expenditures. The rather low level of the r squares indicated that there were perhaps exogenous

[1] See Appendix III for the wording of the schedule.

[2] *Statistical Library for the 7040 Programs and Subroutines* (Lexington: University of Kentucky Computing Center, June 1966), p. 59.