

in all the comparisons involving the six Word-of-Author Brands, a result which is statistically significant.

#### DISCUSSION

It is well to ask what we are to make of the study findings. Do they really suggest, as was indicated earlier, that consumers have less reason to worry about word-of-author advertising since many of the brands being cited over the years are represented by models with relatively high ratings on Consumer Reports' tests? Practically speaking, this would appear to be the case but we should be quick to add that two considerations suggest the exercise of caution. First, the study findings are historical in nature and what held for the 1950-79 period may not continue to hold in the present and future. Second, the data analysis revealed effects which are quite modest in magnitude even though they reach customary levels of statistical significance.

The policy implications of the study findings would seem most direct for the field of consumer education. It is common practice for textbooks in this field to have chapters or sections of chapters dealing with advertising and the consumer (e.g., Miller, 1984). Typically they discuss the role of advertising in the economy and alert readers to the biases which may exist in advertising messages. Since, however, the definitions of advertising employed in these textbooks are usually limited to producer-generated information about consumer products and services, the focus of this study - word-of-author advertising - is not considered.

The study findings suggest that this may be a mistake. Both psychological theory and marketing practice suggest that word-of-author advertising can affect consumer perceptions of frequently cited brands. And the accumulated results of 30 years of Consumer Reports tests indicate that in two of five cases the brand names being cited frequently are relatively low in quality.

It would seem then that educators should alert consumers to the possibility of commercial influences in popular forms of communication which have long been considered non-commercial in character. Since the study findings show that such influences may often be in the direction of promoting relatively low quality products, it is especially important that consumers be adequately forewarned.

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MAGAZINE CLEARANCE AND CONSUMER PROTECTION  
-- PRELIMINARY FINDINGS --

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ABSTRACT

Media restrictions on acceptable advertising are often cited as examples of strong advertising self-regulation. However, the information is mostly anecdotes of large vehicle examples. Little is known about the standards applied by magazines to decide what ads are acceptable for publication. This paper presents the results of letters to 107 publications about their clearance standards, attempting to discern how often publishers and advertising managers are concerned about protecting readers from deception and what other concerns might guide clearance decisions.

The basic question is whether or not readers can or should expect magazines' standards for acceptable advertising to be a source of consumer protection.

This research grew out of contacts first made with publishers as a concerned reader with proof of false ad claims. A publication allegedly dedicated to consumers' interests replied that they do not believe in rejecting any ads [21]. This was especially bothersome since the space sales packet for this same publication was discovered to stress strong reader trust as a primary benefit for advertisers. Another publication replied with a list of questionable, but unquestioned, claims in a current issue [12], later noting that no advertiser would be directed to alter claims, even if known to be false, unless a complaining reader can prove that subscribers were actually harmed by the ad claims [13].

SELF-REGULATION: IMAGE VS. RESEARCH

As is often desired by business leaders, more "visible" self-regulation activities engender an impression that government might not be needed; often-repeated examples of the strongest clearance bodies could imply that self-regulation can take over where government activities end [e.g. 15, ch. 8; 16].

The image of the clearance process was presented when Sid Bernstein asserted in Advertising Age that "It is virtually impossible to run an ad in a magazine or newspaper . . . without exposing that ad or that commercial to prior review by the [vehicle's owner] or one of the owner's representatives" [3].

However, examples of large circulation publications accepting advertising containing claims the magazine people should have reason to question are easy to find in letter columns of the business press [e.g. 14]. In some cases, readers have

contacted the magazine about false claims, yet the ads continue to run [e.g. 1; 14].

Most self-regulation articles have been directed toward industry-wide standards, trade practice guidelines and possible anti-trust violations [e.g. 2; 6; 9; 10; 11; 17]. Trade press coverage of media clearance issues indicate that the basic concern seems to be avoiding offending the audience and maintaining good public relations with readers and/or viewers [e.g. 4; 5; 20]. The few academic articles in the area, though researched from a slightly different perspective than consumer protection concerns, seem to uphold such conclusions.

Utt and Pasternack presented responses of 75 newspaper editors on standards for advertising acceptance. The major focus of the study was on newspapers' legal right to reject ads, not issues of advertising veracity, but responses did indicate little concern with protection of readers from false claims [18]. The editors expressed most concern with specific products that readers might find objectionable, with newspapers in more conservative parts of the country rejecting more product categories. Circulation was not a determining factor of clearance standards, going against conventional wisdom that most secure papers would be the strictest.

Zanot described the clearance process for a large advertising agency and its dealings with major media vehicles. The internal agency reviews are quite rigorous and analysis quite detailed, but while the television networks had requested substantiation or revisions of claims, the major magazines had no problem or questions with the ads [22]. It should also be noted that Zanot and Rotfeld found that large agency procedures are atypical, with the process described as much more informal at smaller agencies or offices with fewer national accounts. Only the largest agency even considered magazines as part of the clearance process [23].

LaBarbera contacted editors of ten national magazines that carried "back of the book" ads, asking about their standards and ethical guidelines for deciding which ads to carry. Five of the ten editors responded, from the terse and impersonal to one detailed expression of great concern [9]. However, these were all financially secure publications that carried the worst of questionable advertising and only five of the ten editors even replied.

In sum, little is known about the details of magazines' standards for advertising acceptance. The Magazine Publishers' Association does not have any guidelines, it is unknown if any publications actually heed the United States Postal Inspection Service recommendations for publishers [19] and

little is known beyond the activities of those few publications that engender special attention in texts, such as Good Housekeeping.

#### METHODOLOGY

Letters of inquiry were sent to both the publishers and advertising directors at 107 consumer magazines.

The magazines were selected from the Advertising Age monthly listings of top advertising lineage in consumer magazines, supplemented by other magazines listed in a variety of categories in Standard Rates and Data Service. The simple goal was to compile a list of the largest circulation magazines plus a wide range of other consumer publications.

Publishers and advertising managers were both contacted because either individual might be the person in charge of clearance policy, though it was impossible to ascertain who that might be in advance for any given publication.

Judging from replies to LaBarbera's inquiries [9], a publication that followed formal policy would have a written set of documents that they could send. However, informal guidelines or a simple case-by-case procedure would need explanations by the person(s) in charge. Unstructured contacts were judged to be best to maximize these explanations.

Replies were received describing the policies and procedures of 78 magazines. In 6 cases, both the advertising manager and publisher replied from a given magazine, and on 6 occasions, a group publisher responded for several publications with the company, a few of which were not on the original mailing list. Follow-up letters to non-responding publishers and advertising managers did not generate any additional responses prior to the cut-off date.

#### RESULTS

##### Policies, Guidelines and Consumer Protection

Where specific formal guidelines were reported, as they were with a small number of publications, they varied widely from a general statement of acceptance policy to detailed and lengthy regulations. Rarely did a publication mention adherence to principles developed by an industry association.

The manager for the Copy Acceptance Department for the seven magazines of Time, Inc. -- Fortune, Life, Money, People, Sports Illustrated and Time, -- reported that the magazines followed the guidelines established by the American Advertising Federation, covering issues of truth, substantiation, comparisons, testimonials and taste. They also followed Better Business Bureau suggestions on acceptable copy. However, only the publications of Time, Inc., specifically reported following these guidelines. One magazine reported subscribing

to the standards set forth by the Direct Mail/Marketing Association for the acceptance of mail order advertising, but no other outside sources of policy were mentioned by any other publishers or advertising managers.

All other advertising guidelines (in the rare cases where they could be specifically delineated) were very individualistic and varied.

At one extreme, one publication geared reported a strict policy of acceptance governing everything from types of products permitted to the nature of ad message. A literary magazine required potential advertisers in several product categories to fill out a questionnaire requesting a sample of the product or service and copies of all materials sent to readers responding to the proposed ad.

At the other extreme, a well-known literary magazine proclaimed, as an editorial philosophy, that their advertising acceptance standards were the same as the publisher felt is expressed in the First Amendment and the magazine would carry "any advertisement provided sale of the product is legal in the United States." Advertisements that might deeply offend readers would be discouraged, but if the advertiser persisted, the publisher said they would feel obligated to carry the advertisement.

The more common unstructured informal policies were generally a simple matter of publisher opinion about the propriety and appropriateness of the advertisement. Informal policies described often dealt with problems on an ad hoc basis when (and if) they were brought to an executive's attention.

##### Advertising Honesty and Other Concerns

While the truthfulness of advertising might intuitively be expected to be a concern for all publishers, only nine respondents mentioned it in their comments.

The closest respondents came to a general concern for honesty concerned identification of the advertisement and the potential for confusing advertising copy with editorial matter. Only six magazines specified this area in responses, but rate cards of additional publications included language addressing this issue. It is apparently widespread policy to require clear identification of all advertising, and most publishers reserve the right to add the title "advertisement" to any copy.

Several magazines addressed the special problem of mail order advertising. Some require substantiation of claims, and others may request samples of the product, although such practices were mentioned by only a handful of respondents. One financial magazine reported the unusual and unique practice of checking out all mail order accounts with both the postal authorities and the Securities and Exchange Commission.

Overall, clearance concerns centered primarily on (1) the suitability of the advertisement to the editorial nature of the magazine and (2) the ubiquitous matter of "good taste." In fact, the one guiding principle common to many of the

magazines, more common than concerns for substantiation or truth, was a concern for "good taste." Occasionally it was included in a long list of standards and practices, though often it was the only guideline mentioned. It was frequently tied to a statement that the ads should "fit" the publication's editorial orientation.

The examples were many and similar; one magazine noted, "In general we are looking for nice tasteful advertising," another women's magazine reported that, "All ads that are deemed potentially offensive or inappropriate to the magazine and to the readership." A food magazine reported exercising "discretion" based on good taste and the relationship of the advertised product to the editorial content. A "home" magazine responded that "Some categories of advertising we will not pursue (personal hygiene) not because of a product fault, but because it might not fit with our magazine's image."

Obscenity and/or nudity was a concern specified by nine magazines, again, mostly tied to concerns of "good taste." In a few other publications, nudity was banned; a magazine aimed at younger and physically active people barred "frontal nudity."

It is interesting that with contemporary society's elevated sensitivity to various minorities, only one magazine, allegedly read by "the better educated" reported that, "Advertisements that discriminate against any group or individual will not be accepted."

#### Restrictions by Product Type

In general, it appears that most magazines (with a few exceptions) are concerned about the nature of the advertised product only to the extent that it "fits" with the editorial atmosphere of the magazine.

A number of magazines suggested that advertising of products not related to the editorial content of the magazine was discouraged; one sports magazine noted the need to maintain a "family" atmosphere. Again, this indicated a concern more with pleasing the audience than consumer protection.

The nature of the restricted products ranged from contraceptives to chinchilla breeders. In addition, several magazines declined to carry advertisements dealing with religious or political topics.

The most severe restrictions were reported by Modern Maturity with 21 products and services whose ads the publication will not accept listed on the rate card. These include wheelchairs, stair lifts, hernia belts, back braces, laxatives, denture cleansers, hearing aids and self-defense weapons. It also will not accept political or religious messages.

#### Correlates with Strict Guidelines (?)

As Utt and Pasternack found for newspapers, circulation size did not appear to be related to

clearance policy with the magazines responding to our inquiries [18].

The circulation figures for those publications claiming a formal acceptance policy is rather evenly distributed from about 52,000 to 5.2 million. Similarly, the figures for those magazines reporting only an informal policy ranges from 50,000 to 6.7 million. Descriptions of policies that could be considered quite "loose," were reported by publications with less than 100,000 and by those with readership of several millions. The same was found for publications with very restrictive and detailed guidelines for acceptance.

At the same time, there exists a weak indication that publications with more focused precisely defined audiences might have tighter clearance policies. In each case, the publisher appears to take on the role of consumer protector for the particular demographic group of readers as defined by the predominant editorial concerns. Some highly specialized magazines also maintain special and that act on the behalf of subscribers to resolve complaints about advertised products.

However, conclusions about such a causal relationship between audience breadth and strictness of standards might be a bit premature. Some publications of very broad appeal had guidelines among the most strict reported; a couple very specialized magazines did not seem to care at all.

The one clear and strong indication is that publisher "whim" stands as the primary determinant of clearance policies.

The publisher of one women's magazine, for example, reported being raised a Southern Baptist and so advertisements for male contraceptives were permissible so long as they were restricted to the discussion to birth control. Descriptions regarding "the joys of sex" were not acceptable. The publisher of a highly specialized recreation vehicle magazine was most succinct: "it would be most difficult to operate on hard fast rules and I imagine most publishers base (their) judgments strictly on their own personal life experience and values."

A final factor which is often considered to contribute to the acceptance policy of a given magazine is that of the current economic health of the periodical.

One of the respondents explained at length that "[My concerns in advertising are a combination of what I perceive to be the interest of my readers . . . and my own levels of taste and acceptability. Modified by greed and fear. When business is very good, publishers tend to get uppity about acceptance (like those questionable direct response ads offering to make you millions). When business is bad, publishers seem to look the other way (is it legally okay?)."

Nature of Policy

	n	%
Formal	24	30
Informal	49	63

Source of Policy

	n	%
Publisher	28	36
Editor	1	1
Committee	2	2
No response	47	60

Enforcement of Policy

	n	%
Publisher	35	45
Committee	9	11
No response	34	43

Stated Bases for Rejection

	n	%
Bad Taste	22	28
No I.D.	10	13
Product type	23	29
Tobacco	8	10
Alcohol	5	6
Feminine Hygiene	3	4
Religious	3	4
Political	3	4
Contraceptives	5	6

CONCLUSIONS:

MAGAZINE CLEARANCE AND ADVERTISING REGULATION

A large number of publishers were proud that they retain the right to reject ads (even if some never have had occasion to actually do so).

On the other hand, they generally perceived the magazine world as devoid of any written guidelines. Those that had clear guidelines or copy acceptance procedures indicated that they believed they were virtually unique. Almost all letters from publishers started by saying that almost no one has formal written guidelines. However, they were all proud of their procedures, even if those procedures were never used, even if they amounted to a policy of accepting everything.

With all these variations in approach and internal pressures that color clearance activities, it should come as no surprise that the trade association for magazine publishers never set standards for members for acceptable advertising.

One publisher wrote a background discussion about why the Magazine Publishers Association never adopted guidelines for acceptance standards. An MPA committee considered a proposal for guidelines, but discussion revealed that the individual personalities of magazines, the editorial and reader profiles, fashioned the standards more than a code ever could.

Readers might wish to believe that their favorite magazine protects them from false ads and misleading claims. Some do and are quite proud of it. However, most of our respondents do not.

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DISCUSSION PAPER ON CONSUMERS AND THE MASS MEDIA:  
THE RESEARCH AGENDA FOR CONSUMER COMMUNICATIONS

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ABSTRACT

All three studies in this session addressed consumer communications and involved the examination of the formation or quality of consumers' information environment. The studies illustrate the need for more consumer interest research in mass communications in three message areas.

INTRODUCTION

Everyone at this conference realizes -- at least to some degree -- that mass communications influence consumers' welfare. Because we have understood the importance of that topic, this is an historical ACCI conference. There are 5 sessions -- sessions, not just papers -- involving consumer communications. That doesn't include luncheon speakers, poster or roundtable sessions or research awards. From these offerings, you could conclude that ACCI has made consumer communications part of our research agenda.

All three studies are related to my current research areas. That fact presented a problem for me because I was so glad to have company that initially praise was abundant and criticism was difficult. So, please remember that my appreciation of these works outweighs any intentionally constructive observations.

CONSUMER REPORTERS ON TELEVISION: A PROFILE

Research about consumer reporting is timely. A recent poll by the Radio and Television News Directors Association is interesting. When asked which topics respondents wanted TV and radio to cover more frequently, respondents first choice was more consumer information [6]. So, there is a demand for more consumer information in our news media.

My largest concern with the study was the researchers' definition of "consumer reporting." When stations did not have a consumer reporter, directors checked a box that said no consumer reporting was being done. If we decide to use this narrow definition of consumer reporting we will miss most of the consumer-relevant information that is disseminated through the news media. Also, with this definition we are not necessarily going to locate only consumer reporters. "Specialty beats" like the consumer beat, are often covered by a reporter who is assigned several beats. For example, at one news organization one reporter may cover the economic, business and consumer beats. While

at another organization, one reporter may cover the environment, health, medical and consumer beats [1]. You can see that these areas are not mutually exclusive. In fact, an accurate observation would be that consumer news cuts across all the traditional departmental lines, from life style to financial, and from real estate to sports [2].

So, every station you contacted does consumer reporting. The news director may not call it consumer reporting or the station may not have a designated reporter with the consumer "beat", but consumer reporting is being done. This definition problem helps explain your finding that about 50% of the returned responses said that they were doing "no consumer reporting."

To be fair to the researchers of this study, their intent was to examine reporters with recognized titles or consumer beats, so their definition is useful. However, if your intent becomes one of examining the type and amount of consumer news being produced or the overall factors that influence that production, then it is valuable to realize that consumer reporters and consumer reporting may be two different concepts.

Second, the education and intervention typology used to describe the different functions the reporters serve and topics they cover is not clear. These are not mutually exclusive categories. Yet, your questionnaire forces the reporter to choose one set of questions. This biases your results in that consumer reporters who do BOTH types of reporting are represented in only one of the categories. Therefore, findings that intervention and education model reporters cover different story topics could be a function of reporters being forced into only one model (intervention or education) on the questionnaire. Based on this particular sample, I feel that strong conclusions in your model areas are premature.

In terms of sources of information used, it is not surprising that these reporters do not frequently use consumer educators or academic journals nor consider them a "best source" of information. Although there is not empirical evidence to support my comments, my personal observations tell me that reporters use state and local government agencies as a source because these agencies disseminate streams of press releases with up-to-date, relevant consumer news. I would add that most journalists aren't aware of consumer-oriented academic journals and those who are find these publications' content too abstract for practical application.

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I have previously praised Friedman for bringing his popular culture approach to the consumer-interest research area. If any of you are lucky enough to have read Roland Marchand's book, Advertising the American Dream, [7] or to have seen his presentation at this conference yesterday, you can begin to understand the value of historical, cultural, process-centered research in the consumer area.

Friedman is becoming skilled at the art of developing measures for content analyses and for creative techniques to present his findings. Not only has he carved out a new area of research, "Word-of Author Advertising," but in this study, he has tried to gauge the potential worth of such advertising. By worth here, I mean information as a possible positive or negative input into consumer decision making.

The problem with critiquing Friedman's work is that he carefully outlines his methodological limitations. For example, all are familiar with the problems of using evaluation data from Consumer Reports. Because there are no close substitutes, we must tolerate their shortcomings.

Friedman's previous works measured the presence of national brand names in given media. However, they did not measure the treatment of the brands. In content analysis some form of "direction categories" are sometimes used. Frequently, direction is classified using a three point nominal scale such as: favorable, neutral and unfavorable [3]. For example: "She loaded her constant companion through three children -- the dependable Maytag washer" (favorable); "She loaded the Maytag washer" (neutral); and "She kicked the Maytag washer in disgust. As usual, it was stuck on the spin cycle" (unfavorable). Having this directional information about brand-name messages would let us better assess its possible use as inputs into decision making. That is, similar to word-of-mouth advertising, word-of-author advertising can have negative as well as positive persuasive dimensions.

While it is true that we must empirically examine the effects of this and other types of communication on consumers, appropriate methodologies and adequate resources -- especially economic -- are in short supply. The fact that Friedman's works in this area are represented in consumer journals and at our conferences is an indication of an acceptance and therefore tolerance for an empirical approach which historically has gained little representation in the consumer literature. You can witness the growing acceptance of this type of research the Journal of Consumer Research.

Whether we admire Friedman's specific works in this area is not the question. It is essential that consumer research continues to make room for this and other types of alternative methodological approaches to foster our interdisciplinary roots and to approach understanding consumers within their total environment.

First, I'd like to welcome the participation from two communications' scholars. Interdisciplinary diversity has always been encouraged and appreciated at ACCI.

Their research question was, "Does the advertising clearance process for magazines provide consumer protection against false or misleading advertising?" That is, is this form of media self-regulation adequate as a source of consumer protection?

They cited previous research on the clearance process and its impact on the formation of advertising messages. Yesterday, Roland Marchand examined advertising agencies' input in the development and shaping of advertising messages. Here, Rotfeld and Parsons are looking at the selection process of final advertising messages which actually enter consumers' information environment -- here, in magazines.

After hearing these research findings, we can consider why magazine publishers and ad managers are not usually concerned with protecting consumers from deception. Yesterday afternoon, Robert Kerton had one of the answers when he discussed the "economics of concealment" of negative consumer information [4]. According to Kerton, the economics of concealment illustrate how under non-regulatory conditions sellers will decide to devote resources to concealing negative information.

In the magazine clearance process, we can see that self-regulation leads publishers and ad managers to decide NOT to devote resources to prevent false or misleading advertising. What are their economic incentives? They do not gain revenue predominantly from their subscribers, but from selling advertising space. In order to attract and keep certain advertisers, they have an economic incentive to "screen" certain ads, not to protect consumers, but to protect their publication's image so that specific audiences are maintained for specific advertisers.

What are the economic disincentives to publishers and ad managers for accepting (or failing to reject) false or deceptive advertising? They could lose audience members and subscribers who are offended or harmed by their advertising. But, the critical issue is economic liability. The liability or economic sanctions for false or deceptive advertising practices is always assumed by the sponsoring company; rarely reaches the advertising agency and almost never touches the carrier of the advertising. In short, magazines have every economic incentive and few, if any, disincentives for failing to reject false or deceptive ads.

These researchers are to be congratulated because this piece makes an interesting roadway into consumer research. We have not often addressed the multiple sources of influence on consumer message dissemination. We also have not ad-



ressed the impact these multiple monitoring sources of advertising might have in relation to consumers' welfare.

#### SUMMARY

All three of the studies in this session addressed consumer communications and involved the examination of the formation or quality of consumers' information environment. The three studies illustrate the need for more consumer interest research in mass communications in three message areas: 1. noncommercial messages in a non-promotional context (like news); 2. commercial messages in a promotional context (like advertising); and 3. commercial messages in a nonpromotional context (like word-or-author advertising).

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HUNGER IN OREGON:  
PROFILE OF EMERGENCY FOOD BOX USERS

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ABSTRACT

Demand for emergency food in Oregon rose 20 percent in 1985-86 although the unemployment rate fell. A Hunger Factors Assessment Survey was designed to study this paradox. Questionnaires were completed by 913 persons who requested food at 19 distribution sites. Half of the household members receiving food were under age 19. Many respondents reported low incomes, health care problems, and unemployment. On the average, emergency food was requested twice a year when other resources were exhausted.

In recent years, the demand for emergency food programs has increased drastically across the United States [8,3]. Between July 1, 1985 and June 30, 1986, Oregon Food Share members provided emergency food boxes to 429,000 people, an increase of 20.5 percent over the previous year [6].

Emergency food programs, usually run by independent charitable organizations, try to alleviate hunger by providing families with an emergency food package designed to last from three to seven days. The purpose of these food programs is to fill the "gap" between a crisis, such as a lost job, and the functioning of public assistance. To be considered an emergency food organization, an agency must limit service to any given household to no more than 12 times during one year.

The increasing use of emergency food packages in Oregon during the years 1982-1984 resulted from the economic recession and high employment rates. However, in 1985, although the unemployment figures in Oregon fell, there was an increase in requests for emergency food assistance, and the demand continues to increase. The Hunger Factors Assessment project was developed to respond to the apparent paradox created by falling unemployment figures and rising emergency food requests.

The Hunger Factors project was designed to study the socio-economic and political factors that put Oregonians at risk of hunger. Specific questions to be answered were: Who are the emergency food box users?, Why do people request emergency food?, Is emergency food box use becoming a way of life?, What other sources of food and income are relied upon by emergency food box users? This paper will address these specific questions.

The project was a unique collaborative effort involving the Oregon Food Share organization (a

statewide emergency food distributor), specialists in community nutrition and family resource management from Oregon State University and representatives from the office of Governor, State of Oregon.

METHODOLOGY

To answer the research questions noted above, the researchers developed a four-page, 30 item survey directed at a statewide sample of emergency food clients. Of 317 Oregon Food Share member organizations throughout the state, 19 were randomly selected to administer the questionnaires to householders who requested emergency food. (To be eligible to receive emergency food, household representatives must sign a declaration stating that their income is at or below 130 percent of the federal poverty guidelines for their household size--see Appendix A).

At each of the 19 data collection sites, one member from each household requesting food during a two-week period was offered the questionnaire. The questionnaire was administered between mid-March and mid-April, 1986. A total of 966 were distributed and 913 persons responded (95%). Fifty-three clients refused or were unable to complete the questionnaire even though help was generally offered to those who seemed unable to read or write. The completed questionnaires provided data which relates to the 3165 persons who reside in the respondent households.

In most cases, the respondents completed the questionnaire while waiting to receive a box of food. Participation was voluntary and responses were anonymous. To increase the response rate, the questionnaire included a social utility statement noting that the responses would be "given to the Governor and to State Legislators to help them understand the needs of Oregonians." The results are described below.

WHO ARE OREGON EMERGENCY FOOD BOX USERS?

The median range for household net income from all sources in 1985 was \$3,000-\$4,999 for the emergency food respondents (Table 1).

Seventy percent of the respondents reported annual net incomes under \$5,000. For the month prior to the survey the median household net income from all sources was \$376 for the sample. One respondent wrote, "Government people think they don't make enough money but they don't have the slightest idea what it is to have no money."

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TABLE I. Profile of Oregon's Emergency Food Box Users.

<u>Net Household Income for 1985</u>		
	N	%
No income	44	6.9
LESS THAN 3,000	259	40.7
3,000-4,999	151	23.7
5,000-6,999	79	12.4
7,000-8,999	48	7.5
9,000-10,999	25	3.9
11,000-12,999	7	1.1
13,000-14,999	11	1.7
15,000-16,999	5	.8
Above 17,000	7	1.1
	<u>636</u>	<u>99.8</u>

<u>Age of Household Members</u>		
	N	%
1-5	607	19.2
6-12	612	19.3
13-18	346	10.9
19-30	911	28.8
31-60	601	19.0
Over 61	88	2.8
	<u>3165</u>	<u>100.0</u>

<u>Family Size</u>		
	N	%
1 person	129	14.2
2 persons		18.1
3 persons	192	21.2
4 persons	190	21.0
5 persons	123	13.6
6 persons	56	6.2
7 persons	26	2.9
8 persons	15	1.7
More than 9	11	2.2
	<u>906</u>	<u>101.1</u>

<u>Residency</u>		
	N	%
Rent	613	71.1
Own home	85	9.9
Live with relative	88	10.2
Homeless	32	3.7
Own mobile home & rent lot	25	2.9
Live in car/van	18	2.1
	<u>861</u>	<u>99.9</u>

<u>Reasons for Getting Emergency Food</u>		
	N	%
Ran out of food	246	28.5
Unemployment	242	28.0
Food stamps, SSI check, AFDC late	121	14.0
Low income, bad economy	97	11.2
Moved	64	7.4
Accident, poor health	40	4.6
Food stamps, SSI check, AFDC less than expected	15	1.7
Spouse died or divorced	14	1.6
Check stolen	15	1.6
Hard luck events	10	1.2
	<u>864</u>	<u>99.8</u>

	<u>Respondent</u>		<u>Spouse/Partner</u>	
	N	%	N	%
Not working & looking	393	47.9	123	39.7
Working full-time	62	7.6	59	19.0
Disabled	131	16.0	45	14.5
Working part-time	117	14.3	46	14.8
Not working & not looking	72	8.8	26	8.3
Retired	34	4.1	10	3.2
Working more than one part-time job	11	1.2	1	.3
	<u>820</u>	<u>99.9</u>	<u>310</u>	<u>99.8</u>

Based on the responses, the researchers estimate that almost one-half (49%) of the household members receiving emergency food were under age 19 (38 percent were under age 13). Only 3 percent were 60 years and older. In the general population of Oregon, 29 percent are age 18 or under and 17 percent are age 60 and older.

At a median size of 3.3 persons, households requesting emergency food were larger than the median 2.6 person Oregon household. That size, however, is the same as the average family size of people living in poverty in Oregon, according to the 1980 census. A general lack of elderly households (or over representation of young families) may explain the sample/general population difference.

The median length of in-state residency for the sample emergency food respondents was 14 years. Of these households, 43 percent had been forced to move at least once within the last five years to find work. Only 10 percent of the study's respondents were homeowners, while 62 percent of all Oregon residences are owner-occupied. Seventy-one percent of the respondents were renters in contrast to 36 percent of the state's housing being renter-occupied. More than 11 percent of the respondents indicated that their homes lacked a source of heat or indoor plumbing, compared to only about one percent of all Oregon housing units that lack these features.

Many emergency food box users also have health care problems. Sixty-four percent of the respondents reported having unpaid medical or hospital bills. Over 50 percent reported that their households were not covered by medical insurance. Furthermore, the majority (71%) indicated that they were putting off medical care because they could not afford it.

#### WHY DO PEOPLE REQUEST EMERGENCY FOOD

Respondents were asked what event made it necessary for them to come to the emergency food box program (Table 1). The most frequently cited reasons were "ran out of food" (28.5%) and "unemployment" (28%). One-half received food stamps, but only during two months of the last year, on

average. For the majority (84%), the food stamps last only through the second or third week of the month. The reasons for this were not explored in this study.

Fourteen percent indicated that benefits such as food stamps, Supplemental Social Security payment or Aid to Families with Dependent Children were late in arriving. Other responses included "hard luck" occurrences, family unrest, and poor health or instability caused by moving. Asked what main life circumstances they would change, if they could, to prevent experiencing such crises, respondents most frequently cited unemployment, food stamps, costs of living, and educational level.

#### IS EMERGENCY FOOD BOX USE BECOMING A WAY OF LIFE?

According to the study results, emergency food box use is not a way of life for the vast majority of those needing assistance. Such assistance is only sought twice a year, on average (with a range from 1-13). Gainful employment continues to be the way of life preferred by poor Oregonians.

Nearly one-half (48%) of the sample households had unemployed members who were looking for work (Table 1). On the average, these people had been looking for work for six months--three times longer than the median length of time the sample had been receiving food stamps. In many cases, if they did find work it would probably be at a lower wage and benefit scale than their previous position.

#### WHAT OTHER SOURCES OF FOOD AND INCOME ARE RELIED UPON BY EMERGENCY FOOD BOX USERS?

Emergency food box programs are not a replacement for other, more traditional ways of acquiring food when times are difficult. Friends, neighbors, churches, and relatives play important roles in providing for the needy according to respondents. Government-sponsored feeding and transfer of payment programs such as food stamps, cheese distribution programs, Aid to Families with Dependent Children and Supplemental Security Income are also important for survival.

Thirty-four percent of the reporting households received earned income from full- or part-time employment, 25 percent received income from unemployment benefits or Aid to Families with Dependent Children. One-half of the households were receiving food stamps at the time they requested emergency food assistance.

The households who were not receiving food stamps at the time gave a variety of reasons. The most frequent responses were didn't know if eligible (30%) and did not qualify (23%). Sixteen percent reported they were afraid to apply, did not want to apply, or thought it was not worth the trouble.

#### CONCLUSIONS AND IMPLICATIONS

The Hunger Factors Assessment project was conduc-

ted to help Oregon policy makers and helping organizations understand the needs and life situations of people requesting emergency food in the state. Another equally important objective was to explain the emerging paradox of growing numbers of people in need of food assistance at a time of falling unemployment rates. The findings of this study also provide baseline data against which to measure progress toward ending hunger in Oregon. Although the sample size was limited, findings provide a profile of Oregon Emergency Food Box users.

We have learned that the vast majority of Oregonians requesting emergency food are in real need of assistance. Their incomes are very low, at least one-half are children and many have health related financial concerns. They do not abuse the availability of "free" food offered by the Oregon Food Share system and ask for assistance only when most other resources are exhausted. They ask for help only twice a year, on average. Even those families with employed members have found that illness, lack of child care, late food stamp or welfare benefits, or reduction in work hours, can result in a family financial crisis.

Further research is needed to pinpoint socioeconomic and political that put Oregonians at risk of hunger. However, these data suggest an explanation of the paradox between declining unemployment rates and rising rate of emergency food requests. Children, underemployed adults, and the unemployed who no longer receive unemployment benefits are not included in official unemployment statistics. Yet they made up the greatest portion of this statewide sample of people needing emergency food. Even those who are employed full-time are not necessarily able to make ends meet because their wages are low and health insurance benefits are not available. Under such circumstances an illness or other economic setback can easily cause a situation requiring emergency food assistance. Clearly, employment statistics do not give the full picture of individual need, and may mask important social problems.

Increases in the number of Americans needing food aid suggest that hunger and inadequate nutrition may again be a growing problem in this country. Of alarming concern is the number of children fed with emergency food. Senator Daniel Patrick Moynihan states, "We have become the first nation in history where the children are the poorest segment of the population" (3). Today, children are nearly twice as likely to be poor as adults or the elderly.

The demand for emergency food continues to rise in Oregon as in other states including Utah [9], Missouri [7], Florida [2], Ohio [5], Minnesota [1]. Action needs to be taken now to reduce suffering, make it easier for people to feed their families without resorting to charity, and to preserve individual dignity. This is a task beyond the ability of any one person, organization, or governing body. A comprehensive solution can only be accomplished through an orchestration of programs, legislation, and public support.

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### Appendix A

#### Poverty Level Guidelines for 1986

Household Size	Poverty Level
1	\$5,360
2	7,240
3	9,120
4	11,556

Add \$1,880 for each person

# INITIAL PURCHASES OF SOUTHEAST ASIAN REFUGEES<sup>1</sup>

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## ABSTRACT

A sample of 685 Southeast Asian refugee households residing in an urban center and a nearby rural area of British Columbia were surveyed on their initial purchases of durable goods. The majority had purchased one or two such items (either a car or a television). Major variables discriminating between purchasers and nonpurchasers were length of time in Canada, employment status of the head of household, and percent of income allocated to necessities. Purchasers had been in Canada longer, had less of their income allocated to food and shelter, and had an employed head of household.

## BACKGROUND

Researchers have emphasized limitations in our current consumer behavior research about the sociology of consumption and have stressed the importance of focusing on ethnic and cultural groups existing in North America [cf. 7,11]. In recent years, attention has been increasingly focused on ethnic differences in consumer variables. Some of this interest has occurred because the market groups, such as the Hispanics, have grown in size and have reached a socioeconomic level which makes them a viable market segment to try to understand motivations for and patterns in purchasing [e.g., 4,14]. Researchers focusing on different ethnic groups have suggested that their marketing needs, purchasing patterns, and purchasing power are sufficiently different to warrant attention [3]. Likewise, we cannot assume that their consumption patterns will be merely an amalgamation of American and past cultural patterns. As found by Wallendorf and Reilly [14] in assessing Mexican-American food consumption, a unique cultural style may be evident. Some of the attention on ethnic groups may have derived from a concern that current approaches and understanding may not be appropriate when providing consumer education programs for various ethnic groups. The latter seems of special concern when directing consumer education to those with limited education, for those who are living on social assistance, or for those who are new residents in North America.

Southeast Asian refugees are one of the most recent ethnic groups to arrive in North America. In the United States, Southeast Asian refugee arrivals began in 1975; in Canada, for the most part, 1979-81. The earlier residents have been in North America long enough to begin to be a major market segment. Also the earlier group was the best educated and as such would have had some possibilities for occupational attainment with concomitant increases in purchasing power. The later group, the respondents surveyed for this study, had limited education, transferable work skills, and facility with English. In addition, they arrived shortly before a major economic recession in North America [1]. Given these circumstances which may have impeded employment stability and income adequacy, the latest group of Southeast Asian refugee arrivals may not yet be major purchasers of durable goods. The items purchased may provide some indication of consumer durables they consider the most urgent or most desirable given their income constraints.

Past consumption of durable goods was limited for Southeast Asians, especially those with low incomes. During the war years, production of food, clothing, and durable goods was considered inadequate to meet the needs of the Vietnamese population let alone adequate to provide for consumption beyond basic needs. The availability of American goods on the black market acquainted many Southeast Asians with a variety of durable goods and the possibility to purchase some items. In the isolated areas and in North Vietnam, many of these goods were not readily available. In general, there were usually shortages of appliances because of restrictions on imported goods as well as limited domestic production. Thus, Southeast Asian homes tended to be sparsely furnished. When electrical appliances were available, their cost was prohibitive for the majority of households. Transistor radios, cassette players, and electric fans were fairly common. If additional money were available, a refrigerator or a television (black and white sets were available) were desired. Air conditioning, freezers, and electric stoves were not readily available. Freezers would have been of minimal use for the majority who would not have the finances to buy quantities of food to store, or given the lack of food supplies, quantity purchasing was not possible [12].

Bringing with them knowledge about consumption of durable goods appropriate for their home countries and considerable exposure to consumer goods that would be available in North America, refugees as they began to adjust to life in North America would begin to make some decisions about which consumer goods to purchase.

<sup>1</sup> The UBC Refugee Resettlement Project has been supported by grants from Canada Health and Welfare NHRDP, Multiculturalism Directorate, United Way, and Woodward Foundation.

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Although the literature on acquisition of consumer durable goods has focused on priorities evident in developed nations, it may provide some background for identifying potential variables related to purchase priorities and for understanding how priorities are established by Southeast Asian refugees. Heterogeneous household durable products that might be considered common purchases in developed countries have been studied. Included have been laundry, entertainment, comfort, and handyman items. Some of the studies include cars, others consider the car as too varied in price with so many models, new and used, available [2]. An additional focus has been inclusion of newer items like microwave ovens to see if people buy this more innovative item before other more traditional household items. In all of these studies, the respondent is presented a list of durable goods and states whether they have them and the order in which the items were purchased. Variables that have been used to compare households on their purchase priorities include: renters versus home owners, socioeconomic status, income, urban/rural residence, and family life cycle stage. As summarized by Kasulis, Lusch, and Stafford [8], general patterns in findings are: 1) a common priority pattern for acquisitions; and 2) inconsistent results on whether there is variation by population group, e.g., family life cycle, social class, income, and urban/rural comparisons. Two additional results of potential importance to our study were found by Kasulis et al.: 1) there are variations in acquisitions by owners/renters and for renters who live in houses versus in apartments or duplexes; and 2) innovative items like a microwave are purchased out of sequence for early adopters. Clarke and Soutar [2] also noted findings of relevance to our research: 1) renters have a different acquisition pattern and have fewer acquisitions than owners; and 2) culture and a time lag in interest in acquiring items may be important in obtaining durable goods.

To our knowledge, new refugee or immigrant groups have not been studied in priorities they place in purchasing durable goods. We do have some limited awareness of how refugees have been able to make purchases, even those with limited personal resources. Refugees share living expenses in quite complex and sometimes culturally atypical households [15,16], often pooling their financial resources with relatives to buy major items, e.g., cars, houses, and entertainment items [13]. There is some indication, at least from the Chinese-Vietnamese perspective, that they would neither pool resources with nor borrow money from friends [17]. One study of Pakistani immigrants to Great Britain suggests that some items, such as microwave ovens, cars, and telephones are owned at higher rates than in the British population as a whole. Also immigrants tend to save money and as such may postpone purchases of durable goods [3].

Our study builds on the priority acquisition research on consumer durable goods and incorporates understanding of the uniqueness of the refugee

situation in establishing purchase priorities. For example, priority patterns are assessed as a whole and by household composition. Rather than providing a predetermined list of goods, we focus on refugees identifying a set of goods that is commonly acquired in their initial experiences in Canada. Assuming that they may not be major purchasers of durable goods, we felt it was essential to identify variables related to whether or not they were purchasers. In addition to variables appropriate for North American studies, we emphasize ones that are unique to the refugee's circumstances, for example, the nature of their sponsorship experience, length of time they have been in Canada, and willingness to participate in or to try Canadian customs, leisure, and foods.

In Canada, refugees were sponsored by the government or by private sponsors. In both instances, the refugees were assisted financially for up to a year or until they became self-sufficient, whichever was the shorter period. Basically, the government-sponsored received fairly uniform assistance while there was considerable variability in how the private sponsors assisted the refugees. Evaluations of the program suggest that the privately sponsored benefited from the one-on-one direct assistance in learning about the new society; however, these refugees had little or no input in the decisions made about furnishings and where to live initially. Private sponsors tended to find the initial residence and furnished it with used and inexpensive household items. An effort was made by agencies working with refugees to orient private sponsors to types of items that would be needed in the refugee's residence. Private sponsors, often working on a one-to-one basis, provided information as well as assisted refugees with their purchasing. Some privately sponsored refugees were given latitude in how they allocated their income; others had the decisions made for them by their sponsors [5,9,10].

The government-sponsored were given guidance on how to locate a place to live, but the decision was left to the refugee. If they could not locate a furnished place and it was quite common not to find one, the government-sponsored refugee was given a uniform set of furnishings that were inexpensive but new. Immigrant service providers gave refugees advice on how to purchase and what they would probably need in their new residence. They were also given allowances to cover expenditures based on their family size and comparable to amounts provided under provincial social assistance. Thus, they began to handle their own purchasing fairly early in their resettlement experience [5].

Length of time in Canada may affect purchasing patterns by providing additional exposure to North American goods and by providing opportunities to work and to save towards purchases. After the termination of the sponsorship period, refugees could make more of their own decisions on allocating income to purchases. Orientation to Canadian customs, foods, and way of living may

reflect degree of resettlement and interest in buying items commonly owned by North Americans.

### Objectives

The purposes of this paper are: 1) to assess initial priorities in purchasing consumer durables; and 2) to identify variables distinguishing purchasers from nonpurchasers.

Assessing which purchases are made by new residents such as the Southeast Asian refugees may provide some indication of priorities given to purchasing consumer durables, given income constraints; and may provide some indication of what purchases they may consider appropriate, desirable, or attainable in their new consumer setting. Identifying variables that affect whether one is a purchaser of consumer durables may give some indication of factors that not only might slow down their participation as consumers, but may also indicate their level of adaptation or participation in other aspects of the new society.

## METHODOLOGY

### Sampling and Data Collection

The data are from a sample of 685 refugee households who arrived in a Western province of Canada between 1979 and 1981. Respondents were located through agencies working with the refugees and through private sponsors. The complete census of 103 households in a rural community was interviewed. A random sample of 582 households was selected from an urban center. The overall sample was stratified by ethnicity (Chinese-Vietnamese and ethnic Vietnamese or Laotian) and sponsorship (government and private). In addition to household data, individual information was gathered from a probability sample of adults in the urban households and from all of the adults in the rural households. Although heads of households provided household information, they may not have been selected for individual interviews.

Data collection extended over a six month period, corresponding to approximately 18 months after our respondents had arrived in Canada. Interviewers, most of whom were refugees fluent in at least one of the languages of the study as well as English, conducted the interviews after being trained in structured interviewing techniques. Since many subjects were at work during the day, interviews were usually done during weekends and evenings in the refugees' homes.

### Instruments

Relying on the expertise of refugee research assistants and agency personnel involved in providing services to refugees, we developed, translated, back-translated, and pre-tested a structured interview covering dimensions of refugee adaptation.

For this paper, we focus on household purchasing information usually obtained from the head of the household. In gathering information about the household, we encouraged other family members to be present during the interview. We had been advised that the head of the household would be the one to ask, but that he might turn to others for information as needed.

We asked them if they had made any major purchases. We defined major purchases by giving them examples (e.g., cars, furnishings, stereo equipment, small appliances). If they had purchased we asked: What was the first item purchased? Did they use cash or credit? and Where had they heard about purchasing the particular type of product? We requested this information for up to five purchases, although pre-testing indicated that most households would have made only one or two purchases.

We also requested information on their income and expenditures to have some indication of discretionary income. We emphasized that we were not wanting to know how they used all of their money, just approximate monthly amounts for designated major expenditures. We focused on take-home pay as the tax system was relatively new to our respondents and not yet well understood. We felt refugees would remember the dollar amount they deposited in the bank or the amount they received in cash, rather than what their taxable income was. Income per capita was based on the number of people, including children, who were sharing income and expenses in the household. Percent of income for necessities included food, utilities, and rent or mortgage as the major expenses; clothing costs were not included. In calculating the percent of income for each expenditure, we had a miscellaneous category to account for expenses not requested and the dollar amount of each category was divided by the total monthly income.

Since being asked about finances and purchasing had negative connotations for refugees based on their past experiences in Vietnam [cf. 18], we modified the data collection until it was deemed as nonobtrusive as possible by our refugee advisors. The interviewers also stressed that there were no right or wrong answers -- that is, we did not think some purchases would be better for them to make than others. We wanted to know if they had purchased an item, but we were not interested in the brand or model. This was especially important as some private sponsors had indicated distress at the purchasing practices of some refugees as inappropriate for the circumstances, e.g., expensive cars, expensive brand name clothes, or faddish dressing [16].

Following the views expressed by Grashof and Dixon [6] that households, not individuals, are the appropriate unit for measuring consumption, we focused on the household as the unit of measurement. The refugee households are complex, reflecting traditional and nontraditional forms.



A listing of everyone living in the household unit was obtained at the time of the interview. Residents were listed according to their relationship to the head of the household, and demographic data of age, sex, marital status, and ethnic background of parents were recorded. From these data, the coders classified the household. Since we were uncertain as to how common each living situation might be, we elected to establish new categories every time a household did not clearly fit into an existing category. This procedure resulted in 42 classifications, which we collapsed into seven household types. In determining the final categories, the senior investigators retained categories that were atypical culturally, i.e., husband and wife, one person living alone, and unrelated people living together; or categories typical of the culture, i.e., two, three, and four-generation households. The remaining two categories (others all related and related plus unrelated) are somewhat atypical, and may reflect an adaptive strategy to provide support (financially and emotionally) to refugees separated from their immediate families. The category of "others all related" includes one or more generation of relatives in addition to a basic unit of either husband and wife, parents and children, or three and four generation households. The final category is similar to the one just described, with the addition of unrelated people to a household of all related people.

Demographic and socioeconomic variables were identified from the individual interview responses of the head of household. Since 109 heads of household were not included in the probability sample of individual refugees, analyses requiring demographic data are on a reduced sample size. Ethnicity was based on ethnic surname, ethnicity of father of the head of household, and mother tongue. This procedure was deemed necessary as self-identification could vary depending on perceived benefits or costs of a specific ethnic identification.

Orientation to the new setting was measured by three scales. Respondents were asked if they liked, accepted, disliked, or had never tried eight foods common in Canada (bacon, french fries, breakfast cereals, pizza, fruit pie, hamburgers, cheese, and canned soups). The scale has an internal reliability of .77. Canadian customs included three items: celebrating your birthday, a child's birthday, or Thanksgiving. Our refugee research assistants selected these customs as ones not practiced in Vietnam or Laos. The reliability coefficient is .63. Canadian leisure activities included listening to English language radio, reading newspapers, and watching English language movies. The reliability of the scale is .62.

## RESULTS

### Purchasing Patterns

Out of 685 households, 12 had incomplete informa-

tion and were deleted from the analysis. Those deleted fit into three household compositions: singles (2), unrelated living together (9), and related and unrelated (1).

Almost two-thirds (62%) of the households had made at least one purchase. Of those who had made purchases, the first major items purchased were cars (55%) and televisions (30%). The majority (62%) bought new rather than used items; and 70% used cash rather than a loan. The person deciding the model or brand to buy was the head of household or, in the case of unrelated people living together or singles living alone, the person who was interviewed. Friends were a source for suggesting the model or brand for 15% of the households, with family and sponsors having some influence for a few households (6% for each). Salesmen were given by four households as a source for suggesting the brand or model. To see if the respondents were aware of advertising, we asked where they had seen the item advertised. Over half (52%) had not seen an advertisement for the item. Those who had seen an advertisement listed store displays, newspapers or magazines, and television as places where they had seen an advertisement. These patterns repeated for the second item purchased. Almost half (45%) of the households bought a second item; 16%, a third item.

Next, we compiled the number of households that had made specific purchases, as well as purchases made in five categories: entertainment, transportation, large appliances, small appliances, and furniture. As shown in Table 1, furniture, small appliances, and large appliances were infrequent purchases for each of the household compositions. Entertainment and transportation were

TABLE 1. Percent of Households Purchasing Individual Items Within Product Categories (N = 673).

Items Purchased	Household Composition						
	HH1 n=53	HH2 n=45	HH3 n=26	HH4 n=273	HH5 n=31	HH6 n=176	HH7 n=69
<b>Entertainment</b>							
television	8%	13%	50%	36%	39%	32%	19%
stereo	8	7	23	7	3	6	4
cassette recorder	28	29	12	9	3	6	9
camera	4	4	--	2	--	1	--
<b>Transportation</b>							
car	38	20	69	44	90	54	23
bicycle	--	4	--	<1	--	1	--
motorcycle	--	--	--	<1	--	--	--
<b>Large Appliances</b>							
sewing machine	2	--	8	5	--	5	3
refrigerator	--	2	--	2	6	2	--
freezer	--	--	--	--	3	--	--
washer, dryer	--	--	--	2	6	2	--
<b>Small Appliances</b>							
rice cooker	--	2	4	2	--	--	--
vacuum cleaner	--	2	--	1	--	--	1
electric fan	--	--	--	<1	--	--	--
blender	--	--	--	<1	--	--	--
<b>Furniture</b>							
	2	4	--	3	--	3	1

HH1 = singles; HH2 = unrelated together; HH3 = Husband and Wife; HH4 = Parents and Children; HH5 = Three and Four Generations; HH6 = Related of Multiple Generations and Distant Relatives; HH7 = Related and Unrelated.

the main categories, with a major portion of the family-oriented households having purchased a car. Buying a car seems to be more of a concern for the singles than unrelated people or related and unrelated living in a unit. Of the entertainment items, television sets were the most frequently purchased for all household types except singles and unrelated individuals living together. For these two households, a cassette recorder was a frequent purchase.

#### Purchasers and NonPurchasers

Univariate analyses were done to determine which variables to retain in the discriminant analysis of purchasers and nonpurchasers. Variables that were not significant at  $p < .01$  were religion, age, ethnicity, Canadian leisure, and Canadian customs. We retained ethnicity and age in the analysis as they are variables with some impact on refugee employment and adaptation [1].

From t-test analyses, purchasers compared to non-purchasers had a significantly higher mean per capita monthly income ( $M = \$346$ ,  $SD = \$180$  vs.  $M = \$260$ ,  $SD = \$140$ ); had lived in Canada longer ( $M = 18.6$  months,  $SD = 5.7$  vs.  $M = 12$  months,  $SD = 7.6$ ); were more likely to have tried Western foods ( $M = 14.5$ ,  $SD = 4.7$  vs.  $M = 12.4$ ,  $SD = 5.1$ ); and had a smaller percentage of their income allocated to necessities (59% vs. 75%).

From chi-square analyses, purchasers were significantly more likely than nonpurchasers to live in a single family dwelling (66% vs. 56%); to have been privately sponsored (58% vs. 41%); to have an employed head of household (77% vs. 46%); to have some English ability (88% vs. 78%); and less likely to reside in an urban area (77% vs. 90%).

The results of the discriminant analysis are presented in Table 2. Based on the structure coef-

TABLE 2. Discriminating Variables for Households That Are Purchasers and Non-Purchasers (N = 450).

Discriminating Variables	Standardized Coefficients	Structure Coefficients
Time in Canada	-.63	-.79
Head's Employment Status	.19	.59
Percent of Income for Food, Shelter	.49	.56
Income Per Capita	.02	-.39
Head's Western Food Orientation	-.09	-.35
Urban/Rural	-.19	-.29
Head's English Ability	-.00	-.27
Sponsorship Status	.07	-.26
Type of Dwelling	.15	.24
Head's Ethnicity	.10	.11
Head's Age	-.00	.10
Household Composition	.18	.05

Since household heads were not declared and/or interviewed in all households, (notably household type 2, 6, and 7 which are all unrelated, related of many generations and distant relatives, and related and nonrelated), the sample size is reduced.

ficients, three variables are moderate to high in their ability to discriminate between households who have or have not made purchases. These variables are time in Canada, head's employment status, and percent of income allocated to basic necessities. From crosstabulation data, households who have purchased have lived in Canada significantly longer, the head was employed at the time of the interview, and the household had less of its income allocated to basic expenditures of food and shelter.

#### DISCUSSION

The findings on purchase patterns demonstrate that most of the refugees have made one or two major purchases with priority given to cars and televisions. They have continued to follow traditional patterns of saving for purchases, rather than using credit [12]. They do not yet seem attuned to the marketing cues of advertising, and rely on themselves rather than salespersons, friends, or family members in selecting which model or brand to buy. This finding may be an artifact of who supplied the information -- the head of household usually gave the information, and he is traditionally the one who makes the major decisions.

Since inventories of household goods were discouraged by our advisors [cf. 18], our data are limited in that the existing set of consumer goods, notably household appliances (large and small), furniture, and entertainment equipment could have had an impact on initial purchases made. If refugee households had been provided with most of these items and they were of suitable quality, refugees would not have needed to buy them, or they could have sought a different set of consumer goods that would reflect discretionary rather than basic purchases.

Our results suggest that refugees were, through the sponsorship program, supplied with adequate provisions of furnishings and household appliances over and above what may have been supplied with a rental unit. Therefore, if they had the money, they could buy a car or entertainment items. With a developed public transit system, cars were not a necessity for the households (approximately 80%) located in the urban center. Our respondents may have bought a car, not for its utilitarian function, but because it was available and affordable -- an opportunity that had not been possible in their home country. By the same token, a television set may have been desired, was now affordable, and may not have been included in the goods and furnishings supplied by sponsors.

With refugees buying primarily new items and ones requiring considerable funds (cars), they may not have had additional money available for other purchases. The ability to use cash for the purchases may also indicate that during their two years in Canada, the refugees were able to save only enough money to buy one or two major items.

Assessing purchases within their first two years in Canada may give us an indication of which purchases refugees wanted to make if they had the financial resources to do so, but it is too limited of a time to make strong predictions about future buying patterns. Several questions remain: After the refugees have been in Canada longer, will the acquisition of additional household goods become more salient, or will this depend upon their becoming homeowners? In our current analyses, most of the refugees were renters and being in a house versus an apartment was significant in univariate analyses but was not a major discriminating variable for purchasers. Likewise, two variables reflective of adaptation (fluency in English and orientation to Western foods) and one variable unique to the refugees' circumstances (sponsorship) were significant in univariate analyses but were not major discriminating variables in comparison to length of time in Canada, employment status of the head, and percent of income for necessities. These findings demonstrate that time in Canada may be the key to purchasing -- both from the perspective of having money beyond the necessities available for purchasing, and from the perspective of moving towards eventual replacement of furnishings and appliances supplied by sponsors. Possibly, as Clarke and Soutar [2] noted in comparing two developed nations on priorities in purchases, there might be a time lag in refugees developing a need or a desire for these consumer goods. We might anticipate that as time in Canada continues, more refugees will become purchasers. For with more time in Canada will come increased exposure to consumer goods, more financial stability, and awareness of Canadian consumption patterns.

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DETERMINANTS OF RESOURCE CONSTRAINTS EXPERIENCED BY  
ONE- AND TWO-PARENT LOW-INCOME HOUSEHOLDS

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ABSTRACT

The increasing proportion of families with one parent and the concentration of this family type in the low-income sector necessitates examination of resource constraints experienced by one-parent low-income households. Four models of resource constraint, measured objectively and subjectively, were estimated. Regression analysis of data from 247 one-parent and 247 two-parent households with children confirmed family structure as a predictor of economic welfare. One-parent households experienced lower money income, lower augmented income, lower frequency of financial problems, and lower perceived income adequacy when factors confounding the relationships were held constant.

The concentration of one-parent households in the low-income sector has been accompanied by concern about the "feminization of poverty," "children in poverty," and the economic status of one-parent households. This paper examines family structure as a predictor of resource constraints and the ability of cash and in-kind transfer programs to achieve horizontal equity for one- and two-parent households.

Economic difficulties of single parenthood have been documented in cross-sectional and longitudinal studies. In 1985, the median income of two-parent families was \$31,100, compared to a median of \$22,622 for male-headed and \$13,660 for female-headed one-parent families (U.S. Department of Commerce, 1986). Studies using longitudinal data from the Panel Study on Income Dynamics have affirmed the likelihood of poverty in the one-parent household [3,8,16] and the dramatic decline in real income experienced by widowed, divorced, or separated women [9,24].

RESOURCE CONSTRAINTS

Economic welfare results from command over resources which is described by the budget constraint. Traditionally

the budget constraint is defined as money income, but several authors extend the measure to more accurately reflect command over goods and services and reflect relative economic status [6,15,23].

Measurement of the budget constraint is a problem long addressed by family economists and some economists and sociologists, but none have addressed objective and subjective dimensions within one study. Duncan and Morgan [4] used two income-based measures, total family income and an income/needs ratio which was calculated to include differences resulting from variations in family size and composition. Fergusson, Horwood, and Beautrais [5] proposed four measures of economic welfare including income, expenditures, living standards, and home ownership. Grootaert [7] used a full income measure which he defined as money income, income in-kind, imputed value of services from assets, and monetary value of leisure. The poverty threshold used by the United States government is estimated from money income and food costs for families of different sizes and compositions [22]. Moen [14] discussed the need for both objective and subjective indicators of family economic status, and tested objective measures which were designed to link earnings, family size and composition, and employment status. Williams [25] included the dimensions of agreement about distribution of money and psychic income or perceived adequacy of income as subjective measures of well-being.

This study is unique in examining resource constraints experienced by the two household types using both objective and subjective measures of resource constraint. Examination of the resource constraint-household type relationship was not as simple as might appear, because other demographic and economic variables are associated with family structure and confound the relationship. Multivariate analysis was used to remove the distorting influences of other predictor variables.

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## METHODS

### Theoretical models

Models for each of the four resource constraint measures were developed using the four criterion variables: money income from all sources including government cash transfers, augmented income which added the cash value of food stamps to money income, an index of nine commonly occurring financial problems, and perceived income adequacy which was scaled in five levels. In each model, the predictor variable was one- or two-parent household type and several covariates or confounding variables were used to control for other influences on the criterion variable. The general form of the models was:

$$Y = f(x_1, z_1, \dots, z_n)$$

where  $Y$  is the criterion variable,  $x_1$  is the predictor variable and  $z_1, \dots, z_n$  are the covariates.

Factors affecting resource constraints have been suggested by theory and confirmed by empirical studies. Money income varies with earner age and education, household size, urban or rural residence, employment status, race, age of children, homeownership, and geographic region [21]. Duncan and Morgan [3] found that for two-parent households, the entrance of the wife into the labor force was positively and significantly related to money income and the income/needs ratio. Age of children in the household may reflect a demand on resources and act as a constraint on employment [18]. Another factor relevant for this sample is the employment registration exemption for a Food Stamp or Aid to Families with Dependent Children (AFDC) recipient responsible for the care of a child under age six.

Conditions surrounding receipt of income affect well-being. Receipt of transfer payments would be expected to subsidize low levels of earned income, however, it would not be expected to fully compensate due to planned work incentives [17]. Mirer [13] found receipt of transfers decreased income variability.

Subjective measures of the resource constraint have been related to receipt of in-kind benefits [10,15,20] and expenditure levels [5,7]. Williams [25] found a difference in perceived income adequacy for metropolitan and nonmetropolitan residents.

Feelings of confidence about oneself and about the future have been related to

higher permanent income [13]. Whereas other researchers have used income or wealth as proxies for command over resources, the data used in the present study provide a more comprehensive examination of command over resources.

### Data

Data used in testing the models were collected under the auspices of the North Central Regional Research Project (NC-152), "Economic Consequences of Selected Provisions of the Food and Agriculture Act of 1977". The study included households residing in California, Indiana, Ohio, and Virginia, which participated in the Food Stamp Program in the 12 months preceding the interview or were eligible for the program at the time of the interview [12].

Although the NC-152 project was designed to determine the effect of food stamp policy, it contained questions of a general nature appropriate for study of other types of economic behavior for the sample households. The data were appropriate for this study because of the concentration of one-parent households in the low-income sector and the strength of food stamp eligibility as an operational poverty line [1].

The segment of the sample used in the present study included 494 households with children under age 18, a total of 247 one-parent and 247 two-parent households. The percentage of one-parent households by state was 51% for California, 58% for Indiana, 41% for Ohio and 44% for Virginia ( $\chi^2=6.86$ ,  $p<.10$ ).

### Variables

The two objective criterion variables included monthly after-tax money income from all sources and augmented income which was calculated by summing money income and the cash value of food stamps. The two subjective criterion variables were an index of nine common financial problems and a rating of perceived adequacy of income in five ordered categories. Financial problems included inability to pay for food, housing, medical bills, clothing, utilities, equipment repairs, large bills, and special things for the children and inability to save money. Household type was designed as a dichotomous dummy variable.

Objective model covariates included the continuous variables of household size, earner age, earner education, and number of earners. Dummy variable sets were developed for the categorical covariates

of state, ethnicity, and age of children. The dichotomous covariates of urban or rural residence, employment status, receipt of at least one private or public money transfer, and homeownership were treated as dummy variables.

The subjective models included the dichotomous predictor variable, household type, the covariates included in the objective models, and additional covariates. Continuous variables included money income; dollar value of food stamps received; day care, food, shelter, and medical expenditures; and income frequency, regularity, and certainty. Number of private in-kind transfers was treated as a continuous variable in the perceived income adequacy model and as a dummy variable set in the financial problems model due to a curvilinear relationship. Ability to solve problems was a dichotomous variable that was coded as a dummy variable. Financial problems and perceived income adequacy were continuous variables.

#### Analysis

To determine the parameters of the economic status and household type relationship, the four measures of resource constraint were regressed on household type and characteristics viewed as confounding to the relationship in the general model:

$$Y_i = B_0 X + B_2 Z_{i1} + \dots + B_{p-1} Z_{i,p-1} + E_i$$

where Y was one of the criterion variables: money income, augmented income, perceived income adequacy, or financial problems. The predictor variable (X) was household type and the confounding factors ( $Z_1 \dots, Z_n$ ) were viewed as covariates.

Relationships in the four models were tested using the 'all possible subsets regression' procedure available in the BMDP statistical package [2]. The procedure examined all possible regression equations involving the various sequences of potential independent variables which had been used in the initial model. In this analysis, Mallows's  $C_p$  was used as the criterion for subset selection and the procedure was conducted once for each model without repeat analysis.

Correlation coefficients were used to examine intercorrelation between each set of independent variables in each model. No two variables had a correlation coefficient greater than model. The F-test of linearity was

applied to each set of dependent and independent variables. Direct examination of plots of the residuals against the predicted value of the dependent variable was used to verify assumptions of the regression model.

## RESULTS

### Univariate Analysis

Univariate analysis established differences between one- and two-parent households. One-parent households reported \$248 lower mean after-tax money income ( $F = 85.21, p < .01$ ) and \$215 lower mean augmented income ( $F = 61.42, p < .01$ ). The frequency of financial problems ( $F = 7.82, p < .05$ ) and perceived income adequacy ( $F = 3.85, p < .05$ ) were also significantly lower for one-parent households. Multivariate analysis confirmed these relationships.

### Multivariate Analysis

Money Income Model. The relationship between monthly after-tax money income and household type was significant in the multivariate analysis, when other variables were held constant (Table 1). Two-parent households reported an average of \$186 higher monthly after-tax money income compared to one-parent households.

Table 1. Multiple Regression of Money Income Model.

Variable (n=422)	B	Beta
One- or two-parent household type (one-parent omitted)	185.97	.32***
State of residence:		
California (omitted)		
Indiana	-109.11	-.17***
Ohio	-77.03	-.10**
Virginia	-116.93	-.18***
Household size	34.42	.21***
Earned educational level	14.39	.07
Employment status (unemployed omitted)	87.12	.13***
Homeownership (non-owner omitted)	80.06	.12***
$R^2$	.26	
Adjusted $R^2$	.24	
F	17.85***	

\*\*p < .05  
\*\*\*p < .01

Variables which contributed to variation in money income in relative order according to standardized regression coefficients were household type, household size, state of residence, employment status, and homeownership. Variables initially included in the model but not retained in the final

model included: urban or rural residence, earner age, ethnicity, number of earners in the household, receipt of at least one money transfer, and age of children.

Augmented Income Model. Variables in the augmented income model predicted 26 percent of the variation in money income plus the in-kind value of food stamps. Household type was significantly related to augmented income (Table 2). Two-parent households reported \$143 higher augmented income than one-parent households, which indicates that the cash value of food stamps narrows the income gap between the two household types, but does not achieve horizontal equity.

Table 2. Multiple Regression of Augmented Income Model.

Variable (n=413)	B	Beta
One- or two-parent type household type (one-parent omitted)	143.31	.25***
State of residence:		
California (omitted)		
Indiana	-101.11	-.16***
Ohio	- 57.96	-.07
Virginia	- 72.88	-.11**
Earner educational level	20.09	.10**
Employment status (unemployed omitted)	41.90	.06
Age of children:		
< 6 (omitted)		
7 - 11	- 72.65	-.10**
12 - 14		
Household size	51.24	.32***
Homeownership status (non-owner omitted)	50.32	.08*
R <sup>2</sup>	.26	
Adjusted R <sup>2</sup>	.24	
F	15.38***	

\*p < .10  
\*\*p < .05  
\*\*\*p < .01

Variables which contributed to variation in augmented income in relative order according to standardized regression coefficients were: household size, household type, state of residence, earner educational level, age of children, and homeownership. Variables not retained in the final model were urban or rural residence, earner age, ethnicity, number of earners, receipt of at least one money transfer, and food stamp participation.

Financial Problems Model. The variables predicted 31 percent of the variation in frequency of financial problems; and the relationship between financial problems and household type was significant (Table 3). Two-parent households reported a higher frequency of financial problems compared with one-parent

households.

Table 3. Multiple Regression of Financial Problems Model.

Variable (n=400)	Beta
One- or two-parent household type (one-parent omitted)	.11***
State of residence:	
California (omitted)	
Indiana	
Ohio	.17**
Virginia	.09*
Urban or rural residence (urban omitted)	.17***
Earner age in years	-.09*
Ethnicity:	
White (omitted)	
Black	
Hispanic	.12***
Other	
Number of earners in household	.11***
Age of children:	
< 6 (omitted)	
7 - 11	.08*
12 - 17	
Monthly after-tax income	-.12**
Medical expenditures	-.08*
Shelter expenditures	.14***
Child care expenditures	.07
Number of private in-kind transfers received:	
none (omitted)	
1 source	-.15***
2 sources	-.09*
3 sources	-.07
4 sources	
5 sources	.08*
Perception of ability to solve problems (not able omitted)	-.12***
Perception of income adequacy	-.35***
R <sup>2</sup>	.31
Adjusted R <sup>2</sup>	.28
F	9.69***

\*p < .10  
\*\*p < .05  
\*\*\*p < .01

Variables retained in this model, in relative order according to standardized regression coefficients, included: perceived income adequacy (negative), state of residence, rural residence, receipt of one private transfer, shelter expenditures, perception of ability to solve problems, money income (negative), being Hispanic, household type, number of earners in the household, earner age, age of children, and medical expenditures (negative). Variables not retained in the final model were: earner education; employment status; receipt of money transfers; homeownership status; dollar value of food stamps; income frequency, regularity, and certainty; and food expenditures.

Perceived Income Adequacy Model.

Variables retained in the model predicted 25 percent of the variation in perceived income adequacy (Table 4). Household type was included as a significant variable, although the relationship was weaker than in the

other three models ( $p < .10$ ). Two-parent households reported a higher perceived income adequacy than one-parent households.

Table 4. Multiple regression of Perceived Income Adequacy Model.

Variable (n = 399)	Beta
One- or two-parent household type (one-parent omitted)	.10*
Earners age in years	-.13**
Ethnicity:	
White (omitted)	
Black	
Hispanic	
Other	-.07
Monthly after-tax income	.10**
Dollar value of food stamps received	-.10*
Income frequency	-.16*
Income regularity	-.13**
Income certainty	-.16***
Perception of ability to solve problems (not able omitted)	.10*
Frequency of financial problems	-.37***
R <sup>2</sup>	.25
Adjusted R <sup>2</sup>	.23
F	12.88***

\*p < .10  
 \*\*p < .05  
 \*\*\*p < .01

Variables retained in this model in order of relative contribution were: financial problems (negative), earners age (negative), income frequency (negative), income certainty (negative), income regularity, household type, money income, and dollar value of food stamps received. Variables not retained in the final model were: state, rural or urban residence, household size, earners educational level, employment status, number of earners, receipt of one money transfer, age of children, homeownership, receipt of food stamps, expenditures, and number of private in-kind transfers.

#### DISCUSSION

The major predictor variable, household type, was a significant predictor of the budget constraint in the two objective models (money income and augmented income) and two subjective models (financial problems and perceived income adequacy), when confounding variables were held constant. Variation in the criterion variable explained by the set of predictor variables in the four models ranged from 23 percent to 28 percent.

Differences in results from the four models confirm the need for simultaneous use of several measures of resource constraint. Household type was the only

predictor variable in the set of models that was significantly related to all four measures of economic status. The money income, augmented income, and perceived income adequacy models all revealed that one-parent households had a lower budget constraint. The inclusion of money transfers in the money income variable indicates that transfer programs, including Aid to Families with Dependent Children (AFDC), are not achieving horizontal equity by equalizing incomes for the two family types. The financial problems model indicated that one-parent households reported a lower level of financial problems, a different relationship than shown by the other three models. This lower frequency of financial problems may indicate that one-parent households have adjusted to their situation, that they have lower level of expectations, or they are not placed in situations that would allow problems. Their medical bills and rent may be subsidized through government assistance programs and they are not in a financial position to incur large bills through credit use.

Other relationship patterns were evident in the four resource constraint models. State of residence and age of children were significant in three models: money income, augmented income, and financial problems. Household size, employment status, and homeownership were significant in the two objective models. The higher money and augmented incomes of employed households could refute a common perception that a family might have more income if receiving government assistance. It may be that households with higher incomes own homes, or an indication of the proxy value of homeownership for ownership of assets that could contribute to unearned money income. Number of earners was not a predictor of objective well-being or higher perceptions of income adequacy.

Variables included only in the subjective models that were significant in both subjective models were money income and ability to solve problems. The child care expense variable was included in the two subjective models, due to the absence of a second parent to help with child care; but child care expense did not predict financial problems or perceived income adequacy.

The negative relationship between value of food stamps and perceived income adequacy may reflect the time, transportation, and stigma costs of food stamp receipt. Receipt of food stamps supplements the financial resources of the household; but this may be offset by the lower perceptions of income adequacy associated with the stigma costs



associated with receipt of benefits [11].

#### IMPLICATIONS

Economic welfare of all citizens is an area of commitment for policymakers and professionals who work with families. Periodic measurements of several constructs are needed to assess progress toward economic welfare. Results of this study confirm the economic distress of one-parent low-income households and suggest other determinants of resource constraints.

The significance of household type in all four models and lower economic status of one-parent households in three models suggests the need for government units to evaluate the efficacy of policies and educational programs affecting these families. Cash transfers such as AFDC which were designed to improve equity for the two family structures did not achieve horizontal equity in the money income model. The addition of in-kind income in the augmented income model did not resolve the inequity. If the goal of these programs is to achieve horizontal equity, reevaluation of eligibility and benefit levels must give consideration to one-parent family types. Lower money and augmented incomes for the one-parent households may also reflect the gender pay differential.

The results of this examination of resource constraints for the two household types can help social scientists and professionals who work with families. The present study provides insights as to ways that financial problems and resources differ between one-parent and two-parent poor families. Further study of one-parent households may provide insights as to why their financial problems are lower even though money income, augmented income, and perceived income adequacy are lower compared with two-parent households. One-parent households may have a unique way of dealing with their problems or may have different perceptions of their resource constraints.

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