

# EMPLOYMENT, INCOME and RESOURCES of Rural Families of Southeastern Ohio

DONALD D. STEWARD



**Ohio Agricultural Experiment Station**  
**WOOSTER, OHIO**

In Cooperation with the  
Farm Economics Division, Economic  
Research Division, U.S.D.A.

# CONTENTS

Summary .....	3
Introduction .....	5
Method of Study.....	6
Description of the Area .....	8
Classification of Rural Families .....	10
Characteristics of Rural Families .....	12
Age of Family Head .....	12
Size of Household .....	12
Education .....	15
Major Activity .....	16
Tenure .....	18
Migration of Youth .....	19
Off-farm Employment .....	22
Years Worked at Off-farm Job .....	22
Types of Non-farm Work .....	24
Daily Wage Rate .....	25
Distance to Work .....	27
Farm Work for Wages .....	28
Income Situation of Rural Families .....	28
Net Family Income .....	28
Selected Characteristics Associated with Income .....	30
Sources of Income.....	33
Non-labor Income .....	35
Farm Income and Organization.....	36
Net Farm Income .....	38
Returns to Labor and Capital .....	40
Operating Expenses .....	41
Financial Situation of Farm Families.....	41
Use of Credit .....	44
Land Use .....	46
Livestock Programs .....	49
Underemployment of Labor .....	50
Living Conditions and Facilities .....	53
Potentials for Adjustment .....	55
Appendix 1 .....	59
Appendix 2 .....	62

# EMPLOYMENT, INCOME, AND RESOURCES OF RURAL FAMILIES OF SOUTH- EASTERN OHIO

DONALD D. STEWARD<sup>1</sup>

## SUMMARY

Low income is a major problem among the nation's rural population. Southeastern Ohio has been designated by the Secretary of Agriculture as one of the areas in which a substantial number of the farm families receive low incomes. Two of the seven counties in the present study were original pilot counties in the Rural Development Program. This study of rural families in southeastern Ohio was made to determine the nature of resources and the level and sources of incomes of rural families, and to reveal some of the characteristics associated with low income.

The acreage of farmland and the number of farms in Southeastern Ohio have been declining, while farm size has been increasing slightly. A high degree of ownership, permanence of tenure, and prominence of land acquisition from relatives restrict the ease of adjustment in size and number of farms. Farm population has declined, but this has been offset by an increase in urban population. Movement of people out of agriculture has left the rural areas with disproportionately large numbers of people under 20 and over 60 years of age but relatively few between 20 and 35. In 1957, educational levels were below state averages, but this was due largely to the difference in age distribution. The extent of the movement of farm-reared youth out of agriculture demonstrates the need for emphasizing a broad choice of training to prepare such youth for nonfarm vocations.

Of 469 rural families in Southeastern Ohio surveyed in 1957, 32 percent were dependent primarily on agriculture as a source of income in 1956, 27 percent combined off-farm employment with some farming,

---

<sup>1</sup>Agricultural Economist, Farm Economics Division, Economic Research Service, U. S. Department of Agriculture. The author expresses his appreciation to C. W. Crickman and Buis T. Inman, Farm Economics Division, ERS, and to R. O. Olson and W. A. Wayt, Ohio Agricultural Experiment Station, for their assistance in preparing this manuscript.

24 percent relied totally on off-farm employment, and 17 percent had household heads who were retired or disabled. Of the families classified as farm families, only 60 percent of the household heads regarded farming as their major activity.

Off-farm employment was common to two-thirds of the farm families. Most farmers working at off-farm jobs had been doing so for five years or more and planned to continue. Off-farm employment was most prominent among younger farmers.

Wage rates received from off-farm employment were lower among farmers than among nonfarmers. Wage rates were lower for those who worked at part-time jobs than for those working at full-time jobs. Earnings from off-farm employment increased as the level of education increased. Farmers employed at nonfarm jobs generally were employed nearer home than were the nonfarmers. However, those farmers who were employed closer to their farms received lower wages than those driving greater distances to their jobs.

Net family income of one-fifth of all rural families was less than \$1,000 in 1956; another fifth had incomes of \$1,000 to \$1,999. Nine-tenths of the families with less than \$1,000 net income were either small-scale farmers or retired rural residents. Over half of the small-scale farmers were at or near retirement age.

Of the heads of families with less than \$1,000 net income, 43 percent were retired or semiretired and had little employable labor in their families, 7 percent were disabled or handicapped, 24 percent were underemployed, and 26 percent, though fully employed in physical terms, derived their incomes from low-paying nonfarm jobs or from a farming operation yielding little net farm income.

Farming was the major source of income only among the large-scale farmers. Among all rural families, three-fourths of the net family income was derived from off-farm employment, one-tenth from farming, and one-seventh from nonlabor sources.

The size and volume of many farm operations were too small to return high levels of income. Over three-fourths of the farms had less than \$2,000 of sales in 1956. About one-seventh of the full-time farmers, one-half of the part-time farmers, and three-fourths of the residential farmers appeared to be suffering a loss from their farming operations. However, lower living costs and esthetic values, as well as opportunities to use farm buildings and equipment that otherwise would be unutilized, were compensating factors. Few farmers received much direct income from government farm programs.

About 45 percent of all farmland was in permanent pasture and 29 percent in rotated cropland. Grain crops were raised on only 10 percent of all farmland while 70 percent was in hay or permanent pasture. Dairying was the leading source of farm income, but less than 8 percent of all farms had as many as 15 dairy cows.

Underemployment of labor was most pronounced among the farm families. About 27 percent of them had 100 to 199 days of surplus labor in 1956, and 12 percent had 200 or more days of surplus labor. Total surplus labor of all rural families in the seven-county survey area, based on the sample of 469 rural families, amounted to almost 12,000 man-years of idle labor.

## INTRODUCTION

A major problem facing the nation continues to be the disparity of income among its families. Although there has been substantial advancement in the national economy in recent years, not all segments of the population have shared in the product on an equal basis. Many of the people who have received relatively low incomes are in the agricultural segment of the nation's population.

According to the 1950 census, about one and one-half million farm families in the United States reported net incomes in 1949 of less than \$1,000. This represented about 28 percent of all farm families in the country.

The large number of farm families receiving such low incomes is frequently cited in discussions of the low-income farm problem. Extensive unemployment or underemployment of labor and other resources results in large losses in the potential production of economic goods wanted by society. Resultant low incomes are associated with relatively low standards of living, creating both economic and social problems.

Although a large proportion of the low-income farm families is located in the southern states and in the cut-over regions of the Great Lakes area, many such families are found throughout the nation's agricultural population. In Ohio, a major proportion of the low-income families are found in the more hilly rural sections of the southern and southeastern parts of the state.<sup>2</sup>

---

<sup>2</sup>This area was designated as an area of "substantial low income and standard of living" in the report by the Secretary of Agriculture to the President, **Development of Agriculture's Human Resources**, U. S. Department of Agriculture, April, 1955.

The purpose of this report is to describe and classify rural families of Southeastern Ohio and to indicate reasons for low incomes. This information should be helpful in further developing programs such as the Rural Development Program to assist low-income people in making adjustments in their systems of farming or shifting to off-farm employment. More productive utilization of labor and other resources should lead to increased incomes and enable many families now receiving limited incomes to share more equitably in the products of the economy. To the extent that fuller employment of productive resources would contribute to increased production of the nation's economic goods, society as a whole would gain.

More specifically, the objectives of this report are:

1. To inventory the human and other resources of the rural families of the area and to show how these resources are being used.
2. To determine levels and sources of incomes of the rural people of the area.
3. To reveal some of the characteristics that are associated with the low-income rural families, thereby providing information that might be helpful in creating opportunities for many of the people living in the area to increase their incomes.

In view of these objectives, the analysis is centered on the rural families receiving the lower incomes.

## **METHOD OF STUDY**

The study reported was confined to a seven-county area in Southeastern Ohio, including Belmont, Guernsey, Monroe, Morgan, Muskingum, Noble, and Washington Counties. (See Figure 1.) The area selected permits the inclusion of data from Guernsey and Monroe Counties, Ohio's first pilot counties in the Rural Development Program. Background information for the area was obtained from secondary sources; primary data was obtained by interviewing 469 rural families in the area in 1957.

A random sample of rural households was surveyed to obtain data on the amount and use of resources of each family, level and source of income, family composition and characteristics, and farm organization and operation. Households selected were outside incorporated cities and towns, and unincorporated villages of an estimated population of 300 or more; thus they are regarded as open-country households.

For sampling purposes, each county was stratified on the basis of economic, social, and physical characteristics. Factors included were topography, soil productivity, agricultural land use, prominence of coal mining, and marked sociological characteristics of the people. On the basis of the number of farms reported in the 1950 census, square-mile segments were drawn at random within each stratified area of each county to insure an equal chance that each farm family might be included in the survey. All rural households in the selected square-mile segments were interviewed.



Fig. 1.—This is the seven-county area in which the study was made.

Throughout this report, each analysis is based on the number of respondents from whom complete information was obtained.

## DESCRIPTION OF THE AREA

The seven Southeastern Ohio counties selected for the study include about 2.3 million acres of land. Of this total, about 72 percent was classed as farmland in the 1954 Agricultural Census. The acreage of farmland has declined since 1900. Urban development, industrial expansion, highway construction, and strip mining of coal account for much of the reduction in land used for agricultural purposes. Considerable acreages in the area are in state and national forests. Although one-third to one-fourth of the farmland is classed as woodland, forest products are not an important source of income to many rural families.



**The rough topography of much of the land restricts the opportunities for many families to greatly improve their income from farming.**



In general, the land is hilly, soils are relatively poor, and farms are small. One-third of all farmland was classed as cropland in 1954, but less than a fourth was in harvested crops. By contrast, over half of all farmland in Ohio was in harvested crops. Soils in the area have moderate to low natural fertility, are lacking in organic matter and are subject to severe erosion, particularly on the steeper slopes. Much of the land in farms is best suited to pasture production. Fields are often small, thus restricting the use of larger farm machinery.

In the 1954 Census of Agriculture, the area reported 13,824 farms averaging about 120 acres per farm. This was a decrease from 1945 of about 22 percent in number of farms and an increase of about 14 percent in size of farms.

Total population of the seven counties—about 285,000 persons in 1955—has not changed greatly in the last 35 years. Agricultural population has declined quite rapidly since 1900, but urban population has increased. In 1954, about one-sixth of the employed working force in the area was engaged in agricultural production.

Industrial development has not been as rapid in these counties as in many other parts of Ohio. The manufacturing industry employed about 15 percent of the working force of the area in 1954, while throughout Ohio about 37 percent of the employed persons were engaged in manufacturing. Considerable industry is located in and about Zanesville and several electric power plants are located along the Ohio and Muskingum Rivers. In many parts of the area, the availability of coal, water and electric power, along with a surplus labor situation, provides some attraction to industry. However, high acid content of much of the water supply and lack of transportation facilities and desirable industrial sites have restricted industrial development in large parts of the area.

Strip mining of coal, prominent throughout much of the area, provides part-time or full-time employment to many rural people and has had an upward influence on land values. Gas and oil wells of low capacity are occasionally found throughout the area. Rents and royalties from gas and oil rights provide some income to a few farmers.

Part-time farming has been increasing in the area. According to the Census of Agriculture, 58 percent of the farm operators had some off-farm employment in 1954 compared to 33 percent in 1940. About 40 percent of all farm operators worked at off-farm jobs 100 days or more in 1954, compared with 20 percent in 1940.

Some shifts have occurred in recent years in the prominence in the area of different enterprises. While the number of dairy cattle was about the same in 1954 as in 1900, the number of sheep and lambs declined from about 600,000 in 1900 to about 100,000 in 1954. Although the number of beef cows increased from about 4,500 in 1930 to 28,400 in 1954, dairying continues to be the major source of farm income. There was some decrease in hog and poultry numbers.

The early influence of such crops as tobacco accounts for the development of many small farms which under present conditions have too few acres to be economic family units. In the late 1800's, considerable tobacco was produced in the area. Because of the heavy demand for hand labor, tobacco production exerted considerable downward influence on size of farms. Although tobacco production is currently almost negligible throughout the seven counties, farm size and organization has not adjusted as rapidly as changed conditions would indicate they should. Many farm operations are too small to employ fully the available family labor and to overcome the problems of low incomes. However, the increasing farm size, decreasing numbers of farms and greater reliance on off-farm income indicate a tendency toward reallocation of resources.

The cultural background of the people who settled the area had considerable impact on the development of its agriculture. Cultural values such as independence, pride of ownership, thrift, avoidance of debt, and preference for farming as a way of life are part of the social heritage common to many rural people.

## CLASSIFICATION OF RURAL FAMILIES

Families in the sample were classified as follows:

1. **Large-scale farmers:** The families in this group depended on farming as their major source of income and employment. They had enough farm resources to conduct relatively large-scale farming operations that provided full or nearly full employment for the operator. Receipts from sale of farm products were \$5,000 or more. The operators worked off the farm less than 100 days a year.
2. **Small-scale farmers:** These families depended largely on farming as a source of income and employment, but the scale of farming operations was relatively small. Receipts from the sale of farm products ranged from \$250 to \$4,999. The operators worked off the farm less than 100 days.

The large-scale and small-scale farm classes are regarded as full-time farmers for some of the analysis, as farming was the major source of employment and income in both classes of families.

3. **Part-time farmers:** The families in this group obtained income both from farming and from nonfarm employment. Receipts from sale of farm products were \$250 or more. Generally the nonfarm job provided the major part of the family income. A few families had incomes from sales of farm products of \$5,000 or more. The operators worked off the farm 100 days or more.
4. **Residential farmers:** This group of families depended largely on income from nonfarm employment. The farming was confined essentially to home food production. The operators worked off the farm 100 days or more. The value of farm products produced, including farm gardens, amounted to \$250 or more; but receipts from sales of farm products were less than \$250.
5. **Employed nonfarm residents:** These were families living in the country who depended almost entirely on income from nonfarm employment. The heads of the households were employed in nonfarm jobs 100 or more days a year. The value of farm products produced, including home gardens, was less than \$250.
6. **Retired rural residents:** Included in this group are families whose major sources of income were retirement pensions, social security payments, welfare assistance, and other nonlabor sources. The heads of households worked at nonfarm jobs less than 100 days, and the value of farm products sold was less than \$250.

The above classification places 60 percent of the sample families in the four farm classes:

	Number	Percent
Large-scale farmers	30	6.4
Small-scale farmers	122	26.1
Part-time farmers	96	20.5
Residential farmers	30	6.4
Employed nonfarm residents	110	23.5
Retired rural residents	81	17.3
Total	469	100.0

About a fourth of all families were classed as small-scale farmers, about a fifth were part-time farmers, and about a sixth were in the retired class.

## CHARACTERISTICS OF RURAL FAMILIES

The total population of the survey area has remained fairly constant. The decrease in rural population is largely the result of outmigration of youth, particularly from farms. The disproportionately large number of persons under 20 and over 55 years of age and the relatively small number between 20 and 35 indicate that many of the young people have been leaving the rural areas as they have matured into the labor force. The area's rural farm population for 1940, 1950, and 1957 shows a decreasing proportion of people 20 to 35 years of age, suggesting that the rate of outmigration of rural youth has increased during this period. (See Figure 2.) Numerous vacant dwellings in many parts of the area provide further evidence of outmigration of rural people.

### Age of Family Head

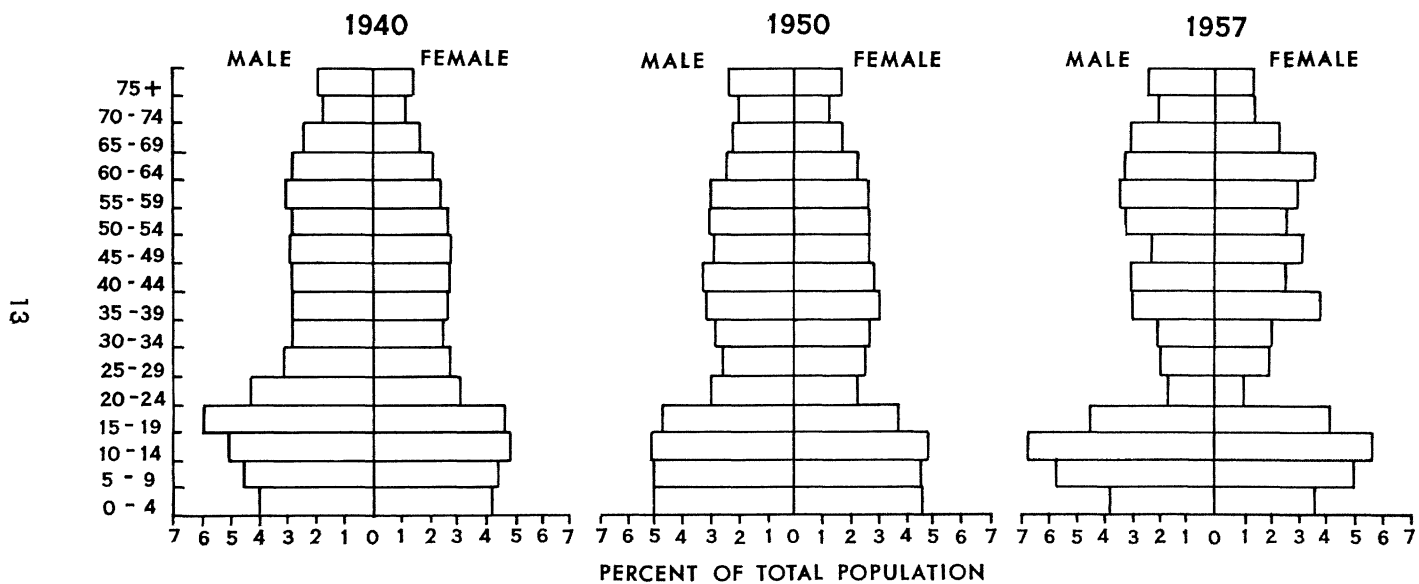
Average age of heads of all households was 52 years (Table 1). About one-fourth were under 40, while one-third were 60 years old or older. Among families in the retired class, three-fourths of the heads of households were at least 60 years of age. Also, over half the household heads in the small-scale farm class were 60 years old or over and thus were at or near retirement age.

In the other classes of families, the household heads were somewhat younger. The average among employed nonfarm residents was 41 years, indicating a movement of many younger individuals and their families into the rural nonfarm class. Heads of households of the large-scale, part-time, and residential classes averaged between 45 and 50 years of age. The difference in age between the small-scale and large-scale farmers suggests that reduced size of farm operations is associated with increasing age of the operator. Many farmers, as they approach retirement age, reduce the size and scope of their farming activities. Among the more elderly family heads were several who had returned to the area after years of employment elsewhere. Of these, some went into farming in varying degrees, while others sought the rural area as a place to retire.

### Size of Household

For purposes of this study, all persons who regularly shared a dwelling unit were considered to be members of the household. Included were the head of the household, his immediate family, and any other related or unrelated individuals who viewed the dwelling as their place of residence. Members of the armed services were not included as household members, unless a serviceman's income was regarded as

Fig. 2.—Rural Farm Population by Age, Southern Ohio, 1940, 1950, and 1957.



Source: 1940 and 1950 U. S. Census of Population, Ohio; 1957—Population distribution of rural farm families from survey, holding "farm" definitions consistent with those of 1950 Census.

**TABLE 1.—Selected Population Characteristics of 469 Rural Families in Southeastern Ohio, by Class of Family, 1957**

	Unit	Farm				Employed nonfarm resident	Retired rural resident	All families
		Large- scale	Small- scale	Part- time	Resi- dential			
Farms reporting	Number	30	122	96	30	110	81	469
Average age of head of household	Years	49	60	48	47	41	66	52
Percentage: Under 40 years	Percent	23	11	25	40	53	7	26
40-59 years	do.	60	35	57	42	37	18	39
60 years or more	do.	17	54	18	18	10	75	35
Size of household	Number	3.8	3.1	4.4	4.3	4.0	2.6	3.6
Percentage with: 1-2	Percent	17	53	19	43	21	65	37
3-4	do.	46	28	40	17	41	22	35
5-6	do.	30	11	28	13	32	11	20
7-8	do.	7	6	7	20	5	1	6
9 or more	do.	0	2	6	7	1	1	2
School completed								
Head of household:								
Male	Years	10.2	9.7	9.2	9.3	10.5	7.3	9.4
Female	do.	11.3	9.2	10.1	9.4	10.6	7.9	9.6
Household members 14 years old or over:								
Male	do.	10.2	9.0	9.6	9.5	10.3	7.9	9.4
Female	do.	11.5	9.2	9.8	9.3	10.5	8.3	9.6
Heads of household by major activity								
Farmer	Percent	100	88	15	3	0	20	36
Farm laborer	do.	0	0	2	0	3	5	2
Wage or salary worker	do.	0	2	70	84	85	2	41
Self-employed*	do.	0	0	10	13	9	1	5
Retired	do.	0	5	1	0	2	50	10
Disabled	do.	0	2	0	0	0	12	3
Other	do.	0	3	2	0	1	10	3
Total	Percent	100	100	100	100	100	100	100

\*Self-employed other than as farmers.

part of his family's income. Individuals who were away at school were included as household members if they returned frequently on weekends or during the summer and thus contributed to the family's income and labor supply. The terms "household" and "family" are used interchangeably throughout this report.

Average size of households for all families in the study was 3.6 persons, compared with 3.4 reported for all families in Ohio in the 1950 census. Part-time and residential farm families tended to be larger than the average and small-scale farm and retired resident families to be smaller. Differences in size of household reflect to some degree the differences in age of the heads of households. Among the older families, many of the children had already left the household. Part of the difference of about 0.6 person per household between large-scale and small-scale farm families may also be explained by the need for more labor on the larger farms, resulting in more of the family remaining on the farm.

One-third or more of the employed nonfarm families and of the large-scale, part-time and residential farm families had 5 or more persons per household. By contrast, less than a fifth of the small-scale farms and retired resident households had families of this size. One-half of the small-scale farm and two-thirds of the retired resident families had no more than 2 persons per household.

### **Education**

Among all rural families in the survey, education averaged somewhat lower than for all families in Ohio. Much of this difference can be attributed to the disproportionately large number of older people in the families surveyed. Older persons generally have received less formal education. When allowance is made for age differences, levels of education of the rural families of Southeastern Ohio are approximately the same as for all families in Ohio. (See Table 2.) Median years of education in 1957 for all persons included in this study were almost the same as for all persons in Ohio in 1950 for comparable ten-year age groups.

Within the sample families, some variations in educational levels appear among the six classes of families. Large-scale farm operators averaged about 10.2 years of schooling, and employed nonfarm household heads averaged 10.5 years (Table 1). By contrast, retired resident household heads averaged 7.3 years of school completed. Heads of small-scale, part-time, and residential farm families averaged between 9 and 10 years.

**TABLE 2.—Education of All Males, by Ten-Year Age Groups, Survey Families, 1957, Ohio, 1950**

Age (years)	Years of school completed*	
	Southeastern Ohio 1957	Ohio† 1950
5-14	4.7	4.5
15-24	11.1	11.1
25-34	12.0	12.2
35-44	11.6	10.8
45-54	9.2	8.8
55-64	8.6	8.4
65-74	8.4	8.2
75 and over	8.3	8.1

\*Median.

†Source: U. S. Census of Population.

Although much of this educational difference among the classes of families is again explained by differing ages of the household heads in the several classes, Appendix Table 1 provides some indication that, after allowance is made for age differences, household heads in the retired resident class may still have had the lowest level of education.

Females averaged slightly higher than males in years of school completed. Generally, they had completed about one-fourth year more of schooling than had the men.

The relationship of education of the head of household to gross family income is shown in Appendix Table 2. Within the full-time classes of farm families, no prominent difference in education was apparent as gross income increased. Among the part-time, residential and nonfarm classes, those not relying primarily on farm income, increased gross income and increased education show some relationship.

### Major Activity

Among all rural households, 36 percent of the household heads considered farming as their major activity in 1957. About 45 percent classed themselves as wage or salary workers or as being self-employed other than as farmers. About 13 percent classed themselves as retired or disabled (Table 1).

Among all household heads in the four farm classes, two of every five reported their major activity as something other than farming. Among the part-time farmers, only 17 percent of the household heads



regarded farming as their major activity, while 80 percent considered themselves to be wage or salary workers. Only 3 percent of the heads of households of residential farmers listed farming as their major activity. This demonstrates that many families included in the farm classes did not regard themselves, basically, as farmers. Apparently minor emphasis was placed on agriculture in the economic activity of many rural families who had moved into some combination of farming and off-farm employment.<sup>3</sup>

Of all persons in the sample who were no longer in school, 34 percent regarded themselves as farmers or farm workers, 47 percent as wage or salary workers, and 19 percent as retired, disabled or otherwise unemployed. (See Appendix Table 3.) The number of persons who

---

<sup>3</sup>To the extent that many families included in the farm classes are not basically farmers, their inclusion would appear to magnify the number of farmers. For some analyses of farm problems, many such families might best be omitted or treated as a separate group.



**Abandoned homesteads are common in many parts of rural southeastern Ohio.**

**TABLE 3.—Type of Tenure of 469 Rural Families in Southeastern Ohio, by Class of Family, 1956**

Type of tenure	Farm				Employed nonfarm residents	Retired rural resident	All families
	Large-scale	Small-scale	Part-time	Residential			
Number reporting	30	122	96	30	110	81	469
	Percentage						
Owners	40	73	79	73	67	69	70
Part owners*	54	16	11	7	1	1	11
Tenants							
Cash rent	0	2	4	17	29	20	12
Share rent	3	5	2	0	0	0	2
Others	3	4	4	3	3	10	5
Total	100	100	100	100	100	100	100

\*Own part and rent part of the land they operate or on which they reside.

thought of themselves as retired would be somewhat higher except that some older men who reported limited productive activity seemingly preferred not to regard themselves as being retired. Also, many of the older women who might otherwise be classed as retired still continued in their roles as housekeepers.

### Tenure

Nearly 90 percent of all the farm families owned part or all of their farms. About 70 percent of the employed nonfarm and retired resident families owned the land on which they lived (Table 3).

Forty percent of the large-scale farmers owned all of their land, and over 90 percent owned at least part of the land they operated. More than half of these farmers rented some land in addition to the land they owned. Among the other classes of farm families, about three of every four families were full owners.

Only 7 percent of the families in the four farm classes were cash or share renters. Cash rentals were increasingly more common as farm families moved from large-scale farming through part-time farming to nonfarm employment. About a sixth of the residential farmers were cash renters, while more than a fourth of the employed nonfarm families were cash renters. Many of those families relying essentially on off-farm employment cash rented land for a residence in the rural area, on which little or no agricultural production was practiced.

Rigidity of tenure of the families that have remained in farming in this area is demonstrated by the average of 23 years of residence on the present farm. About a third of the farm families had resided on their present farm ten years or less, and another third reported tenure of 30 years or more. Length of tenure was greatest among the small-scale farm families and lowest among the residential class.

Length of tenure among the employed nonfarm families averaged about 7.5 years, suggesting (1) a relatively recent movement of younger nonfarm families into such rural areas and/or (2) greater mobility among employed nonfarm rural families.

About 46 percent of the farm families who owned land had acquired it from relatives, while only 25 to 30 percent of the nonfarm families owning land had acquired their real estate from relatives. Acquisition of land from relatives was most common among small-scale and large-scale farmers.

The high degree of ownership among the rural families in the area, the permanence of tenure, and the prominence of prior ownership by relatives indicate limited flexibility in adjusting size of farms. Continued ownership and occupancy of a tract of land that has long remained in the control of the family and served as the family home retards transfer of land. Many owners of undersized farms do not desire to sell their farms, partly because of intrinsic values associated with the farm. Even though they may desire to acquire more land to expand their farming operations, adequate tracts of land may not be available.

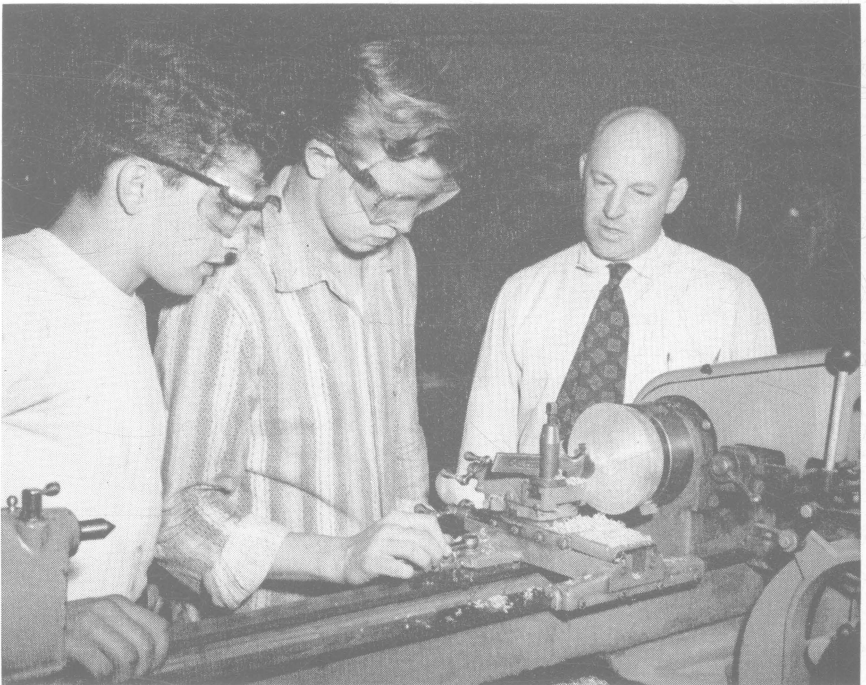
### **Migration of Youth**

The age distribution of the rural population of the area shows relatively few young adults. This suggests that the decline in the rural population may be due both to movement out of the area of entire families and to migration of young people as they enter the labor force and seek nonfarm employment opportunities. In the interview with sample families, information was obtained regarding the youth in all rural households and all youth who had left these households. While this information does not include movement of entire families, it does provide some information regarding the characteristics of the youth reared on farms, both those who have remained and those who have left.

Among the rural families in the survey who were classed as farm families, there were 562 children who had left home or who were 20 years old or over and still living with their parents in 1957. Of the total of 286 males, 13 percent remained at home; of the 276 females,

only 6 percent remained at home. The higher percentage of males at home was largely the result of more of the sons remaining to help operate the farm.

The majority of the youth of the rural farm families had moved out of agriculture. Of the sons between 25 and 40 years of age at the time of the study, about 14 percent had gone into farming. Thus, a high percentage of the people reared on farms and trained in the area had taken employment at nonfarm jobs. With such movement of farm-reared youth out of agriculture, the high school curriculum needs to emphasize the development of skills and abilities that would improve the opportunities of those young persons who seek nonfarm jobs. While formal education improves young people's ability to adjust to new social and economic environments and to serve as useful citizens of their new community, the prominent movement of farm-reared youth into non-farm employment demonstrates the need for a broad choice of specialized training courses to prepare them for nonfarm work.



**The movement of farm-reared youth out of agriculture demonstrates the need for emphasizing a broad choice of training to prepare such youth for non-farm employment.**

Of the sons of farm families between 25 and 40 years of age, three-fifths lived within 20 miles of home. Most of those living beyond 20 miles of the home farm were still located within or near the area; apparently they were able to find satisfactory nonfarm jobs without migrating great distances from home. There were some instances, however, of sons and daughters of farm families who had moved to states as far away as New York and California.

Data in Table 4 indicate that, among 25- to 40-year old sons of the sample families, those who had moved 20 miles or more from home averaged slightly more formal education and received somewhat higher incomes than those remaining at home. Their parents, however, averaged slightly less formal education than the parents of sons who lived at or near home; and their farms were generally smaller. Large farming units offer greater incentive to the young man to remain on the farm and probably also make it easier for him to get a start in farming other than on the home farm. Those young men who remained in the area often were from families who reported larger financial assets, thus providing improved income opportunities locally.

Of the sons between 25 and 40 years of age, one-third of those living at home and one-fifth of those within 20 miles of home were farming. Of those who lived 20 or more miles from home, only 2 percent were farmers. This suggests that opportunities in farming for the youth of

**TABLE 4.—Selected Characteristics of 190 Sons of Farm Families  
Twenty-five to Forty Years Old, by Distance of Residence  
from Parents' Home, Southeastern Ohio, 1957**

	Unit	Miles from home		
		At home	1-19	20 or more
Number reporting	Number	19	105	66
Average age	Years	30.3	32.0	32.9
School completed	Years	10.8	10.8	11.4
Average income	Dollars	3,045	4,242	4,462
Percentage of sons farming, 1957	Percent	32	21	2
Parents' net cash family income, 1956	Dollars	677	2,371	1,815
Education of parents	Years	8.2	8.0	7.6
Size of parents' farm	Acres	200	152	132
Percentage of parents owning farms	Percent	100	95	89
Net worth of parents, 1957	Dollars	17,700	15,500	10,500

these rural families were very limited beyond the home community. Even to the major part of those remaining in the area, nonfarm employment appears to have offered greater opportunity than farming. Nearly two-thirds of those living at home were employed at nonfarm jobs.

## **OFF-FARM EMPLOYMENT**

The prominence of off-farm employment of farm families is illustrated by the classification of 45 percent of the farm families as part-time or residential farmers. By definition, the household heads of these families held off-farm jobs for 100 days or more a year. Further, 30 percent of the heads of all farm households were employed for 200 or more days; thus they held full-time nonfarm jobs throughout most of the year. More than half the heads of farm households received some income from off-farm employment.

Nearly two-thirds of all farm households reported some employment of one or more family members away from the farm; one-half had one or more persons whose combined off-farm employment totaled 100 days or more; and two-fifths had one or more members who worked a total of 200 days or more away from the farm.

Off-farm employment was most prominent among younger heads of farm households. About three-fourths of the household heads under 40 years of age reported some off-farm employment. Three-fifths of the farm operators between 40 and 59 years of age reported off-farm jobs, compared with less than one-fourth of those 60 years old or older.

Among the nonfarm rural families, 85 percent of the employed class reported nonfarm employment of household members totaling 200 days or more. Of those nonfarm families classed as retired or unemployed, over three-fourths reported no off-farm employment by any member of the household; 86 percent reported total off-farm employment of all household members of less than 100 days.

Among female heads of households, about one in ten reported some employment away from the home. No significant difference in the prominence of nonfarm employment appeared between different classes of families. However, employed wives among the nonfarm families were more frequently working at full-time jobs than were wives among the farm families.

### **Years Worked at Off-farm Job**

Off-farm employment was neither new or temporary for most of those members of farm families who were employed at off-farm jobs in 1956. Heads of farm households working away from the farm had

worked an average of about 10.5 years at such off-farm employment. About 42 percent of them had held off-farm jobs for five years or more, while 35 percent had been employed off the farm more than ten years. Residential farmers had worked an average of 13.5 years and part-time farmers an average of 10.4 years at off-farm employment. Those household heads of small-scale farms who reported part-time off-farm jobs averaged 7.7 years. Large-scale farmers with limited off-farm employment averaged about 3 years.

Eighty percent of the heads of farm households who were employed at nonfarm jobs reported they intended to continue off-farm employment. Among household heads in the part-time and residential classes who worked 100 days a year or more, 85 percent planned to continue working away from the farm. Large-scale and small-scale farm operators working away from the farm a limited amount of time were generally less inclined to continue off-farm employment; one of every two expected to discontinue such off-farm work. Differences in age had little effect on intention to continue working away from the farm.

**TABLE 5.—Industry Classification\* of 255 Heads of Households Employed at Off-Farm Jobs, Farm and Nonfarm Families, Southeastern Ohio, 1957**

Industry	Rural families		
	Farm	Nonfarm	Total
Families reporting	145	110	255
		Percent	
Manufacturing	22	46	32
Construction	15	15	15
Communication and transportation	15	9	12
Mining	15	8	12
Public administration	10	5	8
Retail	6	6	6
Professional	7	2	5
Other†	10	9	10
Total	100	100	100

\*Industry classifications used in the 1950 U. S. Census of Population.

†Other includes repair, wholesale, and agriculture. Only those working for farm wages were included in agriculture.

## Types of Nonfarm Work

The off-farm jobs held by household heads were classified both by industry and by occupation, following the classifications used in the 1950 U. S. Census. Relatively few of the farm people were employed in the manufacturing, retail, and wholesale industries (Table 5). Employment among farm families was relatively high in communication and transportation, mining, public administration, and the professions. Nearly all of those persons included under public administration worked part time, for instance, as a township trustee or for the local school board.

Classification by occupation (Table 6) of household heads holding nonfarm jobs indicates greater development by the nonfarm rural people of the skills required in many nonfarm jobs. About 6 percent of the nonfarm workers and 14 percent of the farm workers were classed as laborers. By contrast, 30 percent of nonfarm workers and 22 percent of farm workers were classed as craftsmen.

**TABLE 6.—Occupation Classification\* of Heads of Households Employed at Off-Farm Jobs, 236 Farm and Nonfarm Families, Southeastern Ohio, 1957**

Occupation	Rural families		
	Farm	Nonfarm	Total
Families reporting	137	99	236
		Percent	
Operatives	39	30	35
Craftsmen, foremen	22	30	25
Managers, officials	13	14	14
Laborer	14	6	11
Professional and technical workers	4	7	5
Sales workers	2	6	4
Service workers	4	1	3
Clerical workers	2	4	2
Other	0	2	1
Total	100	100	100

\*Occupation classifications used in the 1950 U. S. Census of Population.



## Daily Wage Rate

Average daily wage rate of men employed at or near full time was slightly higher among nonfarm families than among farm families (Table 7). Of all men employed 200 days or more at an off-farm job, those from nonfarm families averaged \$16.51 per day while those from farm families averaged \$15.83.

**TABLE 7.—Daily Earnings of Men Employed 200 Days or More at Nonfarm Jobs, by Major Industries, Farm and Nonfarm Families, Southeastern Ohio, 1956**

Industry	Number of workers		Ave. daily earnings	
	Farm families	Nonfarm families	Farm families	Nonfarm families
Manufacturing	40	46	\$15.12	\$16.88
Construction	16	14	15.38	15.69
Transportation and communication	15	10	14.21	17.00
Mining	16	5	19.69	15.00
Retail	9	7	11.33	13.83
Other	9	11	-----	-----
Total	105	93	\$15.83	\$16.51

Some variation in wage rates appeared between farm and nonfarm workers and among the different industries. Average daily wages were higher for men from nonfarm families than for those from farm families in the manufacturing, transportation and communication, retail and construction industries but lower in mining. Among the men from farm families employed at nonfarm jobs, highest daily wages were received for mining, followed by construction and manufacturing. Employed nonfarm workers received the highest daily wages in transportation, manufacturing, and construction. The difference in kinds of employment, numbers of employed, and wage rates for similar jobs suggests that real opportunities for employment differ both numerically and income-wise for members of farm families and members of nonfarm families.

Among heads of farm households working off the farm, those working at part-time jobs generally received lower daily wages than those working at full-time jobs (Table 8). Household heads among farm families who worked part time apparently either (1) were not able to obtain better paying full-time jobs or (2) preferred to take part-time jobs at lower pay in order to devote more time to their farming or other activities.

**TABLE 8.—Daily Earnings of Heads of Farm Households Employed Off the Farm, by Amount of Off-Farm Work and by Education, Southeastern Ohio, 1956**

Item	Days of off-farm employment			Total
	Under 100	100-199	200 or more	
Number reporting	30	69	81	180
	Average daily earnings			
Years of school completed:				
Less than 8	\$ 9.67	\$14.67	\$12.44	\$13.00
8	13.56	12.43	16.55	14.37
9-11	10.50	16.36	16.80	16.18
12 or more	13.56	16.33	17.77	16.55
Average	\$12.97	\$14.53	\$16.53	\$15.17

Daily earnings of household heads from nonfarm employment tended to increase as education increased, particularly among those employed 200 days or more. Those who had completed high school generally received one to three dollars a day more than those with an eighth grade education and two to five dollars a day more than those with less than eight years of schooling.

When allowance was made for differences in the amount of formal education associated with different age groups as shown in Table 9, years of schooling did not affect the annual amount of off-farm employment among heads of farm families.

**TABLE 9.—Education of Heads of Farm Households, by Age and by Days Worked at Off-Farm Job, Southeastern Ohio, 1956**

Age (years)	Days of off-farm employment			
	0	1-99	100-199	200 or over
Number reporting	98	30	69	81
	Years of school completed			
20-39	10.0	10.0	10.5	10.4
40-59	9.6	9.7	10.5	9.5
60-79	7.8	8.0	7.3	7.8

Earnings per day from off-farm employment among heads of farm households were about the same for all ages until the age of 60 was approached. Those under 60 years of age averaged slightly over \$17 a day, while those 60 years old or over averaged about \$14 a day.

### Distance to Work

Among heads of farm households commuting daily to off-farm jobs, commuting distance averaged 10.5 miles. Nearly half traveled 5 miles or less to their place of employment and three-fourths held jobs within 15 miles of home. About 4 percent drove more than 25 miles, the greatest distances being 74, 75 and 80 miles. Heads of nonfarm households employed at nonfarm jobs commuted slightly greater distances, averaging 12.1 miles. Twenty-six percent worked no more than 5 miles from home, and 8 percent commuted more than 25 miles.

Those heads of farm households employed part time off the farm generally worked closer to home than those working full time. Average distances from home to job by days worked during the year were: less than 50 days, 10.2 miles; 50 to 99 days, 13.5 miles; 100 to 149 days, 15.4 miles; 150 to 199 days, 18.0 miles; and 200 and more days, 16.7 miles.

Analysis of daily earnings and distance to work indicates that those farmers who accepted employment closer to home may have sacrificed some income. Table 10 shows that farm operators who traveled over 25 miles to work reported average earnings of \$3.50 per day above those who worked within 5 miles of home. Lower travel costs and the convenience of having employment near the farm may have been sufficiently desirable to offset the possible increased income.

**TABLE 10.—Daily Earnings of Heads of Families Employed Off the Farm, by Miles to Work, Southeastern Ohio, 1956**

Miles to work	Daily earnings	
	Farm families	Nonfarm families
Number reporting	145	110
0- 5	\$15.12	\$16.29
6-15	15.27	16.57
16-25	16.15	17.50
26 and over	18.64	19.08

### **Farm Work for Wages**

Only 7 percent of all families surveyed reported farm work for wages by any member of the family. Among farm classes, 5.4 percent of the families reported some farm work for wages. Most of these families were in the small-scale farm class. In two-thirds of the families receiving income from farm wage work, the head of the household was the family member working for farm wages. Average daily wages of farm laborers were about \$7, but the cash wages in themselves do not indicate the true payment to wage workers. Part of the payment to many of the farm laborers took the form of house rent, meals and lodging, farm produce for home consumption, or other noncash considerations. Heads of households of six families reported farm wage work on a year-round basis. Average annual cash income was \$2,340, ranging from \$1,200 to \$2,652.

## **INCOME SITUATION OF RURAL FAMILIES**

To make the measurement of farm income more nearly comparable to the measurement of income of the wage or salary worker, value of food produced on the farm and consumed in the home plus rental value of housing<sup>4</sup> have been included in farm income. Further, changes in inventories during the year and depreciation of machinery and buildings, though not directly a cash income or cost, have been included in computing net farm income.

**Net farm income** as used in this report thus is the sum of cash farm income plus value of perquisites, rental value of house, and inventory change, minus cash farm expenses and depreciation of buildings and machinery. (See Appendix Table 5.)

**Net family income** is net farm income plus all income derived from nonfarm source.<sup>5</sup>

### **Net Family Income**

The level of income of the families in the survey was relatively low by modern standards (Table 11). Net family income in 1956 ranged from -\$1,084 to \$13,200; average income was \$2,980. Of all families,

---

<sup>4</sup>Rental value of dwelling was credited as income inasmuch as costs, such as real estate taxes, insurance, depreciation, and maintenance and repair, associated with the dwelling were not separated from total costs connected with the farm.

<sup>5</sup>No allowance for costs associated with wage or salary jobs, such as travel to and from work, were estimated or deducted. For persons self-employed at other than farming, net income from the business was estimated.

**TABLE 11.—Net Family Income of 433 Rural Families,  
by Class of Family, Southeastern Ohio, 1956**

Income	Farm				Employed nonfarm residents	Retired rural residents	All families
	Large- scale	Small- scale	Part- time	Resi- dential			
Number reporting	27	117	90	24	99	76	433
	Percentage						
Less than \$1000	7	43	3	4	2	46	21
\$1000-1999	19	33	8	13	9	33	20
\$2000-2999	26	14	22	22	15	9	16
\$3000-3999	18	4	18	17	17	5	12
\$4000-4999	11	2	20	22	23	0	12
\$5000-5999	15	0	11	13	17	1	8
\$6000-7999	4	3	12	9	13	5	8
\$8000 and over	0	1	6	0	4	1	3
Total	100	100	100	100	100	100	100
Average income	\$3,195	\$1,468	\$4,140	\$3,825	\$4,324	\$1,650	\$2,980

21 percent had incomes of less than \$1,000, 41 percent had incomes of less than \$2,000, and 57 percent had incomes of less than \$3,000. About one of every five had incomes exceeding \$5,000.

Many of the families with small incomes were in the retired resident and small-scale farm classes. About 45 percent of the retired resident families and 43 percent of the small-scale farm families had incomes of less than \$1,000. About 75 percent of the families in these two classes had less than \$2,000 net family income. Average income for small-scale farmers was \$1,468; for retired rural residents, income averaged \$1,650.

Of the families with less than \$1,000 net family income, 91 percent were in the small-scale and retired resident classes. More than four-fifths of those receiving less than \$2,000 net family income were in these two classes. By contrast, less than 10 percent of the families with incomes of \$4,000 or more were in the retired and small-scale farm groups.

Of the 433 families reporting complete income information, net family income was negative for 9 families. Farm costs, including depreciation, were greater than farm and nonfarm income, after allowances were made for the value of perquisites,<sup>6</sup> rental value of dwelling, and

<sup>6</sup>Farm-produced products consumed in the home. Estimates of value were based on prices the farmer would have received. Based on prices the farmer would have had to pay had he bought these items in the market, value of perquisites would be about twice as large.

changes in inventory. In most of the families with negative income, part of the cash living costs, though relatively small, was met by income received through reduction in inventories. This included sales of livestock and crops, reduction or depreciation of machinery and buildings, and depletion of savings. As a result, net worth of these families could be expected to decline unless price appreciation of the remaining assets was sufficient to offset the decline in inventory. This would probably be true of many other families reporting low net family incomes.

The higher incomes were most prevalent among the families reporting off-farm employment—the employed nonfarm families and the part-time and residential farmers. Over 80 percent of all families receiving \$5,000 or more of net family income were in these three classes. Average income of these three classes of families was \$4,087; about three-tenths of them reported incomes of \$5,000 or more.

### **Selected Characteristics Associated with Income**

Of the 433 rural families reporting complete income information, 91 (21 percent) had net family incomes of less than \$1,000. Over 40 percent had incomes below \$2,000. Sixteen percent of the families had less than \$300 net family income per person, and 38 percent had less than \$600 income per person. About 32 percent of the families reported \$1,000 or more net income per person.

Table 12 shows that age was a major factor associated with income. Average age of heads of households receiving less than \$2,000 net family income exceeded 60 years. As incomes increased from \$2,000 to \$6,000, average age decreased. Of those families with incomes between \$5,000-5,999, the average age of household heads was about 43 years, nearly 17 years less than the average age of those with incomes below \$2,000. As incomes increased above \$6,000, however, age tended to increase.

Of those families receiving net family incomes of less than \$2,000, 44 percent of the heads of households were 65 years old or older; 57 percent were at least 60 years of age. It thus appears that the heads of over half of the families in the lowest income group were at or near retirement age. By contrast, of those families with incomes above \$5,000, only 6 percent of the household heads were 65 years old or older, and only about 11 percent were 60 or older.

Some relationship between income and education is indicated in Table 12. Average years of school completed by heads of households with less than \$2,000 net family income were about 8.2, nearly two years less than the average for those reporting incomes of \$5,000 or more. About a fourth of the heads of households with less than \$1,000

**TABLE 12.—Selected Characteristics Related to Net Family Income of 428 Rural Families, Southeastern Ohio, 1956**

Net family income	Number reporting	Age of head of household	Education of head of household	Number of persons in household	Net family income per person	Level of living index*
Under \$1000	91	60.2	8.1	2.4	\$ 185	72
\$1000-1999	87	60.1	8.3	2.9	500	74
\$2000-2999	69	50.5	8.9	4.0	626	78
\$3000-3999	51	45.2	9.7	4.5	780	78
\$4000-4999	50	45.1	10.1	4.5	984	84
\$5000-5999	35	43.2	9.9	4.3	1238	86
\$6000-6999	21	43.6	10.3	3.8	1670	87
\$7000-7999	13	46.2	10.1	4.2	1766	86
\$8000 and over	11	49.6	9.9	5.7	2123	82
Total	428	52.2	9.1	3.6	839	78

\*See Appendix 2 for method of computation of level of living index.

net family income had completed less than eight years of schooling, while about a seventh had completed high school. Of those with incomes of \$5,000 or more, 8 percent had less than eight years of schooling, while 59 percent had completed high school. At least some of these differences in education can be explained by the differences in age.

Average size of household was smallest among those families with lower incomes. Households reporting less than \$1,000 net family income averaged 2.4 persons and those with incomes of \$1,000 to \$1,999 averaged 2.9 persons, considerably below the average of all households in the survey. One-half of the households with less than \$1,000 net family income consisted of one or two persons, compared to one-seventh of those families reporting \$5,000 or more of net income. As the parents in the lower income groups were often older, most of their children had already matured and left home. The reduced labor supply associated with the smaller and older families may account for the relatively low income status of some families.

The level of living index used in this study<sup>7</sup> indicates that the level of living increased somewhat as net family income increased. The average level of living index of families with less than \$1,000 net income

<sup>7</sup>For method of computation of level of living index see Appendix 2.

was 72, compared with 86 for those with net family incomes of \$5,000 or more. As incomes increased above \$5,000, however, there was little change in the level of living index. This may have resulted from expenditures of part of that income for items not included in the index, such as hobbies and travel, which families with lower incomes were less able to afford.

The net worth of farm families did not vary greatly at different levels of net family income. Earning ability at off-farm employment generally is not dependent on a person's financial assets. Younger families striving for higher incomes often have little accumulated capital. Some seek off-farm employment; others who go into farming may rely on credit as a source of needed capital. While variations in net worth appear to have had little effect on the net family income of farmers, investments in working capital, such as in livestock and crop production, appear to have had a direct relationship to net income from farming.

Amount of available labor and the degree of employment of that labor appear to account for some of the differences in net family income among farm families. Farm families reporting less than \$1,000 net family income averaged 2,645 hours of labor available for employment. This is equivalent to the labor supply of about one able-bodied man in a year. As the supply of labor increased, net family income increased. Farm families having incomes of \$3,000 to \$4,999 averaged 4,515 hours of labor available, and those with incomes of over \$6,000 averaged 5,311 hours in the families' labor supply.

Families with the lower incomes had less employable labor, but the proportion of the families' labor supply employed was also lower. Among the farm families, those with net family incomes of less than \$1,000 reported employment of about 74 percent of their available labor. Those having net family incomes of \$1,000 to \$2,999 showed employment of 78 percent of their labor supply, those with incomes of \$3,000 to \$4,999 utilized 85 percent, and those with incomes of \$5,000 to \$6,999 utilized over 95 percent. As family incomes increased above \$6,000, the families' supply of labor available for employment continued to increase; however, the proportion employed tended to decrease. Many families at the higher income levels appear to have placed greater value on leisure than on the additional income that might have been attained through fuller employment of the family's labor supply.

Of all rural families with net family incomes of less than \$1,000, 26 percent reported at least 250 days of employment in 1956. Those employed largely at nonfarm jobs received low wages. Those with



fairly large farming operations appear to have had a year of low crop yields, poor livestock production, low prices for their produce, or high operating costs.

In 38 percent of the families with incomes below \$1,000, the household head was 65 years old or older; and there were no other employable persons in the household. In 5 percent of the families, the household head was 60 to 64 years of age; and there were no other employable persons. Thus, 43 percent of the families in this income group were retired or semi-retired family units. In another 7 percent of the families, the breadwinner was physically disabled or handicapped. Underemployment was a major factor associated with 24 percent of the families having incomes of less than \$1,000. These families had an employable labor supply of 250 or more days during the year but reported less than 250 days of labor employed at farm and off-farm work.

### **Sources of Income**

About 75 percent of the net family income of all rural families was derived from off-farm employment, while less than 10 percent consisted of net farm income. Fourteen percent of the total income was derived from nonlabor sources such as interest, rent, royalties, pensions, and welfare assistance. Income from farm work for wages was limited to less than 2 percent of total family income (Table 13).

Farming was the major source of net family income only among the large-scale farm families. Net farm income averaged \$2,638, or 83 percent of net family income; most of the remainder was derived from limited off-farm employment.

Small-scale farm families with an average income of \$1,468 received almost equal amounts from off-farm employment, nonlabor income, and farming. About 25 percent of the small-scale farm families received a negative net farm income for the year. About 20 percent relied on off-farm employment as their primary source of income, while about 30 percent had nonlabor income as their major income source.

Part-time farm families averaged only \$78 net farm income, while the average residential farm family had a negative net farm income.<sup>8</sup> One-half of the part-time farm families and three-fourths of the residential farm families had negative net farm incomes. However, net family income for both groups averaged close to \$4,000 per family. While none of the families with a negative net farm income had large losses from farming, they nevertheless were subsidizing their farming activity

---

<sup>8</sup>If home-produced foods were valued at retail prices instead of prices received by farmers, net farm income would be somewhat higher.

**TABLE 13.—Average Net Family Income, by Major Source and Class of Rural Family, 433 Rural Families, Southeastern Ohio, 1956**

Item	Farm				Employed nonfarm residents	Retired rural residents	All rural families
	Large-scale	Small-scale	Part-time	Residential			
Number reporting	27	117	90	24	99	76	433
	Dollars						
Net farm income*	2,638	431	78	-288	-----	-----	281
Farm wage work	13	13	66	114	84	29	50
Nonfarm employment	512	563	3,736	3,916	4,055	498	2,231
Nonlabor income	32	461	260	83	185	1,123	418
Net family income	3,195	1,468	4,140	3,825	4,324	1,650	2,980
	Percent						
Net farm income	82.6	29.4	1.9	-7.5†	-----	-----	9.4
Farm wage work	.4	.9	1.0	3.0	1.9	1.8	1.7
Nonfarm employment	16.0	38.3	90.2	102.3	93.8	30.2	74.9
Nonlabor income	1.0	31.4	6.3	2.2	4.3	68.0	14.0
Net family income	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\*As families included in the employed nonfarm and retired resident classes were not farming, no measures of net farm income are included.

†As average net farm income was negative, other income was used to subsidize the farming.

from income derived from nonfarm employment. Many may have recognized that their farming activities were not profitable. However, possible lower living costs, along with the esthetic value placed on rural life and on farming as an avocation, may account for their continuing what might appear to be a nonprofitable farming activity.

Nonfarm employment provided an average of 94 percent of the net family income of employed nonfarm families. Nonlabor income and farm work for wages were minor sources of income to these families.

Among the retired rural resident families, the average income of \$1,650 was derived principally from nonlabor sources (68 percent) and from nonfarm employment (30 percent). Seventy percent of the families reported nonlabor income as their major income source. While 20 percent gave off-farm employment as the major source of family income, one-third to one-half of these relied on members of the household other than the head for this income.

## Nonlabor Income

About 56 percent of all rural families reported some income from nonlabor sources in 1956 (Table 14). These families averaged \$727 nonlabor income. Interest and dividends were the most frequent sources of nonlabor income, but the amount was small.

About one-fourth of all rural families reported income from interest and dividends; the average received by those reporting such income was \$103. About one-seventh of the families reported income from rents and royalties, averaging \$493 per family. Social Security payments were received by 20 percent of those reporting. Average payment per family receiving Social Security was \$758. Welfare assistance was received by 8 percent of the families.

**TABLE 14.—Percentage of Families Receiving Nonlabor Income by Source of Income and Class of Family, 467 Rural Families, Southeastern Ohio, 1956**

Source of income	Farm				Employed nonfarm residents	Retired rural residents	All families	Average income*
	Large-scale	Small-scale	Part-time	Residential				
Number reporting	28	122	96	30	110	81	467	
	Percent							Dollars
Interest and dividends	32	36	26	7	17	29	26	\$ 103
Rents and royalties	18	19	14	7	8	14	14	493
Retirement pension	0	9	2	0	0	13	5	890
Social security	0	15	12	7	6	27	20	758
Veteran's pension	0	10	5	3	6	8	7	953
Unemployment insurance	0	2	8	7	10	2	6	371
Workmen's compensation	4	2	1	3	2	0	2	445
Old age assistance	0	2	2	7	1	19	5	881
Other welfare assistance	0	2	1	0	1	6	2	1166
All sources†	43	65	55	30	43	73	56	----

\*Average of those families reporting income.

†Some families received nonlabor income from more than one source

Receipt of nonlabor income was most frequent among the retired rural resident and small-scale farm families. Among the retired rural resident families, 73 percent reported some nonlabor income. Nearly 60 percent received some income from retirement pensions, Social Security, or old age assistance.

Of those persons 65 years old or over, 8 percent were receiving retirement pensions, 45 percent received Social Security payments, and 23 percent received old age assistance. About 60 percent of all persons 65 years old or over were receiving income from one or more of these sources. Of the households consisting only of elderly persons, several received no income from these sources and had little other cash income and limited savings.

## FARM INCOME AND ORGANIZATION

The size of many farming operations in the study was too small to provide substantial levels of family income. Table 15 shows the average income and costs for the four classes of farm families. Average



**Many retired farmers continue to live in the country and supplement their retirement income by producing much of their family food needs.**

gross cash farm income, \$2,093 for all farms, ranged from \$99 for the residential farms to \$7,207 for the large-scale farms. About 40 percent of all farms reported gross sales of less than \$1,000 and 77 percent had

**TABLE 15.—Income and Expenses per Farm, by Class of Farm Family, 258 Farm Families, Southeastern Ohio, 1956**

Item	Large-scale	Small-scale	Part-time	Residential	All farm families
Number reporting	27	117	90	24	258
Farm income:					
Livestock sales	\$2,498	\$ 659	\$ 611	\$ 43	\$ 777
Livestock products	4,070	849	789	17	1,088
Crop sales	396	169	55	8	138
Miscellaneous	243	77	76	31	90
Gross cash farm income	7,207	1,754	1,531	99	2,093
Value of perquisites	326	253	304	223	275
Rental value of house	589	322	344	307	356
Inventory increase	182	52	45	137	71
Gross farm income	8,304	2,381	2,224	766	2,795
Farm expenses:					
Cash	4,066	1,309	1,440	563	1,574
Depreciation on owned buildings and machinery	1,600	641	706	491	750
Interest on owned investment	926	433	377	262	434
Gross farm expenses	6,592	2,383	2,523	1,316	2,758
Net cash farm income	3,141	445	91	-464	519
Net farm income	2,638	431	78	-288	471
Gross farm income less cash expenses	4,238	1,072	784	203	1,221
Net return to labor	1,712	-2	-299	-550	37
Nonfarm income:					
Farm wage work	13	13	66	114	41
Nonfarm employment	512	563	3,736	3,916	1,976
Nonlabor income	32	461	260	83	311
Total	557	1,037	4,062	4,113	2,328
Gross family income	8,861	3,418	6,286	4,879	5,123
Net cash family income	3,698	1,482	4,153	3,649	2,847
Net income to family labor*	2,237	574	3,503	3,480	2,054

\*Nonlabor income omitted.

sales totalling less than \$2,000; 15 percent had sales as high as \$5,000. Only one farm had gross receipts as high as \$10,000.

Among the large-scale and small-scale farm classes, gross cash farm income was less than \$1,000 for 28 percent of the families, less than \$2,000 for 53 percent, and less than \$3,000 for 65 percent.

As farming was the major source of employment and income of these families, the relatively small size of the farm business explains why many of them had low incomes.

Among the part-time farmers, gross cash farm income averaged \$1,531, ranging from \$250 to \$6,573. Over 40 percent had gross cash farm incomes of less than \$1,000; about 8 percent had gross cash farm incomes of \$4,000 or more.

### Net Farm Income

Average net farm income—gross farm income less cash farm expenses and depreciation—was somewhat lower than net cash farm income in all but the residential farm class (Table 16). Depreciation of buildings and machinery was slightly greater than the combined value of perquisites, rental value of housing, and increase in inventory. Net farm income of all farm families averaged \$471, ranging from -\$3,453

**TABLE 16.—Returns to Labor of Farm Families, by Class of Family, 258 Farm Families, Southeastern Ohio, 1956**

Item	Large-scale	Small-scale	Part-time	Residential	All farm families
Number reporting	27	117	90	24	258
Net farm return to labor	\$1,712	\$ -2	\$ -299	\$ -550	\$ 37
Labor required in farm operation*	3,444	1,965	1,733	561	1,908
Return per hour of labor employed	.50	-.001	-.17	-.98	.02
Net income to family labor (farm and nonfarm†)	2,237	574	3,503	3,480	2,054
Return per hour of labor employed†	59	.23	82	1 09	63

\*Valued at \$1.00 per hour. Hours calculated on the basis of the amount of work one man should perform when working with average efficiency and average equipment, allowing for the size of enterprises on the farm.

†Nonlabor income omitted.

to \$5,403. The calculated net farm income was negative for 37 percent of all farm families; 62 percent had a net farm income of less than \$500; and 75 percent had net farm incomes of less than \$1,000. Only 9 percent had net farm incomes as high as \$2,000 and only 4 percent as high as \$3,000.

Among the large-scale farmers—the class with \$5,000 or more of gross cash farm income—average net farm income was \$2,638, ranging from -\$353 to \$5,403. Although 7 percent of these farmers realized net farm incomes of \$5,000 or more and 33 percent had net farm incomes of \$3,000 or more, 41 percent had net farm incomes of less than \$2,000 and 11 percent had net farm incomes of less than \$1,000. Small-scale farmers averaged \$431 net farm income. One-sixth of them had negative net farm incomes and over three-fourths had net farm incomes of less than \$1,000.

Calculated net farm income to part-time farmers, averaging only \$78, ranged from -\$1,543 to \$2,713. One-seventh of the part-time farmers carried out farming operations of sufficient size and scope to provide a net farm income of \$1,000 or more; over half had apparent losses from their farming operations.

Twenty-two percent of the residential farmers had favorable net farm incomes, while 78 percent had losses; the average calculated net farm income was a loss of \$288.

While 57 percent of the part-time and residential farmers had “negative” net farm incomes and 80 percent had net farm incomes below \$500, farming was only a secondary source of income to many of these families. Off-farm employment served as the primary source of income. Many of these part-time and residential farmers apparently placed such importance on non-monetary values from farming that the monetary returns from their farming operations received secondary consideration. Some farmers may not have realized that they were operating their farm at a loss. They might have been ahead financially (1) to expand their farming operations or (2) to discontinue any real attempt at farming, rent or sell some of the farm land, and shift from part-time or residential farming to a rural nonfarm residential status if they desired to continue living in the country.

To the extent that farm families had no alternative marketable use for their farm buildings and equipment, they probably did not regard depreciation of buildings and equipment as a cost. Many farmers having a “negative” net farm income doubtless considered their limited farming activities to be profitable as a result of making no charge for depreciation.

Fourteen percent of all farm families reported receiving ACP payments in 1956, averaging \$108 per family and ranging from \$14 to \$500. Of the farm families with less than \$1,000 net family income, 21 percent received ACP payments, averaging \$66.

Four farm families reported some payment from the Soil Bank Program, averaging \$390 per farm.

### **Returns to Labor and Capital**

When returns to family labor<sup>9</sup> from farming were imputed by deducting from net farm income a charge of 4 percent on owned capital invested in farming, only the large-scale farmers had a "positive" income to labor (see Table 16). Even then, however, the average return per hour of labor was below the prevailing wage rate, either for nonfarm jobs or for hired farm labor. This indicates underemployment of the labor used in farming and suggests a need for some reallocation of labor and other resources which have alternative employment possibilities. When an allowance is made for a return to capital, over half of all families received no return for the family labor employed in farming, one-sixth of all families had an income of \$0.50 per hour or more to the family labor employed in farming, and only one of every forty had a labor return as high as \$1.00 per hour.<sup>10</sup>

Among the large-scale farmers, 93 percent had some return to family labor employed in farming, 44 percent had a return of \$0.50 or more per hour, and 11 percent had a return of \$1.00 or more per hour. Among small-scale farmers, 57 percent had some return to family labor but only 10 percent had a return as high as \$0.50 per hour. After allowing for a return to capital, less than one-third of the part-time or residential farmers had any return for family labor employed in farming. However, if the calculated charge for depreciation of buildings and equipment was not included as a cost, nearly two-thirds of the part-time and residential farmers would have had a "positive" return to labor.

When family labor income from all sources was determined by adding income received from nonfarm employment to labor income from farming, the returns per hour of all family labor employed were higher

---

<sup>9</sup>Returns to family labor as used here include the labor and management of both the operator and other members of the family.

<sup>10</sup>Although the returns to labor and the net income of many families were low, it is quite probable that some families may have been making the best use of their labor in view of their limited opportunities for alternative employment and in view of limitations of land, capital, and other resources restricting their opportunities for development of their farming programs.



than the returns to farm labor alone. Average return to all labor employed was still under \$0.60 per hour for large-scale farms and less than \$0.25 per hour for small-scale farms. Returns to employed labor for part-time and residential farmers averaged \$0.82 and \$1.09 per hour, respectively.

Computations of returns to capital show that less than 8 percent of all farm families would have had any return to their capital invested in farming if a charge for family labor at \$1.00 per hour were subtracted from the net farm income. Only 3.6 percent of the farms would show a return to owned capital as high as four percent. Even if labor were regarded as free, only the large-scale and part-time farm classes would have realized a return on their capital that would have approached what they could expect to get if they invested their money outside of farming.

### **Operating Expenses**

Average cash farm operating expenses for all farms totaled \$1,574 (Table 17). This was 75 percent of average cash farm income. Cash farm expenses averaged 56 percent of cash farm income among the large-scale farmers, 75 percent among small-scale farmers, and 94 percent among part-time farmers. Among residential farmers, cash farm expenses averaged more than cash farm income.

Major items of cost were depreciation of machinery and buildings and feed purchases. As size of the farming operation increased, those costs of a more fixed nature, such as depreciation and real estate tax, made up a smaller portion of total costs. Variable costs, those associated more directly with production, such as cost of feed, fertilizer and lime, and gasoline and oil, made up a larger portion of total costs as size of business increased.

### **Financial Situation of Farm Families**

Including the value of rented land, the total assets available for use by the average farm family in the study were \$18,838 on January 1, 1957. These assets averaged nearly \$40,000 for large-scale farmers, \$17,600 for small-scale farmers, \$17,400 for part-time farmers and \$10,400 for residential farmers. Of the value of total assets owned or rented by the average farm family, \$15,388 or 82 percent was invested in farming. Among the large-scale farmers, a larger part (93 percent) was invested in the farm business. Nonfarm assets were largest among the small-scale and part-time farmers. However, nonfarm investments were not of sufficient amounts to add materially to the income of many families.

Farm real estate accounted for 69 percent of the total investment in the average farm business. Investments in feed and supplies, in livestock, and in machinery constituted 31 percent of the total farm investment. Among the large-scale farmers, real estate made up 61 percent of the total investment in farming. But as the size of the farming operation decreased, proportionate investment in real estate increased.

**TABLE 17.—Average Operating Expenses per Farm, by Class of Farm, 258 Farms, Southeastern Ohio, 1956**

Item	Large-scale		Small-scale		Part-time		Residential		All farms	
	Dol-lars	Per-cent	Dol-lars	Per-cent	Dol-lars	Per-cent	Dol-lars	Per-cent	Dol-lars	Per-cent
Number reporting	27		117		90		24		258	
Cash expenses										
Hired labor	268	4.7	36	1.8	64	3.0	26	2.5	69	3.0
Feed purchased	1,161	20.4	372	19.1	326	15.2	116	11.0	415	17.8
Veterinary and breeding expenses	77	1.4	13	.7	21	1.0	7	.7	22	.9
Fertilizer and lime	418	7.4	121	6.2	119	5.5	56	5.3	146	6.3
Seeds and plants	114	2.0	43	2.2	37	1.7	14	1.3	48	2.1
Auto and truck expense	249	4.4	84	4.3	95	4.4	31	2.9	94	4.0
Gasoline and oil	444	7.8	146	7.5	135	6.3	48	4.6	164	7.1
Machine hire	89	1.6	59	3.0	69	3.2	30	2.8	63	2.7
Real estate taxes	164	2.9	73	3.7	68	3.2	41	3.9	78	3.4
Other taxes	66	1.2	23	1.2	22	1.0	5	.5	25	1.1
Insurance	77	1.4	30	1.5	35	1.6	23	2.2	36	1.5
Interest	147	2.6	31	1.6	60	2.8	49	4.6	55	2.4
Other expenses*	792	14.0	278	14.3	390	18.2	119	11.3	359	15.4
Subtotal	4,066	71.8	1,309	67.1	1,441	67.1	565	53.5	1,574	67.7
Depreciation										
Buildings	659	11.6	328	16.8	348	16.2	271	25.7	364	15.7
Machinery	941	16.1	313	16.1	358	16.7	220	20.8	386	16.6
Subtotal	1,600	28.2	641	32.9	706	32.9	491	46.5	750	32.3
Total expenses	5,666	100.0	1,950	100.0	2,147	100.0	1,056	100.0	2,324	100.0

\*Includes all other cash expenses, such as maintenance and repair of buildings, fences, and machinery.

Among the small-scale farmers, about 68 percent of the total farm investment was in real estate; among part-time farmers, about 73 percent; and among the residential farmers, 77 percent. In other words, as the size of the farm and the scope of farming operations decreased, more of the total capital was invested in fixed assets and less in working assets.

**TABLE 18.—Financial Condition of Farm Household, by Class of Farm Family, 278 Farm Families, Southeastern Ohio, 1957**

Item	Large-scale	Small-scale	Part-time	Residential	All farms
Number reporting	30	122	96	30	278
Investment in farming					
Farm real estate owned*	\$16,650	\$ 8,095	\$ 8,352	\$5,300	\$ 8,805
Value of rented land*	9,849	1,627	1,777	1,258	2,526
Total value of land in farms	26,499	9,722	10,129	6,558	11,331
Chattels					
Feed and supplies	1,137	811	237	108	572
Livestock	4,880	1,497	1,302	482	1,685
Machinery	4,279	1,421	1,611	1,000	1,750
Total	10,296	3,729	3,150	1,590	4,007
Total investment†	26,946	11,824	11,502	6,890	12,812
Value of farm assets used‡	36,795	13,451	13,279	8,148	15,338
Borrowed capital	3,052	524	1,303	693	1,084
Net owned capital	23,894	11,300	10,199	6,197	11,728
Nonfarm assets					
Nonfarm investments§	480	1,712	1,176	18	1,211
Household furnishings	1,683	1,142	1,634	1,494	1,408
Other assets	818	1,288	1,310	699	1,181
Total	2,981	4,142	4,120	2,211	3,800
Average net worth	26,875	15,442	14,319	8,408	15,528

\*Estimated market value of farm land including buildings. Value of rented land based on average value per acre of owned land.

†Value of farm real estate owned plus value of chattels. Omits value of rented land

‡Includes estimated value of rented land.

§Stocks and bonds and nonfarm real estate.

||Includes cash, bank deposits and automobile investment not credited to farm. Omits personal property such as clothing and jewelry.

Machinery investment averaged 42 percent of the total chattel investment among large-scale farmers, 38 percent among small-scale farmers, 51 percent among part-time farmers and 63 percent among residential farmers. This data lends support to the view that while investments in machinery may not be large, some small farmers may be overinvested in machinery in view of what their farming operations can support. On the other hand, from one-half to three-fourths of the small-scale and part-time farms was operated without tractors (Appendix Table 4).

As livestock was the major source of farm income, many farmers might gain financially by increasing their investments in livestock.

### Use of Credit

Farm families in the survey made little use of credit. Average indebtedness on the farm business of all farm families was \$1,075 (Table 19). Real estate mortgages averaged \$803, chattel mortgages averaged \$227, and unsecured notes and open accounts averaged \$45. Thus, about three-fourths of all indebtedness was on the real estate, while one-fifth was on chattels and only one-twentieth was in the form of unsecured notes and open accounts. Equity in total farm assets owned averaged about 90 percent.

The largest indebtedness was carried by the large-scale farmers. They also had the largest assets. While their total indebtedness averaged \$3,052, their average total assets of \$29,927 meant an equity of almost 90 percent. By comparison, small-scale farmers averaged \$524 indebtedness and held an average equity of 97 percent. The part-time and residential classes had average equities of 92 percent. It thus appears that on the basis of the equity held by farm families, many would be able to increase their use of credit as a means of obtaining additional funds with which to expand their farming operations.

Not only was the amount of indebtedness greatest among the large-scale farmers, the prevalence of indebtedness was also highest in this group. Over three-fourths reported some indebtedness, while only one-half of the part-time and residential farm families and only one-fourth of the small-scale farmers reported indebtedness. This indicates that the small-scale farmers were the most reluctant to use credit.

Commercial banks were the primary source of credit among the farm families, holding 66 percent of the real estate mortgages, 42 percent of the chattel mortgages, and 35 percent of the unsecured debts. Among other holders of real estate mortgages were the Federal Land Bank, 10 percent; private lenders, 10 percent; building and loan association, 7 percent; and Farmers' Home Administration, 3 percent.

**TABLE 19.—Number and Percent of Farms with Loans Outstanding and Average Size of Outstanding Indebtedness, by Type of Loan and by Class of Farm, 273 Farms, Southeastern Ohio, 1957**

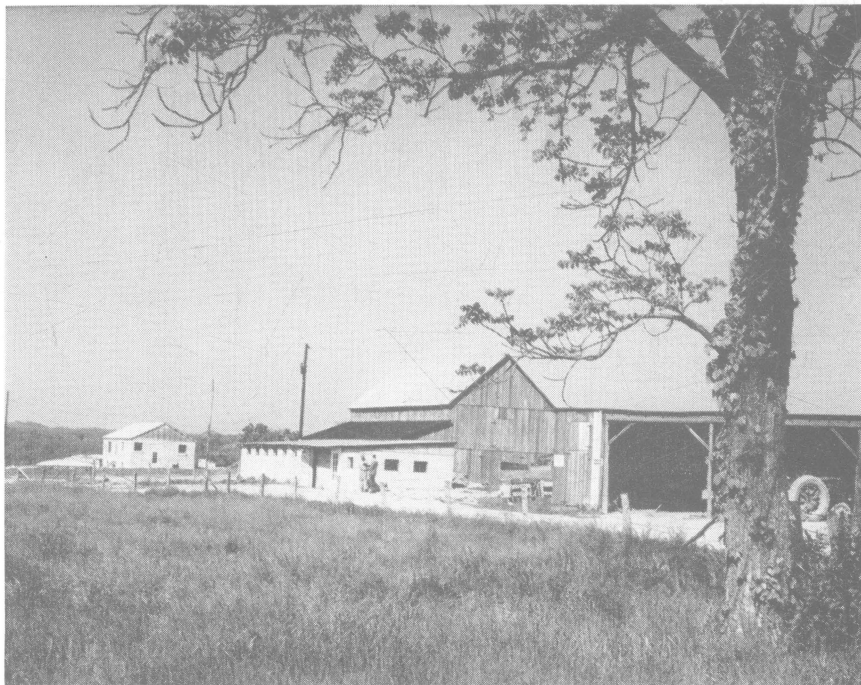
Class of farm	Number reporting	Loans outstanding											
		Real estate			Chattel			Unsecured			All loans		
		Number	Percent	Av. amt.	Number	Percent	Av. amt.	Number	Percent	Av. amt.	Number	Percent	Av. amt.
Large-scale	28	12	43	\$4963	12	43	\$1600	6	21	\$1117	22	79	\$3884
Small-scale	120	20	17	2051	17	14	1195	4	3	475	30	25	2108
Part time	95	38	40	2800	27	29	512	6	6	573	50	53	2473
Residential	30	7	23	1769	9	30	925	1	3	100	15	50	1387
All farms	273	77	28	\$2849	65	24	\$ 947	17	6	\$ 714	117	43	\$2505

Commercial banks held 42 percent of all chattel mortgages, 23 percent was held by Production Credit Associations, 21 percent by finance companies, 7 percent by tradesmen, and 6 percent by the Farmers' Home Administration. Store and dealer credit accounted for over half of the unsecured notes and open accounts.

While many families seemingly could borrow additional capital on the basis of their equity, the low returns to capital now invested in farming may limit their opportunities for borrowing. For many families, however, further investment of capital in enlarging the farm, in developing or expanding the more profitable enterprises, or in carrying out recommended farm practices might yield a high return on the added investment.

### Land Use

Average acreage of all farm operations in 1956 was 145 acres (Table 20). About 29 percent of the total farmland was regarded as cropland. Nearly 45 percent of the total land was classed as open



**For many families, further investment of capital in enlarging the farm, in developing or expanding the more profitable enterprises, or in carrying out improved farm practices may yield a high return on the added investment.**

permanent pasture; but only 15 percent of this was reported as improved permanent pasture, having received some lime or fertilizer treatment within the preceding four or five years. About a fifth of all land was woodland, but over half of this was reported as woodland pasture. Thus, about 56 percent of all farmland was either open permanent pasture or woodland pasture. About 6 percent of all land in farms was used for homesteads or roads or was classed as wasteland.

Although differences in land use among the four classes of farms were small, acreage in farms differed greatly. Average size of large-scale farms was 270 acres, compared with 148 acres for small-scale farms, 125 acres for part-time farms, and 72 acres for residential farms.

Major rotated crops on all classes of farms were the hay crops, averaging over 60 percent of the acreage in all rotated crops. Corn, the

**TABLE 20.—Land Use, by Class of Farm, 258 Farms, Southeastern Ohio, 1956**

Item	Large-scale	Small-scale	Part-time	Residential	All farms
Number reporting	27	117	90	24	258
			Acres		
Cropland	80	42	34	20	42
Harvested crops					
Corn	24	8	5	2	8
Wheat	6	3	2	0	3
Oats	7	1	1	1	2
Hay	46	20	21	9	21
Other	1	1	0*	1	0*
Total*	82	33	29	13	34
Permanent pasture	123	62	58	34	64
Woodland	48	36	27	13	31
Homestead, roads, waste	19	8	6	5	8
Total acres in farm	270	148	125	72	145
Land owned	170	123	103	58	114
Land rented	100	25	22	14	31
Total	270	148	125	72	145

\*Total acres of harvested crops were not the same as acres of cropland as some farmers did not grow or harvest crops on all land regarded as cropland. Others cropped land in 1956 not viewed as regular cropland.

principal grain crop, was raised on 24 percent of the cropland. Wheat and oats were grown on 15 percent of the cropland. Grain crops were grown on less than 10 percent of the total land in the average farm.

Suitability of the land for grain production is reflected both in the limited acreage of grain crops and in the yields obtained. Table 21 shows the average yields of each major crop on the four classes of farms and in Ohio. Average corn yield on the survey farms of 35 bushels per acre in 1956 was considerably below the average corn yield throughout Ohio of 60 bushels per acre. However, some farmers reported considerable damage to some of their crops due to heavy spring rains.

Among the four farm classes, the large-scale farms had the highest yields for each of the major crops. As quality of land does not seem to have differed greatly among the four classes of farms, much of the difference in yields appears to have resulted from better management.

Of the total land owned or otherwise controlled by all families in the survey, 85 percent was controlled by families classed as farm families. Nonfarm rural families owned or controlled about 15 percent of the land area. Although some of the land controlled by the nonfarm families was rented to farmers, over 13 percent of the land included in the study was in tracts (1) controlled by nonfarm families and (2) not used for agricultural production in 1956. Of the nonfarm families

**TABLE 21.—Average Yields of Major Crops in Study Area, by Class of Farm, and in Ohio, 1956**

Crop	Unit	Southeastern Ohio Survey					Ohio average*	
		Large-scale	Small-scale	Part-time	Residential	All farms		
Corn	Bu.	50.6	43.7	43.2	41.9	45.5	60.0	
Wheat	Bu.	27.3	24.6	23.2	24.6	24.8	26.0	
Oats	Bu.	35.1	30.6	30.3	24.7	32.3	43.0	
Hay†	All hay	Tons	1.9	1.6	1.4	1.0	1.5	1.7
	Alfalfa	Tons	2.4	1.3	2.0	.7	1.8	2.0
	Clover timothy	Tons	1.7	1.5	1.2	1.0	1.4	1.5

\*Research Bulletin 795, Ohio Agricultural Statistics 1955-1956, Ohio Agricultural Experiment Station, Wooster, Ohio, 1957.

†Hay yields of farms in the survey were based on total acres from which hay was harvested. To the extent that meadows were often pastured after one or more cuttings of hay, these figures do not represent full production from the hay crops.



having land not being used for agricultural production, almost 50 percent had more than 10 acres, 23 percent had more than 50 acres and 8 percent had more than 100 acres. The retired class of nonfarm families, many of whom had retired from farming, controlled about 65 percent of the idle acreage.

### **Livestock Programs**

With 70 percent of all farmland in rotation meadow, permanent pasture, or woodland pasture, grass-consuming livestock would be expected to predominate on most farms. Of the value of total sales of all farms, 52 percent came from dairy, 19 percent from beef, 9 percent from poultry, 7 percent from both hogs and crops, and 3 percent from sheep. Dairy was the major source of income on all classes of farms except the residential class, on which poultry and beef provided 62 percent of the limited income from farm sales.

Classification of the farms by type<sup>11</sup> of farming shows that 54 percent were dairy farms, 15 percent were beef farms, 13 percent were general purpose farms, 7 percent were poultry farms, 5 percent were cash grain farms, 3 percent were hog farms, and 3 percent were sheep farms. Although this classification suggests that the majority of the farm operations was quite specialized, most farms had several livestock enterprises. On many farms, no single enterprise was very large. However because of the limited total sales, what would often be viewed as a small enterprise might have contributed 50 percent or more of total farm sales. The hog and poultry enterprises in particular often were small enterprises restricted to production of meat and eggs for use in the home (Table 22).

Among all farms, 73 percent had some dairy cows. However, 82 percent of those with a dairy enterprise had 10 cows or less, and only 9 percent had more than 15 cows. About 18 percent of all farms on which milk was produced sold milk on the grade A milk market, 36 percent sold on the grade B market, and 19 percent sold butterfat.

On 27 percent of the farms, the milk produced was consumed in the home.

About a third of all farms had beef cow-calf operations. Of those with beef, 70 percent had ten cows or less. About 12 percent had more than 20 cows. Few farmers reported fattening of steers on the farm.

---

<sup>11</sup>Farms were classified by the enterprise from which 50 percent or more of total sales were derived. Those on which no one enterprise contributed as much as one-half of total farm income were classed as general purpose farms.

**TABLE 22.—Average Number per Farm of Each Type of Livestock, by Class of Farm, 275 Farms, Southeastern Ohio, 1957**

Livestock		Large-scale	Small-scale	Part-time	Residential
Dairy:	Cows	14	4	5	1
	Young stock	11	3	3	1
Beef:	Cows	10	4	3	1
	Young stock	9	3	3	1
	Steers	7	2	1	0*
Hogs:	Sows	1	0*	0*	0*
	Market hogs	18	6	6	2
Sheep:	Ewes and rams	8	9	5	0*
Poultry:	Laying hens	64	60	33	18
	Chicks raised	88	54	34	32

\*Number of animals averaged less than one-half per farm.

Over half the farms had some hogs in 1956, but the size of the hog enterprise was usually small. About 50 percent of the farmers with hog enterprises reported having sows, but only three farmers had more than 5 sows. The other 50 percent of the farmers with hog enterprises had no sows but purchased and fed out from one to five feeder pigs, primarily as a source of the family's meat supply.

About a fifth of all farmers had sheep. Of those with sheep breeding flocks, 44 percent had less than 20 ewes, 26 percent had 20 to 59 ewes, and 30 percent had between 60 and 165 ewes.

Poultry laying flocks were reported on seven-tenths of all farms. However, 64 percent of all laying flocks had 50 hens or less, while only 5 percent had more than 200 hens. No flocks had more than 400 hens.

### UNDEREMPLOYMENT OF LABOR

Underemployment of labor is a major factor associated with the low-income problem of rural people in Southeastern Ohio. Substantial movement of rural people out of the area has occurred in recent years. However, the size of farming operations of some of the remaining farms and the number of local off-farm employment opportunities have not increased sufficiently to employ fully the labor supply of many of the families remaining in the area.

From the 1957 survey data, the following was determined: (1) The total available labor supply of each family, (2) the portion of the family's labor supply that was employed in farming and at nonfarm jobs, and (3) the amount of available labor that was unemployed.

In the above determination, an able-bodied man was assumed to have 250 days of labor available for employment. Other members of the family were credited with smaller amounts of available labor depending on age, health, and the amount of time during the year that might be free for farm or off-farm employment, as for housewives and school children.

The days of labor employed by each household during 1956 were determined by adding together the days worked at off-farm jobs and the days of employment on the farm. The days of work at nonfarm jobs were simply the total number of days reported by all members of the family working for wages or salaries. Determination of employment in farming was more difficult. Based on information on crop and livestock production during the year, standard labor requirements<sup>12</sup> for handling each enterprise were used in determining the labor required on the survey farms. The amount of hired labor was deducted from the total labor required in the farm operation in order to arrive at the amount of labor performed by the family.<sup>13</sup>

On the basis of the surplus labor of the families included in the survey, the surplus or unemployed labor of all rural families<sup>14</sup> in the seven counties was estimated to be equivalent to 11,993 man-years of labor in 1956.<sup>15</sup> The farm families accounted for slightly over half of this surplus labor, although only a third of the rural families in the area were classed as farmers in 1950.

---

<sup>12</sup>Standard labor requirements used in this analysis were based on data reported in **Measures of Farm Work**, Mimeograph Bulletin 221, Ohio State University and Ohio Agricultural Experiment Station, October, 1955.

<sup>13</sup>The actual time devoted to farming by many families might have varied somewhat from the calculated labor requirements, depending on the speed with which different persons worked. However, this method of arriving at family labor employed in farming seems reasonable and avoids the difficulty of depending upon the farmer's memory for a reliable estimate of the actual time devoted to the farming activities.

<sup>14</sup>In this analysis of underemployment, families were classed as farm or nonfarm, following the definition of a farm as used in the **1950 Census of Agriculture**. This was necessary in order to use the data obtained from this sample in estimating the total surplus labor of all rural families.

<sup>15</sup>Population estimates for 1956 obtained from **Population Change in Ohio Counties and Municipal Corporations, 1950-1959**, Ohio Department of Health, Division of Vital Statistics, State of Ohio, July 1, 1959.

Not all of this surplus labor could readily be absorbed into the labor market for various reasons.

1. Many persons 45 years old or older would likely have difficulty in finding nonfarm employment as most industries prefer to employ younger men.
2. In many families, surplus labor was available for part-time jobs only; and the demand for part-time workers is generally small.
3. In some families that appeared to have surplus labor on the basis of this analysis, the family members either may not have regarded themselves as being underemployed or may not have been inclined to seek or accept additional employment.
4. Many of the persons contributing to the surplus labor supply lacked the training or experience often required for nonfarm employment and would need a period of training to qualify for the more highly skilled, better paying jobs.
5. Some families not able to find adequate employment opportunities locally might not have wished to move to areas of greater employment opportunities.

However, if only two-thirds, or even one-half, of the total surplus of nearly 12,000 man-years of labor was employable, a labor supply of 6,000 to 8,000 man-years of labor could be drawn upon by industries locating in the area or by industries outside of the area in process of enlarging or expanding their labor forces.

Further analysis shows that 32 percent of all farm families in the survey had no unused labor in 1956; that is, the full amount of family labor was employed in the farming operation or in off-farm work. About 29 percent of the farm families had unused labor amounting to less than 100 days and 27 percent had 100-199 days of surplus labor. About 12 percent of the farm families had 200 or more days of surplus labor or virtually the equivalent of one full-time worker. On this basis, estimates for the seven-county area indicate that 1,994 farm families each had a man-year of labor not being employed in 1956. In addition, 4,541 farm families each had 100 to 199 days of surplus labor that might be employable if part-time jobs were available or if farming operations were modified.

Among nonfarm rural families, underemployment of labor was less pronounced than among farm families. Nearly 80 percent of the non-farm families reported less than 100 days of surplus labor, 11 percent reported 100 to 199 days, and 10 percent reported 200 or more days of

surplus labor. Thus, in the seven-county area, about 2,835 rural non-farm families each had approximately one man-year of surplus labor in 1956, and 3,013 other families each had 100 to 199 days of unemployed labor.

In the aggregate, these figures indicate that 4,829 farm and non-farm families each had surplus or unemployed labor that was virtually the equivalent of a full-time worker. Further, in 7,554 rural families, underemployment ranged from 100 to 199 days. In other words, about 4,829 full-time workers and 7,554 part-time workers were potentially available for off-farm employment. While many of the persons making up this total may not have developed the skills required in some off-farm jobs, many of them could be employed at work not requiring special skills or might be trained in some of the skills. This analysis indicates that the study area has considerable underemployment of labor and that it is a potential source of a large number of workers for employment either within or outside the area.

### **LIVING CONDITIONS AND FACILITIES**

Living conditions varied considerably among the six classes of rural families, as shown in Table 23. Condition of dwelling was rated good, fair, poor, or dilapidated at the time of the interview. Housing conditions were best among the large-scale farmers and the employed non-farm families; for more than half of these, dwellings were rated as good. Condition of dwellings was poorest among the retired rural residents, with 23 percent rated as good and 29 percent rated as poor or dilapidated. Estimated value of the dwellings was also highest among the large-scale farm families and the employed nonfarm families. Estimated age of all dwellings averaged about 60 years. Although the age of many of the older houses was unknown, about a fifth were reported as being at least 100 years old. Average age of the dwellings of the employed nonfarm class was 35 years, considerably below the average age of the dwellings of the other classes. The relative newness of the houses among this group reflects the increase in number of employed nonfarm families in such rural areas in recent years.

While nearly all homes had electricity, refrigerators and radios, only two-thirds had television, one-half had pressure water systems, and less than half had hot water heaters, partial or complete bathrooms, or central heating. Large-scale farm families enjoyed the use of most of the more modern home conveniences. The absence of many of these conveniences of modern living was most common among the retired rural resident and the small-scale farm families. Of the retired rural



resident families, less than a fourth had home freezers or rented food lockers, hot water heaters, partial or complete bathrooms, or central heating. Further, less than half of them had telephones or pressure water systems in their homes. The absence of electricity or telephone in some homes can be explained by the inaccessibility of power or telephone lines.

### POTENTIALS FOR ADJUSTMENT

For at least one-third of the rural families—those at or near retirement age—little opportunity for increasing income through employment may exist either in agriculture or in off-farm employment. However, many of them are receiving or will be eligible to receive Social Security or other retirement benefits. Welfare assistance may be the primary means of helping those elderly persons who have little or no other income.

For many of the family heads who are near or beyond middle age, particularly those having limited experience at off-farm work, opportunities for income improvement may be confined largely to agriculture.



**Considerable opportunity for higher incomes from farming exist for many farm families if the farming operation is well developed and well managed.**

This would involve at least a fourth of all rural families. Improvement of the incomes of such families may require enlargement of the farms and development of the farming programs, together with greater extension of credit to facilitate the farm adjustments. To those families remaining in agriculture, programs of adult education should be highly beneficial as a means of keeping informed on new and improved farming methods and as a means of more fully developing their managerial abilities.

While returns to labor and capital were small on many farms, there were some full-time farmers who received returns of above \$1.00 an hour for family labor used in farming and who received net farm incomes of \$4,000 or more. This suggests that other families could obtain higher net farm incomes if they were to adopt better production practices or if they had larger, more highly developed farms and thus were able to make fuller, more efficient use of their labor and other resources. With adoption of improved cropping practices and with



**Improving transportation facilities may help to attract more industry, promote the development of the area's recreational potentials, and broaden the market for the surplus labor in the area.**



improved breeding stock and better livestock management, both crop yields and livestock production on many farms could be increased. Inasmuch as one-fifth of all land was classed as woodland, sound woodland management and development of timber stands may offer some potential for increasing farm incomes.

For the younger families, primarily those where the head of the household is below 45 years of age, potentials for improving income may exist both in farming and in nonfarm employment. About a fourth of all families fell into this group in 1957. An enlarged and improved farming operation would offer considerable potential for increasing incomes of some of these families. Improvement of income through off-farm employment of some of the family heads would require training programs to better prepare them for higher-paying nonfarm jobs. Industrial development, where potentials for it exist, could expand the number of off-farm job opportunities and contribute to fuller use of the



Industrial development, where potentials for it exist, could expand the number of off farm job opportunities, contribute to fuller use of the labor supply of the area, and result in increased incomes of many rural families.

labor supply in the area. Recreational development and other service type industries also appear to offer considerable potential for increasing off-farm job opportunities.

Off-farm employment, in many instances, would necessitate commuting greater distances to work or moving nearer the centers of employment. Further improvement of transportation facilities in the area would, in effect, broaden the market for the surplus labor in the area.

To the extent that monetary income is a means of measuring want satisfaction, higher incomes from nonfarm employment may continue to induce full-time farmers to accept off-farm jobs. While some may become part-time farmers as more jobs become available locally or within commuting distance, others may shift completely out of agriculture. Thus, it would seem that the number of farmers can be expected to decline; and a larger percentage of the remaining farmers will be part-time or residential farmers. The number of rural nonfarm residents is likely to increase, but the rate of increase will depend largely on the extent of development of nonfarm employment opportunities locally or within commuting distance.

Many families seem to be aware, at least in a general sense, of job opportunities outside the area. Although out-migration has been prominent in the past, many rural people receiving relatively low incomes thus far have not migrated to areas of employment that offer greater opportunities for income. Several factors may be offered in explanation.

1. The cost of living is low in many rural areas.
2. Many of the older farm operators have little chance of employment by industry.
3. Lack of training and experience makes many people less able to compete for industrial jobs.
4. Lack of information creates uncertainty regarding employment outside the home area.
5. A feeling of affinity for the home area, for farming as a way of life, and for rural living causes many families to remain where they are.

If increased job opportunities could be developed locally, employment of the surplus labor and improvement of the income position of many families undoubtedly would be more rapid than if an attempt were made merely to increase the migration of surplus labor out of the area.

## APPENDIX 1

**TABLE 1.—Education of Head of Household, by Ten-Year Age Groups and by Class of Family, 461 Rural Families, Southeastern Ohio, 1956**

Age	Years of school completed						
	Farm				Employed nonfarm resident	Retired rural resident	All families
	Large- scale	Small- scale	Part- time	Resi- dential			
20-29	----	----	9.8	----	10.5	----	10.4
30-39	10.7	9.7	10.5	10.0	11.1	9.8	10.5
40-49	11.0	10.1	10.2	10.6	10.4	8.5	10.2
50-59	9.6	9.2	9.1	8.8	9.8	7.8	9.1
60-69	9.2	8.2	8.1	7.4	9.7	7.2	8.0
70-79	----	7.9	7.6	----	8.2	6.2	7.2
Total	10.2	9.7	9.2	9.3	10.5	7.3	9.4

Note: Averages omitted where number reporting was less than four.

**TABLE 2.—Education of Head of Household by Gross Family Income and by Class of Family, 444 Rural Families, Southeastern Ohio, 1956**

Gross income (dollars)	Number report- ing	Years of school completed						
		Farm				Employed nonfarm resident	Retired rural resident	All fami- lies
		Large- scale	Small- scale	Part- time	Resi- dential			
\$ 0- 999	54	---	7.9	---	---	---	6.3	6.8
1000-1999	63	---	8.5	---	---	8.1	7.8	8.2
2000-2999	68	---	9.3	8.4	8.5	9.0	9.4	9.0
3000-3999	59	---	8.5	9.4	9.1	10.4	9.3	9.4
4000-4999	60	---	8.6	9.9	9.2	11.1	---	9.9
5000-5999	51	8.4	8.6	9.5	9.2	10.8	---	9.7
6000-6999	29	12.2	---	8.7	---	11.0	---	9.8
7000-7999	25	10.5	---	9.7	---	---	---	10.0
8000-8999	12	9.0	---	10.0	---	---	---	9.3
9000-9999	14	9.6	---	11.5	---	---	---	10.4
10000 and over	9	10.5	---	---	---	---	---	11.2

Note: Averages omitted where number reporting was less than four.

**TABLE 3.—Distribution by Major Activity, Household Members\*  
Beyond School, Excluding Housekeepers, 469 Rural  
Families, Southeastern Ohio, 1956**

Major activity	Farm				Employed nonfarm resident	Retired rural resident	All families
	Large- scale	Small- scale	Part- time	Resi- dential			
	Percent						
Wage or salary	5	15	63	72	78	15	43
Self-employed	0	0	7	9	8	2	4
Total nonagricultural	5	15	70	81	86	17	47
Farmer	89	64	15	7	1	18	29
Unpaid family laborer	3	3	4	0	0	3	3
Farm wage worker	0	2	1	0	3	3	2
Total agricultural	92	69	20	7	4	24	34
Retired	0	12	4	5	2	12	4
Disabled	3	2	6	5	7	43	13
Looking for work	0	2	0	2	1	4	2
Total unemployed	3	16	10	12	10	59	19
Total	100	100	100	100	100	100	100

\*Includes those whose major activity was of a productive nature contributing to income and those who were unemployed. Children of pre-school age, children in school, and housekeepers were omitted.

**TABLE 4.—Percentage of Farms Having Horses, Tractors, and Selected Items of Farm Equipment, by Class of Farm, 275 Farms, 1957**

Item	Large-scale	Small-scale	Part-time	Residential	All farms
Number reporting	28	122	96	29	275
			Percent		
Horses	29	45	30	21	40
Tractor	96	48	73	62	63
All horse equipment	4	25	11	7	16
All tractor equipment	89	47	56	38	53
Plow	71	59	59	48	59
Disc	61	48	49	28	48
Cultivator	61	48	43	24	45
Corn planter	57	32	27	10	31
Grain drill	46	30	26	10	28
Cornpicker	36	11	10	3	12
Combine	36	10	5	0	10
Mower	86	57	65	34	57
Hay rake	71	49	50	34	50
Hay loader	11	14	9	0	10
Hay baler	71	18	13	3	20
Wagon	64	48	48	24	47
Manure spreader	71	39	39	14	40
Milking machine	61	16	16	3	19
Milk cooler	57	12	19	3	18
Wash tanks	54	10	9	7	14

**TABLE 5.—Value of Perquisites\* and Percentage of Families Producing Selected Items for Home Use, by Class of Family, 460 Rural Families, Southeastern Ohio, 1956**

Item	Farm				Employed nonfarm resident	Retired rural resident	All farms
	Large-scale	Small-scale	Part-time	Residential			
Number reporting	30	122	94	29	104	81	460
	Value of perquisites in dollars						
Livestock	130	85	99	59	3	23	60
Livestock products	113	82	95	79	5	26	59
Garden	73	80	99	74	52	50	71
Subtotal	316	247	293	212	60	99	190
House rent	633	332	373	302	737	292	443
Total	949	579	666	514	797	391	633
	Percent of families producing						
Garden	73	89	89	79	51	73	76
Milk	76	76	77	62	3	22	49
Eggs	69	74	68	66	9	26	48
Beef	20	16	14	14	1	4	10
Pork	40	46	59	31	3	15	32

\*Estimated value of perquisites based on prices that family would have received. Livestock included livestock and poultry slaughtered for home use. Livestock products consisted of milk, cream, and eggs consumed in the home.

## APPENDIX 2

### LEVEL OF LIVING INDEX

#### Method of Computation

1. Condition of dwelling	Good	7
	Fair	5
	Poor	3
	Dilapidated	2
2. Rooms per person	2 or more	6
	1-1.9	4
	Under 1	2
3. Education—male head of house	13 or more	8
	12	7
	9-11	6
	8	5
	Less than 8	3

4. Education—female head of house	13 or more	8
	12	7
	9–11	6
	8	5
	Less than 8	3
5. Pressure water system	Yes	6
	No	3
6. Hot water heater	Yes	4
	No	2
7. Bathroom	Complete	6
	Partial	4
	None	2
8. Central heating system	Yes	5
	No	2
9. Electric lights	Yes	6
	No	2
10. Telephone	Yes	5
	No	2
11. Refrigerator	Yes	6
	No	2
12. Home food freezer or rented locker	Yes	5
	No	2
13. Washing machine	Yes	5
	No	2
14. Television	Yes	5
	No	2
15. Radio	Yes	4
	No	2
16. Family health insurance	Yes	4
	No	2
17. Daily newspaper	Yes	5
	No	2
18. Car other than truck		5
	Truck but no car	3
	Neither	2
Total points		—

In cases where either male or female head of house was absent, the missing person was credited as having the same level of education as the person present. Range of possible points: 38-100.

Some question might be raised with regard to what items should be included in compiling a level of living index and how these items should be valued. While the index used here provides for comparison of the level of living of the families surveyed, it might not be appropriate in some studies. The index developed for use in this study was based upon both the Hagood and Sewell indices, with some modifications appropriate to the sample of families being studied.