

## The Effect of Extreme Economic Assistance on Community Income in Kaway XVI District, West Aceh Regency (Case Study of 6 Villages in Kaway XVI District)

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### ARTICLE INFO

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### ABSTRACT

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**Keywords:**

**Extreme Economic Assistance,  
Community Income**

Extreme economic assistance is assistance channeled by bappeda to the poor in Kaway XVI District with rupiah units in 2023. Extreme economic assistance is a form of financial assistance and resources provided to individuals, households, or countries experiencing a severe economic crisis or emergency situation that threatens their lives and livelihoods. Assistance in the form of finances and resources provided to individuals, households, or countries experiencing severe economic crises or emergency situations that threaten their lives and livelihoods. The purpose of this study is to determine the effect of extreme economic assistance on community income before and after the assistance. The analysis used is simple regression analysis with dummy, to determine the linear relationship between one independent variable (X) and one dependent variable (Y). Based on the results of the t test, Extreme Economic Assistance obtained a t-count value smaller than the t table, so extreme economic assistance has a positive but insignificant relationship to community income in Kaway XVI District, West Aceh Regency. Based on the results of the t test, the Dummy variable obtained a t-count value greater than the t table, it can be concluded that extreme economic assistance has a significant positive relationship to community income in Kaway XVI District, West Aceh Regency. In the regression results the R-squared value is 0.360154. Where 36.02% of the variation in community income can be explained by the model (dummy variable assistance (D1) and the amount of extreme economic assistance (X)). The rest (63.98%) is explained by other factors not included in the model.



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### INTRODUCTION

West Aceh Regency is one of the districts located in the province of Aceh, Indonesia. West Aceh Regency is one of the regions in Aceh Province that is still facing challenges in terms of economic development and poverty alleviation. Kaway XVI District as part of West Aceh Regency is also not free from these problems. Several villages in this sub-district are still classified as underdeveloped areas with relatively low community income levels.

To overcome these economic problems, the government has implemented various assistance programs, including extreme or massive economic assistance. This assistance aims to significantly improve people's standard of living and income in a relatively short time. Kaway XVI District in West Aceh Regency is one of the areas that receives extreme economic assistance as an effort to alleviate poverty and improve community welfare. This assistance program aims to increase the income of people in the area. However, the effectiveness and impact of this extreme economic assistance on community income in 6 villages in Kaway XVI District has not been thoroughly evaluated.(Gaddafi & Mutiarin, 2017).

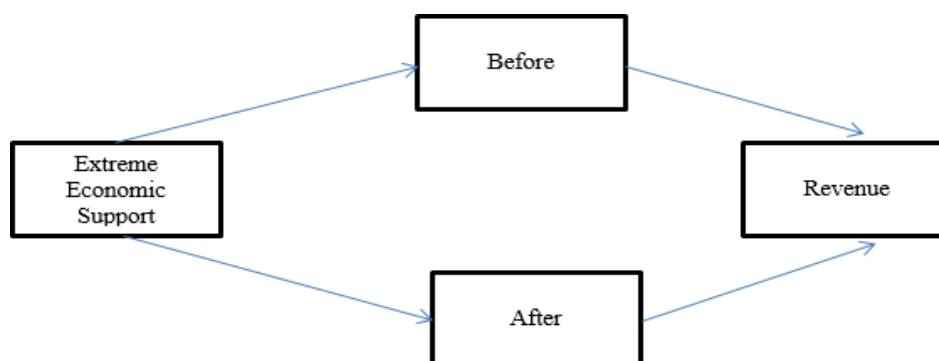
Poverty is a social problem that is material for research and an interesting topic for discussion. This is because poverty is a problem that often occurs, especially in developing countries, one of which is Indonesia. Poverty is a condition where income is not guaranteed, basic needs are not of good quality, productive assets and houses are of low quality, health is not well maintained, lack of infrastructure, and in obtaining their rights to a decent life they do not receive networks or support.(Parkah, Utami, & Huda, 2023).

Extreme economic assistance is assistance distributed by the West Aceh Bappeda to poor communities in Kaway XVI District in rupiah units in 2023. Extreme economic assistance is a form of financial assistance and resources provided to individuals, households or countries experiencing an economic crisis severe or emergency situations that threaten their lives and livelihoods. This assistance aims to meet basic needs, protect livelihoods, and support long-term economic recovery."(Solikhin, 2022).

The government has implemented various extreme economic assistance programs to protect people's income and reduce poverty rates. Various studies show that these extreme economic assistance programs have helped increase the income and welfare of poor people in the village. So, this extreme economic assistance program can overcome a severe economic crisis, meet basic needs, and support long-term economic recovery through the transfer of financial or productive resources to affected individuals, households, or countries. Therefore, further research is needed to understand the mechanisms and conditions under which extreme economic assistance can effectively increase the income of the poor in the long term.(Kharisma, 2022).

Based on the description of the background above, the author is interested in writing a scientific paper with the title "The Effect of Extreme Economic Assistance on Community Income in Kaway XVI District, West Aceh Regency".The aim of this research is to determine the effect of extreme economic assistance on people's income before and after the assistance.

This research analyzes the influence of the Extreme Economic Assistance index on community income in Kaway XVI District, West Aceh Regency. So the framework for thinking in this research is as follows:



**Figure 1.** Framework of Mind

Based on the diagram above, it can be explained as follows:

This research analyzes the influence of the Extreme Economic Assistance index on community income in Kaway XVI District, West Aceh Regency. This research aims to determine the relationship between several factors depicted in a diagram. The diagram shows that Extreme Economic Assistance influences two other factors, namely Before and After. Before is the condition before the Extreme Economic Assistance, while After is the condition after the Extreme Economic Assistance. These two factors then influence the income of the people in the area.

## **METHODS**

### **Scope**

So that the scope of this research is well directed, the researcher limits the scope of the research by only focusing on matters related to the problem as described, such as how extreme economic assistance affects people's income in Kaway XVI District, West Aceh Regency, so that the discussion is delivered to be more measurable, sharp and avoid ambiguity in understanding the research context so that researchers can obtain information that only focuses on the object of their research.

### **Location and Research Objects**

This research was conducted from 31 May 2024 to 4 June 2024, in Kaway XVI District, West Aceh Regency and primary data was collected from 6 villages in Kaway XVI District.

### **Data collection technique**

The method used in this research is a quantitative method. Data collection carried out in this research was conducting field surveys (observations), conducting structured in-depth interviews and providing questionnaires as a data collection tool on objects in the field directly, while the technique used was a total sampling technique where the entire population was sampled. The number of respondents who received Extreme Economic Assistance specifically for the poor was 45 respondents taken as samples. The population used in this research is all respondents who live in Kaway XVI sub-district.

Data collection on criteria for recipients of Extreme Economic Assistance obtained from interviews with participants receiving Extreme Economic Assistance assistance specifically for the poor in 2023. Data on the number of recipients of Extreme Economic Assistance assistance in Kaway XVI District, West Aceh Regency 2023 obtained from the Kaway XVI District Head Office, Regency West Aceh. Data on recipients of Extreme Economic Assistance in Kaway XVI District, West Aceh Regency in 2023 obtained from Bappeda, West Aceh Regency. And Poverty Data for Kaway XVI District, West Aceh Regency obtained from data from the Central Statistics Agency for West Aceh Regency in 2023.

### **Research Analysis Model**

The analysis used is simple linear regression analysis, to determine the linear relationship between one independent variable (X) and one dependent variable (Y). The main goal of a simple regression test is to predict or estimate the value of the dependent variable (Y) based on the value of the independent variable (X).

### **Simple Linear Regression Analysis With Dummy**

According to Supranto (2004), this simple linear regression analysis only relies on one independent variable and a dependent variable. In this research, the regression model is simple with Dummy variables because it combines regression analysis with continuous variables (X)

and variance analysis with categorical variables (D1). The purpose of using the dummy is to see the significance of differences in people's income and the factors that influence it in the period before and after the extreme economic assistance program (Apriyadi & Cupian, 2024).

With the following equation:

$$Y = \alpha + b_1D_1 + b_2X \dots\dots\dots(2.1)$$

Where :

Y = Community Income

X = Extreme Economic Assistance

D1 = Dummy variable (0= before assistance, 1= after assistance)

$\alpha$  = Constanta

b1 = Regression Coefficient for Variable D1

b2 = Regression Coefficient for Variable X

e = Error term/Residual

### **Correlation Coefficient (R)**

The correlation coefficient is a number that states the strength of the relationship between two or more variables and can also determine the direction of the two variables (Siregar, 2015). The correlation coefficient is an analysis to find out how big the relationship is between the independent variable and the dependent variable. (Nachrowi, 2006)

### **Coefficient of Determination (R<sup>2</sup>)**

Determination analysis is used to determine the percentage contribution of the influence of independent variables simultaneously on the dependent variable. This coefficient shows how large a percentage of the variation in the independent variable used in the model is able to explain the variation in the dependent variable. (Priyanto, 2010)

### **Partial Significance Test (t Test)**

The t test is used to show how far the independent variable partially influences the variation in the dependent variable (Ghozali, 2013). The t test is a statistical test to test the truth of the hypothesis proposed by researchers in differentiating the means in two populations. The t test is divided into 2, namely the 24 t test used for 1 sample hypothesis testing and 2 sample hypothesis testing. (Soeprajogo, 2020)

### **Operational Definition of Variables**

The operational definition of this income variable is as follows:

1. Extreme Economic Assistance Program (X)

This is one of the programs run by the government to help poor people. This assistance was distributed by BAPPEDA West Aceh to poor communities in Kaway XVI District in rupiah units in 2023 in Kaway XVI District, West Aceh Regency.

2. Community Income (Y)

This is the income earned by the community from a business or enterprise in Kaway XVI District, West Aceh Regency, every 6 months, measured in Rupiah in 2023.

3. Dummy (D1)

Dummy variables are qualitative variables used in regression analysis to represent categories or groups. This variable is usually coded with a value of 0 or 1, where in this study 1 indicates community income after extreme economic assistance and 0 indicates community income before extreme economic assistance.

### Hypothesis test

The statistical hypothesis used in this research is:

- a.  $H_0: \beta = 0$ , meaning that the independent variable partially does not have a significant influence on the dependent variable.
- b.  $H_a: \beta \neq 0$ , meaning that the independent variable partially has a significant influence on the dependent variable.

One of the test tools in hypothesis testing is the t-test which was developed by William Seely Gosset and is included in the group of inferential statistical analysis. This t-test aims to compare or compare whether the average of a population or 2 populations has significant differences. (Mustafidah et al., 2020). The hypothesis t test criteria applied in this research are:

1. If  $t_{count} \geq t_{table}$  or  $-t_{count} \leq -t_{table}$  then  $H_0$  is rejected and  $H_a$  is accepted. This means that the extreme economic assistance studied has a real effect on people's income in Kaway XVI District.
2. If  $t_{table} < t_{count} < t_{table}$  then  $H_0$  is accepted and  $H_a$  is rejected. This means that the extreme economic assistance studied did not have a real effect on people's income in Kaway XVI District.

## RESULTS AND DISCUSSION

### Descriptive Statistics of Research Variables

The variable used in this research is the Effect of Extreme Economic Assistance on Community Income in Kaway XVI District, West Aceh Regency with sample data of 45 people.

### Economic Development in Kaway XVI District in West Aceh Peunia Village

**Table 1.** Number of recipients of extreme economic assistance in Peunia Village

NO	Peunia Village	Type of business	(X) Extreme Economic Support (Rp)	(Y1) Community income before receiving support (Rp)	(Y2) Community income after receiving support (Rp)
1.	Jamaludin	Catfish farming	Rp.6.000.000	Rp. 1.490.000	Rp.2.000.000(no more business)
2.	Hasmanita	Catfish farming	Rp.6.000.000	Rp. 1.510.000	Rp.2.700.000(no more business)
3.	Marhaban	Catfish farming	Rp.6.000.000	Rp. 1.730.000	Rp.2.900.000
4.	M.Nasir	Catfish farming	Rp.6.000.000	Rp. 1.350.000	Rp.3.100.000
5.	Ramadhali	Catfish farming	Rp.6.000.000	Rp. 1.970.000	Rp.3.000.000

*Source: Results of Interview with Geuchik Peunia Office (2024)*

Based on interviews with 5 respondents in Peunia village, it can be concluded that the income of the people in Peunia village has increased. However, there were 2 catfish farming businesses that were not managed successfully, so many fish died and caused losses for the business owners. This happens due to weather factors and lack of maintenance from the business owner. Therefore, the owner of this business only succeeded in harvesting once with a small number of fish. From the table above we can see that there has been an increase in income after the

assistance, namely Rp. 3,100,000 up to Rp. 3,000,000. The lowest increase in income was IDR 2,000,000 to IDR 2,700,000.

### Pasie Meugat Village

**Table 2.** Number of recipients of extreme economic assistance in Pasie Meugat Village

NO	Pasie Meugat	Type of business	(X) Extreme Economic Support (Rp)	(Y1) Community income before receiving support (Rp)	(Y2) Community income after receiving support (Rp)
1.	Zumratul W.	Selling cakes	Rp. 5.000.000	Rp. 2.000.000	Rp.3.700.000
2.	Nurlaila	Selling cakes	Rp. 5.000.000	Rp. 2.000.000	Rp.3.000.000
3.	Muslem Y	Grocery	Rp. 5.000.000	Rp. 2.000.000	Rp.3.800.000
4.	Syarifuddin	Grocery	Rp. 5.000.000	Rp. 3.000.000	Rp.4.000.000
5.	Zulkarnaini	Grocery	Rp. 5.000.000	Rp. 2.000.000	Rp.3.500.000
6.	Heri saputra	Selling juice	Rp. 5.000.000	Rp. 1.000.000	Rp.2.200.000
7.	Kamaruddin	Selling Juices and Sugarcane	Rp. 5.000.000	Rp. 1.000.000	Rp.2.000.000
8.	Nurhamamah	Grocery	Rp. 5.000.000	Rp. 2.000.000	Rp.3.900.000
9.	Manih	Grocery	Rp. 5.000.000	Rp. 3.000.000	Rp.4.000.000
10.	Ahmadi	Grocery	Rp. 5.000.000	Rp. 2.500.000	Rp.3.900.000

*Source: Results of Interview with Geuchik Pasie Meugat Office (2024)*

Based on interviews with 10 respondents in Pasie Meugat village, it can be concluded that people's income in Pasie Meugat village has increased. From the table above we can see that there has been an increase in income after the assistance, namely Rp. 4,000,000 up to Rp. 3,900,000. The lowest increase in income was IDR 2,000,000 to IDR 2,200,000.

### Meunasah Rambot Village

**Table 3.** Number of recipients of extreme economic assistance in Meunasah Rambot Village

NO	Meunasah Rambot	Type of business	(X) Extreme Economic Support (Rp)	(Y1) Community income before receiving support (Rp)	(Y2) Community income after receiving support (Rp)
1	M. nasir	Selling cakes	Rp.2.675.000	Rp. 2.000.000	Rp.3.500.000
2	Ibnu Abbas	Selling Coffee Powder	Rp. 2.000.000	Rp. 1.500.000	Rp.2.300.000
3	Maneh	Payek	Rp. 2.030.000	Rp. 1.000.000	Rp.1.900.000
4	Supartin	Cracker Production	Rp. 3.325.000	Rp. 2.500.000	Rp.4.000.000
5	Sri Dewi Utami	Laundry	Rp. 3.075.000	Rp. 1.000.000	Rp. 1.000.000
6	Salmawati	Grocery	Rp. 4.435.000	Rp. 3.000.000	Rp. 3.900.000
7	M. iqbal	sell meatball noodles	Rp. 1.925.000	Rp. 1.000.000	Rp. 1.600.000
8	M. Dan	selling Tobacco	Rp. 4.350.000	Rp. 2.000.000	Rp. 3.000.000

*Source: Results of Interview with Geuchik Meunasah Rambot Office (2024)*

Based on interviews with 8 respondents in Meunasah Rambot village, it can be concluded that the income of the people in Meunasah Rambot village has increased. . From the table above we can see that there has been an increase in income after the assistance, namely Rp. 4,000,000 to Rp. 3..900,000. The lowest increase in income was IDR 1,000,000 to IDR 1,600,000.

### Meunasah Buloh Village

**Table 4.** Number of recipients of extreme economic assistance in Meunasah Buloh Village

NO	Meunasah Buloh	Type of business	(X) Extreme Economic Support (Rp)	(Y1) Community income before receiving support (Rp)	(Y2) Community income after receiving support (Rp)
1	M.Yusuf	Workshop	Rp. 9.92000	Rp. 2.000.000	Rp. 3.000.000
2	Zamzami	Chicken farming	Rp. 6.678.000	Rp. 3.000.000	Rp. 4.500.000
3	Yusniarwati	Sewing	Rp. 7.000.000	Rp. 1.000.000	Rp. 2.000.000
4	Nurdin dharma	Duck farming	Rp. 6.660.000	Rp. 2.000.000	Rp. 3.500.000
5	Sakinah	Chicken farming	Rp. 6.678.000	Rp. 1.500.000	Rp. 2.600.000
6	Rusli	Goat farming	Rp. 6.000.000	Rp. 1.000.000	Rp. 2.000.000
7	Sofian	Machete production	Rp. 6.644.000	Rp. 1.000.000	Rp. 1.600.000
8	Edi saputra	Printing	Rp. 6.950.000	Rp. 1.800.000	Rp. 2.300.000
9	Tihaji S	Sewing	Rp. 6.860.000	Rp. 1.000.000	Rp. 1.800.000
10.	M. Jamin	Chicken farming	Rp. 6.678.000	Rp. 2.000.000	Rp. 3.600.000

Source: Interview Results to Geuchik Meunasah Buloh Office (2024)

Based on interviews with 10 respondents in Meunasah Buloh village, it can be concluded that the income of the people in Meunasah Buloh village has increased. From the table above we can see that there has been an increase in income after the assistance, namely Rp. 4,500,000 up to Rp. 3..600,000. The lowest increase in income was IDR 1,600,000 to IDR 1,800,000.

### Marek Village

**Table 5.** Number of recipients of extreme economic assistance in Marek Village

NO	Marek Village	Type of business	(X) Extreme Economic Support (Rp)	(Y1) Community income before receiving support (Rp)	(Y2) Community income after receiving support (Rp)
1.	Abdul jalin	Selling fuel oil	Rp. 5.000.000	Rp. 1.000.000	Rp. 1.600.000
2.	Salihan	Grocery	Rp. 5.000.000	Rp. 2.500.000	Rp. 4.000.000
3.	Syarifuddin	Print concrete blocks	Rp. 5.000.000	Rp. 1.500.000	Rp. 2.500.000
4.	Aftal jamil	Grocery	Rp. 5.000.000	Rp. 2.000.000	Rp. 3.500.000
5.	Idris	Selling fuel oil	Rp. 5.000.000	Rp. 1.000.000	Rp. 1.500.000

Source: Interview Results to the Office of Geuchik Marek (2024)

From the table above we can see that there has been an increase in income after the assistance, namely Rp. 4,000,000 up to Rp. 3..500,000. The lowest increase in income was IDR 1,600,000 to IDR 1,500,000.

**Meunasah Gantung Village****Table 6.** Number of recipients of extreme economic assistance in Meunasah Gantung

NO	Meunasah Gantung	Type of business	(X) Extreme Economic Support (Rp)	(Y1) Community income before receiving support (Rp)	(Y2) Community income after receiving support (Rp)
1.	M. kamal	Gold thread embroidery	Rp. 5.000.000	Rp. 2.000.000	Rp. 3.000.000
2.	Marsitah	Gold thread embroidery	Rp. 5.000.000	Rp. 1.800.000	Rp. 3.700.000
3.	Rizal	Gold thread embroidery	Rp. 5.000.000	Rp. 1.500.000	Rp. 4.600.000
4.	Mustafa	Gold thread embroidery	Rp. 5.000.000	Rp. 1.500.000	Rp. 2.300.000
5.	T. Maisyuri	Gold thread embroidery	Rp. 5.000.000	Rp. 2.000.000	Rp. 3.800.000
6.	Mukhtaruddin	Fish farming	Rp. 5.000.000	Rp. 1.000.000	Rp. 2.500.000
7.	Romayeni	selling meatball noodles	Rp. 5.000.000	Rp. 1.000.000	Rp. 1.000.000

*Source: Results of Interview to Geuchik Meunasah Gantung Office (2024)*

Based on interviews with 7 respondents in Meunasah Gantung village, it can be concluded that the income of the people in Meunasah Gantung village has increased. From the table above we can see that there has been an increase in income after the assistance, namely Rp. 4,600,000 up to Rp. 3..800,000. The lowest increase in income was IDR 1,000,000 to IDR 2,500,000.

**Results of Simple Linear Regression Hypothesis Testing with Dummy**

Extreme economic assistance on people's income in Kaway The final results obtained from the research results are as follows:

Dependent Variable: Y Method:

Least Squares Date: 07/10/24 Time:

16:42 Sample: 1 90

Included observations: 90

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1586482.	338238	4.69042	0.0000
D	1231556.	176346	6.98374	0.0000
1		.1	2	
X	0.027870	0.0627	0.44444	0.6578
R-squared	0.360154	Mean dependent var	234200	0.
Adjusted R-squared	0.345445	S.D. dependent var	103391	3.

S.E. of regression	836482.9	Akaike info criterion	30.14456
Sum squared resid	6.09E+13	Schwarz criterion	30.22789
Log likelihood	-1353.505	Hannan-Quinn criter.	30.17817
F-statistic	24.48509	Durbin-Watson stat	2.033363
Prob(F-statistic)	0.000000		

*Source: data processed July, 2024*

Based on the results of data processing using the Eviews application in Table 3.1, a simple linear regression equation estimate can be written as follows:

$$Y = \alpha + b_1D_1 + b_2X + e \quad (3.1)$$

$$Y = 1586482 + 1231556D_1 + 0.027870X \quad (3.2)$$

Where:

Y (Dependent Variable): Community Income

D1 (independent variable using Dummy): 0 = income before assistance 1 = income after assistance

X (independent variable): Extreme economic assistance

The regression equation above can be explained as follows:

1. Constant (C): 1586482 This shows the average income of the community before aid and without extreme economic aid.
2. Coefficient D1: 1231556 (significant, p-value 0.0000) This means that after the aid program, the average community income increased by 1,231,556 Rupiah, assuming other factors remain constant. This shows that the aid program has a significant positive impact on people's income.
3. Coefficient

### Partial Hypothesis Testing (t Test)

Partial hypothesis testing is used to see the influence of independent variables on the dependent variable one by one, this is because the influence exerted by each independent variable on the dependent variable is not the same.

Degrees of freedom ( $n - k - 1$ ) where  $n$  is data (90),  $k$  is the number of variables (3), which  $(90-3-1)$  is 86, with  $df = 86$  and the  $\alpha$  value is  $(0.05 / 5\%)$  degrees of freedom  $(\alpha/2) = 0.025$  so it can be seen that the value from the t table is 1.987. The benchmarks for determining whether  $H_0$  is accepted or rejected are as follows:

1.  $H_a$  is accepted if  $t \text{ count} \geq t \text{ table}$  at  $\alpha = 5\%$  with a  $p\text{-value} \geq$  level of significance of 0.05.
2.  $H_a$  is rejected if  $t \text{ count} \leq t \text{ table}$  at  $\alpha = 5\%$  with a  $p\text{-value} \leq$  level of significance of 0.05

Based on Table 3.1, you can see the influence of the independent variable on the dependent variable which will be explained as follows:

### Extreme Economic Assistance Variable (X)

Based on the estimation results in table 4.1, it is known that Thus it can be assumed that ( $t \text{ count} < t \text{ table}$  or  $\text{sig} > \alpha$ ) where  $H_0$  is accepted and  $H_a$  is rejected, which means that variable does not have a significant effect on people's income in Kawai XVI District.

### Dummy Variable (D1)

Based on the estimation results in table 4.1, it is known that D1 with a calculated t value > t table is  $6.983 > 1.987$ , or a significance value smaller than the value  $\alpha = 5\%$  of  $(0.00 < 0.05)$ . Thus, it can be assumed that  $(t \text{ count} > t \text{ table} \text{ or } sig < \alpha)$  where  $H_0$  is rejected and  $H_a$  is accepted, which means that variable D1 is statistically significant in predicting variable Y. So, statistically it has a positive relationship with people's income in Kawai XVI District. This is consistent with previous analysis, showing that the existence of aid (D1) has a significant effect, while the amount of aid (X) is not significant in influencing people's income.

### Correlation Coefficient Testing (R)

The correlation coefficient measures the strength and direction of the linear relationship between the independent and dependent variables. The value ranges from -1 to 1. In this output, we don't see the R value directly, but  $R = \sqrt{R \text{ Squared}} = \sqrt{0.360154} = 0.6001$ .

The value 0.6001 indicates a fairly strong positive correlation between the independent variables (D1 and X) and the dependent variable (community income). This means there is a positive relationship between economic assistance and people's income.

### Testing the Coefficient of Determination (R<sup>2</sup>)

R-squared measures the proportion of variation in the dependent variable that can be explained by the independent variable. In the regression results, the R-squared value = 0.360154. Where 36.02% of the variation in people's income can be explained by the model (dummy variable aid (D1) and the amount of extreme economic aid (X)). The remainder (63.98%) is explained by other factors not included in the model.

## CONCLUSIONS

Extreme economic assistance programs have proven effective in increasing people's income. The presence of assistance (as indicated by dummy variable D1) significantly increases average income by 1,231,556 Rupiah. This shows that the aid program is having a substantial positive impact. Interestingly, although the presence of aid is significant, the amount of aid (X) does not have a significant effect. This indicates that the effect of aid is more binary (presence or absence of aid) rather than proportional to the amount. This may suggest that there are psychological or structural effects of aid that are more important than the nominal amount. With an R-squared of around 36%, this shows that there is still around 64% of the variation in people's income that is not explained by this model. This indicates that there are other factors that influence people's income that are not included in this model and research.

The policy focus should be on expanding the reach of aid programs rather than increasing the amount of aid per individual. Further investigation is needed to understand why the size of aid is not significant and what other factors might influence the effectiveness of aid. The aid program has proven to be effective and should be continued, but with further evaluation to improve its effectiveness. These models provide valuable insights, but keep in mind that there is still a lot of unexplained variation. Further research may be needed to identify and include other factors that are relevant in influencing people's income.

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