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Inheritance as a Factor in the Progress of Tennessee Farmers

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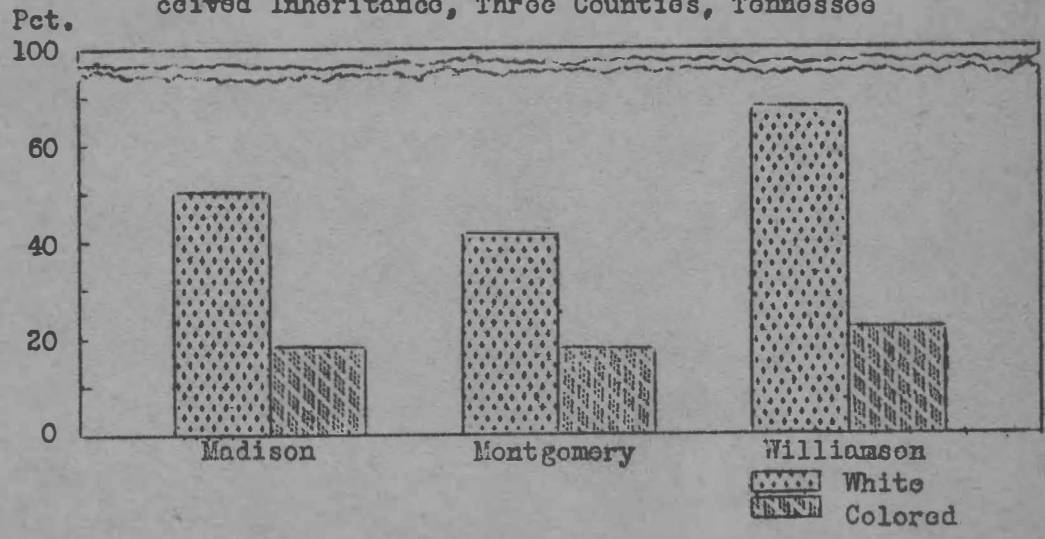
INHERITANCE AS A FACTOR IN THE

PROGRESS OF TENNESSEE FARMERS

By

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Percentage of White and Colored Farm Operators Who Have Received Inheritance, Three Counties, Tennessee



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SUMMARY

PART I

1. White farm operators are older, on the average, than colored operators.

2. Owners are older than tenants. Tenants thus have an opportunity to secure experience before becoming owners.

3. In Williamson County a larger percentage of operators were owners, while in Madison more were tenants. In Montgomery they were about equal.

4. Of all operators studied, 44.4 percent had received an inheritance before the time of taking the record, and an additional 8.6 percent will yet inherit, making inheritance an important factor in the farm business of 53.0 percent of all cases.

5. Sixty-four and two-tenths percent of the owners had inherited, compared with 21.3 percent of the tenants. This difference is due partly to age, and partly to color.

6. Fifty-five and one-tenth percent of white operators had inherited, compared with 18.7 percent of colored operators.

7. There was less variation between counties in proportion of colored inheriting than in the case of white operators.

8. A larger proportion of white operators (9.0 percent) may yet expect to inherit, compared with colored operators (7.5 percent).

9. The greater proportion of persons inheriting (57.8 percent) were 35 years of age and under. The proportion of persons inheriting decreased with each ten-year increase in age.

10. White operators received inheritances at an older average age than colored operators.

11. The average inheritance was about \$1000.

12. Inheriting tenants received less, on the average, than inheriting owners.

13. Williamson County had more operators inheriting over \$1000, and more inheriting large amounts, while Madison led in those inheriting under \$500. Montgomery was about midway between the other two counties.

14. White inheriting operators reported a wider range in the amount inherited than colored operators.

15. The extent to which inheritance influences change in tenure depends chiefly upon status at time of inheriting and on amount inherited.

16. Farm wage workers inheriting over \$1000 more often advanced to owners than to other tenures, while those inheriting less than \$1000 advanced to tenants, usually half share or less.

17. Advances of wage workers were greatest in Williamson County.

18. Tenants made less advancement when inheriting than did wage workers. This may be due to fact that some young men remained on their parents' farm and worked for wages until inheritance.

19. Eighty-one and eight-tenths percent of owners who received over \$1000 secured more land when inheriting, compared with 57.6 percent of those who received less than \$1000.

20. Non-farm operators inheriting were mostly found in the groups reporting larger inheritances (an indication of the effect of inheritance on changing from a non-farm occupation to farming).

PART II

1. The rate at which wealth was accumulated varied between tenure classes, between white and colored, between inheriting and non-inheriting operators, and between counties.

2. The significance of a given tenure differed between inheriting and non-inheriting operators, between owners and tenants, between white and colored operators, and between the counties studied.

3. Lower tenure groups had a larger proportion of non-inheriting than inheriting operators, the greater portion of non-inheriting operators being located in Madison County.

4. Higher tenure groups were nearly equal in percentage of inheriting and non-inheriting operators, except unencumbered owners of whom there were approximately 2 1/2 who had inherited to 1 non-inheriting.

5. Lower tenure groups contained more colored operators, and fewer who had at one time been owners.

6. Colored tenants accumulated more per year than colored owners.

7. More non-inheriting operators had been engaged in non-farm occupations than of inheriting operators.

8. Non-inheriting operators spent more years in the lower tenures than inheriting operators.

9. Colored operators left their paternal farms at an earlier age than white operators.

10. Inheriting operators of each tenure class accumulated more than non-inheriting operators, even after the amount of inheritance had been deducted.

11. Non-farm years in the operator's experience served as an important wealth accumulating period. However, over half the net wealth accumulated during these years was from inheritance. More frequent and greater losses were reported while engaged in non-farm pursuits.

12. Inheritance appears to be an important factor in the return to the farm of families after engaging in non-farm occupations.

13. Inheriting farm operators accumulated more than four times as much wealth as non-inheriting operators, and two and one-half times as much after deducting the inheritance.

14. Owners accumulated more than tenants in both the inheriting and non-inheriting groups, inheriting owners accumulating two and one-half times as much as non-inheriting owners.

15. Inheriting tenants accumulated far less than the owners, but a greater proportion of tenant wealth was due to inheritance.

16. Accumulation of wealth was greater per farm operator in Williamson than in either Madison or Montgomery counties.

17. Annual accumulation of wealth increased with advancement in tenure, except the full ownership stage. Higher tenure groups accumulated wealth much faster than the lower tenures.

18. Relatively low wages for labor aids the higher tenure groups in accumulating wealth more rapidly than the lower tenures.

19. There is a tendency for owners to stay fewer years in the tenures where they accumulated wealth the fastest, but little relationship between the rate of accumulation by tenants and the number of years spent in respective tenures.

20. After deducting the inheritance, the accumulations of inheriting tenants was less than that of non-inheriting tenants.

21. White operators accumulated about 60 percent more per year in Williamson County than in either Madison or Montgomery, irrespective of inheritance.

22. Colored operators had more homogeneity, between tenures and between counties, than did white operators.

PART I

EFFECT OF INHERITANCE ON FARM OWNERSHIP

Introduction

Receipt of wealth through gift, inheritance, homesteading or other fortuitous sources plays an important part in the ownership of farms.⁽¹⁾ The entire farm need not be inherited to aid the recipient to eventual full ownership. Sometimes a small amount, at a critical time in the farmer's career, may have more significance than a larger amount would have at another time.

For the sake of convenience all fortuitous wealth is here referred to as inheritance. In some cases the receipt may be land while in other cases it may be money, personal property, or other resources having a definite cash value. In all cases, unless specifically stated otherwise, the amount of fortuitous wealth is referred to in its dollar value, though it may not have been cash.

Inheritance is one way in which farm owner operators come into possession of the land they cultivate. It is also a means of securing ownership by persons who hold the land as a form of investment. The latter situation helps make it possible for those who do not own land to make a living by tilling the soil, for which they pay rent. That the renting of land is desirable is unquestioned. The only question is the extent to which it is desirable in a given society, compared with possible alternative tenures. Tenancy in Tennessee varies widely from one part of the state to another. Consequently inheritance is a more important factor in securing farm land in some places than others.

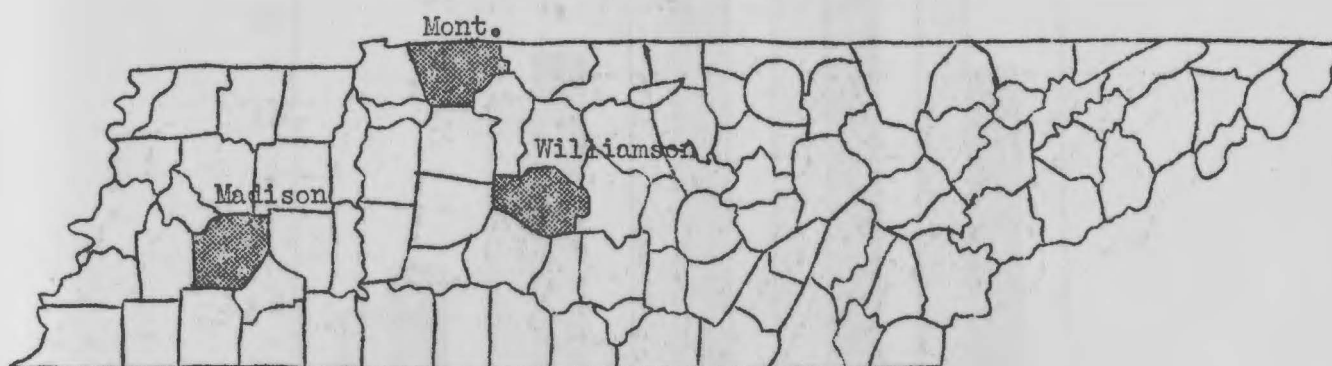
A survey made in three Tennessee counties throws some light on the influence of inheritance on farm ownership. Figure 1 shows the location of the counties, Madison, Montgomery, and Williamson, in which the studies were made.

Individual farm records were taken as a random sample of farms in each of the three counties. Each change of tenure or occupational status was recorded, giving age, reason for changing, new status, amount of fortuitous wealth received during each period, and other information concerning the well-being of the operator at that time. Records were taken from actual farm operators, irrespective of color or present tenure status, omitting wage workers and non-operating owners.

(1) Hibbard, B. J., and Peterson, G. A., "How Wisconsin Farmers Become Farm Owners", Wisconsin Agricultural Experiment Station Bulletin 402, August 1928, p. 15.

Although enumerated separately, wealth received gratuitously by either husband or wife has been treated the same, thus eliminating the possibility of securing ownership through marriage. Tenants, as herein referred to, applies to all farm operators who do not own any portion of the land they operate; owners includes both full owners and those who own part of their land and rent in addition. In some cases operators own only a small portion, while in others they rent very little additional land. Some owners rented out some of their land and rent additional land from others.

Figure 1. Counties Surveyed



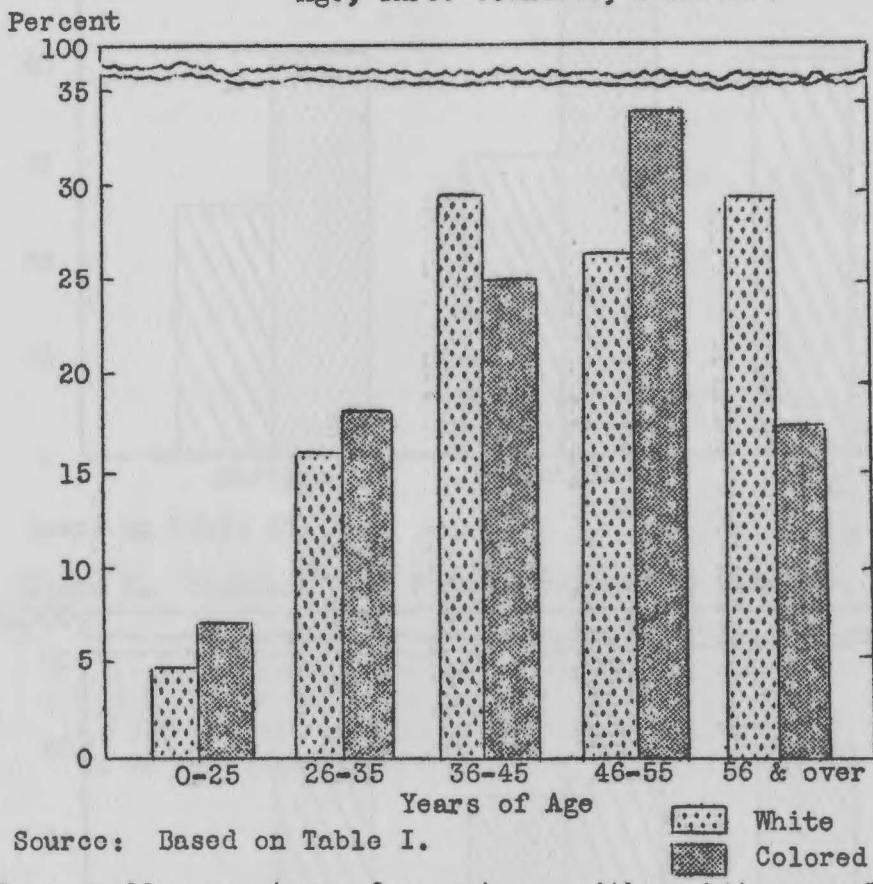
Color of Operators Surveyed. There were 457 cases in the survey, of which 323 or 70.7 percent were white, and 134 or 29.3 percent were colored (Table I). The percentage distribution of operators indicates an older average age for white than for colored operators.

TABLE I. DISTRIBUTION OF 457 FARM OPERATORS, BY COLOR AND AGE, THREE COUNTIES, TENNESSEE
(Percent)

Class	Number of Cases	0-25 Years	26-35 Years	36-45 Years	46-55 Years	56 and Over Years
Total all cases	457	5.3	16.4	24.3	28.4	25.6
Total white	323	4.6	15.8	29.2	26.3	29.1
Total colored	134	6.7	17.9	24.6	33.6	17.2

Each age group contains a higher percentage of white operators than the preceding younger group. The age group 46 to 55, in the case of colored operators, contained the higher percentage (Figure 2).

Figure 2. Distribution of 457 Farm Operators by Color and Age, Three Counties, Tennessee



Source: Based on Table I.

Only a small percentage of operators, either white or colored, are under 25 years of age.

TABLE II. DISTRIBUTION OF 457 FARM OPERATORS, BY COLOR AND COUNTIES, THREE COUNTIES, TENNESSEE (Percent)

Class	Number of Cases	Total	Madison	Montgomery	Williamson
Total	457	100.0	31.5	35.9	32.6
White	323	70.7	26.9	31.3	41.8
Colored	134	29.3	42.5	47.0	10.5

The 457 farms studied were fairly evenly divided between the three counties (Table II). As was to be expected, there was considerable difference in percentage of colored and white operators in the counties. The largest percentage of colored operators were in Madison and Montgomery counties (Figure 3). The Williamson schedules contained only 10.5 percent colored operators (Figure 4). Madison is chiefly a cotton producing county, and Montgomery the second highest county in tobacco production. Williamson is in the general livestock farming area.

Figure 3. Color of 457 Farm Operators, by Counties, Tennessee

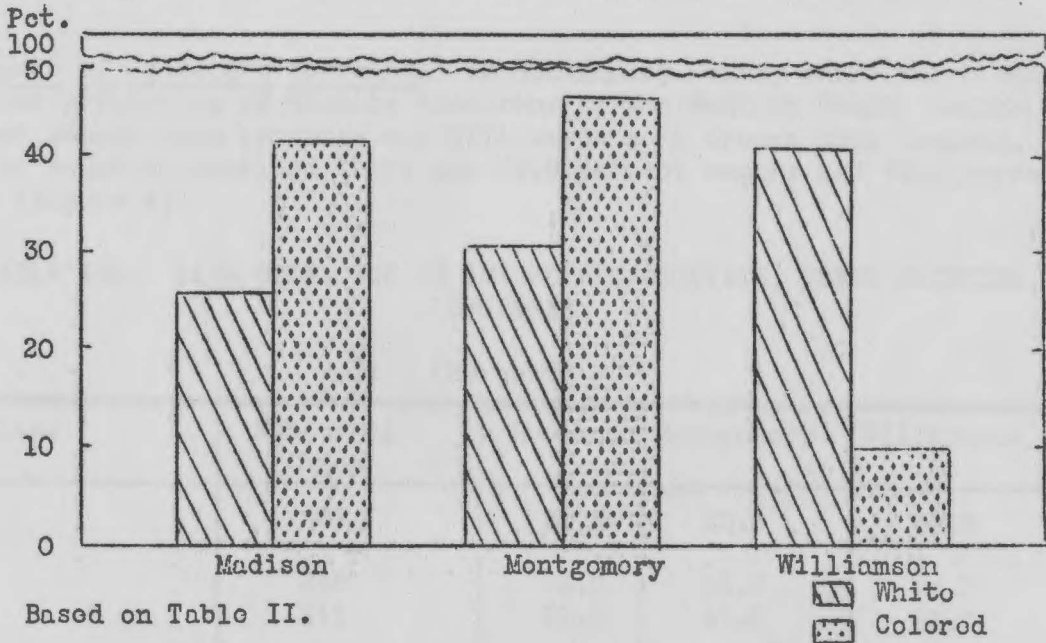


Figure 4. Tenure of 457 Farm Operators, by Counties, Tennessee

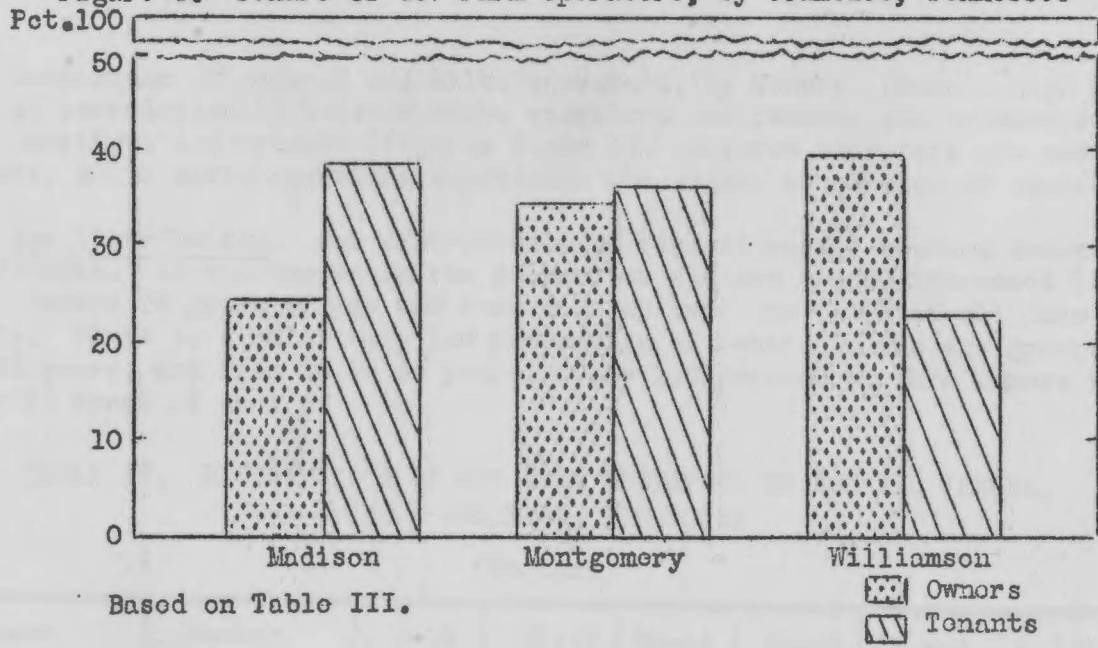
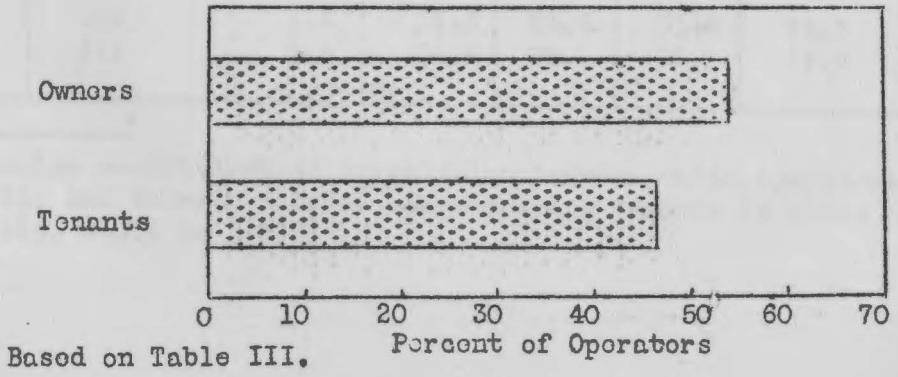


Figure 5. Tenure of 457 Farm Operators, Three Counties, Tennessee



Tenure of Operators Surveyed. In Montgomery County there was a slightly greater proportion of tenants than owners; the Madison County sample had fewer owners than tenants; and Williamson more owners than tenants. In the three counties combined there was 55.8 percent owners and 46.2 percent tenants (Figure 5).

TABLE III. FARM OPERATORS BY TENURE AND COUNTIES, THREE COUNTIES, TENNESSEE

(Percent)

Class	Number of Cases	Madison	Montgomery	Williamson
Total	457	31.5	35.9	32.6
Owners	246	24.8	35.0	40.2
Tenants	211	39.3	37.0	23.7

Comparison of colored and white operators, by tenure, shows a high degree of correlation⁽¹⁾ between white operators and owners, and between colored operators and tenants (Figures 3 and 4). Colored operators are mostly tenants, while white operators constitute the higher proportion of owners.

Age Distribution. Age distribution of farmers varies between owners and tenants. As age increases the proportion who are owners increases (Table IV). Owners 56 years of age and over make up over one-third of all farm owners. There is a relatively low proportion of owners in the age groups below 25 years, and from 26 to 35 years. Only 1.6 percent of farm owners were under 25 years of age.

TABLE IV. DISTRIBUTION OF 457 FARM OPERATORS BY AGE AND TENURE, THREE COUNTIES, TENNESSEE

(Percent)

Tenure	Number of Cases	0-25 Years	26-35 Years	36-45 Years	46-55 Years	56 and Over Yrs.	Total
Total	457	5.3	16.4	24.3	28.4	25.6	100.0
Owners	246	1.6	9.3	23.6	31.3	34.2	100.0
Tenants	211	9.5	24.7	25.1	25.1	15.6	100.0

(1) Pearsonian coefficient of correlation between white operators and owners is .921, and between colored operators and tenants is .970. A perfect correlation would be 1.000.

Figure 6. Percentage Distribution of 457 Farm Operators by Age and Tenure, Three Counties, Tennessee

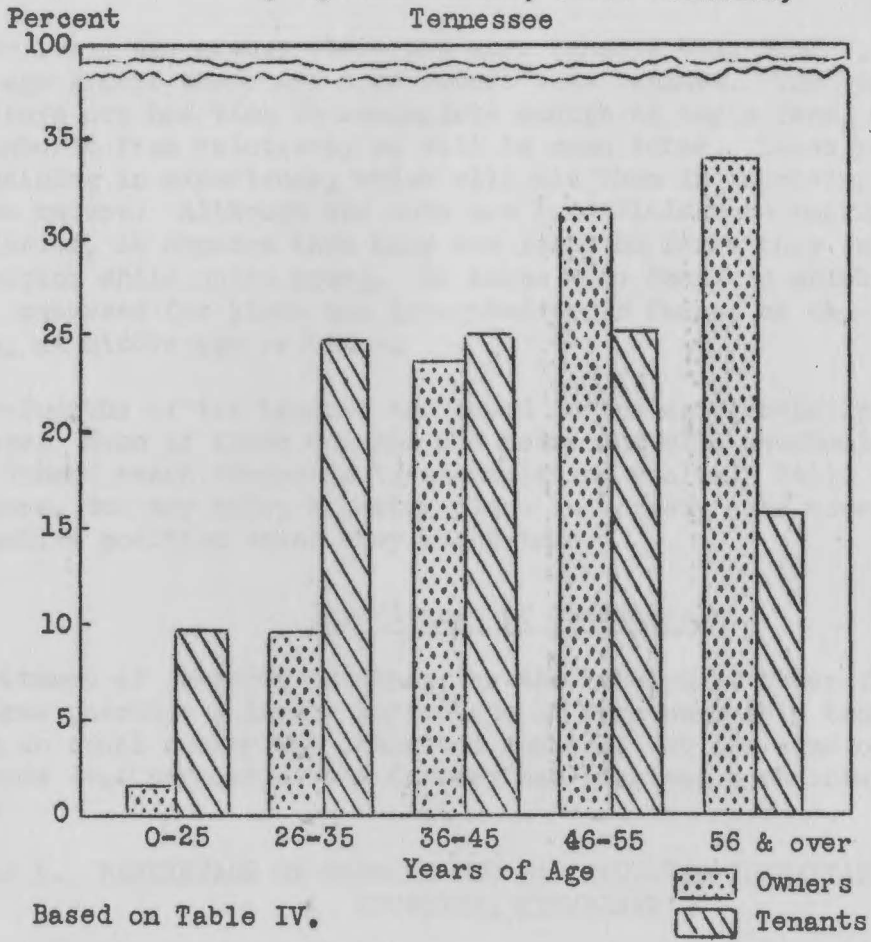
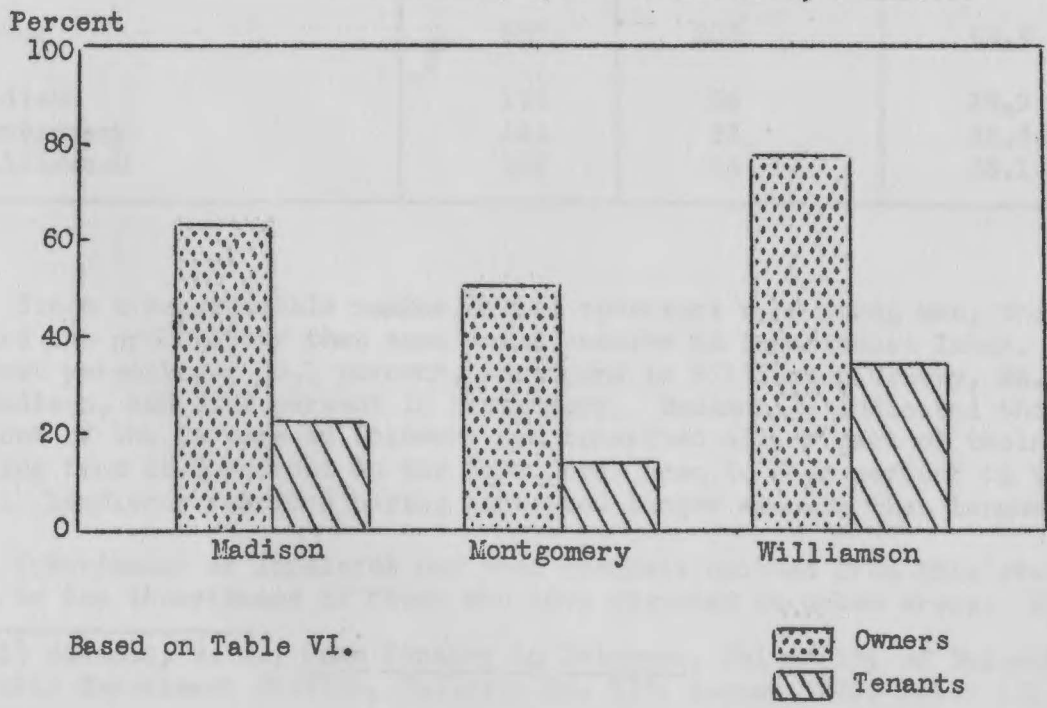


Figure 7. Percentage of Owners and Tenants Who Received Inheritance, By Three Counties, Tennessee



In the lower age groups there are more tenants than owners, while in the upper age groups there are more owners than tenants. The younger farm operators have not had time to accumulate enough to buy a farm, and are too young to inherit from relatives, as will be seen later. These younger operators are gaining in experience, which will aid them in improving a farm when they become owners. Although the data are insufficient to warrant a definite conclusion, it appears that many who lost the farms they inherited came into possession while quite young. No cases were found in which a recession in tenure occurred for those who inherited their farms, or the capital to buy a farm, at middle age or older.

Three-fourths of the tenants are found in the age groups from 26 to 55 inclusive. Some of these tenants are heirs and will eventually inherit capital. Others reach ownership by accumulating wealth. Still others never become owners, but may enjoy a better place in society as a tenant than in any alternative position which they might take.

Inheritance of Operators

Inheritance of property or money, or the receipt of other fortuitous wealth, makes possible a larger percentage of farm ownership than is the case among an equal number who inherited nothing. At the time of taking these records 44.4 percent of the farmers had received some inheritance (Table V).

TABLE V. PERCENTAGE OF FARMERS WHO HAD RECEIVED INHERITANCE, THREE COUNTIES, TENNESSEE

County	Number of Cases	Number Who Had Inherited	Percent Who Had Inherited
Total	457	203	44.4
Madison	144	56	38.9
Montgomery	164	53	32.3
Williamson	149	94	63.1

Since a considerable number of the operators were young men, there remained the probability that some would receive an inheritance later. The highest percentage, 63.1 percent, was found in Williamson County, 38.9 percent in Madison, and 32.3 percent in Montgomery. Bausman⁽¹⁾ indicated that 41.6 percent of the farmers in Delaware had inherited all or part of their farms, ranging from 25.2 percent in the East Dover area to 54.1 percent in the Kenton area. Landlords reported having inherited larger amounts than tenants.

Inheritance of landlords has been entirely omitted from this study, as well as the inheritance of those who have migrated to urban areas. No doubt

(1) Bausman, R. Q., Farm Tenancy in Delaware, University of Delaware Agricultural Experiment Station, Bulletin No. 178, August 1932, Table 12, p. 63.

these are important groups of heirs to farm wealth.⁽¹⁾

Inheritance of Owners vs. Tenants. Farm owners had received some inheritance in 64.2 percent of the cases, and 21.3 percent of the tenants (Table VI).

TABLE VI. COMPARISON OF 246 OWNERS AND 211 TENANTS WHO RECEIVED INHERITANCE, THREE COUNTIES, TENNESSEE

County	Owners			Tenants		
	Number of Cases	Number Who Had Inherited	% Who Inherited	Number of Cases	Number Who Had Inherited	% Who Inherited
Total	246	158	64.2	211	45	21.3
Madison	61	38	62.3	83	18	21.7
Montgomery	86	43	50.0	78	10	12.8
Williamson	99	77	77.8	50	17	34.0

Not all of these farmers had inherited a farm, or enough to buy a farm, but their inheritance was an aid to advancement in tenure status. The proportion of farmers, both owners and tenants, who received some inheritance was lowest in Montgomery County and highest in Williamson (Figure 7). In all counties the percentage receiving an inheritance was large enough to be of importance.

Inheritance of Whites vs. Colored. About 71 percent of the farmers were white and 29 percent colored. Of the 323 white operators, 55.1 percent had received some inheritance (Table VII). A lesser proportion, 18.7 percent, of the colored had received an inheritance (Figure 8). This is to be expected in view of the greater ownership among white operators.

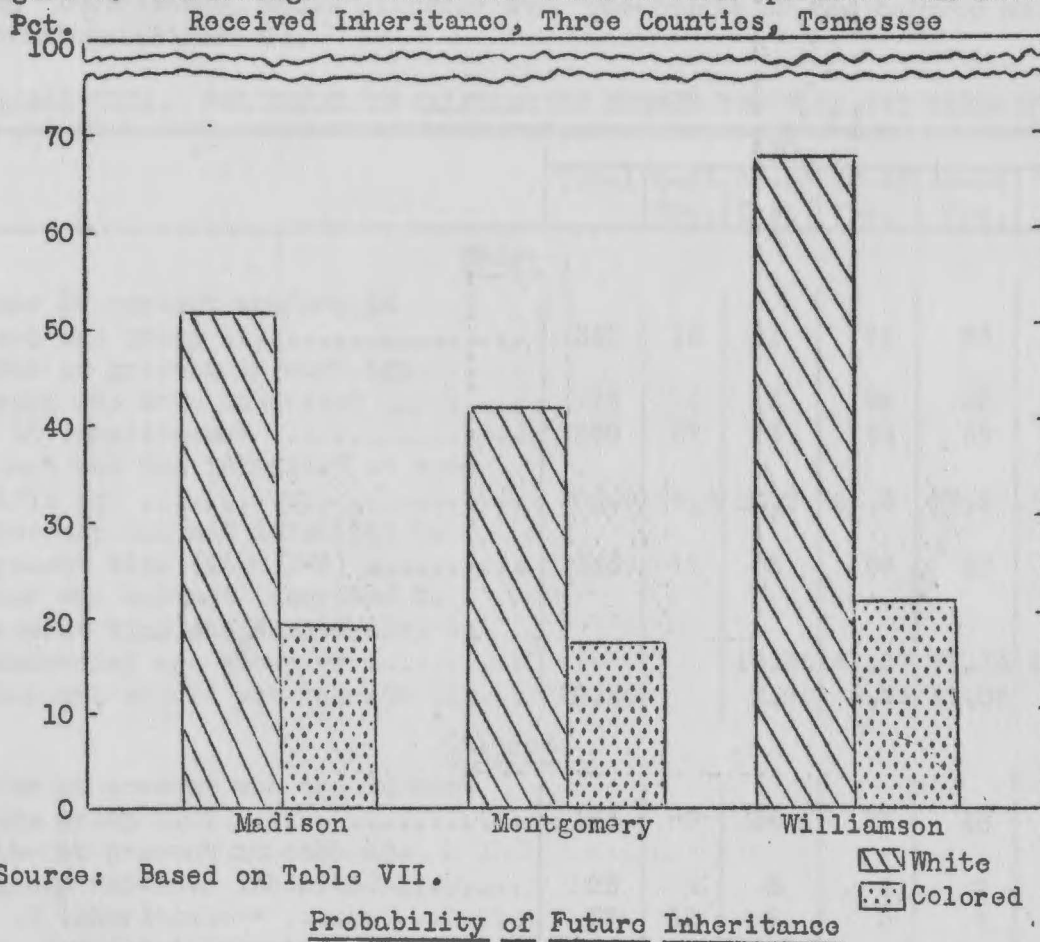
TABLE VII. COMPARISON OF 323 WHITE AND 134 COLORED FARM OPERATORS WHO RECEIVED INHERITANCE, THREE COUNTIES, TENNESSEE

County	White			Colored		
	Number of Cases	Number Who Inherited	% Who Inherited	Number of Cases	Number Who Inherited	% Who Inherited
Total	323	178	55.1	134	25	18.7
Madison	87	45	51.7	57	11	19.3
Montgomery	101	42	41.6	63	11	17.5
Williamson	135	91	67.4	14	3	21.4

(1) Tetroau, E.D., Migration of Agricultural Wealth by Inheritance, Two Ohio Counties, Department of Rural Economics, The Ohio State University and Agricultural Experiment Station, Columbus, Ohio, Mimeo. Bul. 65, Sept. 1933.

Williamson County, high in owners, is also high in proportion of white operators who had received some inheritance. Montgomery, lowest in ownership in the sample studied, was lowest in proportion of white operators who had received an inheritance. There was much less difference, between counties, in the proportion of colored farmers who had received some inheritance than in proportion of colored tenants, indicating that a fairly large percent of colored operators had not yet become owners even though they had received some inheritance. The amount and kind of inheritance, as well as the time it was received, are factors influencing progress toward ownership through inheritance.

Figure 8. Percentage of White and Colored Farm Operators Who have Received Inheritance, Three Counties, Tennessee



In a random sample of farmers various ages will be found. An analysis by age group shows the present situation, but not the effect of time on the sample. Two procedures are possible in studying development or change, over a period of time. One method is to follow the changes of a given number of the same age from year to year over the desired period of time. The other method is to take a sample as it is, with the history of each case. By recording the changes which have taken place, in each age group, it is possible to determine the likelihood that those who are in the lower age group will later inherit. The latter method has many practical advantages, and is used here.

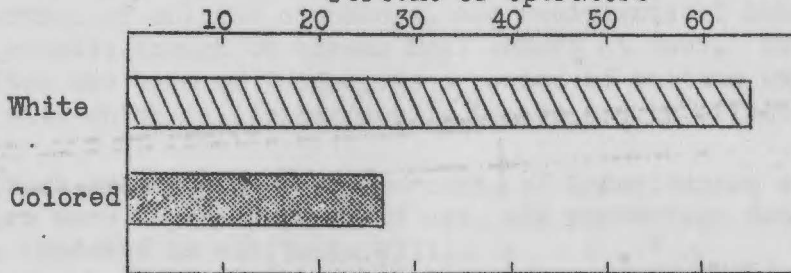
In the sample, 254 cases had not received any inheritance at the time the schedules were taken. Since the cases varied in age, and in the age at which inheritance was received, it is apparent that some of the 254 non-inheriting operators will receive an inheritance later. Some would die before reaching the next age group. After adjusting for deaths, it appears that 29 of the 145 white, and 10 of the 109 colored cases who have not inherited at present will probably receive some inheritance when they are older (Table VIII). Considering those who have not already received an inheritance but will do so at a later date, of all farmers studied it is found that 53.07 percent of the total have been, or will be, the recipients of an inheritance (Table IX). Nearly two-thirds of the white operators will receive an inheritance, while slightly over one-fourth of the colored have this advantage (Figure 9).

TABLE VIII. PROCEDURE IN CALCULATING NUMBER WHO WILL YET INHERIT

	Age					
	Total	0-25	26-35	36-45	46-55	56 Yrs.
	Yrs.	Yrs.	Yrs.	Yrs.	Yrs.	& Over
<u>White</u>						
1. Number at present who are in each age group	323	15	51	78	85	94
2. Number at present in each age group who have inherited	178	4	16	39	55	64
3. Age at inheritance*	250	67	73	53	38	19
4. Percent who had inherited at specific age	100.0	26.8	29.2	21.2	15.2	7.6
5. Number who had not inherited to present time (Item 1-2)	145	11	35	39	30	30
6. Number who had not inherited to present time who should live to succeeding age group **			10.15	41.27	72.74	85.24
7. Number who should yet inherit	29.25		2.96	8.75	11.06	6.48
<u>Colored</u>						
1. Number at present who are in each age group	134	9	24	33	45	23
2. Number at present in each age group who have inherited	25	4	6	5	7	3
3. Age at inheritance *	27	11	9	3	4	-
4. Percent who had inherited at specific age	100.0	40.7	33.3	11.1	14.8	-
5. Number who had not inherited to present time (Item 1-2)	109	5	18	28	38	20
6. Number who had not inherited to present time who should live to succeeding age group **	-	-	4.61	20.67	43.50	67.62
7. Number who should yet inherit	10.28		1.54	2.30	6.44	-

(For footnotes see bottom of following page.)

Figure 9. Operators Who Have or Will Inherit, by Color, Three Counties, Tennessee
Percent of Operators



Source: Table IX.

TABLE IX. PERCENT OF OPERATORS WHO HAVE OR WILL INHERIT, BY COLOR, THREE COUNTIES, TENNESSEE

Item	Total	White	Colored
Number of cases	457	323	134
Number who have or should inherit	243	207	35
Percent who have or should yet inherit	53.07	64.16	26.33

Source: Table VIII.

(Footnotes for Table VIII, on preceding page.)

* Greater than the number who inherited (178 white and 25 colored) because some received more than one inheritance. Age of inheriting was usually lower than present age.

** Those who are in the specific age groups and have not yet received any inheritance may still be heirs. Only those who live to the next age group will be in position to receive an inheritance, as they have not yet inherited at their present age. The number who will live to the next age group is computed from mortality tables using 20, 30, 40, 50, and 60 as median ages for each group. To illustrate: there were 11 cases under 25 years of age who had not yet received an inheritance. Assuming their median age to be 20 years, the question arises as to how many of these 11 cases will live to be 30 years of age, the median age for the next group. This was computed from the American Experience Table of (Insured) Mortality (The World Almanac, 1937, p. 276) by use of the formula:

$$\frac{\text{Number living per 100,000 population for older age group} \times \text{number in age group}}{\text{Number living per 100,000 population for initial age group}} = \text{Number who are now in initial age group who will live to succeeding age group}$$

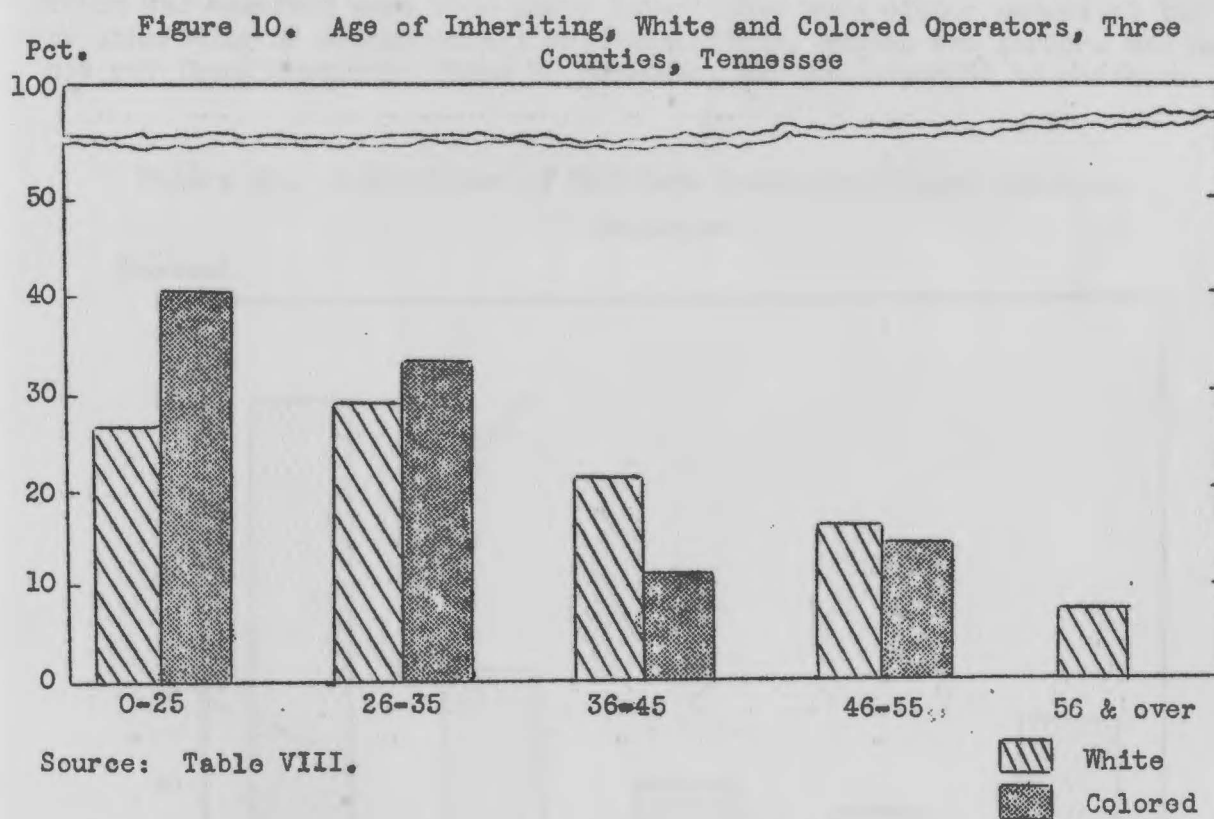
$$\text{Substituting, } \frac{85,441 \times 11}{92,637} = 10.15.$$

The number given for each age group is the accumulated total of all who are in the younger age groups at present, but who will normally live to the older age group. Out of the 145 white cases 115 will live to be 56 years old or over. This is higher than for a similar number of cases, all of whom started at 20 years of age, because a larger percentage are already in the older age groups thus eliminating part of their probability of death.

Although a relatively high proportion of white operators, and a smaller proportion of colored operators, are recipients of inherited wealth they may not receive enough to become full owners at once. However, it appears that often the term of tenancy is a period of waiting until something is inherited with which an advancement in tenure may be effected.

The greatest proportion, 57.76 percent, of inheritances were received while the heirs were under 36 years of age, the percentage decreasing with each ten-year increase in age (Table VIII).

A difference in age of inheriting, between white and colored operators, is noticeable (Figure 10). Of whites 56.9 percent received their inheritance under the age of 35, while the percentage was 74.07 for colored operators. There was a steady decline in the percent inheriting after 35 years of age, white operators inheriting more in the upper ages than colored. As age of operators increased, the percentage in each age group who had inherited increased.



Amount of Inheritance

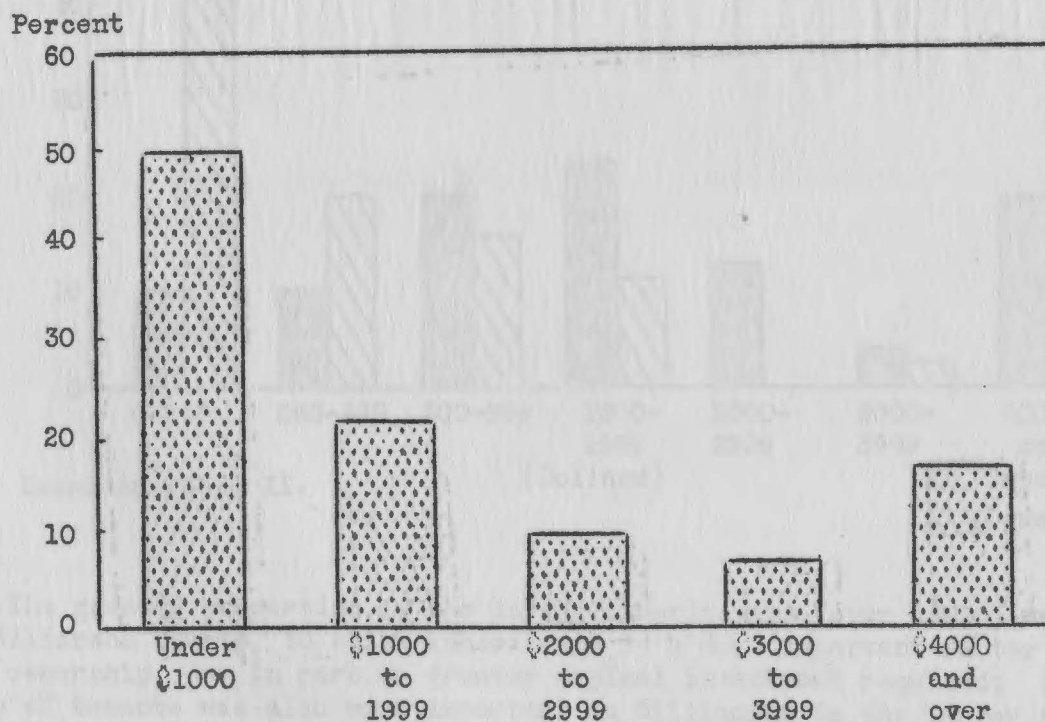
The amount of inheritance varies widely, reaching as high as \$50,000. However, 49.7 percent of those inheriting receiving below \$1000, and 70.4 percent receiving less than \$2000 (Table X, Figure 11). As the amount of inheritance increased above \$1000, the number receiving that amount decreased rapidly.

TABLE X. AMOUNT OF INHERITANCE, 203 FARM OPERATORS, THREE COUNTIES, TENNESSEE

Dollars	Percent	Number of Cases
0 - 249	18.2	37
250 - 499	12.3	25
500 - 999	19.2	39
0 - 999	49.7	101
1000 - 1999	20.7	42
2000 - 2999	9.9	20
3000 - 3999	3.4	7
4000 and over	16.3	33

Those who received more than \$4000 inheritance were either owners at the time of inheriting or became owners upon inheriting, except two farmers who had not yet found desirable farms to purchase, but who expected to purchase.

Figure 11. Inheritance of 203 Farm Operators, Three Counties, Tennessee

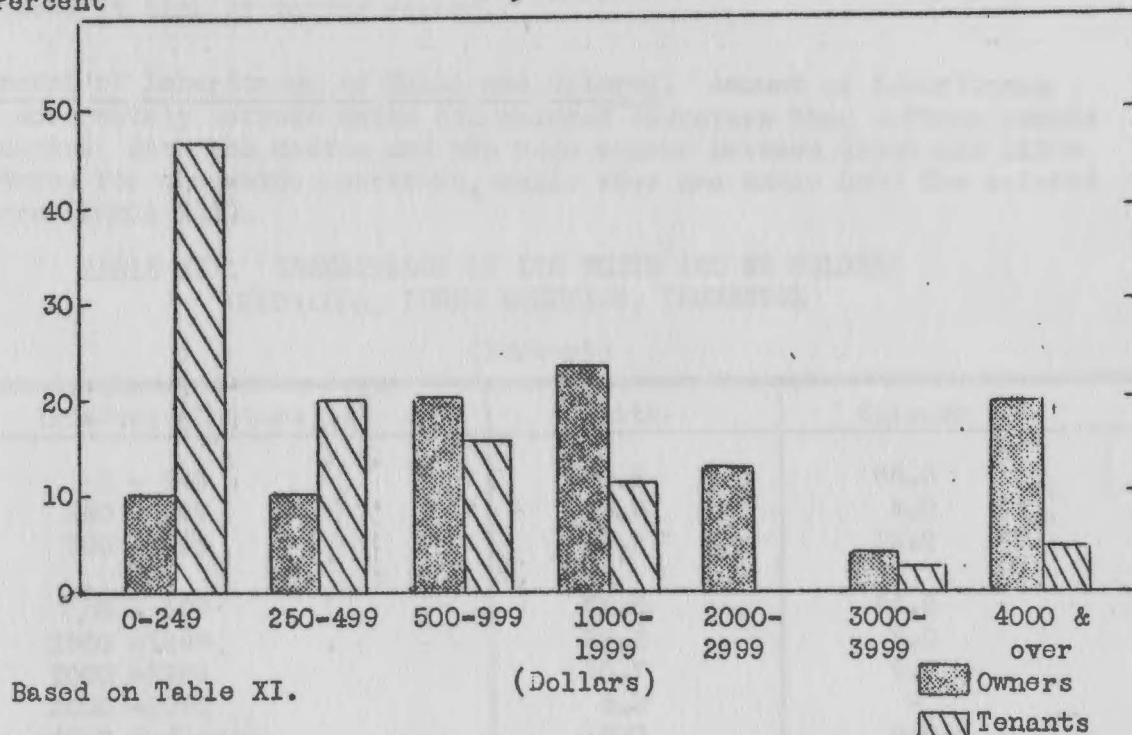


Source: Table X .

Of the 101 cases who inherited less than \$1000, 36.6 percent received less than \$250, and 24.8 percent received between \$250 and \$500. Relatively small inheritances may not be considered of much significance in acquiring a farm, but as will be seen later they are quite important in effecting other changes in farm tenure.

Amount of Inheritance of Owners and Tenants. Considerable difference was found between owners and tenants, at the time of taking the records. In general, those who were tenants had not received enough to buy a farm, or to make a sufficiently large down payment on a farm. Of tenants, 66.7 percent had inherited less than \$500, while only 20.2 percent of the owners had received this amount (Figure 12). As the amount of inheritance increased over \$500 a greater proportion of owners was found. Comparatively few inherited a whole farm, or enough to buy a farm large enough for economical production.

Figure 12. Inheritance of 158 Owners and 45 Tenants, Three Counties, Tennessee



The greater proportion of the larger inheritances (over \$4000) were in Williamson County, in which inheritance is a more important factor in farm ownership, due in part to greater capital investment required. Inheritance of tenants was also more important in Williamson in the larger amounts; but the greater proportion of small inheritances (under \$500) of tenants was found in Madison County. The mid-point of inheritance was about \$1000.

TABLE XI. INHERITANCE OF 158 OWNERS AND 45 TENANTS,
THREE COUNTIES, TENNESSEE

(Percent)

Interval (Dollars)	Owners ⁽¹⁾	Tenants ⁽²⁾
0 - 249	10.1	46.7
250 - 499	10.1	20.0
500 - 999	20.3	15.6
0 - 999	40.5	82.3
1000 - 1999	23.4	11.1
2000 - 2999	12.7	-
3000 - 3999	3.8	2.2
4000 and over	19.6	4.4

(1) Owners at time of taking record, disregarding status at time of inheriting.
(2) Tenants at time of taking record.

Amount of Inheritance of White and Colored. Amount of inheritance varies more widely between white and colored operators than between owners and tenants. Both the median and the mode appear between \$1000 and \$1999 inheritance for the white operators, while they are under \$500 for colored operators (Table XII).

TABLE XII. INHERITANCE OF 178 WHITE AND 25 COLORED
OPERATORS, THREE COUNTIES, TENNESSEE

(Percent)

Interval (Dollars)	White	Colored
0 - 249	11.2	68.0
250 - 499	13.5	4.0
500 - 999	20.2	12.0
0 - 999	44.9	84.0
1000 - 1999	22.5	8.0
2000 - 2999	10.7	4.0
3000 - 3999	3.9	-
4000 and over	18.0	4.0

Changes in Tenure at Time of Inheriting

Advancement in tenure status is usually brought about by the acquisition of wealth. This wealth may be accumulated through the savings of the family or may be a gift or inheritance. The extent to which inheritance influences changes in tenure depends upon the status at time of inheriting, and on the amount inherited.

TABLE XIII. CHANGES IN TENURE AT TIME OF INHERITING, THREE
COUNTIES, TENNESSEE
(Percent in Each Class)

Status at Time of Inheriting	Percent Change in Status of Time of Inheritance					
	No Change	To Tenant	To Owner	Bought More Land	Other*	Total
Wage worker	3.1	47.9	46.9	xx	2.1	100.0
Tenant	9.4	xx	71.9	xx	18.7	100.0
Owner	25.8	xx	xx	69.7	4.5	100.0

*Principally changes within the same class,
such as cropper to cash tenant.

Changes in tenure at the time of inheriting is shown in Table XIII. In addition to those given in Table XIII there were 16, or 5.8 percent of the 277 inheritances, accompanied by a move from non-farm to farm at the time of inheriting. Three (or 1.1 percent) made other changes, such as retiring from active farming or moving off the farm.

Farm Wage Workers. About 35 percent of those inheriting were farm wage workers at the time of inheriting. The advancement of wage workers (including those who received compensation for labor on the parental farm) at the time of receiving an inheritance, was divided as follows: to tenant 47.9 percent; to owner, 46.9 percent. Only 3.1 percent remained as wage workers, and 2.1 percent made some other change (Table XIII).

Amount of inheritance was an important factor in determining the changes of tenure made by wage workers. Those who received the larger inheritances made the greatest advance. Of those who inherited \$1000 or more 85.2 percent advanced from wage workers to owners without the intermediate tenure stages, compared with 31.9 percent of those who received less than \$1000 (Table XIV and Figure 13). It was also found that those receiving less than \$1000 advanced to tenants predominately, or in 63.8 percent of the cases. Receipt of less than \$250 resulted in advancement to the tenant stage more than all other amounts combined. Advancement occurred to different classes of tenants, some becoming 1/3 tenants, some 2/3 tenants, other cash tenants. Likewise, wage workers who became owners often bought small farms and rented additional land.

Farm wage workers of Madison and Montgomery counties more frequently advanced to owners than in Williamson, where the majority advanced to tenants. This difference is probably due to the greater value of farm land per farm in Williamson, and the value of livestock and implements required, the cost of machinery and livestock being 1.4 times greater than in the other counties, and all farm property being worth 1.6 times as much.⁽¹⁾ Relation of the amount of inheritance in each county to advancement in tenure of wage workers was about the same as that indicated for the three counties combined (Figure 13).

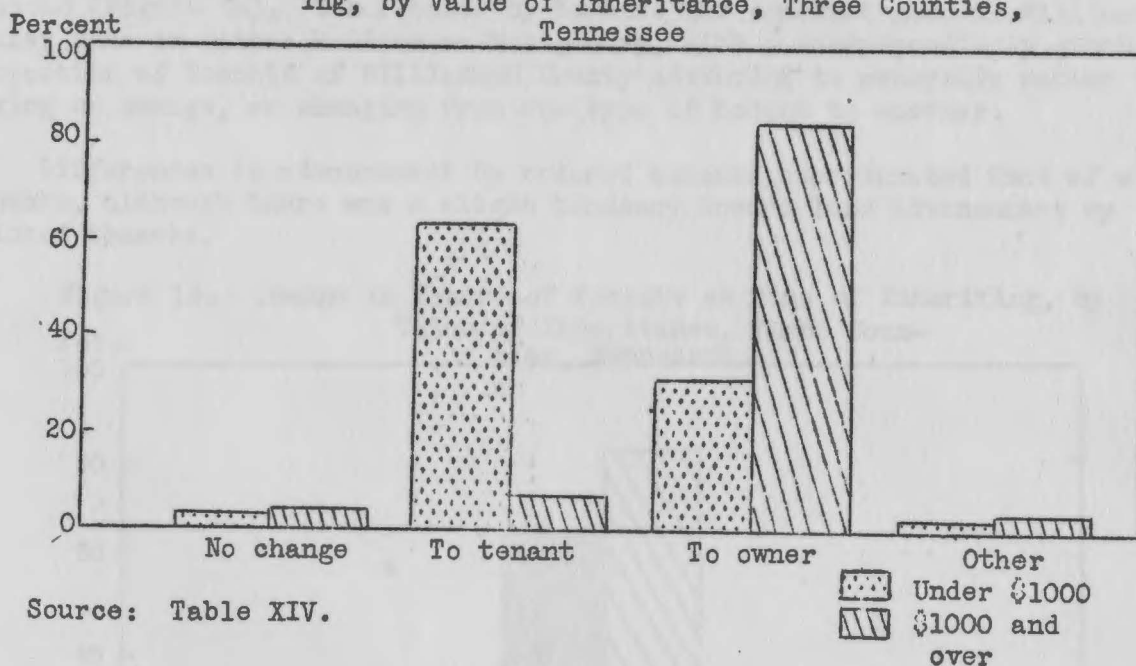
(1) Census of Agriculture, 1920.

TABLE XIV. CHANGES IN TENURE OF FARM WAGE WORKERS AT TIME OF INHERITING, BY VALUE OF INHERITANCE, THREE COUNTIES, TENNESSEE

Changes in Tenure Status from Farm Wage Workers to:	Percent of Those Who Received Less than \$1000	Percent of Those Who Received \$1000 or More
No change	2.9	3.7
Tenant	63.8	7.4
Owner	31.9	85.2
Other	1.4	3.7

More than half the colored operators were wage workers at the time of inheriting. They more frequently advanced to tenants than to owners, receiving smaller inheritances than white operators.

Figure 13. Changes in Tenure of Farm Wage Workers at Time of Inheriting, by Value of Inheritance, Three Counties, Tennessee



Source: Table XIV.

Tenants. The proportion of inheritances by tenants was the same as for wage workers, 34.7 percent. There were more who advanced from tenant to owner than made other changes, or no change, at the time of inheriting (Table XV). A higher percentage of tenants made no advancement in tenure than did wage workers, and more made other changes. These other changes were chiefly

advancements in the tenant level, i.e., changes to a form of lease that necessitated greater investment in livestock, implements and machinery, and working capital. In this respect those listed as having made "other" changes in status advanced toward ownership, although they had not yet become owners.

TABLE XV. CHANGES IN TENURE OF TENANTS AT TIME OF INHERITING, BY VALUE OF INHERITANCE, THREE COUNTIES, TENNESSEE

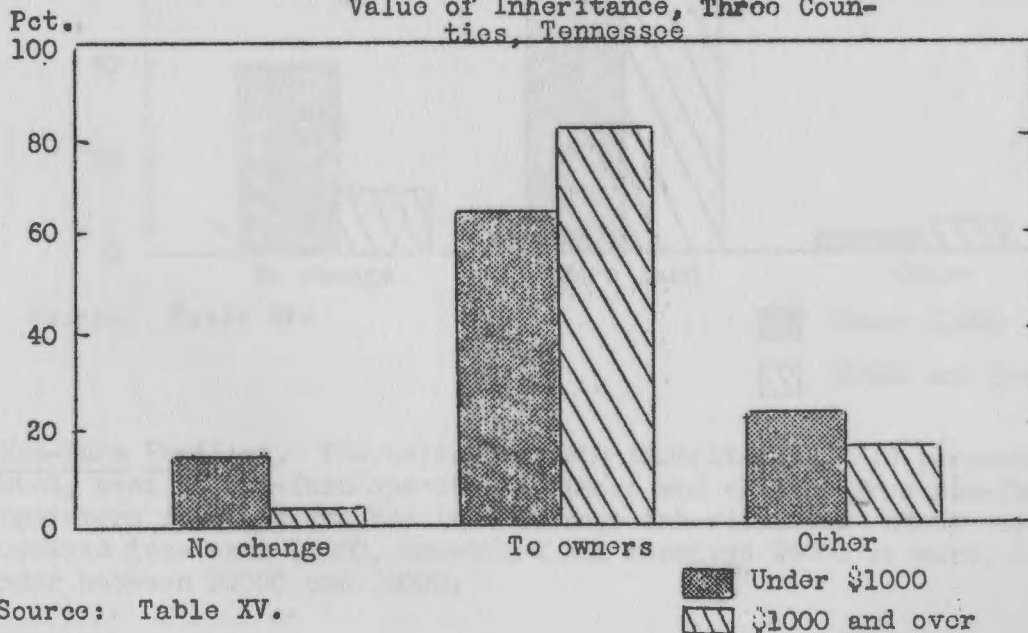
Changes in Tenure Status from Tenant to:	Percent of Those Who Received Less than \$1000	Percent of Those Who Received \$1000 or More
No change	14.0	2.6
Owner	64.9	82.0
Other*	21.1	15.4

* Chiefly changes in type of lease, such as cropper to cash rent.

Amount of inheritance had a similar effect on advancement to farm ownership by tenants, as well as for wage workers, but it was somewhat less pronounced (Figure 14). Inheritance by tenants was somewhat more in Williamson County than in either Madison or Montgomery, with a correspondingly greater proportion of tenants of Williamson County advancing to ownership rather than making no change, or changing from one type of tenant to another.

Differences in advancement by colored tenants approximated that of white tenants, although there was a slight tendency toward less advancement by colored tenants.

Figure 14. Change in Tenure of Tenants at Time of Inheriting, by Value of Inheritance, Three Counties, Tennessee



Source: Table XV.

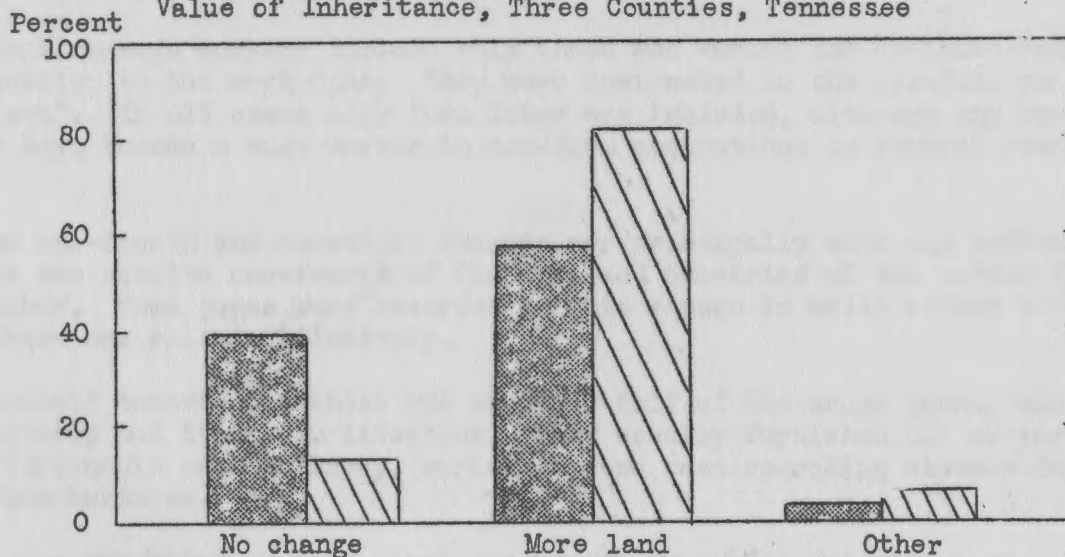
Owners. Owners, at the time of receiving an inheritance, made up 23.8 percent of all who inherited, compared with 34.7 percent each for wage workers and tenants. As was pointed out earlier, owners were mostly in the older age groups.

A higher proportion, 25.8 percent, of the owners made no change at the time of inheriting, than of either wage workers or tenants. Most of the owners secured additional land (Table XVI). A higher percentage of those who received \$1000 or more secured more land than of those receiving less than \$1000 (Figure 15). Other changes included retirement from active farming but continuing to supervise and manage, and partnerships with son or son-in-law.

TABLE XVI. CHANGES MADE BY OWNERS AT THE TIME OF INHERITING, BY VALUE OF INHERITANCE, TENNESSEE

Changes Made by Owners at Time of Inheriting	Percent of Those Who Received Less Than \$1000	Percent of Those Who Received \$1000 or More
No change	39.4	12.1
More land	57.6	81.8
Other	3.0	6.1

Figure 15. Changes Made by Owners at the Time of Inheriting, By Value of Inheritance, Three Counties, Tennessee



Source: Table XVI

■ Under \$1000
 ▨ \$1000 and over

Non-Farm Families. The balance of the inheritances, 6.8 percent of the total, went to non-farm operators. Those who changed from non-farm to farm operators received greater than average inheritances. About one third had received less than \$1000, one-third had received \$4000 or more, and the remainder between \$2000 and \$4000.

PART II

EFFECT OF INHERITANCE ON TENURE AND WEALTH

ACCUMULATION

Tenures

The rate at which wealth was accumulated by the 457 farm operators studied in Williamson, Montgomery, and Madison counties varied between tenure classes, between white and colored, between those who received an inheritance and those who received no inheritance, and between counties. Likewise, the number of years spent in the various tenures, and the losses sustained, varied between classes. The total wealth accumulated in any tenure, irrespective of the number of years spent, seems to have some effect on the rate of accumulation in succeeding tenures.

Tenures Explained. In order to show the variations that exist between tenures, all the years of farm operators' lives were accounted for. The tenure "at home" accounts for the time the operator was on the paternal farm but not himself the operator of the farm. Some of this group received cash wages, others a share of the farm products, and some received none of the income as compensation for their labor. Others left home as soon as they were old enough to command wages.

The farm wage workers include only those who worked for definite wages in proportion to the work done. They were designated in the schedule as "hired men". In all cases only farm labor was included, although any operator may have become a wage worker in non-farm occupations on several occasions.

The one-fourth and one-third tenants are principally corn and cotton croppers who receive one-fourth of the corn and one-third of the cotton for their labor. Some cases were recorded in this tenure in which either cotton or corn was raised exclusively.

One-half tenants are those who received half of the crops grown, and who generally had their own livestock. They usually furnished all or part of the implements and machinery, workstock, and cash operating expense for their farm business.

In the two-thirds tenant class the tenant furnished everything required to operate the farm, except in some cases where grass seed and fertilizer was provided wholly, or in part, by the owner. Cash tenants pay a definite sum of money as rent for the farm.

Non-farm operators include all those who worked at some occupation other than farming, irrespective of their place of residence. Public work was reported most frequently, but merchant, lawyer, textile worker, and other occupations were recorded. This is not in reality a farm tenure but is included to complete the personal history of the operators.

Those listed as owners include both part-owners and full-owners, and are divided according to debt or freedom from debt, irrespective of the equity they hold.

All tenures not otherwise classified are grouped as "other tenures". This group is dominated by partnerships, principally between father and son or son-in-law. Other tenures also include managers, administrators, no-rent operators, share-cash tenants, standing rent, two-fifths or three-fifths tenants, and combinations of various tenures.

Tenures Held by Operators. The proportion of farm operators who had been in the different tenures indicates the relative importance of each tenure. If an operator had been in four tenure groups during his farm experience he was counted in each group. However, he was counted in each respective tenure only once although he may have returned to the same tenure several times. The distribution of operators by tenure thus indicates the relative importance of each tenure in the general agricultural program, rather than tenure of the operator at the time the record was taken. The order of array of tenures is based, first, on the theory that there is greater advantage in the approximate order listed, except possibly "other tenures" and "non-farm"; and second, in the average rate at which wealth was accumulated. The significance of a given tenure differed between inheriting and non-inheriting owners and tenants (Table XVII), between colored and white operators (Table XVIII), and between the areas studied (Table XIX).

TABLE XVII. DISTRIBUTION OF 457 INHERITING AND NON-INHERITING OWNERS AND TENANTS, THREE COUNTIES, TENNESSEE

(Percent Who Were, or Had Been, in Each Tenure)

Tenure	Owners		Tenants	
	Inheriting	Non-inheriting	Inheriting	Non-inheriting
At home	93.0*	100.0	100.0	100.0
Wage workers	20.3	34.1	24.4	59.0
One-fourth and one-third tenants	13.3	12.5	31.1	27.7
One-half tenants	31.6	60.2	86.7	81.3
Two-third tenants	10.8	14.8	20.0	11.4
Cash tenants	22.2	27.3	46.7	28.9
Other tenures	22.2	13.6	13.3	12.0
Non-farm	28.5	33.0	33.3	40.4
Owner with debt	51.9	70.5	13.3	5.4
Owner no debt	67.7	50.0	4.4	3.0

*Not all were farm reared. The age of beginning farm operation could not be determined in all cases.

The lower tenure groups (wage workers, one-fourth, one-third, and one-half tenants) had a greater proportion of non-inheriting operators than inheriting operators (Figure 16). This was true of both white and colored operators (Table XVIII) and of owners and tenants (Table XVII). Madison County had a much greater proportion in the lower tenures than did either

TABLE XVIII. DISTRIBUTION OF 467 INHERITING AND NON-INHERITING WHITE AND COLORED FARMERS, THREE COUNTIES, TENNESSEE

Tenure	White		Colored	
	Inheriting	Non-Inheriting	Inheriting	Non-Inheriting
At home	93.8*	100.0	100.0	100.0
Wage workers	18.0	37.9	44.0	67.0
One-fourth and one-third tenants	18.0	23.4	12.0	21.1
One-half tenants	41.0	65.5	64.0	85.3
Two-thirds tenants	13.5	13.8	8.0	11.0
Cash tenants	27.5	29.7	28.0	26.6
Other tenures	21.9	17.2	8.0	6.4
Non-farm	26.4	44.8	52.0	28.4
Owner with debt	47.2	37.2	16.0	15.6
Owner no debt	54.5	26.2	48.0	10.1

* Not all were farm reared. The age of beginning farm operation could not be determined in all cases.

Montgomery or Williamson (Table XIX). The greater proportion of tenants in the older age groups, who have little wealth to pass on to their heirs, probably accounts for the Madison County situation, and for the greater proportion of non-inheriting operators in the lower tenures.

The higher tenure groups were more nearly equal in percentage of inheriting and non-inheriting operators, except in unencumbered owners in which inheriting operators were much more important (Figure 16).

The lower tenure groups contained more colored operators, and a greater proportion who never became owners. This was more important in Madison and Montgomery counties, where a change of tenure does not necessarily mean a change in net wealth. The number of changes among the lower tenure groups implies a restlessness among the tenants or their landlords, or both. There is little real difference in the economic advantages of the lower tenures, the rate of accumulating wealth by non-inheriting operators in these tenures not varying greatly. This situation is considerably influenced by the colored operators of Madison and Montgomery counties. Colored tenants accumulated more per year, on the average, than colored owners, and some say that they have little to gain by becoming owners except social distinction.

TABLE XIX. DISTRIBUTION OF 457 FARM OPERATORS, THREE COUNTIES, TENNESSEE

Tenure	Madison		Montgomery		Williamson	
	Inher- iting	Non- Inher- iting	Inher- iting	Non- Inher- iting	Inher- iting	Non- Inher- iting
At home	80.4*	100.0	100.0	100.0	100.0	100.0
Wage workers	10.7	42.0	41.5	58.6	16.0	47.3
One-fourth and one-third tenants	14.3	30.7	5.7	2.7	25.5	49.1
One-half tenants	41.1	79.5	49.1	82.0	42.6	49.1
Two-third tenants	10.7	15.9	13.2	13.5	13.8	5.5
Cash tenants	25.0	51.1	20.8	12.6	33.0	23.6
Other tenants	12.5	5.7	32.1	18.9	18.1	10.9
Non-farm	26.8	36.4	32.1	35.1	29.8	45.5
Owner with debt	28.6	28.4	39.6	23.4	54.3	36.4
Owner no debt	37.5	9.1	79.2	27.9	48.9	18.2

* Not all were farm reared. The age of beginning farm operation could not be determined in all cases.

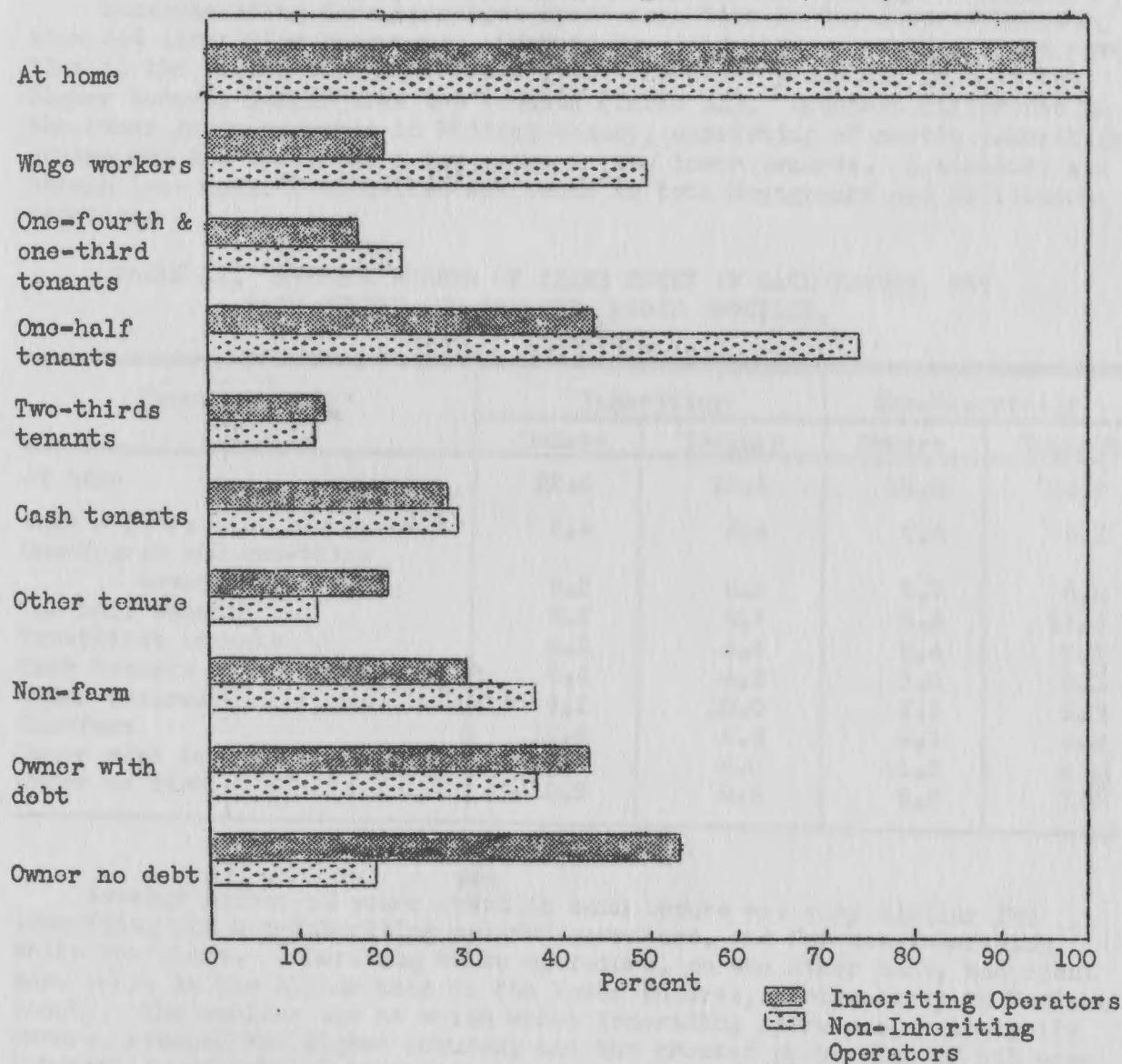
Wage workers and one-half share tenants were the two tenure classes in which non-inheriting operators were of much greater importance than inheriting operators (Figure 16). This is especially true of colored operators, who were mostly tenants. A greater proportion of non-inheriting tenants had been wage workers than of inheriting tenants, indicating that colored operators more often revert to wage workers.

Non-farm occupations were more often enumerated among non-inheriting farm operators than by inheriting operators. This situation may be due to inheriting operators being reared on farms large enough to permit them to accumulate some wealth before leaving home. Another factor increasing non-farm occupations among non-inheriting operators is the greater frequency with which they were dependent on public work for subsistence in poor seasons. Since many non-inheriting operators were sons of tenant farmers they probably received less from their parents when starting for themselves, making it to their advantage to work at non-farm occupations before becoming farm operators.

Owners free of debt were found in 53.7 percent of inheriting operators, and only 18.9 percent of non-inheriting operators (Table XVII). This difference may not be entirely due to inheritance of capital, as the advantage of managerial training, better education, and wider professional contacts may be of considerable importance, especially among white operators.

The two-thirds tenant stage was of least importance for both inheriting and non-inheriting operators. On the other hand, the one-half tenant stage was important for all operators, both from the standpoint of the percentage who were one-half tenants, and the number of years they remained one-half tenants.

Figure 16. Inheriting and Non-Inheriting Farmers Who Are or Were in Each Tenure, Three Counties, Tennessee



Almost every conceivable change in tenure was found, these being most frequent among non-inheriting operators. Many losses occurred, both in net wealth and in desirability of tenure status; thus is recorded the climbing up and down the proverbial agricultural ladder in an attempt to secure a more desirable position. This movement coincides with the findings of Spillman,⁽¹⁾

(1) Spillman, W. J., The Agricultural Ladder, Tables I and III, Papers on Farm Tenancy, American Economic Review, Supplement March 1919.

whose study indicated considerable changing of tenure in the west north central states. He found also that inheritance was an important factor in the extent of change.

Years Spent in Each Tenure

Non-inheriting farm operators spent more time in the lower tenures than did inheriting operators. Conversely, inheriting operators spent more time in the higher tenures (Figure 17). The owner group had been in the higher tenures longer than the tenants (Table XX). Greatest difference in the owner group appeared in Madison County, consisting of mostly inheriting owners who had spent but a few years in the lower tenures. A similar, although less marked, situation was found in both Montgomery and Williamson counties.

TABLE XX. AVERAGE NUMBER OF YEARS SPENT IN EACH TENURE, 457
FARM OWNERS AND TENANTS, THREE COUNTIES,
TENNESSEE

Tenure	Inheriting		Non-Inheriting	
	Owners	Tenants	Owners	Tenants
At home	22.4	20.5	19.6	18.7
Wage workers	6.4	6.4	8.4	8.2
One-fourth and one-third tenants	6.2	8.8	7.7	8.5
One-half tenants	8.2	8.5	8.2	11.3
Two-thirds tenants	5.2	4.4	5.4	7.3
Cash tenants	6.4	4.8	9.0	8.2
Other tenures	9.2	10.0	7.8	4.8
Non-farm	10.4	6.4	9.4	6.4
Owner with debt	14.8	6.0	11.2	6.1
Owner no debt	15.9	9.5	9.8	7.6

Average number of years spent in each tenure was very similar for inheriting and non-inheriting colored operators, and for non-inheriting white operators. Inheriting white operators, on the other hand, had spent more years in the higher than in the lower tenures, particularly in Madison County. The earlier age at which white inheriting operators, principally owners, reached the higher tenures, and the greater proportion of all non-inheriting and colored inheriting operators who had not reached the higher tenures, largely accounts for this difference. The average of 30.2 years spent as unencumbered owners, among the white inheriting operators in Madison County, indicates early ownership with inheritance being a major factor in the acquisition of a farm.

In Delaware "about one-sixth of the owners had worked at home for wages, about one-fourth had worked in cities or towns for wages, and the great

majority of them had been tenants. The same tendency was true for tenants except that a larger portion of them had worked away from home for farm wages".(1)

TABLE XXI. AVERAGE NUMBER OF YEARS SPENT IN EACH TENURE,
457 WHITE AND COLORED FARMERS, THREE COUNTIES,
TENNESSEE

Tenure	Inheriting		Non-Inheriting	
	White	Colored	White	Colored
At home	22.2	20.4	19.5	18.4
Wage workers	5.8	8.2	5.8	10.2
One-fourth and one-third tenants	7.2	8.3	6.9	10.6
One-half tenants	8.7	6.7	9.2	11.7
Two-third tenants	5.0	4.5	7.2	5.5
Cash tenants	5.6	7.3	8.2	8.9
Other tenures	9.6	3.5	6.0	5.7
Non-farm	10.3	6.3	7.8	6.1
Owner with debt	14.4	10.8	9.2	14.6
Owner no debt	16.6	9.4	9.2	10.9

The average age at which young men left home, or became the operator of the home farm, was 19.0 years for non-inheriting operators and 22.0 years for inheriting operators, the average being 20.3 years. The average age of making the first change in tenure is older for owners than for tenants, in the case of both the inheriting and non-inheriting groups (Figure 17). Inheriting owners of Madison County remained on their paternal farms until reaching the average age of 27.8 years; at the other extreme, non-inheriting tenants of Williamson County remained at home only 18.7 years.

Colored farm operators left their paternal farms at an earlier average age than white operators. Inheriting colored operators remained at home longer than non-inheriting, the same being true of white operators (Table XXI).

The later age of leaving home appears to be correlated with the age of becoming a farm owner, and the number of years spent in the various tenures. Spillman(2) found that "In general, the longer those men remained on the home farm, the earlier the age at which they acquired ownership". He also found that the size of the home farm was a factor in determining the number of years spent on the home farm and the number of years as wage workers.

McCord(3) showed that landlords spent fewer years as wage workers, either

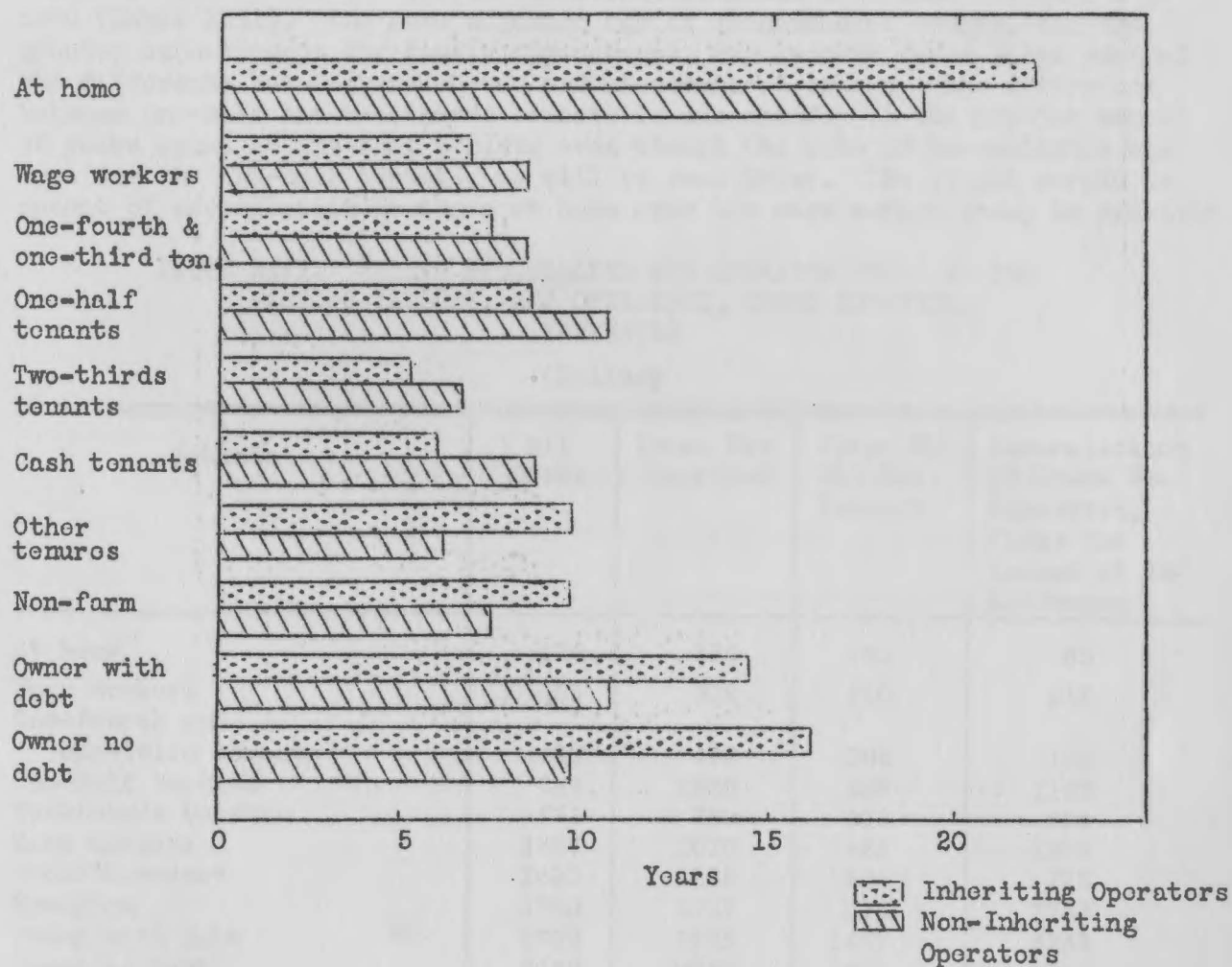
(1) Bausman, R.C., Farm Tenancy in Delaware, p. 67-68, University of Delaware Agricultural Experiment Station, Bulletin No. 178, August 1932.

(2) Spillman, op. cit.

(3) McCord, J.E., Farm Tenancy and Lease Farms in Pennsylvania, Pennsylvania State College, Division of Agricultural Extension, State College, Pennsylvania, Circular 151, May 1934.

at home or away from home, fewer years as tenants, and more years at non-farm occupations (except in central Pennsylvania) than was found to be true in the Tennessee counties studied. In Delaware, Bausman⁽¹⁾ found that the period of ownership was shorter than is the case in Tennessee.

Figure 17. Average Number of Years Spent in Each Tenure, 457 Farmers, Three Counties, Tennessee



Few changes in tenure were made without moving to another farm. However, moving to another farm was not necessarily accompanied by a change of tenure. It is estimated that about half of the moves from farm to farm were accompanied by change of tenure, some of which were advancements and some recessions. In 1935 the Census of Agriculture shows that 41.4 percent of the tenants, and 4.9 percent of the owners, had lived on their present farm only one year, in the counties studied.

(1) Bausman, *op. cit.*, p. 65.

Wealth Accumulated per Operator in Each Tenure

The accumulation of wealth per operator in the various tenures gives an indication of the desirability and popularity of each tenure. Generally the accumulations are greater for each theoretical advancement in tenure (Figure 18). That is, as the operator receives a greater share of the products of the farm, and owns a greater share of the farm business, he is said to advance in tenure. This is generally true in the tenures listed for the 457 cases in this study; but unencumbered owners accumulated less than encumbered owners, and two-thirds tenants accumulated less than one-half tenants (Table XXII). The more advanced age of unencumbered owners, and the greater expenditures for family advancement, may account for a large part of the difference between encumbered and unencumbered owners. The difference between one-half and two-thirds tenants is due chiefly to the greater number of years spent as one-half tenants even though the rate of accumulation was less for the one-half tenants, as will be seen later. The slight margin in amount of accumulation by those at home over the wage worker group is probably

TABLE XXII. WEALTH ACCUMULATED PER OPERATOR WHILE IN THE
VARIOUS TENURES, 457 OPERATORS, THREE COUNTIES,
TENNESSEE

(Dollars)

Tenants	All Cases	Those Who Inherited	Those Who Did Not Inherit	Accumulations of Those Who Inherited, Minus the Amount of Inheritance
At home	174	354	38	85
Wage workers	159	308	110	216
One-fourth and one-third tenants	426	498	382	109
One-half tenants	786	1625	389	1128
Two-thirds tenants	571	759	418	554
Cash tenants	1387	2570	466	1399
Other tenures*	1493	4265	504	723
Non-farm	1730	3737	476	1753
Owner with debt	2799	3882	1457	3233
Owner no debt	2057	2381	1338	1511

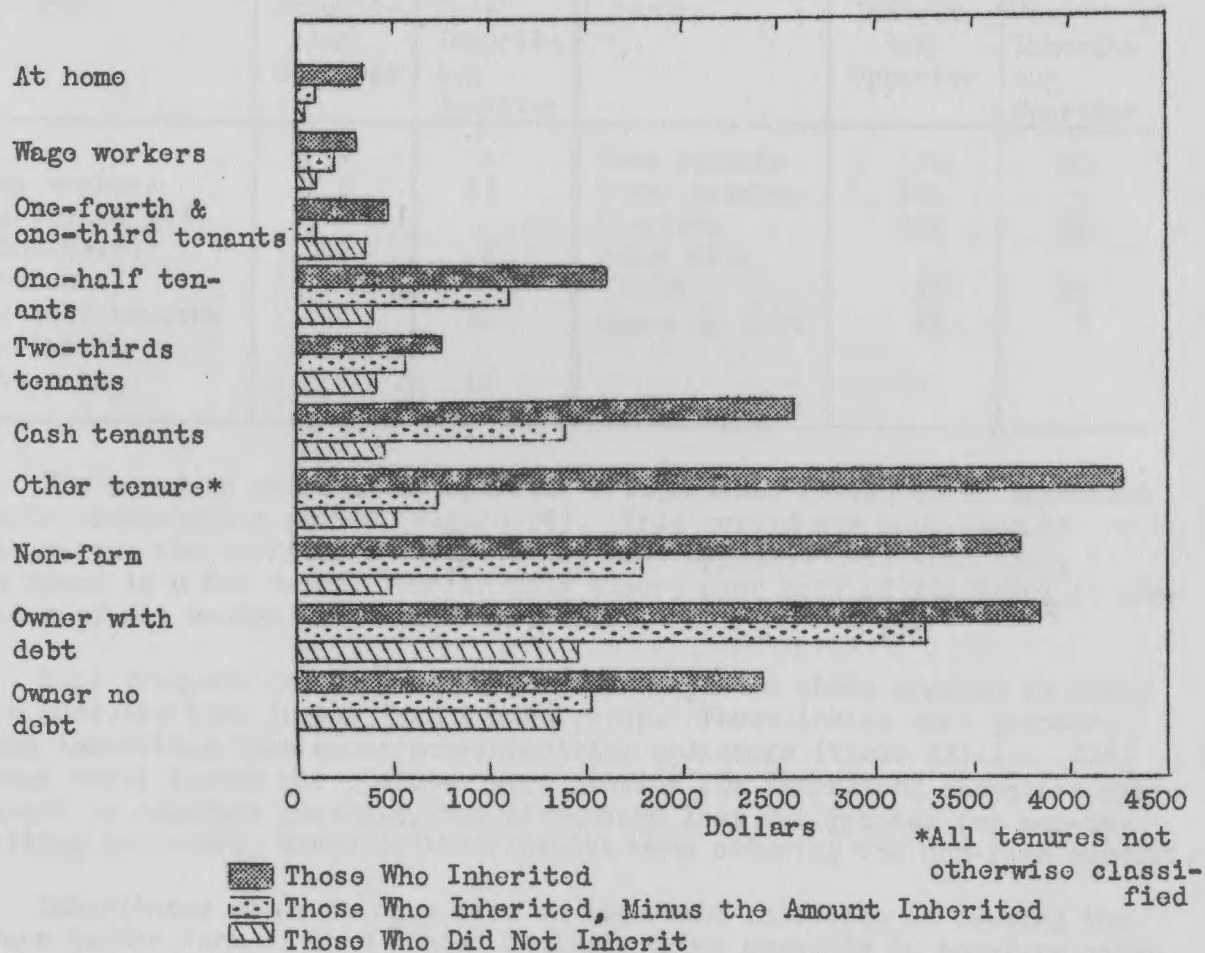
* All tenures not otherwise classified.

accounted for by the greater amount inherited by the former group.

The amount of wealth accumulated in the various tenures differed widely between inheriting and non-inheriting operators (Table XXII). In all tenures, except one-fourth and one-third tenants, inheriting operators accumulated more than non-inheriting, even after the amount of the inheritance had been

deducted (Figure 18). Two factors probably contribute to this situation, greater managerial training received by inheriting operators, and more net wealth accumulated from preceding tenures. Larger operating capital results in larger total farm returns than is derived from labor alone, hence greater accumulation by inheriting operators.

Figure 18. Wealth Accumulated per Operator in the Various Tenures, 457 Operators, Three Counties, Tennessee



Source: Table XXII.

Inheritance accounts for a greater proportion of total accumulations in some tenures than in others, the greatest difference being in the class designated as "other tenures". This tenure includes all that could not be classified in any of the other groups. Partnerships were numerous in this class, but managers, administrators, no-rent operators, share-cash tenants, and several combinations of tenures were also reported. In many cases this tenure appeared to be a transition stage between living at home and ownership -- a period during which the operator received his living but little else.

TABLE XXIII. LOSSES INCURRED, PER OPERATOR, WHILE IN THE
VARIOUS TENURES, 457 OPERATORS, THREE COUNTIES,
TENNESSEE

(Dollars)

Tenure	Inheriting Operator	Non-Inheriting Operator	Tenure	Inheriting Operator	Non-Inheriting Operator
At home	-	-	Cash tenants	70	20
Wage workers	5	13	Other tenures	122	-
One-fourth and one-third tenants	41	2	Non-farm Owner with debt	151	90
One-half tenants	43	10	Owner no debt	27	29
Two-thirds tenants	6	12		22	3

The non-farm years in an operator's experience served as an important wealth accumulating period (Figure 18). This period may have been at any time during the operator's life, or may have appeared more than once, as was found in a few cases. During this tenure over half of the total accumulation of net wealth was from inheritance.

More frequent and greater losses were reported while engaged in non-farm pursuits than in any farm tenure group. These losses were greater among inheriting than among non-inheriting operators (Table XXIII). Although total losses per operator were greater for inheriting operators while engaged in non-farm pursuits, the percentage loss was greater for non-inheriting operators, based on their wealth when entering the non-farm pursuit.

Inheritance seems to have been an important influence in causing the return to the farm of farm reared families after engaging in non-farm occupations, as only a comparatively few non-inheriting operators reported non-farm accumulations. Further study would be enlightening on this point. Some work has been done on the migration of agricultural wealth by inheritance,⁽¹⁾ but the effect of inheritance on the migration from city or village to farm is not fully established.

(1) Tetreau, E.D., Migration of Agricultural Wealth by Inheritance, Dept. of Rural Economics, Ohio State University and Ohio Agricultural Experiment Station, Mimeograph Bulletin No. 65, Columbus, Ohio, September 1933.

Effect of Inheritance on Wealth Accumulated per Operator,
Tenure, Color, and County

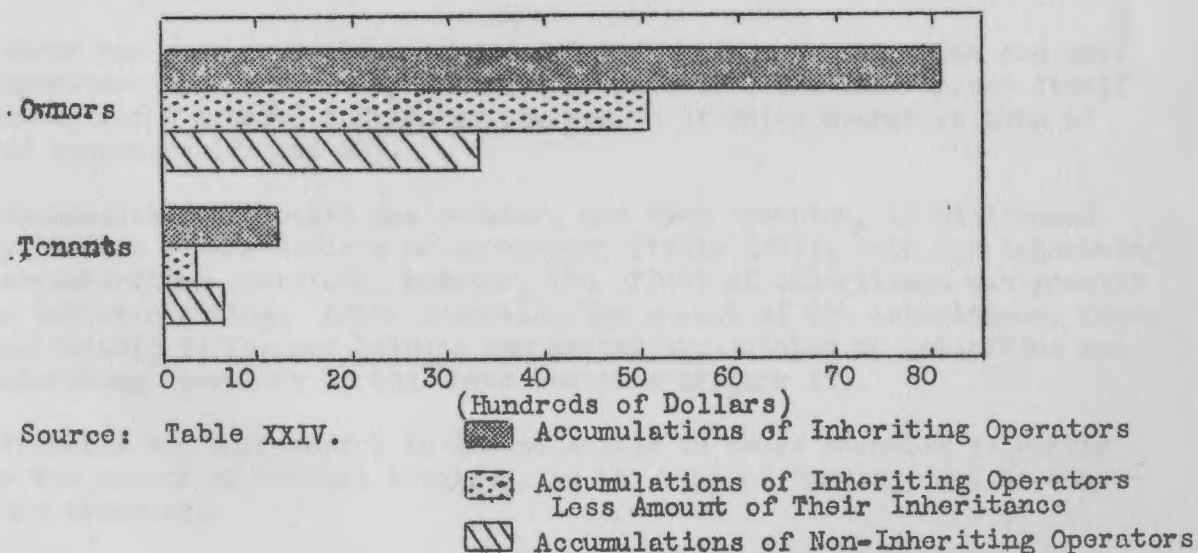
Inheriting operators accumulated over four times as much wealth as non-inheriting, and two and one-half times as much after deducting the amount of their inheritance (Table XXIV). The fact that the inheriting operators had more capital probably contributed toward their more rapid rate of accumulation. Since inheriting operators were sons of farm owners they were able to benefit by a more stable tenure, better managerial training, and very likely a better financial start for themselves.

Owners accumulated more than tenants in both the inheriting and non-inheriting groups; and inheriting owners accumulated two and one-half times as much as non-inheriting owners (Figure 19).

TABLE XXIV. EFFECT OF INHERITANCE ON ACCUMULATION OF WEALTH, 457
OWNERS AND TENANTS, THREE COUNTIES, TENNESSEE
(Dollars per Operator)

Tenure	Accumulations per Inheriting Operator	Accumulations per Inheriting Operator, Minus Amount Inherited	Accumulations per Non-Inheriting Operator
All cases	6,526	3,973	1,561
Owners	8,043	5,007	3,295
Tenants	1,199	344	641

Figure 19. Effect of Inheritance on Accumulation of Wealth, 457
Owners and Tenants, Three Counties, Tennessee



Inheriting tenants accumulated far less than owners, a great portion of their net wealth being due to inheritance (Figure 19). This group made up less than one-fourth of all tenants, and included most tenants who had at one time been owners but had lost their farms. About one-half had spent some time at non-farm pursuits. It was during the higher tenures, including non-farm occupations (see Figures 16, 17, and 18) that inheriting tenants received such heavy losses (particularly in Williamson County) that the average wealth accumulated per operator, after deducting the amount of their inheritances, was lower than for non-inheriting tenants. The fact that non-inheriting tenants lost money in the tenures where the total accumulations per operator were greatest indicates a relative inefficiency in management by this group.

Effect of inheritance on accumulation of wealth by white and colored operators did not differ greatly in proportion inheriting from that of owners and tenants, white operators accumulating somewhat less than the owner group (Tables XXIV and XXV). The effect of inheritance was greater for the tenant classification than for colored class.

TABLE XXV. EFFECT OF INHERITANCE ON ACCUMULATION OF WEALTH,
457 WHITE AND COLORED FARMERS, THREE COUNTIES,
TENNESSEE

(Dollars per Operator)

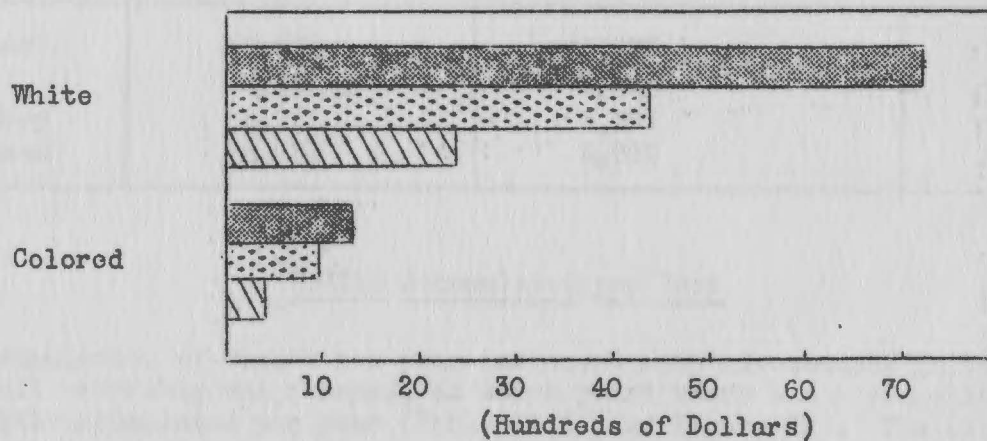
Color	Accumulations per Inheriting Operator	Accumulations per Inheriting Operator Less the Amount Inherited	Accumulations per Non-Inheriting Operator
All cases	\$6,526	\$3,973	\$1,561
White	7,261	4,398	2,418
Colored	1,293	951	421

About the same proportion of accumulated wealth of both white and colored operators was received by inheriting operators, the inheritance itself accounting for a greater portion of the wealth of white operators than of colored operators (Figure 20).

Accumulation of wealth was greater, per farm operator, in Williamson County than in either Madison or Montgomery (Table XXVI), both for inheriting and non-inheriting operators; however, the effect of inheritance was greater in the latter counties. After deducting the amount of the inheritance, there is considerable difference between the amount accumulated by inheriting and non-inheriting operators in the three counties (Figure 21).

Probably the differences in accumulations in those counties is partly due to the amount of capital involved, to the type of farming, and to education and training.

Figure 20. Effect of Inheritance on Accumulation of Wealth, 457
White and Colored Farmers, Three Counties, Tennessee



Source: Table XXVI.

Figure 21. Effect of Inheritance on Accumulation of Wealth, 457
Farm Operators, Three Counties, Tennessee

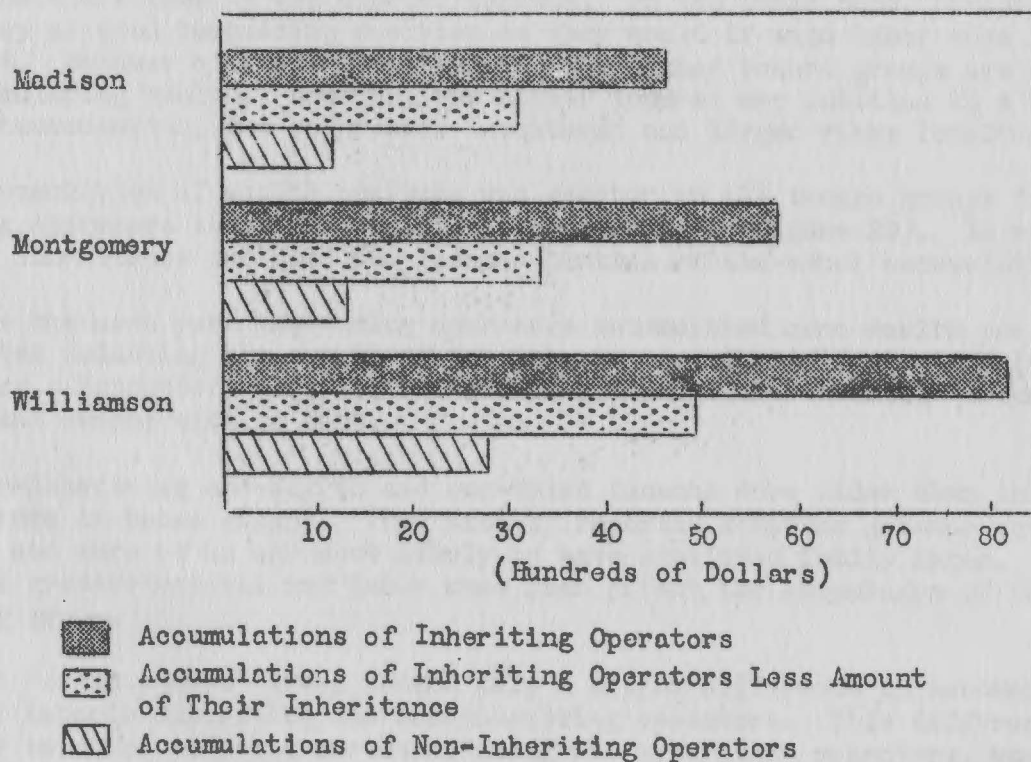


TABLE XXVI. EFFECT OF INHERITANCE ON ACCUMULATION OF WEALTH,
457 FARM OPERATORS, THREE COUNTIES, TENNESSEE

County	Accumulations per Inheriting Operator	Accumulations per Inheriting Operator, Minus the Amount Inherited	Accumulation per Non-Inheriting Operator
All cases	\$6,526	\$3,973	\$1,561
Madison	4,592	3,046	1,138
Montgomery	5,722	3,293	1,295
Williamson	8,131	4,909	2,773

Wealth Accumulated per Year

Accumulation of wealth per year increased with advancement in tenure until full ownership was reached, at which point there was a reduction in the wealth accumulated per year (Table XXVII and Figure 22). The higher tenure groups generally accumulate wealth much faster than the lower tenures.

Wages paid for labor account for a portion of this difference. Relatively low wages in comparison with farm income sometimes makes it more advantageous for wage workers to become tenants as soon as possible than to remain a wage worker. They are at a greater disadvantage in bargaining with the land-owners than is the case of tenants. On the other hand, tenants do not enjoy so good bargaining position as they would if wage labor were less abundant. Because of the labor situation the higher tenure groups are aided in accumulating wealth. However, the higher tenures are entitled to a higher annual accumulation, due to greater investment and larger risks involved.

Accumulation of wealth per year was greater in all tenure groups for inheriting operators than for non-inheriting operators (Figure 23). In some tenures inheritance included the greater portion of the total accumulation.

For the most part inheriting operators accumulated more wealth per year, even after deducting the amount of the inheritance, than did non-inheriting operators. Exceptions were the one-fourth and one-third tenants, "other tenures", and owners with no debt.

Non-inheriting one-fourth and one-third tenants were older than inheriting tenants in these groups. They usually reported somewhat greater net wealth, and were of an age most likely to have available family labor. Possibly this greater capital and labor more than offset the advantages of the inheriting group.

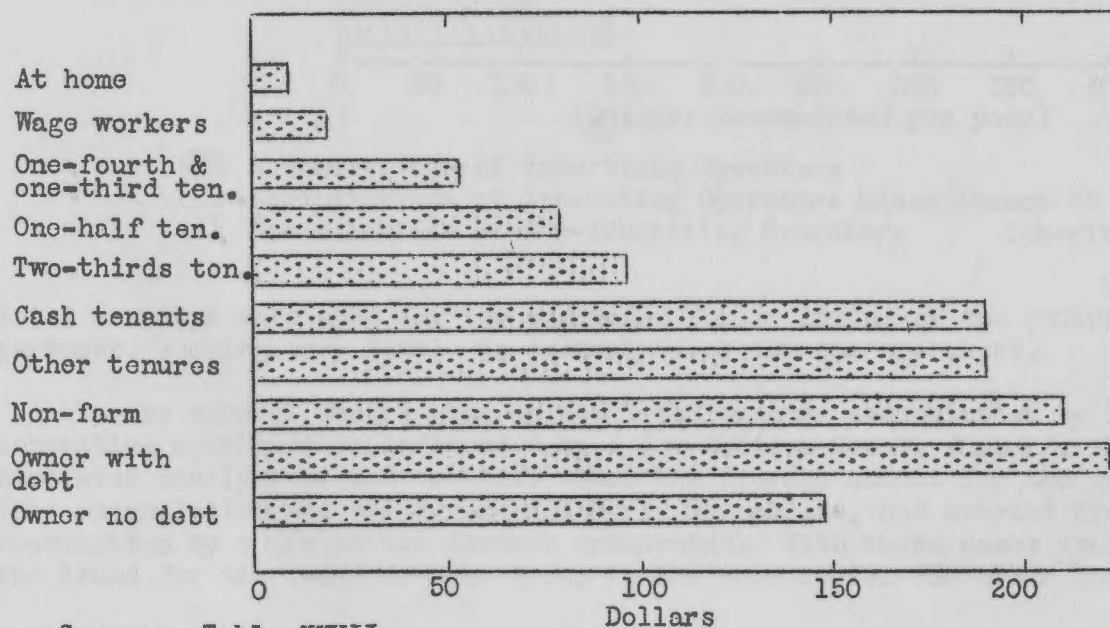
The "other tenure" group showed only a slight difference in accumulations per year between inheriting and non-inheriting operators. This difference may have been due to young partners, among the inheriting operators, whose

TABLE XXVII. WEALTH ACCUMULATED PER YEAR, BY TENURE GROUPS,
457 OPERATORS, THREE COUNTIES, TENNESSEE
(Dollars)

Tenure	Average All Cases	Those Who Inherited	Those Who Inherited Less Amount of Inherit- ance	Those Who Did Not Inherit
At home	9	16	4	2
Wage workers	20	46	33	13
One-fourth and one- third tenants	54	69	15	46
One-half tenants	81	195	136	37
Two-third tenants	98	173	112	64
Cash tenants	190	443	241	55
Other tenures *	191	242	77	85
Non-farm	213	397	186	65
Owner with debt	223	274	228	138
Owner no debt	148	151	96	140

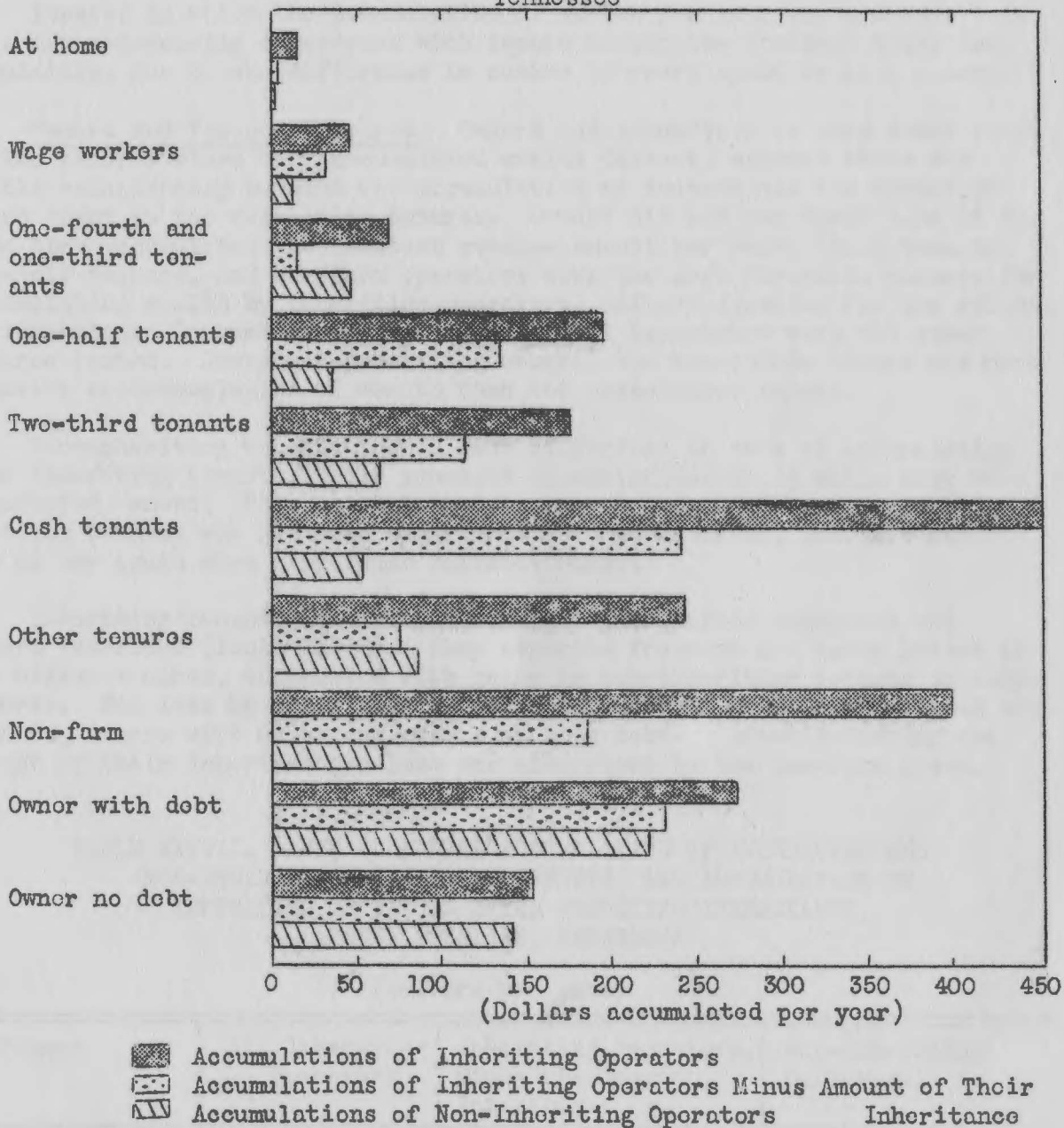
* All tenures not otherwise classified.

Figure 22. Accumulations of Wealth per Year by Tenure, 457 Operators,
Three Counties, Tennessee



Source: Table XXVII.

Figure 23. Accumulation of Wealth per Year, by Tenure of Operators,
457 Operators, Three Counties,
Tennessee



total earnings were used for the undivided family living of the paternal partners, leaving very little as accumulations for the operators.

In the case of owners with no debt, the greater accumulation by non-inheriting operators is influenced by a few Madison County farmers, who accumulated nearly four and one-half times the average amount for the group. This accumulation was all during the World War period, and accrued from land speculation by a few of the farmers enumerated. With those cases excluded the trend for the owner no-debt group is the same as for the other tenures.

Tenures in which the accumulation of wealth per year was greatest does not necessarily correspond with tenure having the greatest total accumulation, due to the difference in number of years spent in each tenure.

Owners and Tenants Compared. Owners had a tendency to stay fewer years in the tenures where they accumulated wealth fastest, whereas there was little relationship between the accumulation of tenants and the number of years spent in the respective tenures. Owners did not own their land at the time they accumulated the greatest average amount per year. Cash tenants, one-half tenants, and non-farm operators were the most favorable tenures for accumulating wealth by inheriting operators. After adjusting for the effect of inheritance "encumbered owner" was of equal importance with the other tenures listed. Among non-inheriting owners, the two-thirds tenure was more inducive to accumulation of wealth than the cash-tenant tenure.

Non-inheriting tenants showed less difference in rate of accumulation than inheriting tenants, their greatest accumulations being while they were encumbered owners. This is explained by the fact that most of the non-inheriting tenants who had been owners had sold their farms, and were expecting to buy again when they found suitable farms.

Inheriting tenants accumulated less per year, after deducting the amount inherited (Table XXVII). They reported frequent and heavy losses in the higher tenures, contrasted with gains by non-inheriting tenants in those tenures. Net loss by inheriting tenants was reported while operating as cash tenants, owners with debt, and owners without debt. After deducting the amount of their inheritance a loss was also shown by the non-farm group.

TABLE XXVIII. AVERAGE ANNUAL ACCUMULATION OF INHERITING AND NON-INHERITING OWNERS AND TENANTS, AND ACCUMULATION OF INHERITING OPERATORS AFTER DEDUCTING INHERITANCE, THREE COUNTIES, TENNESSEE

(Dollars per year)

Tenure	All Inheriting Operators	Inheriting Operators, Minus the Amount Inherited	Non-Inheriting Operators
All cases	134	82	35
Owners	158	98	68
Tenants	30	9	15

Annual accumulation of wealth by inheriting tenants was much greater in Williamson than in either Madison or Montgomery counties. After deducting the inheritance their accumulations were less than non-inheriting tenants. The same tendency was true for inheriting and non-inheriting owners, except that there was less difference between counties for the owners.

White and Colored Compared. Colored non-inheriting operators (all tenures) accumulated an average of only nine dollars per year of farm operation, compared with thirty-one dollars for the inheriting colored operators (Table XXIX). However, after deducting the amount of inheritance only thirteen dollars per year was accumulated by inheriting operators; an indication of the homogeneity of the colored operators. Colored inheriting operators were able to accumulate more per year in Madison County than in Montgomery, and more in each of these counties than in Williamson. There was practically no difference between the counties in regard to non-inheriting colored operators.

White operators accumulated about 60 percent more wealth per year in Williamson than in either Madison or Montgomery counties, irrespective of their inheritance. The same relationship existed both for inheriting and non-inheriting operators.

TABLE XXIX. AVERAGE ANNUAL ACCUMULATIONS OF WEALTH, 457 WHITE AND COLORED OPERATORS, THREE COUNTIES, TENNESSEE
(Dollars)

Color	Average Accumulations of Wealth of Operators	Average Accumulations of Operators, Minus the Amount Inherited	Non-Inheriting Operators
All cases	134	82	35
White	146	89	56
Colored	31	13	9

Wide differences exist in the rate of accumulating wealth by white and colored farmers, favoring the white. Individual cases were found to vary more among white than colored operators. In fact only a few of the colored operators accumulated as much as the average of all cases; and only a small proportion of the white operators were in the lower brackets.

TABLE XXX. AVERAGE ANNUAL ACCUMULATION OF WEALTH, 457 FARM OPERATORS, THREE COUNTIES, TENNESSEE
(Dollars)

County	Average Accumulations of Wealth of Operators	Average Accumulations of Operators, Minus the Amount Inherited	Non-Inheriting Operators
All cases	134	82	35
Madison	102	68	26
Montgomery	112	64	29
Williamson	165	72	62

County differences indicate greater influence from inheritance in Williamson County than in Montgomery or Madison, the latter county being influenced least (Table XXX). A probable difference in training of inheriting and non-inheriting operators is associated with the rate of accumulation by the counties.