

This value is then regressed on indicators from GD's *village-level survey* to measure the predictive power of these indicators. A list of the 13 indicators from this survey is below.

Village population	School floor material
Number of bore holes	School roof material
Is there a primary school?	Average distance from a market center
Is there a secondary school?	Distance from a paved road
Number of rooms in primary school	Distance from Lake Victoria
Number of rooms in secondary school	Distance from Kisumu
School wall material	

Each of these variables addresses GD's desire to minimize changes to its current operating/business model. More specifically, GD can measure each variable in this list without an actual field visit to a village. This saves both time and money in identifying new villages to receive cash transfers.

Regression Results

After removing variables from this list that were under represented across the sample of 60 villages, this report assesses the predictive power of 8 variables on village income using two regressions. The regression table below summarizes these results

Regression Table I

	(1) HHS Consumption	(2) HHS Consumption
Population	0.11 (0.63)	0.074 (0.47)
Water Sources	27.611 (0.49)	31.1 (0.1)
Primary School	88.645 (0.60)	75.65 (0.56)
Secondary School	301.442 (1.56)	385.02 (2.11)**
Distance from Paved Road	-19.674 (-0.48)	
Distance from Lake Victoria	-7.228 (-0.66)	
Distance from Kisumu	10.377 (1.77)*	
Avg. Distance from Market Center	5.831 (0.44)	
> Median Distance from Mkt.		54.03 (0.42)
> Median Distance from Paved Rd.		160.56 (1.21)
> Median Distance from Kisumu		467.11 (3.59)***
Observations	45	47
R-Squared	0.21	0.35
Mean of dependent variable	2211.75	2222.66

t statistics in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$