

APPENDIX E

METHOD OF DETERMINING LEVEL-OF-LIVING INDEX

The level-of-living index is a figure which summarizes the quality of living conditions or material possessions of any group within the total sample from the two communities. It expresses differences within the sample, and should not be used to compare this sample with others in other parts of the country.

The index is based upon eight items, each weighted according to the square root of the inverse of the frequency of its occurrence, rounded to the nearest whole number. This may be expressed:

$$W = \sqrt{\frac{1}{r}}$$

where W is the weight of each item and r is the percent of the total population possessing that item. Table 56 shows the method of computing the value of each item.

The level-of-living index for any family is the sum of the values for each item, a range from 0 to 44. Because of the few items on the scale and the high degree of association between items, the resulting curve is not as smooth as would be desired.

The evaluation of the condition of the home was determined by assigning differential values to each of the categories within the three questions calling for such evaluation, and taking the sum of these values. The values were: 3 for best conditions, 2 for second best condition, 1 for third best condition, and 0 for poorest condition. In one question only three categories were supplied, and these were given the value of 3, 2, and 0, respectively. No special weighting was given since the data are not amenable to further refinements in quantitative evaluation.