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SOCIAL SECURITY AND THE TEXAS FARMER

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IN COOPERATION WITH THE U. S. DEPARTMENT OF AGRICULTURE



SUMMARY

An amendment to the Social Security Act in the summer of 1954 provided Old Age and Survivors Insurance coverage for self-employed farmers. This report presents the results of interviews conducted in Wharton and Cherokee counties during the summer of 1956, approximately a year and a half after this phase of the program went into effect.

About half of the farmers in the sample did not know enough about the OASI program to make wise decisions regarding their possible alternatives in the program. Operators who knew the least about the program were usually older persons, had little formal education, operated smaller farms, were tenants and had a low net worth figure.

Operators relied upon publications (particularly newspapers and magazines) and friends and other people for most of their OASI information. However, Social Security representatives and county agents were the most effective sources used. Local income tax consultants occupied a key role insofar as the relative success of the OASI program for farmers is concerned. About 2 out of 5 operators followed the advice of local income tax personnel in income tax and social security tax matters.

Approximately 7 out of 10 farm operators were either paying a Social Security tax or receiving benefit payments, with 15 percent not having enough income to qualify. Twelve oper-

ators were receiving monthly OASI benefit payments.

Eighty percent of the farm operators between 50 and 64 years of age expected to continue living on a farm after they reached 65, and the same proportion expected to continue farming after they reached this age. Only one farmer at this age level had made a change in his farming operations in order to either qualify for the OASI program or to increase his benefit payments. However, 11 operators between 50 and 64 years of age planned to carry out farming changes in order to qualify more fully for OASI benefits.

Eighty-eight percent of the farm operators 65 years of age or older planned to continue living on their farms, but only 13 percent planned to retire from farming altogether. Only five operators who planned changes in their farming operations said they would do so in order to qualify for OASI benefits. Only 24 (31 percent) of the 77 operators who were 65 years of age and older stated that they expected to receive OASI benefits at any time in future years.

Approximately 9 out of 10 operators approved of the OASI program in general, with only 3 out of the 500 interviewed stating that they were definitely opposed to the program. Those operators who approved of OASI more than others were younger, operated smaller farms, had a lower net worth and had nonfarm jobs in addition to carrying on their farming operations.

CONTENTS

Summary.....	2	Operators' OASI Coverage.....	13
Introduction.....	3	Operators' Retirement Plans and OASI.....	14
Purpose of Study.....	3	Operators 50 to 64 Years of Age.....	14
Scope and Method of Study.....	4	Monetary Needs for Retirement.....	14
Characteristics of Operators.....	4	Prospects for Financing Retirement Needs.....	15
Race and Nationality.....	4	Expected Income from OASI.....	15
Age.....	5	Residence Plans.....	15
Education.....	5	Plans for Farming Operations.....	15
Net Worth.....	5	Operators 65 Years of Age or Older.....	16
Operators' Knowledge About OASI.....	5	Adequacy of Present Finances.....	16
Knowledge of Specific Points.....	6	Source of Present Incomes.....	16
General Knowledge.....	7	Future Income Expectations.....	16
Knowledge in Relation to Characteristics		OASI Payments as Future Income.....	16
of Operators.....	8	Residence Plans.....	16
Age.....	8	Farming Plans.....	16
Education.....	8	Operators' Opinions of OASI.....	17
Net Worth.....	8	What Operators Like and Dislike About OASI.....	17
Race and Nationality.....	8	Acknowledgments.....	18
Operators' Sources of Information About OASI.....	9	References.....	18
Main Source.....	12	Appendix.....	18
The Income Tax Consultant.....	12	OASI Knowledge Questions.....	18
Effectiveness of Different Sources.....	13		

Social Security and the Texas Farmer

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ALTHOUGH SOME CONTINUOUSLY EMPLOYED farm laborers were included in the Old Age and Survivors Insurance program in 1950, it was not until 1954 that the 83rd Congress amended the Social Security Act to include self-employed farmers. Earlier studies conducted by the Agricultural Marketing Service of the U. S. Department of Agriculture in cooperation with the Agricultural Experiment Stations of Connecticut, Kentucky, Texas and Wisconsin revealed that most farm operators in these states favored this legislation.

The results of one of these studies conducted in 1952 and reported in Texas Agricultural Experiment Station Bulletin 774 "The Farmer Looks at His Social Security — A Study of Provisions Made for Old Age by Farm Families in Wharton County" indicated that only a small portion of the Texas farm operators surveyed (in Wharton county) had been able to make any definite plans for retirement. More important, the majority apparently had given little thought to the problem. The report showed that those farmers who had done the least planning were least able to provide for their economic security in old age.

The 1954 amendment to the Social Security Act extended OASI coverage to self-employed farmers on essentially the same basis as had been provided previously for self-employed nonfarm businessmen. Beginning in 1955, self-employed farm operators with annual net earnings from self-employment of \$400 or more were required by law to be included in the program. In addition, if the farmer's gross income was from \$800 to \$1,800, he had the option of reporting one-half of his gross income for Social Security instead of his actual net farm earnings. If his gross income from farm self-employment was more than \$1,800 and his actual net earnings were less than \$900, he could report \$900 for Social Security and pay the tax on this amount. Operators who became 65 years of age before July 1, 1954, needed only six quarters of coverage to qualify for benefit payments. Normally an operator could meet this requirement in two crop years.

Purpose of Study

A cooperative study was undertaken in the summer of 1956 by AMS, USDA and the Texas Agricultural Experiment Station. Similar coop-

erative studies were also conducted in Kentucky and Maine. The overall purpose of the Texas study was to provide information which would be useful in evaluating the program's effectiveness and in planning for its improvement.

Some of the questions explored in this study were: After a full year in which to inform themselves about OASI, how much did the farm operators know about specific features of the program?¹ How many farm operators had availed themselves of this coverage and realized that under certain conditions they were required by law to pay Social Security taxes? From what sources did farmers receive information regarding OASI? What were the opinions of Texas farm operators regarding OASI and what, if any, changes would they recommend in order to make the Social Security laws more beneficial? What are some of the problems confronting farmers in connection with obtaining Social Security coverage?

Texas Agricultural Experiment Station Bulletin 886 "Texas Farmers and Old Age and Survivors Insurance" published in January of 1958 contained some of the broader findings of this study. This report, however, was limited to some

¹Some changes have been made in the Social Security Laws since the field work was completed. For example, certain changes have been made in requirements for eligibility, and the age at which women may become eligible for benefits has been lowered.

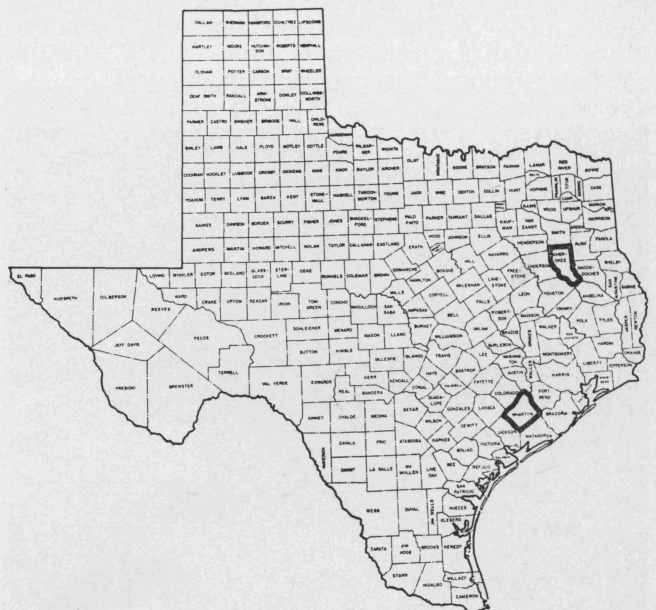


Figure 1. Location of study counties. Cherokee county is approximately 200 miles north of Wharton county.

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Figure 2. A field of rice ready for harvest in Wharton county. The comparatively level land, rich soils and plentiful water in Wharton county are suitable for a large variety of crop and livestock production.

of the main aspects of operators' insurance protection and coverage, knowledge and attitude regarding the OASI program.

The present report based on the same survey materials used in Bulletin 886 narrows the study to a detailed consideration of farm operators' knowledge of OASI and other closely related factors. Its purpose is to analyze: (1) the farm operator's knowledge of OASI; (2) his initiative in getting information about the program; (3) the sources of his information; (4) the relative effectiveness of the various sources of information; and (5) the extent to which OASI has been utilized by farm operators who are on the threshold of retirement (ages 50 through 64) and those who have reached the age at which they could qualify for receiving OASI benefit payments. This report also considers the farm operator's plan for retirement under OASI and his attitudes toward the program in general.



Figure 3. Cherokee county farmers waiting in the streets of Jacksonville to sell their abundant tomato crop.

Scope and Method of Study

Interviews were conducted with a sample of farm operators during June and July of 1956. Field studies were conducted in Cherokee and Wharton counties, Figure 1. Wharton county is located in Economic Area 14 in the Coast Prairie where cotton, rice and beef cattle are the main sources of agricultural income, Figure 2. Cherokee county is located approximately 200 miles to the north in Economic Area 13 in the East Texas Timberlands region. Its agriculture is highly diversified, and truck crops (particularly tomatoes, peaches and watermelons), cotton, livestock, poultry and timber are the important products, Figure 3.

A comparison of Cherokee and Wharton counties shows that in Wharton county the soils are more productive and fertile; the value of farm land is higher with a higher percentage of land suitable for cultivated crops; farm irrigation systems are used more extensively; farming operations are more highly mechanized, Figure 4; more seasonal and migratory workers are used; and its farm people receive a higher percentage of their total income from farming even though oil, gas and sulfur resources add substantially to their farm incomes, Figure 5. These resources together with small industries also provide more opportunities for nonfarm employment in Wharton than in Cherokee counties, Figure 6.

In general, Wharton county compares favorably with the rest of the state in agricultural and nonagricultural indices and in the levels of living of its farm people. Cherokee county has been designated as the pilot area for low production farm studies in East Texas by the Texas Agricultural Experiment Station and a pilot rural development program is being carried out in the county, Figure 7.

An area probability sample was drawn for each county by the Statistical Standards Division of AMS. This sample yielded a total of 250 usable interviews in each county—approximately 10 percent of all farm operators. All farmers with their farm headquarters inside the sample segments were interviewed. In the two counties 44 operators were classed as business or professional persons, and a total of 77 was eligible for OASI coverage as a result of earnings from some type of work or occupation other than the operation of their farm.

Characteristics of Operators

A description of characteristics of farm operators interviewed follows.

Race and Nationality

Table 1 shows the distribution of farm operators by race and national origin in the study counties. Cherokee county operators consist entirely of Anglo-Americans and of Negroes. The Anglo-Americans, whose ancestors came from the

Old South, make up about 4 out of 5 operators. Negroes make up about a fifth of the total. Wharton county has greater diversity in this respect. About 7 percent of its operators are of Mexican origin, with Negroes comprising a fifth of the total. About a fourth of all operators are of Czech origin and about half are other whites.

Age

Forty-four percent of all farm operators interviewed were 55 years of age or older; about 1 out of 12 was less than 35 years old, Table 2. The average age for all farm operators was 51. The average age of farm operators in Wharton county was about 47, compared with 55 in Cherokee county. There were approximately five times as many operators in Wharton county less than 35 years of age as there were in Cherokee county. The percentage in the 35 to 44 age group was 26 in Wharton county and 17 percent in Cherokee county. At the other end of the age scale, more than half (55 percent) of the farm operators in Cherokee county were 55 years of age or older, while this group made up only about a third (33 percent) of all operators in Wharton county. Farm operators, 65 years of age or older, are about twice as numerous in Cherokee as in Wharton county.

Education

There is little difference in the educational attainment of the farm operators in the two study counties. Approximately 7 out of every 10 had not attended school beyond the eighth grade, Table 3. About the same number (approximately one-third) in each county had completed less than 6 years of school. At the other extreme, only 6 percent had some college training.

Net Worth

Farm operators were asked to estimate their financial condition by subtracting their indebtedness from the value of all the property and equipment, both farm and nonfarm, owned by them. The answer provided an estimate of net worth.

A net worth figure was obtained from all but 6 farm operators—3 of them in each county felt that they could not estimate fully their financial status. Approximately 4 percent of the farmers interviewed said that they had debts greater than assets, while at the other extreme about 7 percent estimated their net worth to be \$50,000 or over, Table 4.

Wharton county farm operators had a higher average net worth than did those in Cherokee county. The counties had about the same proportion of operators whose net worth was less than \$5,000 (40 percent for Wharton, 44 percent for Cherokee), but Cherokee county had more farm operators in the middle range between \$5,000 and \$19,999. Approximately 35 percent of the Wharton county farm operators had a net worth of \$20,000 or more as compared with only 15 percent in Cherokee county.



Figure 4. Most Wharton county farmers are highly mechanized and also make extensive use of migratory labor.

The net worth of farm operators was closely related to nationality derivation, the size of farming operations and other considerations.

The net worth of Czech operators and other whites was substantially higher than the average net worth reported by Negro and Mexican operators. Although there was not a great deal of difference in the average size of farm in the two study counties (174 acres in Wharton and 149 in Cherokee), Wharton county has three times as many farms that are 800 acres or larger in size than does Cherokee county.

OPERATORS' KNOWLEDGE ABOUT OASI

One of the main objectives of the present study was to ascertain the extent of farmers' knowledge about the OASI program. The interviewers were instructed to ask preliminary questions to discover whether the operator had some



Figure 5. Large block of sulphur produced in Wharton county. Sulfur production in the county provides nonfarm employment for a number of farmers.

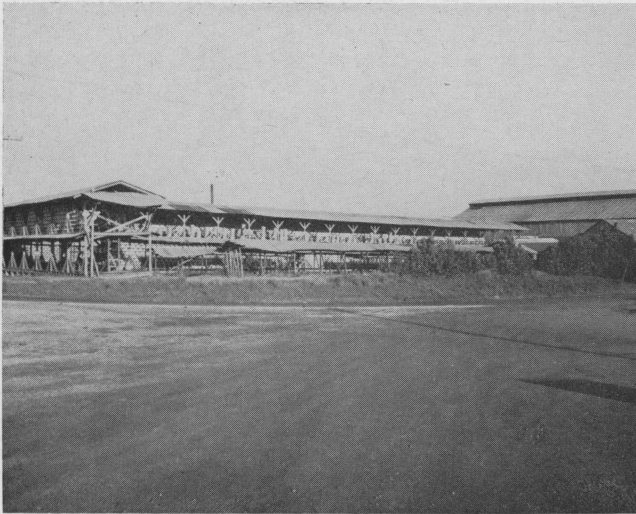


Figure 6. A box factory in Cherokee county. A number of box factories provide nonfarm employment for farmers and also use timber produced in the county.

idea of the nature of the program and its benefits. One of the basic problems involved in obtaining information about knowledge of the program was the operators' inability to identify it specifically by its official title, "Old Age and Survivors Insurance Program." All of the operators had heard about Social Security in general, but when they were asked whether farmers were included in the program, many of them were not sure about it. A typical response of this type to the question was, "I heard I might have to get in Social Security some day but just heard it and don't know if it's the truth or not."

If, in the early part of the interview, the operator made it known that he had a Social Security number, the interviewer tried to find out whether he knew what benefits were provided by OASI as distinguished from other Social Security phases such as old age assistance and unemployment compensation. If the operator did



Figure 7. The sloping and hilly land in much of Cherokee county restricts the types of crops that can be produced.

not have a Social Security number, he was asked whether he had heard about the Social Security Old Age and Survivors Insurance Program. If he had, he was then questioned about its benefits. One important point in this connection is that if the operator said he had not heard of OASI or that he did not know specifically anything about its benefits, the interviewers were instructed not to ask a series of 17 questions which were designed to test his knowledge about the program. It was hoped that this procedure would minimize the operator's guessing answers to questions about which he had, in fact, no real knowledge. In some cases after the knowledge questions had already been skipped, answers to questions in the latter part of the interview made it apparent that he knew more about the program than he had indicated previously. It is, therefore, important to qualify the following information by stating that although 131 of the respondents (or 26 percent of the entire group interviewed) were not asked the 17 knowledge questions, among this number were some persons who may have been better informed than indicated by their interviews.

Nevertheless, since in the judgment of the interviewers, 131 respondents did not know enough about OASI to be asked the series of knowledge questions, this indicates that dissemination of information by OASI had not been effective among a considerable segment of the farm operators in the two study counties. It should be remembered that the OASI program as applied to farmers is rather complex and that it had been in operation only a relatively short time when the field study was made. In light of these circumstances, the amount of information that farm operators had about OASI seems relatively large. In both counties Negroes and operators of Mexican descent were particularly prominent among those professing not to know anything about OASI. Another important characteristic of the group which was not asked the knowledge questions was the extremely high proportion who were in the older age groups, particularly 60 years and over.

Knowledge of Specific Points

Table 5 shows the percentage of farm operators who gave the correct answers to each of the 17 knowledge questions. The percentages were based on all farm operators and include farmers who were not asked the knowledge questions because of an apparent lack of knowledge as detected by the interviewer. The questions in Table 5 are listed in the same sequence in which they were asked.

Farmers were better informed about some features than about others. Approximately 7 out of 10 of the 500 interviewed knew that farm operators were definitely included in the OASI program (Question 1). The proportion of farm operators in each study county answering this question correctly was about the same. Nevertheless, in both counties the number who knew that farm-

ers were eligible to qualify for Social Security coverage varied greatly within different groups. One of the most striking differences was between racial or nationality groups. Only 28 percent of the Negro farm operators and 28 percent of the Mexican group knew that farmers were included in the program, as contrasted to 84 percent of the Czech and other white operators. Over 90 percent of the operators who estimated their net worth to be \$10,000 or more knew that farmers were included in the program, but only 36 percent with a net worth of less than \$1,000 were aware of it. Larger proportions of younger operators (87 percent of those under 35 years of age) than older farmers (65 percent for those 65 years old and over) knew that an amendment to the Social Security Act affected farmers. Owner-operators were more aware of their new OASI status than were tenants.

Approximately the same proportions knew that 65 was the age at which persons could begin drawing OASI retirement payments (Question 10). One of the important deficiencies in knowledge about OASI was the number of operators who did not know that they were required by law to pay a Social Security tax if they met certain minimum income requirements (Question 2). Only 46 percent of all the operators knew that participation in the program was mandatory; 12 percent stated that participation was voluntary. The remaining 42 percent either gave "don't know" as their answer or were not asked the question. Farmers in the two counties varied greatly in the degree to which they knew the answer to this question. Only 36 percent of the Cherokee farmers knew that Social Security tax payments were mandatory as compared with 57 percent in Wharton county.

The question about which farm operators had the least knowledge concerned the inclusion of rental income for Social Security purposes (Question 14). At that time, only 20 percent answered the question correctly.²

Replies to other questions indicated that farm operators generally did not make a sharp distinction between other Social Security measures such as old age assistance and OASI. For example, only about a fourth knew that OASI did not provide unemployment benefits (Question 8). Also, only about a third knew that this program does not provide for medical or hospital costs in case of an accident to the insured (Question 9).

General Knowledge

In order to classify farm operators according to their knowledge of OASI, respondents were graded according to the answers they gave to the

²Changes in the Social Security laws since the field study was completed now permit the farm operator to count rental income as a part of his income on which his Social Security tax is based, providing he participates materially in the production or management of the production on the farm.

TABLE 1. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY RACE OR NATIONALITY

Race or nationality	Wharton county	Cherokee county	Total
	(N=250) ¹	(N=250) ¹	(N=500) ¹
	Percent		
Czech	27.6	0.0	13.8
Mexican	7.2	0.0	3.6
Other Whites	46.4	78.4	62.4
Negro	18.8	21.6	20.2
Total	100.0	100.0	100.0

¹N = Number of farm operators in each group.

17 knowledge questions. They were placed in categories of knowledge relating to the program. These were "well informed," "fairly well informed," "some knowledge" and "little or no knowledge." To be classed in the "well informed" group, the respondent had to answer 14 of the 17 questions correctly. Those who answered 11 to 13 questions correctly were considered "fairly well informed." An additional requirement had to be met before the farm operator could be placed in either of the two top categories, regardless of the total number of correct responses. He had to know (1) that farm operators were eligible for OASI coverage and (2) that they must make a report of their earnings once a year for Social Security purposes.

Farm operators answering 8 to 10 questions correctly were considered to have "some knowledge" while those who knew the answers to less than 8 and those who were not asked the knowledge questions were placed in the group with "little or no knowledge" of the program. If a farm operator fell into either of the two top categories, he was considered to be well enough informed about the program to make intelligent decision concerning it. Those who fell into either the third or fourth categories were considered to possess knowledge far short of that required for them to be able to cope intelligently with problems regarding the program.

Forty-five percent of the operators interviewed knew enough about OASI to be classed as well or fairly well informed, Table 6. A slightly higher percentage of farmers in Wharton county knew more about the program than the farmers in Cherokee county. Thirty six percent of the op-

TABLE 2. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY AGE

Age	Wharton county	Cherokee county	Total
	(N=250) ¹	(N=250) ¹	(N=500) ¹
	Percent		
Under 35	13.2	2.4	7.8
35 to 44	26.4	17.2	21.8
45 to 54	27.2	25.6	26.4
55 to 64	22.4	34.8	28.6
65 and over	10.8	20.0	15.4
Total	100.0	100.0	100.0

¹N = Number of farm operators in each group.

TABLE 3. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY EDUCATIONAL ATTAINMENT

Education (Number of school years completed)	Wharton county	Cherokee county	Total
	(N=250) ¹	(N=250) ¹	(N=500) ¹
	Percent		
Less than 6	34.8	34.4	34.6
6 to 7	26.0	18.8	22.4
8	10.4	16.0	13.2
9 to 12	24.8	23.2	24.0
13 and over	4.0	7.6	5.8
Total	100.0	100.0	100.0

¹N = Number of farm operators in each group.

erators in each of the two counties had little or no knowledge about OASI. Since more than half of the farm operators interviewed were classed as having some knowledge or little or no knowledge of the program, two general conclusions can be drawn concerning the education of the farmer in the OASI program: (1) A substantial proportion of farm operators had failed to inform themselves adequately in order to participate in the OASI program to the best advantage, and (2) The usual media of communications through which OASI information was being disseminated were not highly successful in educating farm operators concerning OASI regulations and benefits. Farm operators possessed a fair amount of information, considering the relatively short time the program had been in effect.

Knowledge in Relation to Characteristics of Operators

It is important to describe some characteristics of those operators who knew the least about OASI.

Age

There was a direct relationship in both counties between age and extent of knowledge of the OASI program, Table 7. The older farmers were the least informed and the younger the best informed. Approximately two-thirds of the operators less than 35 years of age were either well or

TABLE 4. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY NET WORTH

Net worth	Wharton county	Cherokee county	Total
	(N=250) ¹	(N=250) ¹	(N=500) ¹
	Percent		
Under \$1,000	17.6	20.0	18.8
\$1,000 to \$4,999	22.0	23.6	22.8
\$5,000 to \$9,999	10.8	22.4	16.6
\$10,000 to \$19,999	13.6	18.0	15.8
\$20,000 to \$29,999	10.8	6.4	8.6
\$30,000 to \$49,999	12.4	5.6	9.0
\$50,000 and over	11.6	2.8	7.2
Not reported	1.2	1.2	1.2
Total	100.0	100.0	100.0

¹N = Number of farm operators in each group.

fairly well informed, and almost the same proportion of operators 65 or older were poorly informed. The many factors involved make it difficult to ascertain exactly why the farm operator who was nearest the age of retirement possessed the least knowledge about the OASI program. Differences in educational levels and the extent to which certain communications media were used by the younger and older people explain, at least in part, why these knowledge differences exist.

Education

The percentage of farm operators who were better informed about OASI becomes increasingly higher as their educational levels increase, Table 8. Only about a fourth of all farm operators who had less than 6 years of formal schooling were adequately informed about the OASI program. About 2 out of 5 operators who had completed 8 years of schooling were adequately informed, as compared with 72 percent for those who had completed 9 or more years of formal education. Conversely, approximately 75 percent of the operators who had not completed as much as 6 years of school had inadequate knowledge about OASI, while only 27 percent of those who had 9 or more years of schooling possessed inadequate knowledge. This evidence points out that the level of education appears to be directly related to the level of OASI information possessed by farm operators.

Net Worth

Farm operator's knowledge of OASI is related directly to net worth, Table 9. Among operators who reported a net worth of less than \$1,000, only 1 out of 10 possessed adequate knowledge about the program. In comparison, 3 out of 4 farmers with a net worth of \$50,000 or more were adequately informed about the program.

A sharp dividing line may be drawn based on adequacy of knowledge about OASI at the \$10,000 net worth level. Operators who were either well or fairly well informed did not exceed 40 percent of the total in any of the net worth categories below the \$10,000 level. Farmers who were either well or fairly well informed about OASI made up not less than 68 percent of the total in all net worth categories above the \$10,000 level.

From the evidence presented concerning the relationship between net worth and knowledge of the OASI program, it may be concluded that operators who are in the best position to attain greater economic security, even if OASI were not in effect, also knew the most about the program.

Race and Nationality

Racial or nationality derivation of farm operators also is related to the amount of knowledge of OASI that they possess, Table 10. About 9 out of 10 of both Negro and Mexican farm operators were in the poorly informed or least informed categories, compared with 4 out of 10 Czech and other white farm operators in these categories.

Evidence presented in this section indicates that the farm operators' performances in replying to the knowledge questions about OASI are related to age, education, net worth and race. It is, nevertheless, difficult to assign a causal relationship to each individual factor discussed since they are closely interrelated. For example, Negro farmers and those of Mexican origins also have smaller farming operations on the average, a smaller net worth and the least amount of formal education. Other important social factors not explored in this study may account for some of the differences noted.

OPERATORS' SOURCES OF INFORMATION ABOUT OASI

One of the basic problems facing administrators and officials of programs such as OASI is the channeling of information to those persons whom it affects. There are about 5,000,000 farmers in the United States and some 300,000 in Texas who need to know, in the case of OASI, that they are eligible for Social Security coverage under certain circumstances. Beyond the elementary information, farm operators also need to have additional knowledge about other relatively complex phases of the program in order to take fullest advantage of it.

Since this relatively complex program was comparatively new when the field study was conducted, an inquiry into where and how farmers got their information, to what extent they used different channels and the extent to which these various channels of information are effective should be helpful to OASI officials and to others who are responsible for various types of agricultural information programs.

In order to ascertain what channels of communication were used most frequently by farmers in connection with the OASI program, the respondents were asked: "Where have you gotten most of your information about Social Security for farmers?" This question was asked only of those who knew that OASI applied to them. Interviewers placed a number by each source of information named by the respondents. If the respondent named more than one source, a "1" was placed by the source of most information, a "2" was used for the second source of most information, etc. Farm operators in the sample named 14 different sources. Although it was possible for a farmer to name all 14, only the top three sources listed by any respondent were considered for purposes of analysis.

In both counties, publications were most often mentioned in the three most important sources of information listed. Included in this overall term were newspapers, magazines and pamphlets. In all, 72 percent of those who were asked this question mentioned publications as one of the three top sources. People, which included friends and family members, was mentioned second most frequently in the three top sources of information, followed by radio and television.

TABLE 5. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY CORRECT ANSWERS GIVEN TO EACH OF 17 OASI KNOWLEDGE QUESTIONS¹

Knowledge questions ²	Wharton county	Cherokee county	Total
	(N=250) ³	(N=250) ³	(N=500) ³
	Percent		
1. Farmers included in OASI?	68.8	72.0	70.4
2. OASI payments voluntary or required?	56.8	35.6	46.2
3. Do survivors get benefit payments?	58.0	66.4	62.2
4. Must wife have Social Security card to get payments from husband's insurance?	40.8	40.8	40.8
5. Who administers OASI program?	52.8	60.0	56.4
6. Are cash-wage workers included?	63.6	61.6	62.6
7. Who pays Social Security tax for workers?	60.0	53.6	56.8
8. Does OASI pay unemployment benefits?	28.4	25.2	26.8
9. Does OASI pay medical benefits?	36.4	34.4	35.4
10. At what age retirement benefits received?	64.8	70.8	67.8
11. Do farmers 65 years of age or older get money immediately from OASI?	47.2	64.4	55.8
12. Can farmer receiving OASI payments work?	51.6	62.4	57.0
13. Everyone receives same amount?	56.8	68.4	62.6
14. Farm rentals count toward Social Security?	22.4	17.6	20.0
15. Frequency of farmer reporting earnings?	61.2	52.8	57.0
16. Son under 21 eligible for Social Security?	43.6	33.2	38.4
17. To whose income does 4-H Club project profits apply?	37.6	33.6	35.6

¹Percentages include all farm operators interviewed, that is, even those who were not asked the knowledge questions because of apparent lack of knowledge. Thus the highest percentage possible is 74.

²See Appendix for complete questions as asked in the interviews.

³N = Number of farm operators in each group.

Closely linked with any consideration of the extent to which certain sources of OASI information were used is the question of the desires of people to seek out the information and to find out more about the program. Since it may be assumed that people normally prefer to get their information from an "official" source, the respond-

TABLE 6. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY GENERAL KNOWLEDGE OF OASI

Knowledge of OASI	Wharton county	Cherokee county	Total
	(N=250) ¹	(N=250) ¹	(N=500) ¹
	Percent		
Well informed	18.8	17.2	18.0
Fairly well informed	29.2	25.6	27.4
Some knowledge	16.0	21.2	18.6
Little or no knowledge	36.0	36.0	36.0
Total	100.0	100.0	100.0

¹N = Number of farm operators in each group.

TABLE 7. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY AGE AND KNOWLEDGE OF OASI

Age	Wharton county (N=250) ¹					Cherokee county (N=250) ¹					Total (N=500) ¹				
	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total
----- Percent -----															
Under 35	21.2	45.4	15.2	18.2	100.0	33.3	33.3	33.4	0.0	100.0	23.1	43.6	17.9	15.4	100.0
35 to 44	21.2	33.3	19.7	25.8	100.0	27.9	27.9	14.0	30.2	100.0	23.9	31.2	17.4	27.5	100.0
45 to 54	11.8	29.4	17.6	41.2	100.0	17.2	28.1	23.4	31.3	100.0	14.4	28.8	20.5	36.3	100.0
55 to 64	23.2	17.8	14.3	44.7	100.0	11.6	24.1	24.1	40.2	100.0	16.1	21.7	20.3	41.9	100.0
65 and over	18.5	22.2	7.4	51.9	100.0	16.0	22.0	18.0	44.0	100.0	16.9	22.1	14.3	46.7	100.0

¹N = Number of farm operators in each group.

TABLE 8. PERCENTAGE DISTRIBUTION OF FARM OPERATOR, BY EDUCATION AND KNOWLEDGE OF OASI

Education (Number of school years completed)	Wharton county (N=250) ¹					Cherokee county (N=250) ¹					Total (N=500) ¹				
	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total
----- Percent -----															
Less than 6	9.2	18.4	13.8	58.6	100.0	5.8	17.4	16.3	60.5	100.0	7.5	17.9	15.0	59.6	100.0
6 to 7	13.8	30.8	24.6	30.8	100.0	14.9	23.4	31.9	29.8	100.0	14.3	27.7	27.7	30.3	100.0
8	15.4	30.8	26.9	26.9	100.0	12.5	27.5	27.5	32.5	100.0	13.6	28.8	27.3	30.3	100.0
9 and over	36.1	40.3	6.9	16.7	100.0	33.8	35.1	16.9	14.2	100.0	34.9	37.6	12.1	15.4	100.0

¹N = Number of farm operators in each group.

TABLE 9. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY NET WORTH AND KNOWLEDGE OF OASI

Net worth	Wharton county (N=250) ¹					Cherokee county (N=250) ¹					Total (N=500) ¹				
	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total
	----- Percent -----														
Under \$1,000	2.2	11.4	11.4	75.0	100.0	0.0	8.0	26.0	66.0	100.0	1.1	9.6	19.1	70.2	100.0
\$1,000 to \$4,999	9.1	21.8	20.0	49.1	100.0	6.9	25.4	22.0	45.7	100.0	7.9	23.7	21.1	47.3	100.0
\$5,000 to \$9,999	11.1	22.3	29.6	37.0	100.0	19.7	21.4	21.4	37.5	100.0	16.9	21.7	24.1	37.3	100.0
\$10,000 to \$19,999	26.5	41.2	14.7	17.6	100.0	28.9	40.0	17.8	13.3	100.0	27.8	40.5	16.5	15.2	100.0
\$20,000 to \$29,999	25.9	51.8	11.2	11.1	100.0	50.0	31.2	18.8	0.0	100.0	34.9	44.2	13.9	7.0	100.0
\$30,000 to \$49,999	35.5	35.5	3.2	25.8	100.0	28.6	42.9	14.3	14.2	100.0	33.3	37.8	6.7	22.2	100.0
\$50,000 and over	34.5	37.9	24.2	3.4	100.0	28.6	57.1	14.3	0.0	100.0	33.3	41.7	22.2	2.8	100.0
Not reported	33.3	0.0	0.0	66.7	100.0	33.3	0.0	33.3	33.4	100.0	33.3	0.0	16.7	50.0	100.0

¹N = Number of operators in each group.

TABLE 10. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY RACE OR NATIONALITY BACKGROUND AND KNOWLEDGE OF OASI

Race or nationality	Wharton county (N=250) ¹					Cherokee county (N=250) ¹					Total (N=500) ¹				
	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total	Well informed	Fairly well informed	Some knowledge	Little or no knowledge	Total
	----- Percent -----														
Czech	20.3	34.8	20.3	24.6	100.0						20.3	34.8	20.3	24.6	100.0
Mexican	0.0	11.2	0.0	88.8	100.0						0.0	11.2	0.0	88.8	100.0
Other white	27.6	37.9	19.8	14.7	100.0	21.9	31.1	21.4	25.6	100.0	24.0	33.7	20.8	21.5	100.0
Negro	2.1	6.4	6.4	85.1	100.0	0.0	5.5	20.4	74.1	100.0	1.0	5.9	13.9	79.2	100.0

¹N = Number of operators in each group.

ents were asked if they knew whether a Social Security representative visited their county regularly. Only 1 out of 3 operators in both counties knew that a Social Security representative made a regular visit in their respective counties. When asked this question, 53 percent stated that a Social Security representative did not come to their county, with the remainder indicating that they did not know whether one did. Only 18 percent of the Cherokee county farmers listed the Social Security office as one of the three top sources of OASI information, as contrasted with 31 percent in Wharton county.

Main Source

Farm operators who knew that they could qualify for Social Security coverage under certain conditions were asked to single out the one source from which they received most of their OASI information. Publications led the list, with 43 percent naming this as their number one source, Table 11. Among those sources included in this overall term, newspapers led the list, pamphlets were second and magazines third in order of importance. Publications were the most important sources of OASI information in both counties.

Friends and other people was listed by 14 percent of the operators as their number one source of OASI information, but the degree to which they felt their friends and other persons were their chief source varied considerably between the two counties. In Cherokee, 20 percent listed friends and other people as their main source, but only 8 percent of the Wharton county farmers did likewise. Another difference between the two counties was the extent to which the Social Security office was named as the chief source of information. In Wharton county, 18 percent listed it as their number one source of information as contrasted to only 7 percent in Cherokee county.

Since publications and friends and other people were listed as the most important sources of OASI information by almost 3 out of 5 persons who knew that farmers were included in the

TABLE 11. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY MAIN SOURCE OF OASI INFORMATION

Main source	Wharton county	Cherokee county	Total
	(N=172) ¹	(N=180) ¹	(N=352) ¹
	Percent		
Publications	40.1	45.0	42.7
Friends and other people	7.6	20.6	14.2
Social Security office	18.0	7.2	12.5
Radio-TV	8.1	8.9	8.5
Employer	7.0	8.3	7.7
County agent	3.5	2.8	3.1
Other	15.1	5.6	10.2
None	0.6	1.6	1.1
Total	100.0	100.0	100.0

¹N = Number of farm operators who knew that farmers were now covered by Social Security in each group.

OASI program, it may be possible that herein lies a weakness of the system of communicating this important information to farmers. Publications do not afford person-to-person contacts and discussions. Also friends and acquaintances often do not constitute a very reliable source of information when compared with such sources as an employer, the Social Security representative and the county agent. This might be a partial explanation for the lack of accurate information among the farmers about OASI which was illustrated in a previous section.

Different groups of farmers used the various sources of information in varying degrees, but in all instances publications were the most important single source. The extent to which they used certain sources is closely linked to other factors. Czechs and other whites relied more heavily on published material than did Negro and Mexican operators. Czech operators also relied heavily on the Social Security office as a source of information, with 24 percent listing this as their main source. Negro and Mexican operators depended on friends and other people, and Negroes depended on radio and television more than did Czechs and other whites.

The older farm operators relied more heavily on the Social Security office for information and to a lesser extent on publications than did younger farm operators.

Farm operators with a net worth of \$20,000 or more apparently made little use of employers, the county agent or the Social Security office as a source of OASI information. Television and radio were more than twice as popular as a source of information among tenants than among owner operators. Tenants also depended less on the Social Security office and the county agent as an important source of OASI information.

The Income Tax Consultant

Soon after the field study was begun, it became apparent that local persons who prepared income tax forms for farmers were an important source of OASI information. The information obtained concerning the role of the local income tax person was gathered through questions other than the one which specifically asked, "What do you consider to be your most important source of OASI information?"

A frequent reply to the question, "Why did you get a Social Security card?", was: "Because the fellow fixing out my income tax told me I ought to have one." Another question designed to find out how they became aware of their eligibility for OASI coverage often brought the response: "My income tax man told me I might have to pay it." Further, when operators were asked if they had any difficulty in determining the amount of Social Security tax to be paid, a stock answer was: "No, I don't have to worry about it, so I don't even try to understand it. The fellow who works out my income tax for me does

all of the fixing and figuring, and he ought to know those things since I pay him for it."

A review of answers to these and other similar questions revealed that 36 percent of all farm operators interviewed mentioned the "income tax" man in some way. Included in this proportion are the small operators who may not have to pay any income tax but merely wish to be on the safe side in conforming to income tax laws. In the process of making out the income tax form for the farm operator, if the local person thinks that the Social Security tax should be paid, he calls this to the farm operator's attention. This places the local income tax person in a strategic position insofar as any OASI information program directed at farmers is concerned. A majority of the persons who take care of income tax forms for the farmers in the two counties are not certified public accountants. They are mainly local individuals in whose judgment the farmers place a great deal of confidence. Consequently, they are an important influence upon farmers' attitudes, participation and acceptance of the OASI program.

Discussions with operators regarding their OASI problems revealed that some of these "income tax" people did not appear to be too well informed on some of the finer points of law contained in OASI regulations. If people who perform these services locally are not well informed and competent in OASI matters, a number of farmers may unknowingly fail to conform to provisions of the law. Some might be qualified for OASI coverage but not actually have that coverage under the program because of insufficient knowledge by these income tax people. There were indications that some who prepare income tax forms for farmers may have had a negative attitude toward the program and may even perform an injustice to the farmer. For example, one farmer in the process of an interview said of his income tax man: "He's a good man. He even fixed it up so I didn't have to pay on Social Security." This may not actually have been the case since the income tax man may have been merely leading the farmer to believe that he "fixed" it. It does, nevertheless, show an undesirable attitude of a person who provides important information and services to farmers.

Since persons who prepare income tax and Social Security statements play such an important role, officials of the OASI program could perform an additional greater service to farmers by helping this group understand the OASI program more fully.

Since persons who prepare income tax and Social Security tax statements for farmers appear to be key figures or sources of OASI information, the question might be asked: "What farmers are most likely to use the services of an income tax man?" First, it should be noted that farm operators in Wharton county used this type of service more than Cherokee county operators did. A composite picture of operators who men-

tioned an income tax consultant in connection with answers given to Social Security questions shows that they possess the following characteristics: (1) they are more likely to be younger operators, (2) they possess more than the average knowledge of the OASI program found among operators in the two counties, (3) they are the larger farm operators, (4) their net worth is greater, (5) they are more likely to be owners of the land that they operate, and (6) they have more formal education.

Effectiveness of Different Sources

The channels of communication through which farmers in the survey group receive their information on the OASI program vary in their effectiveness.

One way of evaluating the effectiveness of various sources of information is to relate the amount of knowledge of the program to the source of information. Using this criterion, the Social Security office and the county agent were the most effective sources of information used by farm operators in the two study counties. Over 80 percent of the farm operators who named either of these two as a major source of information were well enough informed to make wise decisions about their individual OASI problems. Another source of information which appeared to be effective was publications, since 67 percent of those naming this as a primary source of OASI information were adequately informed on the program. A breakdown of the publications shows that operators who depended upon pamphlets were better informed generally than those who depended upon newspapers. Magazines were reported less often as sources of OASI information than pamphlets or newspapers.

Only about a half of the operators who stated that they relied on radio and television programs for most of their OASI information were adequately informed. Friends and acquaintances were one of the least effective sources used by farm operators. More than 3 out of 5 farm operators who listed their friends and other people as their most important source of OASI information were poorly informed on the program.

OPERATORS' OASI COVERAGE

About 70 percent of all farm operators interviewed stated that they "thought" that they were eligible for OASI coverage. However, a check of replies given to other questions indicated that 71 percent actually had qualified and either were paying a Social Security tax or receiving benefit payments. By reviewing income data furnished by the respondents, it was estimated that an additional 14 percent of all farm operators were qualified by virtue of having the minimum income necessary for coverage but had failed to pay the tax. The failure of some operators to pay the tax may have been due to their exercising their legal option or due to their ignorance

of their eligibility to qualify. Approximately 15 percent of the operators interviewed had not received the minimum income required to qualify for Social Security coverage. That is, they neither netted as much as \$400 nor grossed \$800 during the 1955 calendar year.

Approximately 3 out of 4 farm operators who had qualified for OASI coverage and were making Social Security tax payments stated that they were eligible through the income they earned from their farming operations. Since few worked on farms for wages, approximately one out of four farm operators gave earnings from non-farm employment as the source of their eligibility.

The farm operator who neither paid a Social Security tax nor is receiving OASI benefit payments is most likely to be an older person (particularly 65 years of age and older), have little formal education, to be the operator of a small farm, to be a tenant (particularly cropper) and his net worth is not likely to be very high. The conclusion may be drawn from this description that those farm operators who in the long run are the least likely to be able to provide for their economic security in old age have likewise been the least able to qualify for OASI coverage.

At the time of the field study, 12 operators 65 years of age or older were receiving monthly OASI benefit payments. Of this number, 9 were farming in Cherokee county and 3 in Wharton county. None of the 12 operators received their payments as a return from earnings made in farming, since the program for farmers had not been in effect long enough for them to qualify for payments through their farming operations. Thus, all 12 received payments as a return from earnings made in nonfarm jobs. According to data furnished by the respondents, the size of the monthly payments ranged from \$30 to \$58.38.

Over 91 percent of those interviewed had a Social Security card, with the proportion being slightly higher in Wharton than in Cherokee county. Older operators and those with less education were less likely to possess Social Security cards than the younger and better educated operators. For example, only 7 out of 10 who were 65 years of age and older had a Social Security card as contrasted with 97 percent of those who had not yet reached their fiftieth birthday.

The operators were asked: "Why did you get a Social Security card?" This question was asked because it is necessary for a person to have a Social Security card or number in order to participate in the program. Approximately 2 out of 3 said that they obtained a card either because they had been in some type of employment covered by OASI or felt that they would need one if they sought employment. Approximately 3 out of 10 said that they obtained a card because of their farming operations. Most of the latter group said that they obtained one because the

person who prepared their income tax forms told them they would have to have it.

This field study was conducted soon after the OASI program went into effect for farmers; consequently, a high degree of understanding of the program could not be expected. However, it may be that as farmers in each community are added to the list of those receiving benefit payments, others will become more aware of the benefits to be derived from participation in the OASI program.

OPERATORS' RETIREMENT PLANS AND OASI

Numerous factors cause farm operators to view retirement possibilities from different angles. One important consideration is age. Others are health conditions and the ability to finance retirement.

One of the objectives of this study was to determine the extent to which the OASI program had entered into farm operators' plans for retirement. Two separate age groups were selected for closer study in this connection. One group was comprised of operators between 50 and 64 years of age. These are considered to be, for the most part, at an age where they have a greater interest in retirement plans and possible Social Security benefits than would operators who had not reached their fiftieth birthday. The second group, those who are 65 years of age and over, are at an age which would qualify them to draw Social Security benefits if they participate or had participated in the program.

Operators 50 to 64 Years of Age

Approximately 40 percent of all farm operators interviewed in this study were 50 to 64 years of age. Forty five percent of the farmers interviewed in Cherokee county, as compared with 36 percent in Wharton county, were 50 to 64 years of age.

Monetary Needs for Retirement

Farm operators were asked about how much money they thought would be required per month, assuming the price level remained about the same, for them (and their wives) to live comfortably after retirement. Their replies ranged from below \$40 to more than \$160 per month, Table 12. In general, Wharton county operators felt that they would need more money during the retirement years than did Cherokee county farmers. More than one out of four in Cherokee county felt that they could live comfortably on less than \$60 per month, but only one out of 20 in Wharton county thought that they could live comfortably on this small amount. About 50 percent of the operators in Wharton county and 40 percent of the operators in Cherokee county felt that they would need at least \$120 or more per month.

There is a close relationship between a number of factors and what operators felt their monetary needs might be in retirement years. For example, operators with a higher net worth felt they would need more money than persons with a lower net worth; older operators estimated their financial needs to be considerably lower during retirement years than younger farmers; a larger proportion of Negro operators felt that they could live comfortably in retirement years on less than \$40 than any other racial or nationality group. Czech farm operators also felt that their financial needs during retirement years would be considerably smaller than did other white operators.

Prospects for Financing Retirement Needs

Farm operators were asked the question: "What is your best guess as to the income you will receive from all sources after you are 65 years of age?" Answers to this question indicated that these operators felt that there was little chance that they would receive the retirement income which they felt they would require. Only about 22 percent of the farm operators at this age level apparently would have the amount they thought they would need, with the proportion being slightly lower in Cherokee county. Of those who replied to this question, over 12 percent gave an expected level of income lower than the amount they thought was needed. Almost two-thirds of the operators either did not know how much to expect their monthly income to be after their sixty-fifth birthday or did not care to speculate on it. It is likely that a relatively high percentage of this latter group will not have the amount of monthly income they feel necessary to live comfortably. Operators who felt their monthly cash requirements would be in the higher income brackets, for the most part, apparently will be able to meet their retirement needs much more easily than those who had set relatively low financial needs for a comfortable living during retirement.

Expected Income From OASI

The 202 farm operators who were between 50 and 64 years of age were asked from what sources they expected to get their income or financial support after they became 65. Only 59 (or 29 percent) said that they were counting on OASI benefit payments as a source of income after they reached 65. An additional 18 (or 9 percent) said that they were counting on the State's Old Age Assistance program as a means of financial support.

The conclusion may be drawn from this information that at the time the study was made farm operators were not counting heavily on OASI benefit payments in their old age. This is partly because so many felt they were not going to retire. Based on their estimated monetary needs and their estimate of the size of their OASI payments, even those who expected to receive payments were not counting on this source to make up a large share of their total incomes.

TABLE 12. PERCENTAGE DISTRIBUTION OF FARM OPERATORS 50-64 YEARS OF AGE, BY ESTIMATED MONTHLY CASH RETIREMENT NEEDS

Monthly cash retirement needs	Wharton county	Cherokee county	Total
	(N=90) ¹	(N=112) ¹	(N=202) ¹
	Percent		
Under \$40	2.2	15.2	9.4
\$40 - \$59	3.3	11.6	7.9
\$60 - \$79	21.1	11.6	15.8
\$80 - \$119	23.4	19.6	21.3
\$120 - \$159	17.8	14.3	15.8
\$160 and over	32.2	27.7	29.8
Total	100.0	100.0	100.0

¹N = Number of operators in each group.

Residence Plans

Farm operators between 50 and 64 years of age were asked about their residence plans after they became 65 years of age or older. Approximately 80 percent indicated that they planned to remain on a farm. Only 6 percent said that they would move to another farm, and 74 percent stated that they would remain "on this farm." Only 4 operators planned to move to a village and 6 to a city. The remainder stated that they did not know what their plans were.

As to living arrangements after they became 65 years of age, almost 4 out of 5 operators stated that they neither planned to move in with someone else nor have anyone move in with them. Approximately 10 percent preferred that their children move in with them, and 5 percent said that they planned to reside with their children.

Plans for Farming Operations

Approximately 4 out of 5 operators between the ages of 50 and 64 reported that they expected to continue farming after reaching their sixty-fifth birthday. Only 15 percent stated that they did not expect to continue farming and 4 percent did not know. Only a small proportion of those who did not expect to continue farming planned for full retirement, however. Almost all of the operators in this category have non-farm jobs and stated that they planned to continue working at these other jobs after they reached 65.

Partial retirement appeared more acceptable or more practicable than full retirement for many farm operators. Of those who planned to continue farming after 65, 62 percent stated that they planned to reduce the size of their operations. Among the 202 operators aged 50 to 64, 30 planned to quit farming entirely and 101 expected to curtail their farming operations. A total of 64 percent of the operators nearing retirement age planned some change.

Most of those who planned to cut down their farming operations expected to achieve this by reducing their acreage. Only 3 operators planned for full retirement.

Of the 202 farm operators in the sample between the ages of 50 and 64, only 1 had made a change in his farming operations in order to qualify either for inclusion in the OASI program or to receive higher OASI payments. However, 11 operators stated that they were planning to make a change in order to qualify more fully for Social Security benefits. Most of these anticipated changes involved the shifting around of resources so as to increase their incomes from their own work, which in turn would mean greater OASI benefit payments after age 65.

Operators 65 Years of Age or Older

Approximately 15 percent of all operators in the sample were 65 years of age or older. Their relative importance in each county differed greatly, however. In Wharton county they made up only 1 out of 10 operators but in Cherokee county they comprised 1 out of every 5.

Adequacy of Present Finances

All of the operators who were 65 years of age or older were asked if their present incomes were enough for them (and their wives) to live comfortably. More than half stated that their income was inadequate for this purpose, Table 13. The situation was more favorable in this respect for Wharton county farmers, where about 3 out of 5 felt that their present incomes were high enough to live comfortably. Fewer than one-third expressed the same opinion in Cherokee county.

Source of Present Incomes

All 77 operators who were 65 years of age or older reported farming as a major source of their present incomes. Other sources of income and the number reporting these sources were: off-farm work, 20; savings and investments, 12; farm rentals, 17; other (gas and oil leases, etc.), 20; and relatives, 1. Only 12 were drawing OASI benefit payments as contrasted with 17 who drew a monthly check from the State's OAA program. Of the 12 drawing OASI payments, 3 were in Wharton and 9 in Cherokee county. None of the OASI payments were a result of earnings made as farm operators or as farm laborers. Of the 17 drawing OAA payments, 3 operators lived in Wharton county with 14 living in Cherokee county.

TABLE 13. PERCENTAGE DISTRIBUTION OF FARM OPERATORS 65 YEARS OF AGE AND OVER, BY ADEQUACY OF PRESENT INCOME FOR LIVING COMFORTABLY

Adequacy of income	Wharton county	Cherokee county	Total
	(N=27) ¹	(N=50) ¹	(N=77) ¹
	Percent		
Adequate	55.6	30.0	39.0
Inadequate	37.0	64.0	54.5
Uncertain	7.4	6.0	6.5
Total	100.0	100.0	100.0

¹N = Number of operators in each group.

Future Income Expectations

All farm operators who were 65 years of age or older were asked to estimate the amount of income per month they (and their wives) would receive from all sources during the next few years. Estimates ranged from as little as \$25 to well over \$1,000 per month. The level of expected incomes varied greatly between the two counties. In Wharton county better than 3 out of 5 expected to have an income of more than \$125 per month. In Cherokee county fewer than 1 out of 5 expected to have a monthly income as high as \$125.

OASI Payments as Future Income

Only 24 of the 77 operators (31 percent) who were 65 years of age and older stated that they expected to receive OASI benefit payments in their future years. Since 12 were currently drawing these payments, only 12 additional operators who were not drawing payments expected to do so in the future. However, this study was made shortly after OASI became a reality for farm operators. As more operators in each community begin to draw OASI benefit payments, interest in the program and attempts to qualify may be expected to increase.

Residence Plans

Farm operators 65 and older were asked where and with whom they planned to live. Of those who expressed a preference, 88 percent chose to live on their present farms, and only 3 of the 77 said that they planned to move to a city. Thus, for the most part, older farmers definitely plan to remain on their farms. Of the 3 operators who plan to move to a city, 1 said he was going to move because of his age and health and to be nearer the doctors and better medical facilities. Another gave as his reason, "I can't make the farm pay, so I might as well sell it and move to the city." The third gave as his reason, "wanting to enjoy life."

Only 1 of the 77 stated that he planned to have his children move into his home; the remainder planned to continue under their present living arrangements.

Farming Plans

Texas farmers traditionally have held their land and continued its operation until their death. Evidence gathered in this study, however, indicates that although few will have fully retired, they are finding partial retirement more practicable than in the past. Approximately half of the 77 operators 65 years of age or older had made some change in their farming operations within the last few years. About one-third had reduced the amount of acreage they farmed and 3 operators had made changes in their management arrangements. Two operators had increased the acreage they farmed and had added more family labor to work the additional acreage.

Of those who had cut down on their farming operations in recent years, 16 operators gave poor

health as their major reason for making this change. None of these changes were made to increase future OASI benefits or to qualify for Social Security coverage.

Farm operators who were 65 years of age or older were asked, "Do you expect to cut down your farming operations in the future, or to retire?" Approximately one-half stated that they did not expect to make any changes in their farming operations in future years. However, about one-third had already reduced the acreage they farmed before the field study. Approximately one-fourth stated that they expected to cut down on the acreage they operated in the future. A total of 10 operators (or 13 percent) stated that they expected to retire. Of those who said they planned to change their farming operations or rental arrangements, only 5 said they were doing so in order to qualify for OASI benefits.

OPERATORS' OPINIONS OF OASI

The 1954 amendment to the Social Security Act which extended OASI coverage to self-employed farmers has affected operators in several ways. A large majority of the operators are required by law to pay Social Security taxes based on their earnings. Some also must pay a Social Security tax for their hired workers.

Since OASI affects so many farmers and since the success of any program is determined, at least in part, by its relative acceptance and popularity, operators were asked their opinions of the OASI program. For those who had little knowledge of OASI, the interviewer explained briefly how the plan operated. Table 14 contains the summary of their opinions.

Approximately 9 out of 10 farm operators in the sample expressed a favorable opinion toward the OASI program. Nevertheless, almost 3 out of 10 qualified their approval, indicating that it could be improved. Only 3 out of the 500 operators interviewed stated that they did not approve of OASI under any conditions. An additional 17 did not approve of the program as it existed at that time but could see some good features in it. Considering both the short time the program had been in effect and the responses that would be expected from farmers concerning almost any public program, the general opinions of farm operators of the OASI program appeared highly favorable.

Although farm operators approved of the OASI program in general, certain relationships may be noted between selected characteristics of the respondents and their attitudes toward it. Generally speaking, younger farm operators approved of the OASI program more so than did the older operators. Tenants expressed the most approval, followed by part owners, with full owners approving it the least. Larger operators did not think as well of the program as did the smaller operators, and farmers who had nonfarm jobs in addition to their agricultural operations re-

TABLE 14. PERCENTAGE DISTRIBUTION OF FARM OPERATORS, BY GENERAL OPINION OF OASI

Opinion of OASI	Wharton county	Cherokee county	Total
	(N=250) ¹	(N=250) ¹	(N=500) ¹
	----- Percent -----		
Approval	71.2	51.2	61.2
Qualified approval	15.6	41.2	28.4
No position	6.8	6.0	6.4
Qualified disapproval	5.2	1.6	3.4
Disapproval	1.2	0.0	0.6
Total	100.0	100.0	100.0

¹N = Number of farm operators in each group.

garded the OASI program more highly than did those who depended solely on farming for their incomes. Operators who had a greater net worth did not like the program as well as those with a smaller net worth. Of the racial and nationality groups included in the study, operators of Mexican origin were the most favorable toward the OASI program and the Czechs the least favorable.

What Operators Like and Dislike about OASI

The operators were asked about any specific OASI features that particularly appealed to them or that they disliked. Their first responses to this question were usually in general terms such as, "It's just good," or "I just don't particularly like it." When they were asked to be more specific, several expressed likes and dislikes.

A majority (60 percent) stated that the main thing they liked about OASI was the system of receiving payments in old age. Their comments indicated that this particular aspect was welcomed by a number of farmers. A common expression used by several was, "It is just the thing we needed." Only a relatively small proportion (less than 9 percent) mentioned the benefits provided to survivors. This difference may mean either that operators were not aware of the benefits provided to survivors, or that they considered the retirement benefits to be more important.

A relatively small proportion of farm operators expressed a dislike for some specific feature of the OASI program. Only three persons did not like anything about it. All three gave as their reason for disliking the program that the federal government was overstepping its bounds in providing such a program and they were, therefore, against it.

More than half declared that there was "nothing" they disliked about the program. A few commented that "it takes too much red tape and bookkeeping for the average farmer." A few also felt that they probably would pay in far more than they were going to get out of the program. Most of those who did comment, however, took the position that what they said in answer to this question was not a "gripe" or a dislike, but mere-

ly a suggestion as to how the program could be improved and asserted that they approved of the OASI program for farmers in general.

ACKNOWLEDGMENTS

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APPENDIX

OASI Knowledge Questions

1. As you understand it, can farmers take part in the Old Age and Survivors Insurance Program, or are they left out of this program?
2. According to your information about how the Old Age and Survivors Insurance Program works, does a farmer have to pay this insurance if he is eligible, or is the payment on a voluntary basis?

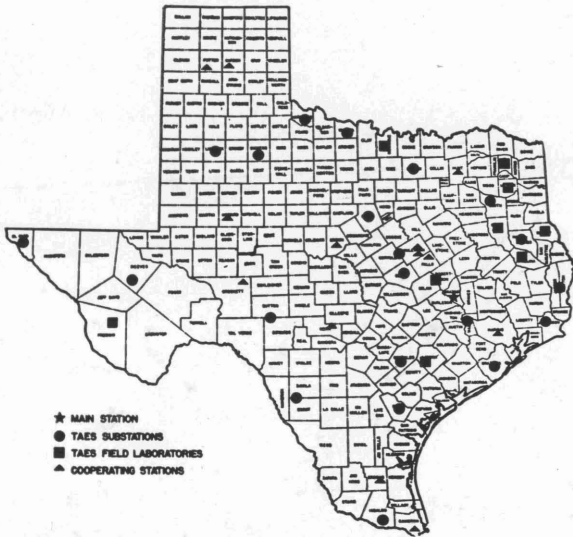
3. As you understand it, if a family man who has Social Security dies, is the money he has paid lost to his family, or do his survivors, such as his wife and children, get benefit payments?
4. According to your understanding of the Old Age and Survivors Insurance Program, in case of the husband's death is it necessary for the wife to have a Social Security number in order to get the payments from her husband's insurance?
5. Can you tell me, is the Old Age and Survivors Insurance Program administered by an agency of the State of Texas, or by an agency of the Federal Government, or by a private company?
6. As you understand it, are persons who work for cash wages on a farm left out of the Old Age and Survivors Insurance Program, or is it possible for them to get this insurance?
7. If a person in a year's time receives say \$100 or more in cash in wages from a farmer, whose pocket does the Old Age and Survivors Insurance Program tax money come out of, the farm worker's, the farmer's or both?
8. As you understand it, if a young man who is insured under the program loses his job does he get any Old Age and Survivors Insurance money because of losing his job?
9. According to your information about Old Age and Survivors Insurance, if a young man is insured by Old Age and Survivors Insurance and has an accident, does he get any insurance money to pay his doctor bills?
10. According to the information that you have about how the Old Age and Survivors Insurance Program works, how old must a person be before he gets any payments from his insurance; is it age 60, age 65, or age 70?
11. As you understand it, is it possible for a farmer or farm worker who is 65 years of age or older to start getting money immediately from Old Age and Survivors Insurance, or is it necessary for him to pay into this program for a while before he can get money back?
12. According to your information about the Old Age and Survivors Insurance, after a man gets to be 65 years of age, can he earn some money on his own and still get Old Age and Survivors Insurance payments, or is it necessary for him to stop earning money in order to get these payments?
13. According to what you understand about how Old Age and Survivors Insurance works, when people get to be 65 years old, is the amount received from Old Age and Survivors Insurance the same for everyone, or does the amount each person gets depend on what each has paid into the program in the past?
14. According to your understanding of Old Age and Survivors Insurance, if a farm owner rents his farm to someone else, does the rent which the owner receives count for Social Security purposes?
15. As you understand it, if a man operates a farm, how often should he make a report on his earnings for Social Security purposes.
16. From what you have heard or read about Old Age and Survivors Insurance, if a boy under 21 years of age works for cash wages on his father's farm, is the boy, like any other farm worker, eligible for Social Security because of these wages?
17. Can you tell me, if a farm operator's son has a 4-H Club project of his own, pays all the expenses, and keeps the income separate, how is this income figured so far as coverage for Old Age and Survivors Insurance is concerned: as a part of the father's income, as a part of the son's income, or is it not figured as a part of either the father's or son's income?

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State-wide Research



The Texas Agricultural Experiment Station is the public agricultural research agency of the State of Texas, and is one of ten parts of the Texas A&M College System



Location of field research units of the Texas Agricultural Experiment Station and cooperating agencies

IN THE MAIN STATION, with headquarters at College Station, are 16 subject-matter departments, 2 service departments, 3 regulatory services and the administrative staff. Located out in the major agricultural areas of Texas are 21 substations and 9 field laboratories. In addition, there are 14 cooperating stations owned by other agencies. Cooperating agencies include the Texas Forest Service, Game and Fish Commission of Texas, Texas Prison System, U. S. Department of Agriculture, University of Texas, Texas Technological College, Texas College of Arts and Industries and the King Ranch. Some experiments are conducted on farms and ranches and in rural homes.

THE TEXAS STATION is conducting about 400 active research projects, grouped in 25 programs, which include all phases of agriculture in Texas. Among these are:

- | | |
|--------------------------------------|---------------------------------|
| Conservation and improvement of soil | Beef cattle |
| Conservation and use of water | Dairy cattle |
| Grasses and legumes | Sheep and goats |
| Grain crops | Swine |
| Cotton and other fiber crops | Chickens and turkeys |
| Vegetable crops | Animal diseases and parasites |
| Citrus and other subtropical fruits | Fish and game |
| Fruits and nuts | Farm and ranch engineering |
| Oil seed crops | Farm and ranch business |
| Ornamental plants | Marketing agricultural products |
| Brush and weeds | Rural home economics |
| Insects | Rural agricultural economics |
| | Plant diseases |

Two additional programs are maintenance and upkeep, and central services.

ORGANIZATION

OPERATION

Research results are carried to Texas farmers, ranchmen and homemakers by county agents and specialists of the Texas Agricultural Extension Service

AGRICULTURAL RESEARCH seeks the WHATS, the WHYS, the WHENS, the WHEREs and the HOWS of hundreds of problems which confront operators of farms and ranches, and the many industries depending on or serving agriculture. Workers of the Main Station and the field units of the Texas Agricultural Experiment Station seek diligently to find solutions to these problems.

Today's Research Is Tomorrow's Progress