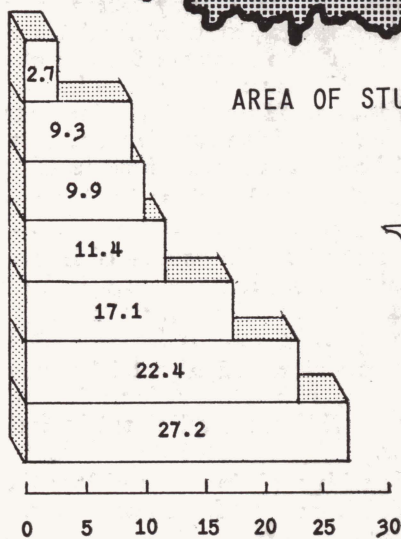


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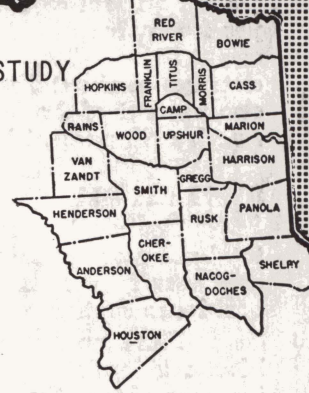
INCOMES OF RURAL FAMILIES IN NORTHEAST TEXAS

NET MONEY
INCOME CLASS

- \$7,500 and Over
- 5,000 - 7,499
- 4,000 - 4,999
- 3,000 - 3,999
- 2,000 - 2,999
- 1,000 - 1,999
- Under - 1,000



AREA OF STUDY



PERCENT OF ALL RURAL FAMILIES

NET MONEY INCOME LEVELS
OF RURAL FAMILIES
IN NORTHEAST TEXAS

TEXAS AGRICULTURAL EXPERIMENT STATION - - - TEXAS AGRICULTURAL EXTENSION SERVICE

College Station, Texas



IN COOPERATION WITH THE U. S. DEPARTMENT OF AGRICULTURE

Summary

This study deals on a sample basis with the income levels, income sources and farm and human resource characteristics of the 88,000 rural open-country families in a 24-county area of Northeast Texas.

Low levels of living and limited production on commercial farms have not been a recent development in the area, but have persisted a long time. In recent decades, however, the economy of the area has undergone considerable change, involving a large shift from agricultural to nonfarm employment, made possible by the area's great industrial progress.

Decline in farm population has amounted to 50 percent or more since 1940. The percentage of the area's labor force engaged in farming decreased from 68 percent in 1930 to 26 percent in 1950. This change has continued at a reduced rate during the 1950's.

Along with these changes the number of farms decreased from about 103,000 in 1930 to 49,000 in 1954. The major changes in systems of farming, however, have been mainly from small-scale crop to small-scale livestock farming.

In 1955, 49,000 of the area's rural families were farm families and 39,000 were nonfarm families, or 55 percent and 45 percent, respectively. However, 21 percent of all farmers were full-time farmers. Part-time farmers numbered 18,000, or 37 percent of all farmers, and residential farmers, 16,000 or 32 percent of all farmers. The full-time farmers, 17 percent of all rural families, were the only ones who obtained most of their income from farming.

The average annual net money income per rural family in 1955 was about \$2,500. When a value was placed on rent and on home-produced food there was an average cash and noncash income of some \$3,300 per family, or about half the average income of the Nation's nonfarm families. The median income was about \$2,000. Twenty-seven percent of the families, had a net money income of less than \$1,000 with an average of about \$500; and 22 percent had incomes of only \$1,000 to \$1,999 with an average of \$1,450. Forty-one percent of the full-time farm families had less than \$1,000 net money income and averaged about \$300. Another 25 percent had a net money income of less than \$2,000, averaging about \$1,500.

Full-time, part-time and residential farm families had average total net money incomes of \$1,960, \$3,280 and \$2,170, respectively. About two-thirds of the part-time farm families had incomes above \$2,000.

The most important single source of income was nonfarm work. For all families, 70 percent of the total net money income from all sources was from nonfarm work, 10 percent was from farming and 20 percent was from nonwork sources such as military pensions, retirement annuities, old age pensions and mineral lease rentals, with only a minor fraction from work on other farms.

Full-time farmers obtained about 77 percent of their total cash and noncash income from the farm. Most residential and some part-time farm families lost money on their cash farm operations. Families with incomes of less than \$1,000 received about half of their income from nonwork sources, usually pensions of one kind or another.

Farm families with cash incomes of less than \$1,000 received more cash income from public welfare sources than they did from their farm operations.

Income levels in the area were a result of long-run factors in both the general and the farm economy. However, differences in employment characteristics of the family head were a major factor accounting for differences between families in the current income situation. Earnings by the family head accounted for 82 percent of the income earned by all family members from nonfarm work sources.

Nearly one of every four family heads was 65 years of age or over. Another one-fifth was 55 to 64 years of age. Of all families with money incomes below \$1,000, 47 percent of the family heads were 65 years of age or older, and 60 percent of the nonfarm family heads were 65 or older. Full-time farmers had the fewest family heads in the older group, but were heavily concentrated in the 45 to 64-age group. Among all kinds of families there was a consistent difference in the ages of family heads by income levels, with 61 years the median age for those with incomes below \$2,000 and 49 the median age for those with incomes above this amount.

About 77 percent of all families with incomes below \$1,000 had a family head who was 65 years of age or over, or had a physical handicap limiting the kind or amount of work he could do, or was female, or had completed fewer than five grades in school. In the income class \$1,000 to \$1,999, 65 percent of the families had one or more of these characteristics. Among the full-time farmers, 74 percent of the families with incomes below \$2,000 had such limitations on productivity of the human resource, or had farm resources of less than \$15,000. Nearly 40 percent of all full-time farmers had total farm resources of less than \$15,000.

Mainly as a result of nonfarm employment opportunities there are few able-bodied male workers under 45 years of age with high school educations engaged in full-time farming in the area. Family heads with these characteristics in full-time farming comprised only about 1 percent of all open-country family heads in the area, and most of these controlled enough farm resources to earn net money family incomes of considerably more than \$2,000.

This study is part of a research program undertaken to provide research analysis for the Rural Development Program.

INCOMES OF RURAL FAMILIES IN NORTHEAST TEXAS

JOHN H. SOUTHERN AND W. E. HENDRIX*

STRIKING PROGRESS IN FARM PRODUCTIVITY has been achieved in America during the past 20 years. Yet, in large areas and among thousands of farmers, low per capita production and incomes persist in spite of prolonged growth and increased income in the general economy.

The Secretary of Agriculture, in a report to the President in 1955,¹ identified the major areas of the Nation in which low farm incomes were so prevalent as to be of public concern. In this report, the 24-county area of Northeast Texas, in U. S. Census Economic Area XII and sometimes referred to as the Northeast Texas Sandy Lands type of farming area (see cover), was designated as one of the serious problem areas (Figure 1).

The 1954 census of agriculture indicates that in this 24-county area, the volume of products grown and marketed per farm has continued to be small.² Average gross cash income from farm production was \$1,564 per farm. This was less than one-third of either the national average of \$5,137 or the Texas average of \$5,605.

Objectives of Study

To explain this low-farm-income situation, and to describe its chronic characteristics, research was begun in 1956 by the Texas Agricultural Experiment Station and the Agricultural Research Service, United States Department of Agriculture. The findings of one major phase of this research are reported here. This phase of the study attempted to answer the following questions:

1. When and how did the present rural income situation develop?
2. What is the size and distribution pattern of family incomes?
3. What are the sources of income and how do farm and nonfarm incomes compare in this respect?
4. How do the human-resource characteristics and the conditions of employment differ by income levels?
5. What are the farm and land-resource characteristics associated with income differences?

¹U. S. Department of Agriculture. Development of Agriculture's Human Resources—A Report on Problems of Low-Income Farmers. 44 pp., Illus. 1955.

²U. S. Census of Agriculture, 1954.

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6. What are the major types of low-income family situations?

7. What are the implications of these findings for policies and programs, including research, directed to the solution of the area's income problems?

Methods of Study

The first of these questions was approached mainly with the use of secondary data.

In answering the other questions in the study, primary emphasis was placed on the 1955 income

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situation of these rural families. Survey records obtained in 1956 from a representative sample of rural families provided the main source of data. *Rural families*, as the term is used in this study, are families living in the open country, outside towns, cities and villages. Randomly drawn area segments, each containing approximately the same number of families, provided the basis of family selection. Records were obtained from all families, both farm and nonfarm, within each segment, except for a small number of families that could not be contacted because of prolonged absence, illness or other reasons.

Usable records were obtained from 1,189 families. Each record included, for the year 1955, (1) the number and characteristics of family members, (2) the kinds and quantities of farm resources, (3) the level and sources of income and (4) the kinds and amounts of employment of all members of the family. The sample included 1 of every 74 families in the open-country area. Hence, for some items, area-wide estimates have been developed by expanding the sample 74 times. Reliability of these estimates varies from item to item.

The study was based on the income and resource situation of each family for a single year.

Income in any 1 year does not necessarily represent a family's normal income situation. It is not unusual for farmers with adequate resource bases to have an occasional drop in income because of adverse weather or temporarily unfavorable price and cost conditions. But 1955 was a fairly normal year for Northeast Texas, with only the usual variations in prices of commodities grown in the area.

The term *farm* is used in this study in the same sense that it is used in the census of agriculture. It applies to all units having 3 acres or more of land producing farm products with a value of \$150 or more, and all units with less than 3 acres having sales of farm products amounting to \$150 or more. As this includes many units on which farm production, especially for market, is of little importance, and as many farm people in the area depend mainly on non-farm employment for their income, a more meaningful picture of the area's agriculture is provided by classifying the area's farms into the following three groups:

Full-time farms are defined as those having gross sales of farm products of \$250 or more, with the operator working less than 100 days off the farm and with family income from nonfarm

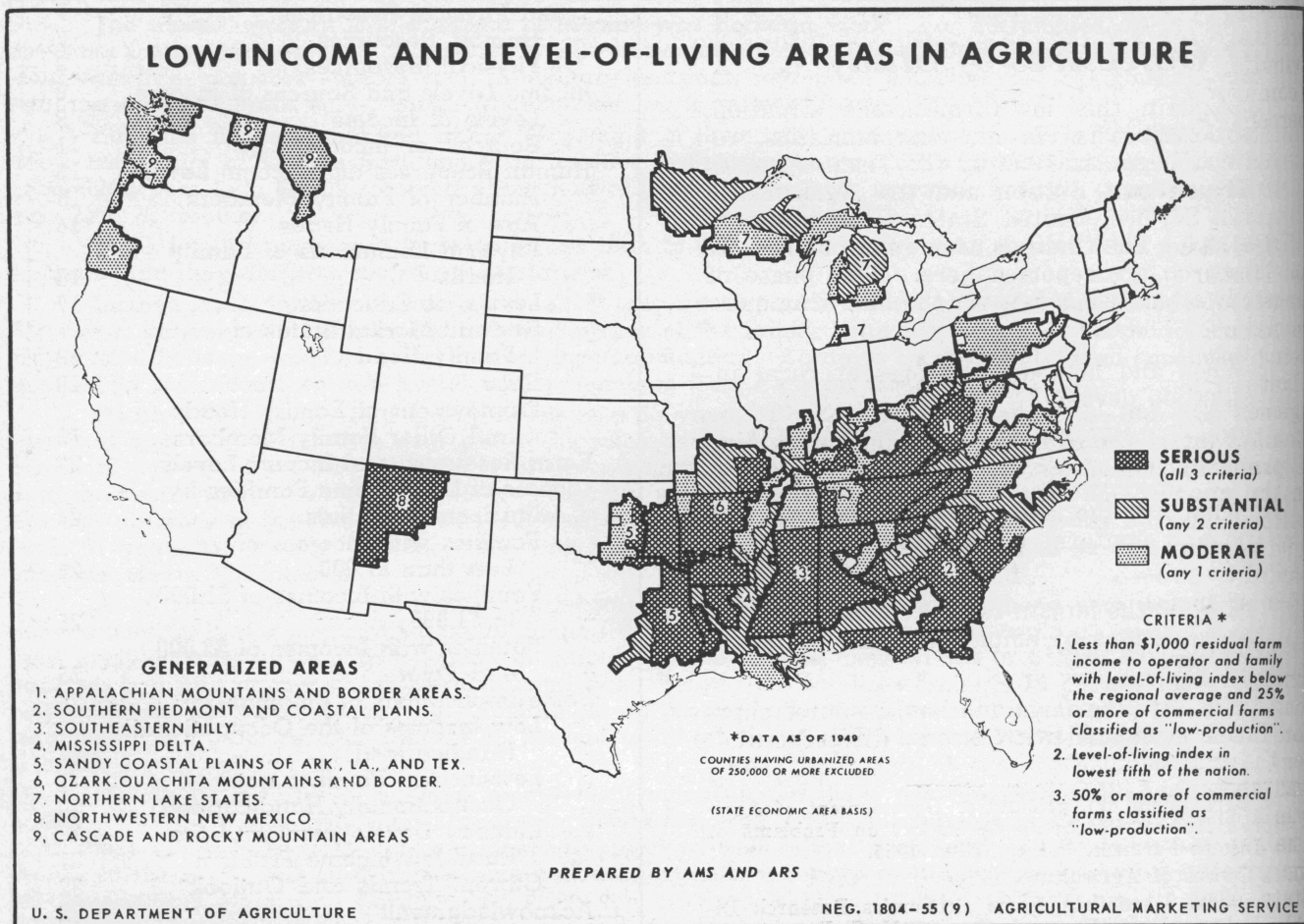


Figure 1. Twenty-four counties in Northeast Texas were designated as a serious problem area in 1955 by the Secretary of Agriculture.

sources of less than the value of farm sales (Figure 2). The families on these farms were primarily dependent on farming.

Part-time farms are defined as those having gross sales of farm products of \$250 or more, with the operator working 100 days or more off the farm or with family income from nonfarm sources of more than the value of farm sales. Families on these farms were chiefly dependent on nonfarm jobs or other nonfarm sources of income. This differs from the agricultural census definition of a part-time farmer, which limits the sale of farm products to \$1,199, in placing no upper limit on gross sales of farm products. The emphasis is on *source* of income.

Residential farms are defined as those having gross sales of farm products of less than \$250. Families on these farms were dependent almost completely on nonfarm work or other nonfarm sources of income. Essentially, they lived in the rural area for residential purposes. And in most instances they were more similar to nonfarm families than they were to families on full-time farms.

When all farm operators in the area were classified in this manner, the distribution was 30.9 percent full-time farmers, 36.8 percent part-time farmers and 32.3 percent residential farmers. According to the census definitions, the distribution would have been 41.5 percent full-time (commercial), 26.2 percent part-time and 32.3 percent residential.

Background of Problem

The 24-county study area lies in the East Texas Timberlands land-resource area. Soils are largely upland, are rolling to hilly and are sandy in nature. They are naturally low in fertility, being basically deficient in most of the major plant nutrients, but are highly responsive to management and fertility practices. Serious soil erosion by water is common. The climax vegetation is primarily loblolly and shortleaf pine and oak in the uplands and hardwoods and pine in the bottomlands. The climate is temperate, with mild winters and hot summers, frequently accompanied by drouth. Rainfall averages from about 40 to 48 inches annually.

Low production and incomes have persisted among rural families in Northeast Texas for a long time. In 1910, a comparatively good year for farmers, the average gross sales per farm for the area amounted to only about \$1,000, which was about half the average for the State, and was a low volume of production for that time. The gap has widened in recent years because of the greater progress in the other areas of the State. Also, differences have become more noticeable because of the growing need for cash incomes in farming.

In its earlier agriculture, as far back as 1850, Northeast Texas depended almost solely on cotton for its cash income. Corn and other feed crops were grown for livestock feed; otherwise, farming was self-sufficient. There were some large units, but most farms were small, with only a few acres per farm cleared and in crops. All the land had originally been covered with heavy timber, and cultivation was carried on only in cleared patches. Cotton gained in importance until the peak of production in the late 1920's. At about this time, the invasion of the bollweevil, lower prices of cotton and the general deterioration of soils from continuous cropping under poor management combined to decrease production of cotton.

Thus, the farmers of the area entered the serious general depression of the 1930's with diminishing opportunities for production and marketing of cotton, their chief source of cash income.

Migration of farm population from the area was relatively high from 1920 to 1930 but slowed down during the depression, and farm population decreased only a little during the decade 1930 to 1940. Farm production, never highly commercial, increasingly took on the appearance of a subsistence economy. Meanwhile, in the 1930's and 1940's, farming technology and farm production advanced rapidly in much of the Nation. Farm population in the area declined about 43 percent during 1940-50 but despite this decrease and the various farm assistance programs, most of the people depending mainly on agricul-

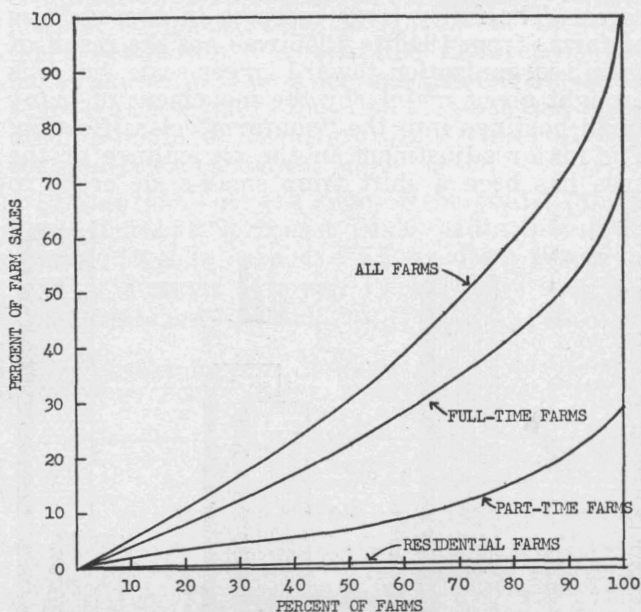


Figure 2. Total farm sales and percent of sales by various kinds of farms in rural Northeast Texas. The sale of farm products is relatively concentrated among small numbers of farms. Fifty percent of all farms sell less than 30 percent of total sales. In contrast, 12 percent of the farms sold about this same proportion of total sales. Full-time farms, about 31 percent of all farms, sell nearly 70 percent of total sales. Residential farms sell less than 2 percent of total sales.

TABLE 1. MAJOR TRENDS IN FARMING IN NORTHEAST TEXAS SPECIFIC CENSUS YEARS, 1920-54¹

Item	Year					
	1920	1930	1940	1945	1950	1954
Number of farms	97,815	102,504	81,035	71,005	60,122	49,123
Percent of area in farms	67	64	70	66	69	65
Average size of farm-acres	76	70	98	105	130	150
Value of land and buildings per farm	\$3,220	\$2,020	\$1,990	\$2,750	\$5,590	\$8,020
Percent of farmland in cropland	58	53	60	40	40	34
Percent of owners and part-owners	53	38	51	61	69	80
Percent of tenants	47	62	49	39	31	20
Percent of croppers	15	12	8	8	5	3
Percent of colored farm operators	29	32	29	25	25	23

¹U. S. Census of Agriculture, 1920-54.

ture have been unable to make the adjustments that are needed to increase their production and raise their incomes. The number of farms decreased about 26 percent during the 1940's, and the average size of farms increased by 50 percent in 1940-54, to 150 acres. But farm production is still on a small scale, with thousand of small units remaining (Table 1). By 1955, the average size of farm had risen to 158 acres but this still was slightly smaller than the 1880 average of 163 acres. The fairly large increase in average size of farms from 1940 to 1955 was not the result of farm reorganization toward larger scale, but was brought about mainly by the movement of many small holdings into the "nonfarm" classification. The major adjustment in the agriculture of the area has been a shift from small-scale crops to

small-scale livestock farming. In 1940, only 17 percent of the total value of farm products sold came from livestock and livestock products.³ By 1954, this proportion had increased to 64 percent of the total value, and the proportion of crop sales had decreased from 82 to 34 percent. In 1955, crop sales amounted to less than 30 percent of the cash receipts from farming in the area.

In contrast to the decline in the area's agriculture in terms of land in cultivation and of production volume, the nonfarm economy of the area has been highly dynamic since 1930. Hence, adjustments in agriculture have been mainly responses of its labor resources to the rapidly developing nonfarm employment opportunities in nearby centers. The movement of persons in the area from farm to nonfarm employment has been large, both for workers shifting occupations completely and for workers taking nonfarm jobs while continuing to farm part-time. Formerly dependent mainly upon agriculture, the area now has become an important industrial locality. The rural landscape is changing rapidly toward more extensive land-use patterns of farming and less farm use of what was formerly farmland. As these shifts have been made, the farm and nonfarm economies have become so interrelated that one can no longer explain the area's recent agricultural history or intelligently evaluate its farm adjustment opportunities and problems without reference to its industrial development.

In 1930, 68 percent of the area's employed persons were engaged in farm work (Table 2 and Figure 3); by 1940, only 47 percent were in farming. During the 1930's, several types of nonfarm employment grew in importance. Oil was discovered in the area, and although the oil indus-

³U. S. Census of Agriculture, 1940 and 1954.

TABLE 2. WORKERS IN NORTHEAST TEXAS BY TYPES OF EMPLOYMENT, 1930, 1940 AND 1950¹

Type of employment	1930		1940		1950	
	Num-ber	Per-cent	Num-ber	Per-cent	Num-ber	Per-cent
Agriculture	165,088	67.8	110,163	47.1	57,964	25.9
Wholesale and retail	13,440	5.5	28,421	12.2	40,678	18.2
Professional and government	10,486	4.3	17,285	7.4	27,202	12.1
Manufacturing	15,221	6.3	18,712	8.0	26,923	12.0
Domestic and personal service	9,879	4.1	19,302	8.2	18,291	8.2
Construction	3,966	1.6	8,153	3.5	15,251	6.8
Transportation	9,612	3.9	9,451	4.0	13,049	5.8
Service businesses	11,139	4.6	10,352	4.4	11,679	5.2
Oil and gas ²	2,214	0.9	9,539	4.1	9,377	4.2
Other	2,408	1.0	2,479	1.1	3,575	1.6
Total	243,453	100.0	233,857	100.0	223,989	100.0

¹U. S. Census of Population, 1930, 1940 and 1950.

²Classified as "mining" in census.

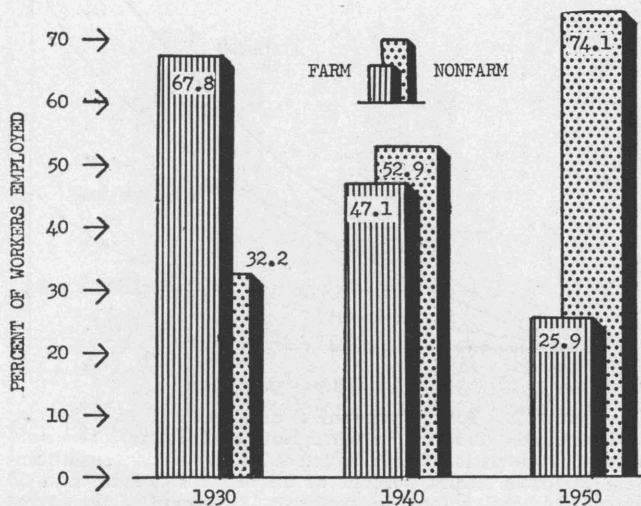


Figure 3. Workers in Northeast Texas by types of employment, 1930, 1940 and 1950. The trend of employment toward nonfarm occupations has continued since 1950 as will be revealed by the 1960 Population Census.

try like the general economy was in a depressed condition, production expanded rapidly, offering a base for industry diversification and income betterment. The number of workers in oil and gas production increased fourfold. Construction also expanded considerably, furnishing employment to additional thousands of workers. Employment in the wholesale and retail trade more than doubled, and there was a significant increase in the number of professional and government workers. These changes in the character of employment were accompanied by a slight drop during the decade in overall number of employed, although total population increased by about 15 percent.

By 1950, the pattern of employment and income in the area had developed toward a diversity that furnished a much broader base for change and adjustment on the part of farm families, even though there was a slight decline in the number of persons gainfully employed between 1940-50. Total population, rural and urban, declined nearly 11 percent during the 1940's. While farming still was the most important single type of employment, its importance had declined greatly by 1950, to include only about one-fourth of all workers. Several types of employment had increased and thousands of new job opportunities had been made available to family heads and family members who had been underemployed in low-production farming. Nonfarm jobs more than doubled between 1930-50 an increase from about 78,000 to about 166,000. Since 1950, farm families have continued to take advantage of nonfarm employment opportunities, and the movement from farms continues though at a slower rate.

General Description of Human and Physical Resources

HUMAN RESOURCES

Total Number of People.—According to expansion of data obtained in this study, there were about 88,000 family units in rural Northeast Texas in 1956 with a total of some 306,000 people, an average of 3.4 persons per family. Of these families, 48,900 were operators of farms, and 39,100 were nonfarm families. The farm families included about 175,000 people or 3.5 persons per family. The nonfarm families had 130,000 members or 3.3 persons per family.

Race.—The area has a predominantly white population. In 1955, 79 percent of the population was white. Nonwhites made up 18 percent of the farm operator families and about 24 percent of the rural nonfarm families. The nonwhite farm operators were heavily concentrated in Harrison and nearby counties, localities where the cotton-cropper system was once relatively important.

Age and Sex.—In 1955, persons 14 years and older, or of labor-force age by census definition, comprised 67.6 percent of the area's rural population (Table 3). The percentages did not vary appreciably between the farm and nonfarm population.

Males made up slightly more than 51 percent of the area's rural population 14 years of age and over. They comprised 52 percent of the farm population in this age group, and nearly 50 percent of the nonfarm population, a distribution in general similar to that in all of the Nation's agricultural areas.

The area's rural population was heavily weighted by persons under 19 years and over 44 years of age. These groups accounted for 41 percent and 34 percent, respectively, leaving only 25 percent in the ages 19 to 44 years. This compares with percentages in the 19 to 44 years of age group, of 39 percent for the Nation's total population and of 31 percent for its total farm population.⁴

The area's farm population has more persons 45 years of age and over than does its nonfarm population. Nearly 40 percent of the males and 38 percent of the females on farms were 45 years of age and over, compared with 29 percent and 27 percent, respectively, in the nonfarm population. Nearly 6 percent of all males on farms and 10 percent of all males in the nonfarm population were from 25 to 34 years of age. The smaller percentage on farms may be associated with the fact that children under 6 years of age comprised only 10 percent of the area's farm population, compared with 23 percent of the nonfarm population. Comparable differences are not observed in the other age groups under 14 years which suggests that this area has had rapid farm-to-nonfarm transfers by young married couples, especially since 1950.

Education.—At the time of the study, family heads in rural Northeast Texas had achieved an average level in school of 7.7 grades. Heads of

⁴U. S. Census of Population, 1950.

TABLE 3. DISTRIBUTION OF FARM AND NONFARM POPULATION BY AGE AND SEX, RURAL NORTHEAST TEXAS, 1955

Age, years	Farm		Nonfarm		Total		Total
	Male	Female	Male	Female	Male	Female	
	Percent						
Under 6 years	9.9	10.3	23.2	23.2	15.9	16.3	16.1
6 - 9	7.7	8.1	7.4	7.5	7.6	7.8	7.7
10-13	9.4	9.8	7.3	7.4	8.5	8.6	8.6
14-18	11.0	8.9	7.7	6.6	9.5	7.9	8.7
19-24	4.0	4.1	4.6	5.0	4.2	4.5	4.4
25-34	5.9	7.3	9.5	11.2	7.5	9.1	8.3
35-44	12.2	13.6	11.7	11.8	12.0	12.8	12.4
45-64	27.9	27.4	17.8	16.6	23.3	22.4	22.8
65 and over	12.0	10.5	10.8	10.7	11.5	10.6	11.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

farm families had about the same average level of schooling as nonfarm family heads, the averages being 7.8 and 7.5 grades, respectively. Only 6 percent of the family heads had schooling above the high school level, 32 percent had completed 9 to 12 grades, 43 percent had completed 5 to 8 grades, and 19 percent, or nearly 1 of every 5, had not gone beyond the fourth grade.

As is often true among rural people, the wife usually had more schooling than the family head, the average for wives being 8.9 grades, slightly more than one grade higher than family heads. Wives under 25 years of age had completed an average of 10.6 grades.

Young adults in the ages 19 to 24 years had an average level of schooling of about 12 grades, with little difference between males and females or between members of farm and nonfarm families. Most children below 19 were still in school. With existing school opportunities, most of them may be expected to complete at least their high school programs.

Occupations.—As indicated earlier, 55.5 percent of the area's rural families operated farms, according to the census definition of a farm. But when asked what they considered their occupation to be, and what work they did most of in 1955, only 52 percent of the family heads in this group reported farming as their occupation. More than a third of these farm family heads were engaged in nonfarm work during most of 1955. Twenty-eight percent reported wage or salary work and 6 percent reported self-employment in nonfarm work. Others reported miscellaneous occupations, such as housekeeping, and still others reported that they were disabled.

Of the nonfarm family heads, about half reported nonfarm wage or salary work as their main occupation in 1955; 10 percent were self-employed; and about 9 percent worked mainly as farm wage workers. Very few of the family heads reported that their main activity was looking for work.

Only about 12 percent of the wives who were not family heads reported employment outside the home as their main occupation in 1955. Only 10 percent of the wives of farm operators reported such work, compared with nearly 14 percent of those in nonfarm families. Most wives employed outside the home were wage or salary workers.

Nearly 25 percent of the children 14 years of age or over, still living at home were reported as employed in farm or nonfarm civilian work. This was 13 percent of the females and 31 percent of the males. The differences probably are attributable in large part to kinds of employment available in the area.

Tenure.—Nearly half the families had lived at their present place 10 years or more. The farm

operators were largely full or part-owners, 60 percent and 20 percent, respectively. Tenancy was chiefly of the cash or share rent kind. Sharecroppers, once important in the area, made up only 3 percent of the operators studied.

Although the tenure status of the nonfarm families is not as relevant as that of the farm operator families, it should be noted that about 40 percent of the nonfarm families were renters. These nonfarm renters were paying cash rent, usually on a monthly basis, as would an urban resident. Fifty-seven percent of the nonfarm families were full owners, compared with 60 percent of the farm families.

PHYSICAL RESOURCES

Land Area.—The 24-county study area includes 17,691 square miles, or 11,322,240 acres. At the time of the study, 7,900,000 acres were in farms and 641,000 acres were held by rural nonfarm families for uses other than farming. The remainder of the acreage was in timberland, both public and private, military installations, roadways, city and town sites, and a large tract held privately for its iron ore deposits.

Size of Farm.—The area is characterized by a rural ownership pattern of small holdings. A recent land ownership study revealed that more than 40 percent of all rural landowners owned 20 acres or less.⁵ Over 90 percent held acreages of less than 200. Data from the study reported here show that most holdings were less than 100 acres in size. Farms, too, are small. The average size of farm in 1955 was 158 acres, with only 34 acres of cropland. Two-thirds of the farms were 120 acres or less in size. Average total investment per farm, including land and buildings, livestock, and machinery, was about \$15,000. One-

⁵Southern, John H. and Miller, Robert L. Ownership of Land in the Commercial Timbe Area of Northeast Texas. Texas Agr. Expt. Sta. Progress Report 1903, 7 pp., illus. Nov. 1956, College Station, Texas.

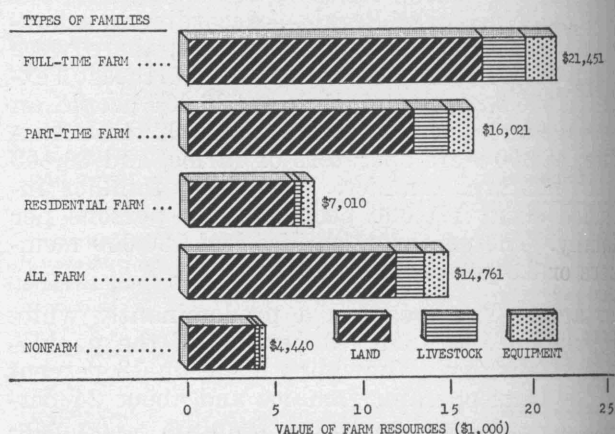


Figure 4. Average value of farm resources held by types of families in rural Northeast Texas. The full-time farmer controlled larger resources than any other type of family. The value of the nonfarm family holding was made up mainly of the value of the dwelling.

half of all farms had \$10,000 or less. Nonfarm families had an average total investment of about \$4,400, practically all in land and buildings (Figure 4).

Another measure of size of farm is gross production. About two-thirds of all farms had gross product sales of less than \$1,200 (Table 4). Only about 11 percent had product sales above \$5,000. The average for all farms was \$2,200. Nearly 80 percent of farmers had sales of less than \$2,500.

Type of Farm.—The chief characteristic of the farming pattern of the area was the preponderance of residential and part-time farms and the small number of commercial farms. These part-time and residential farms made up about 69 percent of all farms, but sale of products on these usually was so small that for the most part the census did not classify them as to type. Survey records show that, according to the census method of classification, the most important single type of farm in the area was the cotton farm, which comprised 34 percent of the commercial farms, and 14 percent of all farms. Second in importance were livestock (beef cattle) farms, which comprised 20 percent of the commercial farms and 8 percent of all farms. Livestock, dairy and poultry farms combined made up about 40 percent of the commercial farms and about 17 percent of all farms. Farms of a general type and vegetable farms made up the remainder of the commercial farms.

Land Use.—The average size of all farms studied was 158 acres, of which only about 27 percent was in cropland, and about one-fifth was idle. This cropland, about 34 acres, was usually scattered among three or more fields, evidence of a "patch" type of land utilization. Most of the remaining acreage was usually in pasture, mostly unimproved and woodland pasture. On the average, only about 22 of the 116 acres in pasture was improved. The nonfarm holdings averaged 16 acres in size. They had an average of 3 acres of cropland, all of it idle.

TABLE 4. FARMS IN NORTHEAST TEXAS CLASSIFIED BY VALUE OF PRODUCT SALES, 1955

Value of sales, dollars	Percent	Average per farm, dollars
0-249 ¹	30.7	100
250-1,199 ²	35.6	590
1,200-2,499	13.3	1,730
2,500-4,999	9.0	3,520
5,000-9,999	5.8	7,800
10,000-24,999	4.8	13,370
25,000 and over	0.8	41,490
Total	100.0	2,200

¹Classified by the Census of Agriculture as "residential" farms.

²Seventy-four percent of these would be classified by the Census of Agriculture as "part-time" farms and the remainder as "commercial" farms. All farms with sales above \$1,200 are "commercial" according to the census.

Income Levels and Sources of Income

A major objective of this report is to describe the area's rural income situation. It is concerned with the questions: What is the average income of farm families in the area? How does this compare with incomes of the area's rural nonfarm families and with incomes in other parts of the Nation? How extensive are low incomes in the area and to what extent are these associated with farming? What are the sources of income of the area's farm and nonfarm people? How do these differ by income levels?

LEVELS OF INCOME

The approximately 49,000 farm families in Northeast Texas had an average net money income in 1955 of about \$2,510 (Table 5). This represented the net money income of all family members from all sources, both farm and non-

TABLE 5. NET MONEY INCOME OF FAMILIES, BY KIND OF FAMILY, RURAL NORTHEAST TEXAS, 1955

Net money income class	Families		Average cash income
	Number	Percent	Dollars
Full-time farm families			
Under \$1,000	6,144	40.7	297
1,000-1,999	3,757	24.9	1,465
2,000-2,999	2,219	14.7	2,423
3,000-4,999	1,721	11.4	3,923
5,000 and over	1,258	8.3	8,055
All families	15,099	100.0	1,960
Part-time farm families			
Under \$1,000	2,882	16.0	594
1,000-1,999	3,301	18.4	1,536
2,000-2,999	3,037	16.9	2,457
3,000-4,999	5,218	29.0	3,856
5,000 and over	3,552	19.7	6,910
All families	17,990	100.0	3,278
Residential farm families			
Under \$1,000	5,034	31.8	556
1,000-1,999	3,524	22.3	1,455
2,000-2,999	3,180	20.1	2,487
3,000-4,999	3,125	19.8	3,882
5,000 and over	962	6.0	6,596
All families	15,825	100.0	2,169
All farm families			
Under \$1,000	14,060	28.7	448
1,000-1,999	10,582	21.6	1,458
2,000-2,999	8,436	17.3	2,459
3,000-4,999	10,064	20.6	3,914
5,000 and over	5,772	11.8	7,060
All families	48,914	100.0	2,510
Nonfarm families			
Under \$1,000	9,916	25.3	562
1,000-1,999	9,102	23.3	1,416
2,000-2,999	6,660	17.0	2,517
3,000-4,999	8,732	22.3	3,955
5,000 and over	4,736	12.1	6,206
All families	39,146	100.0	2,532
All rural families			
Under \$1,000	23,976	27.2	500
1,000-1,999	19,684	22.4	1,446
2,000-2,999	15,096	17.1	2,478
3,000-4,999	18,796	21.3	3,933
5,000 and over	10,508	12.0	6,675
All families	88,060	100.0	2,529

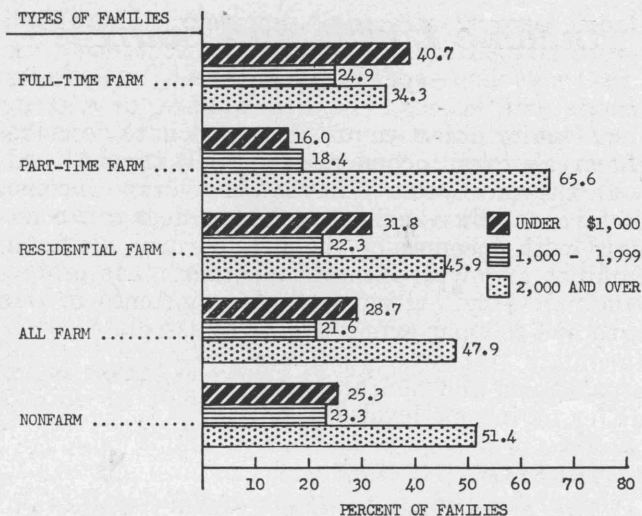


Figure 5. Percent of families with specific money income levels in rural Northeast Texas, 1955.

farm. In addition to their net money income, the area's farm families obtained food and fuel from their farms worth, at farm prices, an average of \$345 per family. This, together with the "free house rent" they received, gave them a noncash income of about \$800 and a cash and noncash income combined of about \$3,300.

This income compared favorably with that of the area's rural nonfarm families, who had an average cash income in 1955 of \$2,530 and food and fuel from their home places worth an average of \$105 per family. It was low, however, when compared with income of farm families in the Nation as a whole, and more especially when compared with income of the Nation's nonfarm

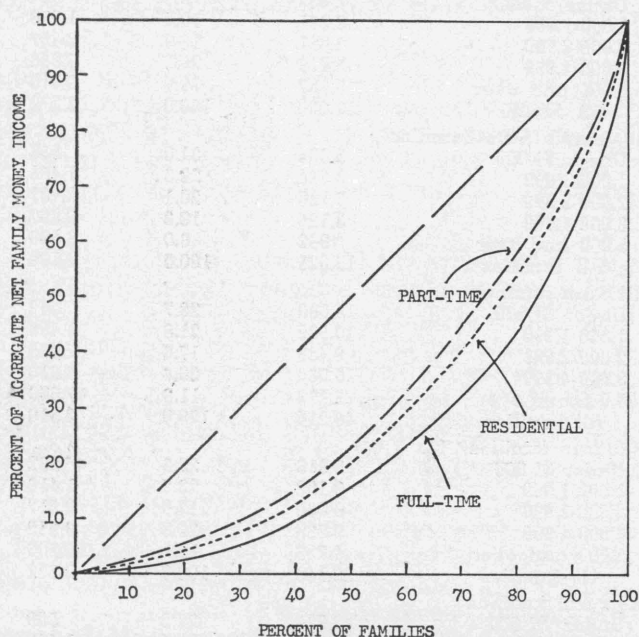


Figure 6. Lorenz curve illustrating the distribution of income among families in rural Northeast Texas. There was a relatively poor income distribution among farm families. For example, 60 percent of the full-time families had only about 23 percent of the total income of that group.

families. Whereas farm families in Northeast Texas had an average cash and noncash income combined of about \$3,300, the average income of all farm families in the Nation in 1955 was \$3,934. And the average income, cash and non-cash combined, of all the Nation's nonfarm families in 1955 was \$6,568.⁶

When the area's farm families were classified according to the relative importance of their income from farm and nonfarm sources, it was found that those on full-time farms had the lowest incomes. The net money incomes of full-time farm families averaged \$1,960 and incomes of part-time and residential farm families averaged about \$3,280 and \$2,170, respectively. The average of \$1,960 for full-time farmers is considerably less than the average \$2,510 for all farm families. To evaluate these differences one must consider distribution of the families by size of income, and also must consider possible differences among the groups in characteristics of the human resource. These human-resource differences are treated in another part of this report.

Among all open-country families, more than one of every four had a net money income from all sources of less than \$1,000, averaging about \$500 (Table 5). Almost half of these families, or nearly 44,000, had net money incomes of less than \$2,000 (Figure 5). The highest income class, with incomes of \$5,000 and over, included about 12 percent of all families, a total of 10,500. Their average income was about \$6,700.

The percentage of families in each of the several income classes did not differ appreciably between farm and nonfarm families. But a closer look at the data on farm families reveals that almost two-thirds of the full-time farm families had net money incomes of less than \$2,000. In contrast, about a third of the part-time farm families had incomes of less than \$2,000. Nearly half the part-time farm families had incomes of over \$3,000; less than a fifth of the full-time farm families had incomes above this amount. The residential farm families were similar to the nonfarm families in distribution among income groups but had a lower average income.

Although full-time farm families had the lowest average income, and the largest concentration of families in the low-income level, the few very high-income families in the area were heavily concentrated in the full-time farm group. Hence, there was a more unequal distribution of income among full-time farm families than among part-time and residential farm families (Figure 6). Part-time families were the most evenly distributed, with about the same number in income class.

Thus, the area's rural population, including both farm and nonfarm families, had relatively

⁶Survey of Current Business, Office of Business Economics, U. S. Department of Commerce, April 1958.

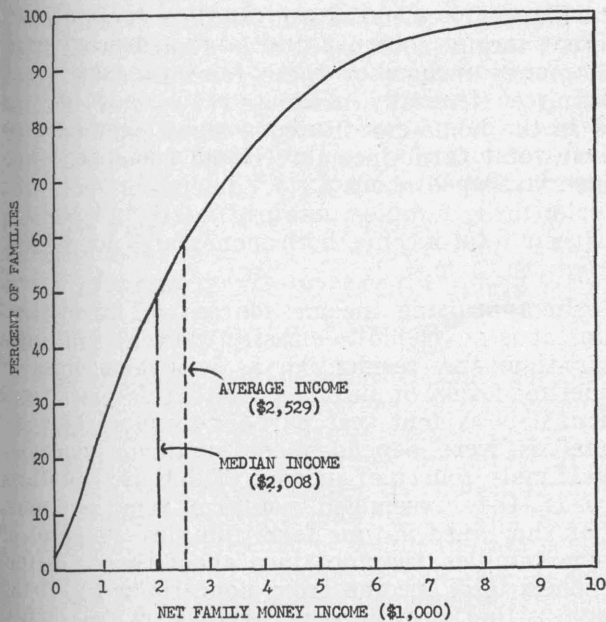


Figure 7. Percent of open-country families in rural Northeast Texas with specified levels of net family money income. This chart illustrates the income distribution among open-country families. Fifty percent of the families have less than the median income of \$2,008, and 58 percent have less than the average. About 20 percent of the families have incomes above \$4,000.

low money incomes when compared to national or State averages of money income per family (Figure 7). Full-time farmers had the lowest average incomes of any major group, about two-thirds of them having less than \$2,000 net money income.

SOURCES OF INCOME

Rural families in the area derived only about 1 of every 10 dollars of total net money income

TABLE 6. PROPORTION OF INCOME FROM FARM AND NONFARM SOURCES, RURAL NORTHEAST TEXAS, 1955

Sources of income	Average money income, dollars	Percent of net money income	Percent of total income including families home use reporting products	Percent of
Farm families				
Cash farm income	495	19.7	17.3	96.7
Home use products			12.1	95.2
Work on other farms	86	3.4	3.0	16.3
Nonfarm work	1,476	58.8	51.7	55.4
Nonwork sources	453	18.1	15.9	61.0
Total	2,510	100.0	100.0	
Nonfarm families				
Cash farm income	-62	-2.5	-2.3	57.3
Home use products			4.0	66.5
Work on other farms	146	5.8	5.5	16.5
Nonfarm work	2,102	83.0	79.7	68.8
Nonwork sources	346	13.7	13.1	48.7
Total	2,532	100.0	100.0	
All families				
Cash farm income	247	9.8	9.0	79.2
Home use products			8.6	82.4
Work on other farms	112	4.5	4.1	16.4
Nonfarm work	1,755	69.6	63.6	61.3
Nonwork sources	406	16.1	14.7	55.5
Total	2,520	100.0	100.0	

from farming (Table 6 and Figure 8). Their chief source of money income was nonfarm work. This would be expected of the area's 39,000 nonfarm families, but even farm families as a group had nearly three times as much money income from nonfarm sources as from farming. Although these are rural families, their nonfarm work on the average has become much more important to the area's economy than their farming activity. Only the full-time farmers, comprising about one-sixth of all open country families were primarily dependent on farm income.

Income from nonfarm work, so important in the money income picture, varied a great deal among families. The average per family was \$1,755, of which 82 percent was earned by the head of the family, 9 percent by the wife, and 9 percent by children or other members of the family (Table 7). In the average farm family, the operator earned about 77 percent of the income from nonfarm work; in the average nonfarm family, the proportion was about 86 percent.

Besides income from farming and other employment, most families, both farm and nonfarm, had some income from nonwork sources, such as old age pensions, military pensions and allowances, retirement pensions, social security payments, rental of other real estate owned, mineral leases and royalties, money gifts from children, and sale of property. These nonwork sources accounted for an average money income of \$406 per family for all rural families, about one-sixth of their total money income. A large part of the income of the area's lower income families was from nonwork sources. Income from welfare sources alone was larger than cash income from farming for farm families with incomes under \$1,000 (Table 8).

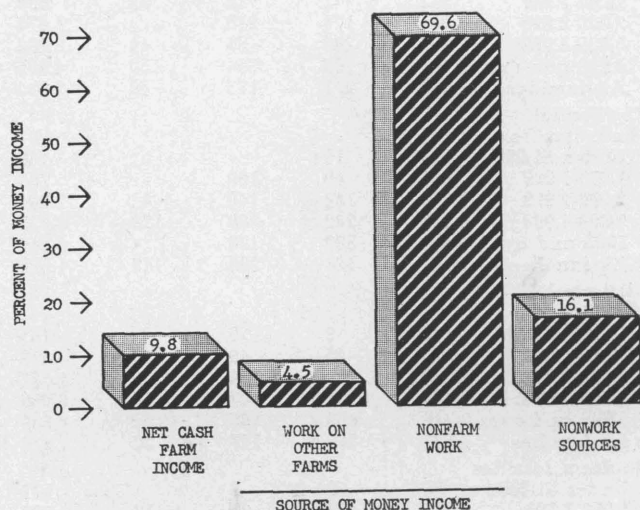


Figure 8. Percent of net money income from major sources for all families in rural Northeast Texas. Nonfarm work stands out as the largest single source of money income among all families. Nonwork income, including pensions, military service connected benefits, retirements, mineral lease rentals, and such, is the second most important source of income.

By definition, nonfarm families cannot be doing much farming (Figure 9). However, more than half of them did engage in a small amount of farm production but had cash expenses above cash sales. This loss was partly offset by production and home consumption of some food items or by use of fuel wood, but home consumption of products averaged only about 4 percent of total income, and about a third of the nonfarm families made no use of their land resources even to raise products for home use. Nonfarm work was the source of about 89 percent of the total net money income of all nonfarm families. But the group of families receiving incomes of less than \$1,000 obtained most of their income from nonwork sources, chiefly old age and other pensions. Families in higher income classes consistently obtained most of their income from nonfarm work (Table 9 and Figure 9).

TABLE 7. EARNINGS PER FAMILY FROM NONFARM EMPLOYMENT BY FAMILY MEMBER, BY KIND OF FAMILY AND LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Kind of family and level of net money income	Income per family earned by				Total
	Family head	Wife not family head	Children 14 years of age and over	Other household members	
----- Dollars -----					
Full-time farm families					
Under \$1,000	29	7	2		38
1,000-1,999	62	20	8		90
2,000-2,999	184	86	84		354
3,000-4,999	9	265	95		369
5,000 and over	103	291	235		629
All families	64	74	46		184
Part-time farm families					
Under \$1,000	337	5	10		352
1,000-1,999	533	71	12	23	639
2,000-2,999	1,081	174	219		1,474
3,000-4,999	2,965	296	85	44	3,390
5,000 and over	3,481	720	554	150	4,905
All families	1,872	271	175	46	2,364
Residential farm families					
Under \$1,000	136	10			146
1,000-1,999	606	49	130		785
2,000-2,999	1,676	143	140	42	2,001
3,000-4,999	3,075	242	380	178	3,875
5,000 and over	3,453	582	1,176		5,211
All families	1,324	126	203	43	1,696
All farm families					
Under \$1,000	130	8	3		141
1,000-1,999	376	45	49	8	478
2,000-2,999	1,069	139	154	15	1,377
3,000-4,999	2,462	284	187	76	3,009
5,000 and over	2,740	603	595	92	4,030
All families	1,133	166	147	30	1,476
Nonfarm families					
Under \$1,000	96	9	6		111
1,000-1,999	620	52	37	17	726
2,000-2,999	2,030	112	113	13	2,268
3,000-4,999	3,230	174	298	6	3,708
5,000 and over	4,763	533	370	59	5,725
All families	1,810	138	140	14	2,102
All rural families	1,434	153	144	24	1,755

The nearly 49,000 farm families showed a different income-source pattern. Nearly a fifth of all money income of these families came from farming. Generally, products raised and consumed in the home constituted a significant part of their total farm income. Home consumed products averaged about \$344. Including such products, these families obtained nearly 30 percent of their total income, both money and nonmoney, from the farm.

In appraising income sources of farm families, it is advisable to classify them as full-time, part-time and residential, as was done in considering levels of income. With this classification, it is evident that part-time and residential families were dependent on nonfarm work as their main source of income (Table 9). In other words, they resembled nonfarm families more than they did full-time farm families. Like nonfarm families, they obtained about three-fourths of their total income from nonfarm work. Except in the lower income levels, part-time farm families made some net cash return on their farming activities, but the average was small even at the highest income level.

The full-time farm families, about 15,000 in all, depended primarily on farm income in about the proportion that the other farm families depended on nonfarm work. A little less than a tenth of their money income was from nonfarm work. Even the families with incomes of less than \$1,000 received more money income, though not a major part, from the farm than from any other single source. At no income level was nonfarm work income very important on full-time farms. This is in contrast to the part-time and residential farm families among whom even families at the lowest income level depended very little on nonfarm work income.

Among full-time farm families, home products were especially important, with an average value of over \$400. Among the full-time farmers in the highest income group, home-consumed products averaged over \$500 per family, but this was a very small part of total income. Home-consumed products were a major part of the total income of all farm families with net money incomes under \$1,000. The same was true for this income class among full-time farmers.

In summary, the open country families of this area depended primarily on nonfarm work as their source of income. Only one-tenth of the total net money income was from farming. For families with net money incomes below \$2,000, the major sources of income were mostly nonwork, including pensions and welfare payments. For all families, nonwork income ranked second in importance, with public welfare payments the chief item. For full- and part-time farmers the chief source of nonwork income was mineral leases or mineral production. Home-use products were important as a source of income among both farm and non-

farm low-income families, although of lesser importance among the latter. Only for the full-time farm families, constituting about one-sixth of the open-country families, was farming the major source of income and only these could be called bonafide farm families. Among the full-time farm families with lowest incomes, home-produced food was a chief source of income.

Human Resources and Income Levels

The preceding section indicates that increases in net money income of families were in general associated with an increase in percentage of income derived from work sources, including farming. This association raises the question: Do the characteristics and employment of the human resources of the area help explain the low levels of production and income prevailing among thousands of farm and nonfarm families? Specific questions are: How do families in the different income levels differ in their employment capacities? How do they differ in the way in which they employ their labor capacities?

Because of the difficulties of comparing workers who differ in age, sex, educational level, physical condition and other personal characteristics, there is no wholly satisfactory measure of the quantity and quality of a family's labor resources. For this reason, in this section families in different income levels are first compared by reference to each of several indicators and then by reference to the number of man-equivalents in each family, a composite measure which, though taking account of several factors, involves a large element of judgment as to the measure of human capacities.

Since most of the work income was earned by the family head, the analysis of human resource characteristics centers about that person.

NUMBER OF FAMILY MEMBERS

When the area's rural families are grouped by the size of their cash income, it is evident that those in the lower income classes have fewer family members of all ages and fewer members 14 years of age and over than do those in the higher income groups (Table 10). The average number of persons per family was slightly larger

TABLE 8. NONWORK INCOME PER FAMILY BY SOURCE, BY KIND OF FAMILY, AND BY LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Kind of family and level of net money income	Mineral rights	Other property	Social security and other retirement income	Military service connected benefits	Public welfare assistance	Aid from relatives	Other sources	Total
----- Dollars -----								
Full-time farm families								
Under \$1,000	41	15	4	5	24	6	14	109
1,000-1,999	44	7		153	60	7	3	274
2,000-2,999	33	39	21	92	14			199
3,000-4,999	331	39		58	41			469
5,000 and over	295	675	17	336			12	1,335
All families	94	74	6	87	34	4	8	307
Part-time farm families								
Under \$1,000	45	31	83	138	129	23	14	463
1,000-1,999	61	60	67	125	161	13	19	506
2,000-2,999	97	67	89	194	63		46	556
3,000-4,999	141	171	16	60	5		6	399
5,000 and over	741	105	43	59	22	9	78	1,057
All families	222	98	54	107	66	8	31	586
Residential farm families								
Under \$1,000	44	28	26	46	283	28	15	470
1,000-1,999	37	52	96	145	188	36	34	588
2,000-2,999	34	55	28	192	124		84	517
3,000-4,999	25	20	18	46	29	28	32	198
5,000 and over	44	97	74	62	63	8	69	417
All families	37	42	43	98	167	23	39	449
All farm families								
Under \$1,000	43	23	28	47	137	17	14	309
1,000-1,999	47	38	52	139	135	19	18	448
2,000-2,999	57	55	48	166	73		48	447
3,000-4,999	138	101	14	55	18	9	13	348
5,000 and over	528	228	42	120	24	7	62	1,011
All families	123	72	35	98	88	10	27	453
Nonfarm families								
Under \$1,000	17	21	11	45	321	26	8	449
1,000-1,999	24	21	50	57	172	73	42	439
2,000-2,999	6	3	11	54	36		68	178
3,000-4,999	7	26	19	95	29	2	81	259
5,000 and over	11	108	71	96	34		34	354
All families	14	29	29	67	138	24	45	346
All rural families	53	74	33	84	110	17	35	406

among farm than among nonfarm families, and among part-time farm families than among full-time and residential farm families. These general relationships held also with respect to the number of persons per family 14 years of age and over.

AGE OF FAMILY HEADS

The age of a breadwinner may have an important bearing both on his present employment and earnings and on his adjustment opportunities. Farm work, as well as much of the nonfarm work available to people in this area, requires considerable physical strength and stamina, qualities most commonly found in younger workers. Even under full employment conditions, many employers discriminate sharply against workers who are over 45 years of age. Few employers hire new workers past 65 years of age for any kind of task. Within agriculture, older farmers do not usually have large farm adjustment potentials. Credit agencies, both public and private, often look with disfavor on large loans to farmers past middle age. The age of 65 is now the official retirement age, not only under the Social Security program but under most other retirement and pension plans.

Forty-seven percent of the family heads of all rural families in the area with net money incomes of less than \$1,000 were 65 years of age or older; 40 percent were 45 to 64 years of age, and only 13 percent were under 45 years of age (Table 11). Heads of nonfarm families in the under-\$1,000 income class were even older; nearly 60 percent were over 65, and only slightly more than 10 percent were less than 45 years old. Many

of these family heads had retired from farming and were living on old age or other pensions. Among low-income farm families the percentage of family heads over 65 was not so high; only about 38 percent fell in this group. But 86 percent of these low-income farm families had family heads who were 45 years of age or older.

In general, in both farm and nonfarm families, the average age of family heads decreased as

TABLE 9. PROPORTION OF INCOME FROM VARIOUS SOURCES, KIND OF FAMILY AND LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Kind of family and net money income	Average cash and noncash income per family	Total income by sources				
		Farm operations	Work on other farms	Non-farm work	Non-work sources	Home use products
Full-time farm families						
Under \$1,000	666	17.4	4.9	5.9	16.4	55.4
1,000-1,999	1,841	56.7	3.1	4.8	14.9	20.5
2,000-2,999	2,896	60.7	3.9	12.2	6.9	16.3
3,000-4,999	4,395	70.2	0.4	8.0	10.7	10.7
5,000 and over	8,592	70.8	0.1	7.3	15.5	6.3
All families	2,374	59.9	2.0	7.7	12.9	17.5
Part-time farm families						
Under \$1,000	922	-26.8	2.8	38.2	50.2	35.8
1,000-1,999	1,897	12.5	7.4	34.4	26.7	19.0
2,000-2,999	2,806	5.2	10.0	52.5	19.8	12.5
3,000-4,999	4,241	2.4	0.5	78.8	9.4	8.9
5,000 and over	9,130	10.2	1.6	67.9	15.9	4.4
All families	3,628	5.6	3.0	65.4	16.3	9.7
Residential farm families						
Under \$1,000	793	-8.4	0.9	18.4	59.3	29.8
1,000-1,999	1,748	-2.7	7.4	44.9	33.6	16.8
2,000-2,999	4,517	-3.7	2.6	72.2	18.7	10.2
3,000-4,999	4,180	-4.5	2.2	90.5	4.7	7.1
5,000 and over	6,824	-6.5	8.3	88.8	6.1	3.3
All families	2,439	-4.8	4.0	71.3	18.4	11.1
All farm families						
Under \$1,000	761	-3.2	2.9	19.2	40.2	40.9
1,000-1,999	1,799	23.5	5.9	27.1	24.7	18.8
2,000-2,999	2,816	17.0	5.6	48.8	15.9	12.7
3,000-4,999	4,304	12.3	1.0	69.9	8.1	8.7
5,000 and over	7,415	24.9	2.4	54.4	13.6	4.7
All families	2,854	17.3	3.0	51.7	15.9	12.1
Nonfarm families						
Under \$1,000	659	-10.0	10.3	16.9	68.1	14.7
1,000-1,999	1,522	-3.1	19.5	47.7	28.9	7.0
2,000-2,999	2,635	-2.8	5.5	86.0	6.8	4.5
3,000-4,999	4,055	-1.5	1.2	91.5	6.4	2.4
5,000 and over	6,317	-1.1	3.1	90.7	5.6	1.7
All families	2,637	-2.3	5.5	79.7	13.1	4.0
All rural families						
Under \$1,000	722	-5.8	5.7	18.4	50.7	31.0
1,000-1,999	1,679	12.3	11.6	35.8	26.4	13.9
2,000-2,999	2,732	8.6	5.6	64.6	12.0	9.2
3,000-4,999	4,179	6.1	1.1	79.6	7.3	5.9
5,000 and over	6,918	14.2	2.7	69.3	10.3	3.3
All families	2,758	9.0	4.1	63.6	14.7	8.6

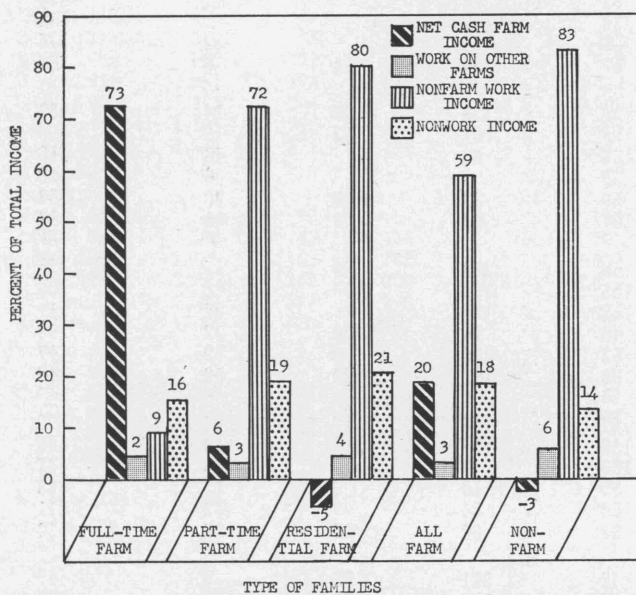


Figure 9. Proportion of net money income from major sources by types of families in rural Northeast Texas. Among all families only the full-time farmers have their major source of income from the farm. Other types of families obtain nearly three-fourths or more of their income from nonfarm work.

family incomes increased. The median age of all heads of families with incomes of less than \$2,000 was 61 years, compared with a median age of 49 years for all heads of families with incomes above \$2,000, a difference of 15 years.

Among the farm families, the residential farm families had the highest proportion (33 percent) of family heads 65 years old or older. Many of these family heads were retired, and were called farmers only because they obtained a minimum of products from their land. Family heads of part-time and full-time farm families were only slightly younger on the average than heads of residential farm families (52 and 53 years, respectively, as compared with 56 years).

It appears that many farmers had curtailed their farm operations as they grew older and were now a part of the nonfarm population. This partly explains why, among nonfarm families with incomes below \$1,000, 60 percent of the

TABLE 10. AVERAGE NUMBER OF PERSONS, AND OF PERSONS 14 YEARS OF AGE AND OVER PER FAMILY, BY LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Net money income	Farm families				Non-farm families	All families
	Full-time	Part-time	Residential	All farms		
Number of persons per family						
Under \$1,000	3.3	3.2	2.3	2.9	2.1	2.6
1,000-1,999	3.4	3.4	3.2	3.3	3.1	3.2
2,000-2,999	3.6	4.3	4.2	4.0	4.1	4.1
3,000-4,999	3.2	3.9	4.1	3.8	4.1	4.0
5,000 and over	4.1	3.8	4.9	4.1	3.9	4.0
All families	3.4	3.7	3.4	3.5	3.3	3.4
Number of persons 14 and over per family						
Under \$1,000	2.3	2.5	2.0	2.3	1.7	2.0
1,000-1,999	2.5	2.5	2.5	2.5	2.3	2.4
2,000-2,999	2.9	2.9	2.8	2.9	2.5	2.7
3,000-4,999	2.7	2.6	2.6	2.7	2.5	2.6
5,000 and over	2.5	2.7	3.2	3.0	2.8	2.8
All families	2.5	2.6	2.5	2.6	2.3	2.5

TABLE 11. AGE AND PHYSICAL LIMITATION OF FAMILY HEADS, KIND OF FAMILY AND NET MONEY INCOME LEVEL, RURAL NORTHEAST TEXAS, 1955

Kind of family and level and net money income	Number of families	Family heads				Average age	Under 65 with physical limitations
		Age					
		Under 25	25 to 44	45 to 64	65 and over		
		Percent					
Full-time farm families							
Under \$1,000	6,144	1	18	66	15	54	25
1,000-1,999	3,757		14	74	12	53	44
2,000-2,999	2,219		38	45	17	50	24
3,000-4,999	1,721		36	46	18	52	32
5,000 and over	1,258	6	47	41	6	45	24
All families	15,099	1	24	61	14	53	30
Part-time farm families							
Under \$1,000	2,882		16	41	43	60	21
1,000-1,999	3,301		29	40	31	56	22
2,000-2,999	3,037	3	19	61	17	54	24
3,000-4,999	5,218		49	47	4	46	17
5,000 and over	3,552		33	61	6	49	27
All families	17,990		32	50	18	52	22
Residential farm families							
Under \$1,000	5,034		5	30	65	65	18
1,000-1,999	3,524		21	45	34	57	19
2,000-2,999	3,180	2	28	56	14	51	26
3,000-4,999	3,125		44	51	5	47	17
5,000 and over	962		54	38	8	45	46
All families	15,825		24	43	33	56	21
All farm families							
Under \$1,000	14,060		14	48	38	59	21
1,000-1,999	10,582		22	51	27	56	27
2,000-2,999	8,436	2	28	55	15	51	24
3,000-4,999	10,064		45	48	7	48	19
5,000 and over	5,772		40	54	6	48	29
All families	48,914	1	27	50	22	53	23
Nonfarm families							
Under \$1,000	9,916	1	10	30	59	66	22
1,000-1,999	9,102	3	22	43	32	55	16
2,000-2,999	6,660	3	49	41	7	44	18
3,000-4,999	8,732	3	62	30	5	42	13
5,000 and over	4,736	6	50	41	3	43	11
All families	39,146	3	36	36	25	52	16
All rural families							
Under \$1,000	23,976	1	12	40	47	62	22
1,000-1,999	19,684	2	22	47	29	56	22
2,000-2,999	15,096	3	37	49	11	48	21
3,000-4,999	18,796	2	53	39	6	45	16
5,000 and over	10,508	3	44	48	5	46	21
All families	88,060	2	31	44	23	53	20

family heads were 65 years of age or older, and why more than half the family income of these families was from public welfare sources, mainly old age assistance.

PHYSICAL LIMITATIONS OF FAMILY HEADS

Migration from rural areas not only is selective with respect to age, but apparently is also highly selective with respect to occupational potentialities. As a consequence, many persons who are seriously limited in the kinds and amounts of work they can perform are left behind. One reason for this may be that certain handicaps are less serious or restrictive in farming than in other occupations. The presence of such physical limitations cannot be considered as a *prima facie* cause of low income, as many persons with such limitations have relatively high incomes. It is true, however, that low incomes are common among persons having serious physical limitations. Such persons are severely restricted in opportunities for improving their incomes, either by making major farm adjustments or by transferring into nonfarm work.

In an attempt to determine the extent to which low incomes in the region may be associated with

physical handicaps, information was obtained, for all families interviewed, on physical limitations of family members between the ages of 14 and 64 that might interfere with the kind or amount of work they could do. The handicaps reported included such conditions as partial blindness; loss of hand, foot or limb; crippled limb or back; medically diagnosed lung or heart defects; asthma; and serious hernia. Minor or temporary ailments were excluded. Although extent of permanent physical disability can be accurately determined only through medical examination, it is believed that most known physical disabilities were reported and that the information obtained is helpful in understanding the area's income situation.

Of all family heads in the region, 56 percent were able bodied and under 65 years of age (Table 12). A fifth were under 65 years of age but reported a major physical condition that interfered with or limited the kind of work they could do (Table 11). There was little difference between all farm families and all nonfarm families in the percentage of family heads who were able bodied and under 65 years of age. When farm families were further classified, it was found

TABLE 12. AVERAGE NUMBER OF ABLE-BODIED FAMILY MEMBERS 14 TO 64 YEARS OF AGE BY KIND OF FAMILY AND LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Kind of family and level of net money income	Family head	Wife not family head	Children		Other persons		Total
			Boys	Girls	Males	Females	
----- Number -----							
Full-time farm families:							
Under \$1,000	.60	.69	.19	.14	.02	.04	1.68
1,000-1,999	.44	.72	.28	.10	.02		1.56
2,000-2,999	.60	.87	.40	.33			2.20
3,000-4,999	.50	.81	.27	.18	.04		1.80
5,000 and over	.71	.82	.24	.24	.06		2.07
All families	.56	.76	.30	.18	.02	.06	1.88
Part-time farm families:							
Under \$1,000	.36	.51	.18	.13		.03	1.21
1,000-1,999	.47	.67	.16	.16	.07	.09	1.62
2,000-2,999	.59	.66	.44	.37	.02	.02	2.10
3,000-4,999	.78	.90	.22	.26	.01	.07	2.24
5,000 and over	.67	.81	.42	.17	.04		2.11
All families	.60	.74	.29	.24	.03	.05	1.95
Residential farm families:							
Under \$1,000	.18	.34	.06	.06	.01	.04	0.69
1,000-1,999	.49	.47	.19	.26	.02	.02	1.45
2,000-2,999	.63	.63	.35	.21	.07	.09	1.98
3,000-4,999	.78	.90	.34	.20	.05	.02	2.29
5,000 and over	.38	.85	.92	.08		.15	2.38
All families	.47	.57	.27	.17	.03	.05	1.56
All farm families:							
Under \$1,000	.41	.54	.15	.12	.01	.02	1.25
1,000-1,999	.46	.61	.22	.19	.03	.03	1.54
2,000-2,999	.61	.68	.42	.32	.03	.04	2.10
3,000-4,999	.73	.88	.31	.24	.02	.04	2.22
5,000 and over	.64	.86	.50	.18	.03	.02	2.23
All families	.55	.69	.29	.20	.02	.03	1.78
Nonfarm families:							
Under \$1,000	.18	.20	.03	.05	.01	.01	0.48
1,000-1,999	.52	.53	.16	.17	.02	.04	1.44
2,000-2,999	.46	.51	.15	.13	.01	.02	1.28
3,000-4,999	.87	.92	.34	.23	.02	.03	2.41
5,000 and over	.86	.91	.45	.19	.01	.03	2.45
All families	.57	.62	.21	.16	.02	.03	1.61
All rural families	.56	.65	.25	.18	.02	.03	1.69

that 56 percent of the family heads on full-time farms were under 65 and free of physical conditions limiting their work capacity, compared with 60 percent on part-time farms and 47 percent on residential farms. The relatively low percentage of able-bodied residential farm family heads under 65 years of age reflects the large number of semiretired persons in this class.

The proportion of able-bodied family heads under 65 years of age was, in general, lowest in the lower income classes. Among farm families, only 41 percent of those with net cash incomes under \$1,000 had able-bodied family heads under 65 years of age, compared with 61 percent of those with net cash incomes of \$2,000 to \$2,999 and 74 percent of those with incomes of \$3,000 to \$4,999. Among nonfarm families with money incomes under \$1,000, only 19 percent had able-bodied family heads under 65 years of age compared with more than 80 percent for families with incomes of \$3,000 and over.

When families at all income levels are compared, it was found that physical limitations were much less common among nonfarm than among farm family heads. This suggests that such limitations often may be an important factor, along with old age, in impeding the transfer of family heads into nonfarm employment.

LEVELS OF EDUCATION

As is true throughout the United States, in both the farm and nonfarm economy of Northeast Texas low incomes are common among poorly educated people. Job opportunities for such people are limited to certain types of work, and if they are in low-income situations they find it difficult to improve their situations. The probability of out-migration is small except when there is unusual demand for workers at tasks that do not require much education. Only during periods of great economic activity, such as the war years of the 1940's, is there active recruitment of poorly educated rural people for jobs outside agriculture, and even during such periods they often fill only the more menial jobs.

It is realized that grade completed in school does not indicate exactly the educational achievement of an individual. Furthermore, educational level, as measured by grade completed, may be related closely to age. Formal schooling perhaps was not available to the aged when they were young. Education beyond the lower grades was not available in this rural area much before 1920. Until recent decades compulsory school attendance was not the rule in rural areas. In examining educational levels, it is necessary to keep these qualifications in mind.

Among all rural families in the area, there was a direct relationship between educational level of the family head and level of family income (Table 13). The average grade of all family heads was 6.2 for those with incomes below

\$1,000, compared with an average of 10.2 grades completed by heads of families with incomes of \$5,000 and over. The oldest family heads were concentrated in the lowest income groups.

Thirty-one percent of the heads of families with incomes of less than \$1,000 had completed not more than four grades in school, and 81 percent had not gone beyond the eighth grade. Among heads of all families with incomes less than \$2,000, less than three-fourths had gone beyond the fourth grade, and less than one-fourth

TABLE 13. LEVEL OF EDUCATION OF FAMILY HEAD, KIND OF FAMILY AND LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Kind of family and net money income class	Number of families	Grade completed				Average grade completed
		Under 5	5-8	9-10	Over 11	
----- Percent -----						
Full-time farm families:						
Under \$1,000	6,144	22	47	25	6	7.0
1,000-1,999	3,757	22	52	16	10	7.0
2,000-2,999	2,219	17	47	23	13	7.8
3,000-4,999	1,721	18	23	50	9	8.5
5,000 and over	1,258	6	6	59	29	10.7
All families	15,099	19	42	29	10	7.6
Part-time farm families:						
Under \$1,000	2,882	23	54	18	5	6.7
1,000-1,999	3,301	22	58	20		6.4
2,000-2,999	3,037	17	44	34	5	7.8
3,000-4,999	5,218	4	29	39	28	9.8
5,000 and over	3,552	6	33	34	27	9.9
All families	17,790	13	42	30	15	8.3
Residential farm families:						
Under \$1,000	5,034	35	53	9	3	5.8
1,000-1,999	3,524	36	41	17	6	6.1
2,000-2,999	3,180	12	53	19	16	7.7
3,000-4,999	3,125	5	58	25	12	8.4
5,000 and over	962	8	15	62	15	10.2
All families	15,825	23	49	19	9	7.0
All farm families:						
Under \$1,000	14,060	25	51	19	5	6.6
1,000-1,999	10,582	25	51	18	6	6.6
2,000-2,999	8,436	14	49	25	12	7.8
3,000-4,999	10,064	4	38	38	20	9.5
5,000 and over	5,772	6	24	44	26	10.1
All families	48,914	17	45	26	12	7.8
Nonfarm families:						
Under \$1,000	9,916	39	47	10	4	5.6
1,000-1,999	9,102	29	44	23	4	6.5
2,000-2,999	6,660	17	44	30	9	7.7
3,000-4,999	8,732	9	38	32	21	8.8
5,000 and over	4,736	3	27	45	25	10.6
All families	39,146	22	41	26	11	7.5
All rural families:						
Under \$1,000	23,976	31	50	15	4	6.2
1,000-1,999	19,684	27	47	21	5	6.6
2,000-2,999	15,096	16	46	27	11	7.8
3,000-4,999	18,796	6	39	34	21	9.2
5,000 and over	10,508	5	25	44	26	10.2
All families	88,060	19	43	26	12	7.7

TABLE 14. PERCENTAGE OF FAMILIES WITH FEMALE HEADS OR MALE HEADS WITHOUT WIVES PRESENT, BY LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Level of net money income	Farm families				Non-farm families	All rural families
	Full-time farms	Part-time farms	Residential farms	All farms		
Female family head						
Under \$1,000	2.4	5.1	17.6	8.4	26.1	15.7
1,000-1,999		4.4	12.8	4.2	14.6	9.0
2,000-2,999	3.3	9.8	4.7	5.3	4.4	4.9
3,000-4,999	4.5		4.9	7.2	8.3	7.5
5,000 and over	5.9	4.2		5.3	1.9	0.0
All families	2.3	4.1	10.4	5.7	12.7	8.8
Male family head without wife						
Under \$1,000	9.9	8.1	14.3	10.1	18.9	13.7
1,000-1,999	12.0	7.0	7.3	8.4	7.4	7.9
2,000-2,999		2.7	9.8	4.4	0.0	2.5
3,000-4,999		2.9	2.6	2.4	3.4	2.7
5,000 and over		4.3	7.7	3.9	0.0	1.6
All families	7.1	4.7	8.9	6.4	7.2	6.8

had completed more than the eighth grade. Only about 4 percent of the heads of families with incomes less than \$1,000 had completed 11 grades or more. In contrast, more than a fifth of those in the two highest income groups had completed high school or had done college study. At the highest income level, \$5,000 and over, 26 percent of the farm family heads and 25 percent of the nonfarm family heads had completed high school.

The differences among income classes in average educational level of family heads were some-

TABLE 15. RACE OF FAMILIES, BY KIND OF FAMILY AND LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Kind of family and level of net money income	White		Non-white	
	— Percent —		— Percent —	
Full-time farm families:			All farm families:	
Under \$1,000	38.1	59.3	Under \$1,000	26.3 39.5
1,000-1,999	23.9	29.6	1,000-1,999	19.7 31.1
2,000-2,999	15.9	7.4	2,000-2,999	16.9 19.3
3,000-4,999	13.1		3,000-4,999	23.2 7.6
5,000 and over	9.0	3.7	5,000 and over	13.9 2.5
All families	100.0	100.0	All families	100.0 100.0
Part-time farm families:			Nonfarm families:	
Under \$1,000	13.8	28.2	Under \$1,000	22.5 33.3
1,000-1,999	16.8	28.2	1,000-1,999	21.5 28.6
2,000-2,999	15.8	23.1	2,000-2,999	17.3 16.7
3,000-4,999	31.0	15.4	3,000-4,999	24.3 16.7
5,000 and over	22.6	5.1	5,000 and over	14.4 4.7
All families	100.0	100.0	All families	100.0 100.0
Residential farm families:			All rural families:	
Under \$1,000	29.4	39.6	Under \$1,000	24.7 36.3
1,000-1,999	18.7	32.1	1,000-1,999	20.4 29.8
2,000-2,999	19.4	22.6	2,000-2,999	17.0 18.0
3,000-4,999	24.4	5.7	3,000-4,999	23.7 12.3
5,000 and over	8.1		5,000 and over	14.2 3.6
All families	100.0	100.0	All families	100.0 100.0

what smaller for farm than for nonfarm families. Among farm families, part-time farmers had the highest educational levels and residential families the lowest. About 80 percent of all full-time farmers had incomes below \$3,000 and an educational level of not more than eight grades. In contrast, more than 60 percent of all part-time farmers had incomes above \$3,000 and had nine or more grades of schooling. Residential farmers were similar to nonfarm family heads in that a high proportion of those in the lowest income classes had less than a fifth grade education.

The level of schooling of the wives was positively correlated with family income but not to the same extent as was true of the husbands. There was no appreciable difference among income levels in average grades completed by children 18 to 25 years of age. The public responsibility for education through high school has helped to equalize educational opportunity in spite of large differences in income levels.

SEX AND MARITAL STATUS OF FAMILY HEAD

A female family head is usually at a considerable disadvantage in the operation of a farm. This is particularly true if she has dependent children or is a widow without experience in the operation and management of a farm. A male family head without a wife may also be at a disadvantage in farming, as well as in other employment, especially if he has been left with dependent children.

At the time of the survey, 5.7 percent of the farm families in Northeast Texas had female family heads and 6.4 percent had male family heads without wives (Table 14). Both situations were more numerous among the area's low-income farm families than among those in higher income classes, and among nonfarm than among farm families, especially at the lower income levels.

RACE

At one time, this area had many Negro families in its rural farm population. Since 1940, however, rural-urban migration of the area's non-white population has proceeded rapidly. In 1955, 21 percent of the area's rural families were non-white. Of these, slightly less than half, or about 8,000 were farm-operator families.

The area's nonwhite families were heavily concentrated in the low-income classes. Thirty-six percent had cash family incomes under \$1,000, 30 percent had incomes of \$1,000 to \$1,999 and only 16 percent had incomes of \$3,000 and over (Table 15). The concentration in low-income classes was especially high among the nonwhite farm families, of which about 40 percent had incomes under \$1,000. About 90 percent of the nonwhite full-time farm families had incomes of

less than \$2,000. Thus, nearly all nonwhite full-time farm families were found in the lowest income groups. As among white families, nonwhite families on part-time farms or in nonfarm situations had more income than did those on full-time farms.

EMPLOYMENT OF FAMILY HEADS AND OTHER FAMILY MEMBERS

Northeast Texas probably has had as much growth since 1930 in its nonfarm enterprises as has occurred in any equally rural part of the Southern low-income farm region. Also, the area lies near the main centers of growth in one of the Nation's most rapidly growing industrial regions, the Fort Worth—Dallas and Houston—Gulf Coast region. Under these conditions, the dominant change in Northeast Texas agriculture has been the shift by the area's farm people, not from cotton to other farm enterprises, but from farming into nonfarm employment utilizing diverse and relatively high-level skills, at as high wages as are now paid in any part of the old cotton South. Hence nonfarm employment is the most important source of income of the area's rural families. From this, it would seem to follow that differences in employment, especially of the family head as the main breadwinner, are closely associated with family income differences.

In the field enumeration, family heads in both farm and nonfarm families were asked "What is your main occupation?" In answer to this question, only about half the heads of farm families and only 32 percent of the heads of all rural families in the area, reported farming as their main occupation (Table 16). Those who reported farming as their main occupation had an average cash family income in 1955 of \$2,033. This amount differs only a little from the \$1,960 money income reported by full-time farmers. Among major types of gainful employment outside the household, farm occupations ranked lowest in terms of cash family income.

Each household member 14 years of age and over, including the family head, was asked, "What did you do during most of 1955?" In answering this question, only 57 percent of all farm-family heads reported the operation of a farm as their main activity in 1955, and 30 percent reported nonfarm employment as a salary or wage worker as their main activity. For those reporting the operation of a farm as their main activity, the median cash family income was \$1,242, whereas for those reporting wage or salary work the median cash family income was \$3,474. These income data suggest that the area's farm people have shared little in the benefits of its rapid economic growth, except as they have moved into nonfarm employment.

The occupations of the remaining two-thirds of the open-country family heads reflected the wide diversity of occupational activities avail-

able to the area's rural residents. The area has developed a base of income diversification that furnishes rural residents with major opportunities for employment other than farming. Industrial and manufacturing wage work, engaged in by nearly 19 percent of all family heads, was second in importance to farmers. The generally advanced age of family heads is reflected in the proportion—nearly 14 percent—who reported their occupation as retired. Incomes for these retired people were relatively low; the average was \$1,260 annually, or about \$100 monthly. Incomes of other occupational groups ranged between this low of \$1,260 and a high of \$4,500. The highest average incomes were found among the professional people and industrial and manufacturing wage workers, about \$4,500 and \$3,700, respectively.

Because of the large movement of area farm workers into nonfarm employment and the highly selective character of this movement, comparisons of farm and nonfarm incomes alone, without reference to distribution of the rural people among different kinds of employment, gives an incomplete view of the area's labor allocation processes. Very few of the area's able-bodied workers in the more productive age groups who have high school educations or better have remained in full-time farming. In the area's total rural population in 1955, there were about 6,600 husband-and-wife families in which the husbands were able-bodied, 30 to 44 years of age, and had completed high school (Table 17). Of these families, only one of every eight was engaged in full-time farming. Two-thirds of these full-time farmers had net cash incomes of \$2,000 and over, and the relatively low incomes of most of the remaining families could be accounted for by conditions of a temporary nature. In other words, employment opportunities open to people in the area have been favorable enough, and persons with these characteristics have been sufficiently responsive to income incentives, that virtually none remain in full-time farming unless they can command farm resources that will yield about as much income as they can earn in nearby nonfarm work. Of these 6,600 husband-and-wife

TABLE 16. AVERAGE NET FAMILY MONEY INCOME, BY OCCUPATION OF FAMILY HEAD, RURAL NORTHEAST TEXAS, 1955

Occupation	Percent	Average Income
Professional	4.8	\$4,494
Industrial and manufacturing	18.4	3,695
Building and construction	9.0	3,541
Retail owners and clerks	5.4	3,168
Timber work	3.5	2,345
Domestic and custodial	2.2	2,237
Other	1.5	2,104
Farming	32.3	2,033
Farm laborer	4.6	1,976
Housekeeper	4.4	1,313
Retired	13.9	1,260
All	100.0	2,520

TABLE 17. NUMBER OF FAMILIES WITH SPECIFIED CHARACTERISTICS AND THEIR PERCENTAGE DISTRIBUTION BY KIND OF FAMILY AND LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Characteristics of families	Number of families in class	Distribution by kind of family and net money income															
		Full-time farm				Part-time farm				Residential farm				Nonfarm			
		Under \$1,000	\$1,000 to \$1,999	\$2,000 to \$2,999	\$3,000 and over	Under \$1,000	\$1,000 to \$1,999	\$2,000 to \$2,999	\$3,000 and over	Under \$1,000	\$1,000 to \$1,999	\$2,000 to \$2,999	\$3,000 and over	Under \$1,000	\$1,000 to \$1,999	\$2,000 to \$2,999	\$3,000 and over
----- Percent -----																	
Family heads, 65 years and over	20,870	4.3	2.2	1.8	1.8	6.1	5.1	2.5	2.2	15.9	6.2	2.2	1.1	28.3	15.2	2.2	2.9
Family heads under 65 years of age:																	
Not husband and wife families	7,045	7.5	4.3	0	2.2	0	4.3	4.3	2.2	4.3	6.5	3.2	3.2	29.0	16.1	5.4	7.5
Husband and wife families with physically handicapped husband, aged																	
Under 30 years	440	0	0	0	16.6	0	0	16.7	0	0	0	0	16.7	16.7	16.7	0	16.6
30 to 44 years	4,225	1.8	1.8	5.3	8.9	3.6	10.7	3.6	16.1	1.8	3.6	1.8	5.3	1.8	5.3	14.3	14.3
45 to 64 years	11,010	12.5	13.9	2.8	3.5	3.5	2.8	4.2	11.1	6.2	2.8	5.5	5.6	6.9	7.6	4.9	6.2
Total	15,675	9.2	10.2	3.4	5.3	3.4	4.9	4.4	12.1	4.9	2.9	4.4	5.8	5.8	7.3	7.3	8.7
With able-bodied husband, aged																	
Under 30 years, with schooling of—																	
5 to 10 grades ¹	1,500	5.0	0	0	0	0	0	0	0	0	0	5.0	5.0	0	20.0	25.0	40.0
11 grades and over	2,640	0	0	2.9	11.8	0	0	0	8.8	0	0	2.9	3.0	0	5.9	14.7	50.0
Total	4,140	1.9	0	1.8	7.4	0	0	0	5.6	0	0	3.7	3.7	0	11.1	18.5	46.3
30 to 44 years—																	
Under 5 grades																	
White	450	16.7	0	0	0	0	0	0	0	16.6	0	0	0	0	0	50.0	16.7
Nonwhite	520	0	14.3	0	0	0	0	0	0	0	0	0	0	14.3	28.6	42.8	0
Total	970	8.3	8.4	0	0	0	0	0	0	0	0	0	0	8.3	16.7	50.0	8.3
5 to 10 grades																	
White	8,250	4.6	1.9	3.7	3.7	0.9	2.8	1.8	11.9	0.9	0.9	4.6	11.9	0.9	4.6	11.9	33.0
Nonwhite	2,495	12.1	3.0	0	0	0	9.1	3.0	3.0	0	6.1	0	0	3.0	18.2	15.2	27.3
Total	10,745	6.3	2.1	2.8	2.8	0.7	4.2	2.1	9.9	0.7	2.1	3.5	9.2	1.4	7.8	12.7	31.7
11 grades and over																	
White	6,070	3.8	1.2	3.8	5.0	3.8	0	1.2	30.0	1.3	1.2	5.0	7.5	2.5	1.2	2.5	30.0
Nonwhite	535	0	0	0	0	0	0	0	14.3	0	14.3	14.3	0	0	14.3	0	42.8
Total	6,605	3.4	1.2	3.4	4.6	3.5	0	1.2	28.7	1.2	2.3	5.7	6.9	2.3	2.3	2.3	31.0
All grade levels																	
White	14,770	4.6	1.5	3.6	4.1	2.0	1.5	1.5	18.8	1.5	1.0	4.6	9.6	1.5	3.6	9.1	31.5
Nonwhite	3,550	8.5	4.3	0	0	0	6.4	2.1	4.2	0	6.4	2.1	0	4.3	19.2	17.0	25.5
Total	18,320	5.3	2.0	2.9	3.3	1.6	2.5	1.6	16.0	1.2	2.1	4.1	7.8	2.0	6.6	10.7	30.3
45 to 64 years																	
Under 5 grades	3,610	10.4	2.1	8.3	4.2	2.1	6.3	10.4	4.2	4.2	8.3	2.1	2.1	8.3	10.4	8.3	8.3
5 to 10 grades	14,535	12.0	6.3	2.1	2.1	3.6	4.2	6.2	13.0	1.0	4.2	4.7	5.7	1.6	10.4	7.3	15.6
11 grades and over	3,875	5.9	2.0	1.9	5.9	0	0	0	25.5	1.9	0	5.9	5.9	2.0	1.9	11.8	29.4
Total	22,020	10.7	4.8	3.1	3.1	2.8	3.8	5.8	13.7	1.7	4.1	4.5	5.2	2.8	8.9	8.2	16.8

¹There were no families in this general class in the field sample in which the family head had completed fewer than five grades in school.

families, 31 percent were nonfarm families and 20 percent were part-time farm families with net cash family incomes of \$3,000 and over.

In 1955, there were 22,000 husband-and-wife families in the area in which the husband was able-bodied and 45 to 64 years of age. Of these, 22 percent were in full-time farming. Nearly half of them had a net cash family income of less than \$1,000. Of these 22,000 family heads, 3,875 had a high school education or better. Of these, only 16 percent were in full-time farming, and only 6 percent were in full-time farming and had incomes of less than \$1,000.

Not only the kind of work in which the families engaged but the amount of work they did had a bearing on the size of their incomes. Among

full-time farm families, days of work per family on their farms averaged only 87 for those with incomes of under \$1,000 compared with 308 days for those with incomes of \$5,000 and over, with days of work on farms increasing consistently from lower to higher income classes of families (Table 18). Estimates have not been made of the days of work done on their farms by part-time farm families, but this was of minor importance compared with their nonfarm work. Part-time farm families with incomes under \$1,000 reported work off their farms averaging 75 days per family, compared with 231 days for those with family incomes of \$2,000 to \$3,000 and 289 days and 330 days for those with family incomes of \$3,000 to \$4,999 and of \$5,000 and over, respectively. Similar relationships between

TABLE 18. AGGREGATE DAYS OF OFF-FARM WORK BY ALL FAMILY MEMBERS AND DAYS WORKED PER MAN EQUIVALENT BY KIND OF FAMILY AND NET MONEY INCOME LEVEL, RURAL NORTHEAST TEXAS, 1955

Net money income class	Work off the farm by all family members				Man equivalents per family	Days worked per man equivalent	Total off-farm work by family heads
	Worked on other farms	Nonfarm work	Total off farm work	Aggregate part of year worked ¹			
	Days			Average per family		Days	
				Percent	No.		
Full-time farm families							
Under \$1,000	7	8	15	0.05	1.09	14	11
1,000-1,999	7	12	19	0.07	1.11	17	10
2,000-2,999	21	43	64	0.23	1.29	50	25
3,000-4,999	2	35	37	0.13	1.03	36	15
5,000 and over	1	78	79	0.28	1.36	58	7
All families	8	23	31	0.11	1.14	27	13
Part-time farm families							
Under \$1,000	8	67	75	0.27	0.71	106	62
1,000-1,999	36	99	135	0.48	0.89	152	97
2,000-2,999	61	171	232	0.83	1.19	194	156
3,000-4,999	3	286	289	1.03	1.28	226	235
5,000 and over	6	324	330	1.18	1.35	244	207
All families	20	204	224	0.80	1.11	202	162
Residential farm families							
Under \$1,000	2	29	31	0.11	0.40	76	27
1,000-1,999	28	136	164	0.59	0.75	219	115
2,000-2,999	9	254	263	0.94	1.08	244	198
3,000-4,999	7	335	342	1.22	1.38	248	251
5,000 and over	41	382	423	1.50	1.41	300	243
All families	13	179	192	0.69	0.87	221	138
All farm families							
Under \$1,000	5	28	33	0.12	0.74	45	27
1,000-1,999	23	81	104	0.37	0.89	117	72
2,000-2,999	31	169	200	0.71	1.14	175	138
3,000-4,999	4	259	263	0.94	1.27	207	200
5,000 and over	10	280	290	1.04	1.35	214	169
All families	14	140	154	0.54	1.03	150	108
Nonfarm families							
Under \$1,000	19	37	56	0.20	0.33	170	42
1,000-1,999	61	139	200	0.70	0.78	256	150
2,000-2,999	33	269	302	1.08	1.24	244	240
3,000-4,999	5	331	336	1.20	1.35	249	256
5,000 and over	19	373	392	1.40	1.43	274	269
All families	28	208	236	0.84	0.96	246	176
All rural families							
Under \$1,000	11	31	42	0.15	0.57	74	34
1,000-1,999	41	108	149	0.53	0.85	175	108
2,000-2,999	32	212	244	0.87	1.18	207	183
3,000-4,999	4	294	298	1.06	1.31	227	225
5,000 and over	14	322	336	1.20	1.39	242	214
All families	20	170	190	0.69	0.99	192	138

¹Based on 280 working days per year. Includes work on other farms and nonfarm work.

days worked and family incomes also held for the area's nonfarm families. In all classes of families, both days of work done and earnings per day worked increased with the size of family incomes, indicating that family income differences grow in part out of differences in both kind and amount of employment in which the family, mainly the family head, engaged. At the higher income levels, labor resources of the families were being rather fully utilized in terms both of time worked and quality of employment.

Farm Resources and Income Levels

Farm resources held by full-time farm families averaged significantly larger than for any of the other groups. The slightly more than one-sixth of the open-country families on full-time farms had farm units averaging 260 acres in size. They controlled 3,925,700 acres of the total farmland, which equalled the acreage held by the residential and part-time farmers combined. The average value per farm of their resources was about \$21,450, and they held 36 percent of the value of all land and other farm resources held by rural families (Table 19). One-fourth of their farmland was in cropland, about 18 percent of which was idle. In contrast, part-time and residential farmers had about one-third and two-thirds, respectively, of their cropland idle. Families with incomes of \$5,000 and above had about 950 acres of land per family, with a considerable acreage in woodland (Table 20). A little more than 20 percent of the value of total resources of

TABLE 19. ACRES OF LAND PER FAMILY BY MAJOR LAND AREA AND VALUE OF LAND AND OTHER FARM RESOURCES PER FAMILY, BY KIND OF FAMILY, RURAL NORTHEAST TEXAS, 1955

Item	Farm families				Non-farm families
	Full-time farm	Part-time farm	Residential farm	All-farm	
	Number				
Number of families	15,099	17,990	15,825	48,914	39,146
Acres per family by major land use	Acres				
Total cropland	65	27	12	34	3
Idle cropland	11	8	8	9	3
Pasture					
Improved	30	33	2	22	1
Other open pasture	77	50	18	48	5
Woodland	78	47	14	46	5
Total	185	130	34	116	11
Other woodland	6	6	5	6	1
Farmstead	4	2	2	2	1
Total farmland	260	165	53	158	16
Value per family of land and other farm resources	Dollars				
Land	16,860	12,800	6,071	11,876	3,898
Livestock	2,648	1,846	347	1,610	110
Equipment	1,943	1,375	592	1,299	543
Total	21,451	16,021	7,010	14,785	4,551

the full-time farms was in livestock and equipment.

Amounts and value of farm resources varied considerably by income levels (Figure 10). Nearly two-thirds of the full-time farm families had incomes below \$2,000; these families had about 160 acres per family, which was slightly above the average size of all farms. The average value of their resources was nearly \$13,000 (Table 21). The median value of resources was about \$12,000.

In general, the full-time farm families with incomes above \$2,000 had correspondingly larger acreages of farmland with greater total value of farm resources. The few highest-income families, with nearly 950 acres of farmland per family and an average investment of about \$66,000, had about 5 times the resources of families in the lowest income class (Figure 11). Value of livestock and equipment also increased consistently from the lowest to the highest income levels. In the higher income levels, livestock and equipment resources averaged about \$9,000 and \$6,200, respectively. However, land was the major resource, making up nearly 80 percent of total resources at all income levels.

One of the major characteristics of the full-time farms in the area is their small size, whether measured by total acres in farmland, acres in cropland, total value of farm resources or cash farm income. Half the farms had a total investment of less than \$12,000 and about two-thirds had net money incomes of less than \$2,000 and an average total investment of nearly \$13,000. The latter group averaged about 160 acres of total farmland, with about 50 acres in cropland. Inadequate size of farms does not explain the development and persistence of low farm production and incomes, but farm production and income in a particular and current situation is a function of farm resources and how they are organized. Farm resources, as they existed among these full-time farmers, were the bases from which specific incomes were obtained. Also, they are the resources that individual farmers must consider in reorganization and recapitalization if they are to move toward higher production and incomes.

A large percentage of the heads of these full-time farm families had a human resource limitation of one kind or another (Table 11). But despite these limitations the labor resource on full-time farms was in excess of one man-equivalent, even on farms with income levels below \$2,000 (Table 18). These data suggest that, on the average, a rather large degree of partial underemployment existed among the two groups with lowest incomes and least farm resources (Figure 12). The small land resources held by the lowest-income group, 166 acres valued at nearly \$13,700, furnished about 100 man-equivalent days, or slightly less, of employment. As both acreage and total value of resources increased, progress-

ively greater amounts of employment were furnished, up to full employment or an average of about 300 days, on farms in the group with greatest resources and highest incomes. Amount of employment on farms thus was associated closely with the scale of operations, particularly as a scale was reached that allowed a sizeable livestock enterprise.

Full-time farmers obtained about 60 percent of their total income and about three-fourths of their money income from farming (Table 9). Under farming systems and levels of management existing in the area, total resources of about \$15,000 were usually required to return a \$1,500 income. As pointed out previously, this \$15,000 worth of resources, as generally utilized in the region, provided employment for only about one-third man-equivalent, with a resulting low volume of production. Among full-time farm families with incomes of less than \$2,000, about 73 percent had resources of less than \$15,000, and slightly more than two-thirds had net farm incomes of less than \$1,500. Stated another way,

of the full-time farmers with farm incomes below \$1,500, over 80 percent had resources under \$15,000. The \$12,000 median value of resources was inadequate, for 84 percent of the farmers with this size resource, to return a \$1,500 income. The problem of low level of resources may be more sharply defined by pointing out that about 40 percent of the full-time farmers had net family incomes of less than \$1,000 and total resources of less than \$10,000. These farmers obviously did not have an adequate farm-resource base to employ their labor resources full-time, and consequently could not obtain a satisfactory money income. Over and above this 40 percent was a group of farmers who had resources valued between \$10,000 and \$15,000, the adequacy of which was doubtful. A few of these, probably owing to superior management or because of specific enterprises, apparently were obtaining \$1,500 or more of net money income from resources of less than \$15,000. Therefore, not all operators having resources of less than \$15,000 were found in the income groups below \$2,000. Similarly, it

TABLE 20. MAJOR LAND USE PER FARM BY KIND OF FAMILY AND LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Kind of family and level of net money income	Major land uses							Total land
	Cropland		Pasture ¹		Other woodland	Farmstead waste, etc.		
	Idle	Total	Improved	Woodland				
----- Acres -----								
Full-time farm families								
Under \$1,000	44	7	113	25	31	6	3	166
1,000-1,999	58	12	84	9	35		2	144
2,000-2,999	53	6	140	22	41	9	2	204
3,000-4,999	79	2	335	52	109	8	2	424
5,000 and over	191	52	716	104	466	18	23	948
All families	65	11	185	30	78	6	4	260
Part-time farm families								
Under \$1,000	24	7	80	12	27	15	2	121
1,000-1,999	22	9	68	13	25	3	2	95
2,000-2,999	33	14	111	64	22	1	2	147
3,000-4,999	30	9	168	27	78	7	1	206
5,000 and over	24	2	191	48	62	7	2	224
All families	27	8	130	33	47	6	2	165
Residential farm families								
Under \$1,000	15	10	37	2	14	7	1	60
1,000-1,999	15	9	33		14	4	1	53
2,000-2,999	11	6	20	2	7	4	2	37
3,000-4,999	6	5	44	1	21		1	51
5,000 and over	6	3	32	3	14	17	1	56
All families	12	8	34	2	14	5	2	53
All farm families								
Under \$1,000	30	8	79	15	24	8	2	119
1,000-1,999	33	10	62	7	25	2	2	99
2,000-2,999	30	9	84	30	21	4	2	120
3,000-4,999	30	7	154	23	64	5	2	191
5,000 and over	57	13	279	53	142	11	6	353
All families	34	9	116	22	46	6	2	158
Nonfarm families								
Under \$1,000	7	6	16	1	7	2	1	26
1,000-1,999	4	3	8	1	4	1	1	14
2,000-2,999	2	1	9		3	1	1	13
3,000-4,999	2	1	7	1	3	1	1	11
5,000 and over	2	1	14		9		1	17
All families	3	3	11	1	5	1	1	16
All rural families	20	6	69	12	28	4	2	95

¹Open unimproved pasture accounts for remainder of pasture acreage.

should be pointed out that resources of more than \$15,000 did not assure an adequate money income, as a little more than one-fourth of the farmers with the lower incomes had resources exceeding this amount.

Classes of Low-income Families by Adjustment Potentials

One of the objectives of this study has been to provide a classification of the families with lower incomes that will indicate their income situation and define their income improvement potential. Such a classification should help to guide future policy and research directed toward the low-production farm problem and toward rural development. In placing emphasis in such a classification upon the lower income families, it is recognized that some families were only temporarily in this status and may make adjustments to higher-income levels. Many higher-income families have income-maintenance and resource-adjustment problems or may have large adjustment potentials of which they are unaware. But because of the national concern with the problems of low farm incomes and rural development, primary emphasis in the study was placed on classifying families with incomes under \$1,000,

followed by those with incomes of \$1,000 to \$1,999 and finally those with incomes of \$2,000 or more.

In this classification an attempt has been made to distinguish two main classes of low-income families: (1) those families who, despite their income situation, were about as productive as could reasonably be expected, such as those in which the family breadwinner was of advanced age or otherwise occupationally limited and (2) those families whose low incomes did not appear to be a result of significant limitations in the labor capacities of the family heads (Table 22). Families in the latter class are further grouped by age of family head, and the farming operations of those in full-time farming are examined to see to what extent their incomes in 1955 may have been abnormally low. Also, the full-time farmers are classified further in terms of the farm resource, to associate the adequacy of that factor with level of income.

FAMILIES WITH INCOMES OF LESS THAN \$1,000

Of the area's rural families having a net cash income in 1955 of less than \$1,000, 3 of every 4 had a family head who was 65 years of age or older, or had a physical limitation that restricted the kind or amount of work that could be done,

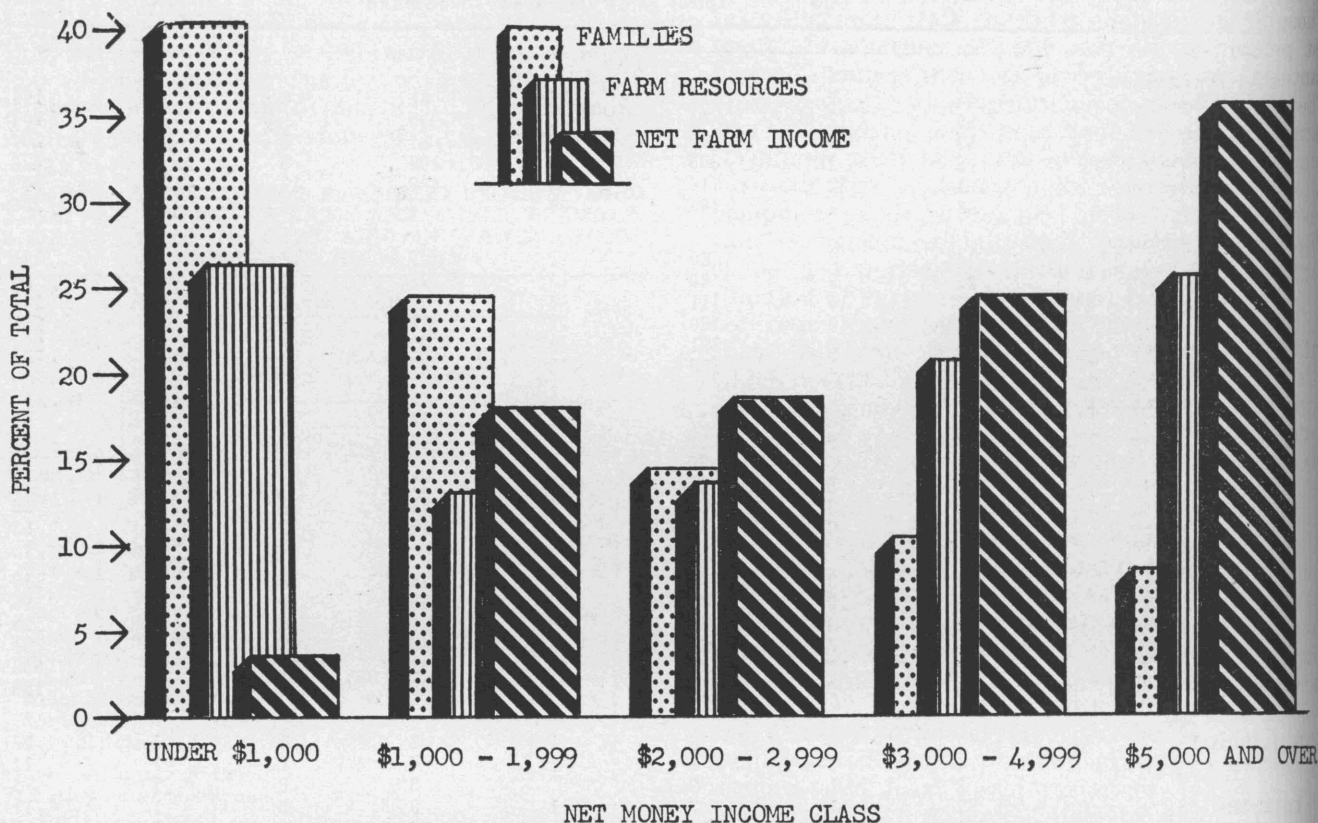


Figure 10. Percent of full-time farm families, percent of resources and percent of income by levels of net money income in rural Northeast Texas. The largest group including 40 percent of these families had less than \$1,000 net money income and only a little more than 3 percent of the total net income of the group. Eight percent with net money incomes of \$5,000 and over received nearly 36 percent of the total net income and controlled nearly as many resources as did the largest group of families.

or had completed fewer than five grades in school, or was female (Figure 13). Of the remaining 23 percent of the families, more than three-fifths had family heads who were already past 45, an age used by many nonfarm employers as a standard age break in screening job applicants.

Farm and nonfarm families differed significantly in the percentage of families with incomes under \$1,000 that fell in the above general classes. This also was true among the farm families. Among families with incomes of less than \$1,000, nearly 7 of every 10 on farms, as compared with 9 of every 10 in the nonfarm group, reported one or more serious occupational limitations. As indicated earlier, however, the latter group included many retired family heads who after reaching an advanced age had ceased farming. Only 10 percent of the nonfarm families with incomes under \$1,000 had able-bodied male family heads under 65 years of age, and half of these were 45 years of age or over. Thus, less than 5 percent of all heads of nonfarm families in this income class were free of occupational limitations and were less than 45 years old.

When farm families with incomes under \$1,000 were further grouped as full-time, part-time and residential, it was found that the full-time farm group had the smallest percentage of family heads with major occupational limitations. Those in the residential farm group had the highest percentage, hence were in the most disadvantaged position in terms of labor capacities. The percentages were 49 percent for full-time farms, 70 percent for part-time farms, and 90 percent for residential farms. On all farms, nearly seven-tenths of the able-bodied male family heads under 65 years of age had already passed their 45th birthday. Two-thirds of those on the part-time farms were 45 to 64 years of age.

Examination of the full-time farm families with net cash incomes under \$1,000 indicates that a fairly high percentage had command of enough farm resources so that their income might be expected to be above \$1,000 (Table 23 and Figure 14). Of the full-time farm families with incomes below \$1,000, 37 percent had resources worth \$15,000 and over. These percentages varied significantly between the occupationally handicapped families and those without occupational limitations. Only 22 percent of those in the former class had farm resources worth \$15,000 or more, whereas 52 percent of those without occupational handicaps had resources of this amount or more.

FAMILIES WITH INCOMES OF \$1,000 TO \$1,999

In families with incomes of \$1,000 to \$1,999, occupational handicaps are less of a problem, and proper use of labor capacity becomes more important. Even so, 65 percent of the family heads of these families, both farm and nonfarm, reported one or more major occupational limita-

tions. Farm and nonfarm families displayed no difference in this regard, and there was little difference between full-time, part-time, and residential farms. But among families in this income group, 3 out of 4 able-bodied male family heads under 65 years of age on the full-time farms were over 45 years of age, compared with only 5 of every 9 on part-time farms and 2 of every 3 on residential farms.

Of the full-time farm families with incomes \$1,000 to \$1,999, 60 percent had farm resources worth less than \$15,000. Among the occupationally handicapped, 74 percent had resources worth less than \$15,000, compared with 40 percent of those without occupational handicaps (Table 23).

FAMILIES WITH INCOMES OF \$2,000 AND OVER

Among all rural families with net cash incomes of \$2,000 and over, only 35 percent reported one or more major occupational limita-

TABLE 21. AVERAGE VALUE PER FAMILY OF FARM RESOURCES, BY KIND OF FAMILY AND BY LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Kind of family and level of net money income	Resources			Total
	Land and buildings	Live-stock	Farm machinery	
----- Dollars -----				
Full-time farm families				
Under \$1,000	10,923	1,629	1,141	13,693
1,000-1,999	9,296	1,238	1,068	11,602
2,000-2,999	15,313	2,503	2,344	20,160
3,000-4,999	31,612	4,833	3,043	39,488
5,000 and over	50,861	9,075	6,227	66,163
All families	16,860	2,648	1,943	21,451
Part-time farm families				
Under \$1,000	8,251	1,043	523	9,817
1,000-1,999	6,550	783	597	7,930
2,000-2,999	11,134	1,321	1,457	13,912
3,000-4,999	16,159	2,431	1,599	20,189
5,000 and over	18,752	3,068	2,384	24,204
All families	12,800	1,846	1,375	16,021
Residential farm families				
Under \$1,000	5,498	274	189	5,961
1,000-1,999	4,795	326	286	5,407
2,000-2,999	4,932	399	705	6,036
3,000-4,999	6,929	411	1,024	8,364
5,000 and over	14,677	425	2,031	17,133
All families	6,071	347	592	7,010
All farm families				
Under \$1,000	8,422	1,023	673	10,118
1,000-1,999	6,852	787	653	8,292
2,000-2,999	9,894	1,284	1,407	12,585
3,000-4,999	15,987	2,220	1,681	19,888
5,000 and over	25,071	3,937	3,164	32,172
All families	11,858	1,607	1,297	14,762
Nonfarm families				
Under \$1,000	2,859	76	186	3,121
1,000-1,999	3,296	131	293	3,720
2,000-2,999	3,376	56	540	3,972
3,000-4,999	4,613	159	786	5,558
5,000 and over	5,859	108	1,218	7,185
All families	3,803	108	530	4,441
All rural families	8,277	941	956	10,174

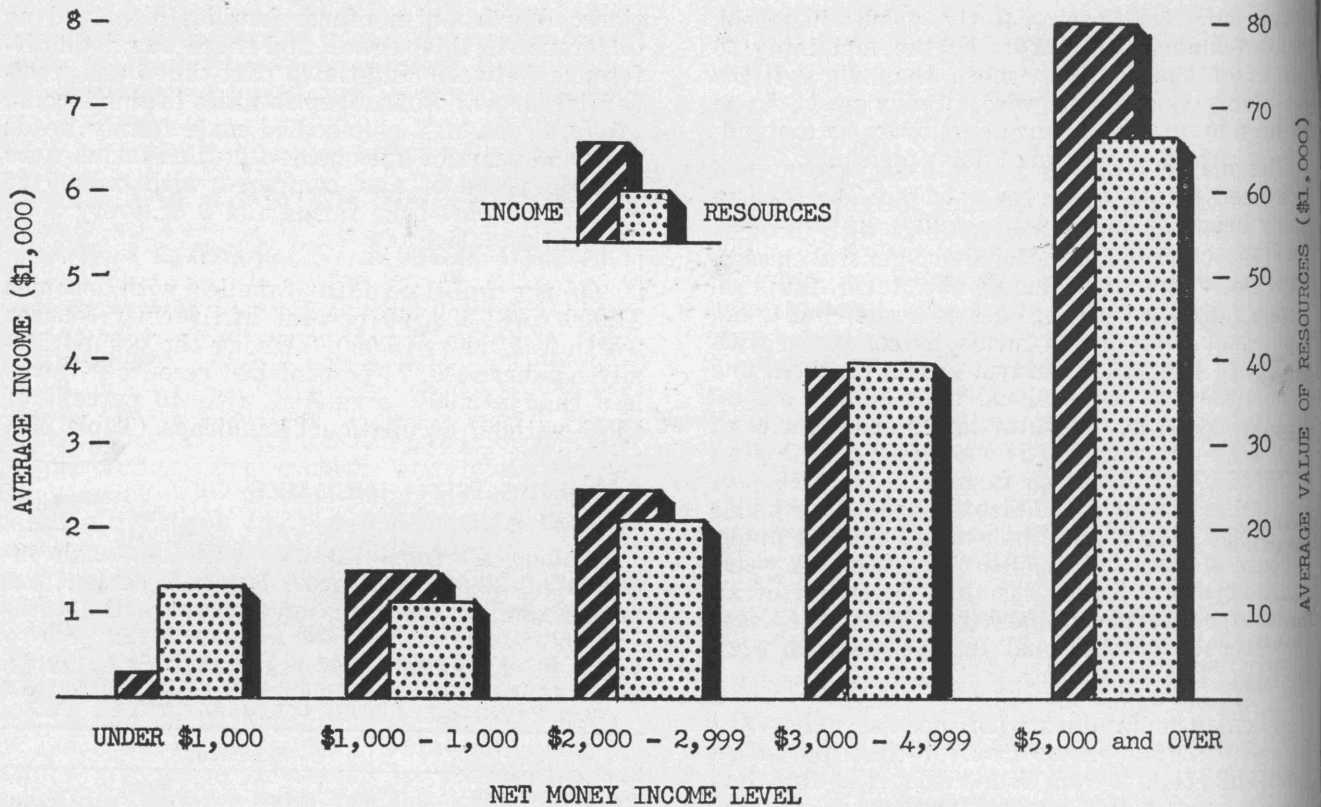


Figure 11. Average net money income and average resources held by full-time farmers by levels of net money income in rural Northeast Texas. Generally, there was a consistent increase in the level of income as the amount of farm resources increased.

tions (Table 22). In other words, comparison of the human resource characteristics reveals that most of the family heads in the income groups above \$2,000 were without occupational limitations. This is in contrast to the lower income groups where the reverse was true. Such handicaps were reported by 49 percent of those on full-time farms, and by 38 percent and 36 percent of those on part-time and residential farms, re-

spectively. These data further indicate that, in the highly dynamic economy of this area, the transfer of labor into nonfarm employment has been a highly selective process leaving in farming, especially in full-time farming, a high percentage of the aged and the occupationally handicapped.

Occupational limitations among the full-time farmers were about as prevalent at the higher income levels as at the lower. At the lower income levels, the farm resources held by those with occupational limitations were less than \$15,000 in about two of every three families.

Some Implications of Findings

This study has been directed to an examination of the rural income situation in an area that before 1930 was like much of the rest of an extensive southern low-income region. Since 1930, however, the area has experienced great economic growth in the nonagricultural sector, and also has come within the influence of the rapidly growing Fort Worth—Dallas and Houston—Gulf Coast industrial complexes. An attempt has been made to provide a classification of present rural income situations that will help workers in the Rural Development Program and other agencies to evaluate alternative ways of attacking the income problems of the area and that will provide guidance to further research. The study also pro-

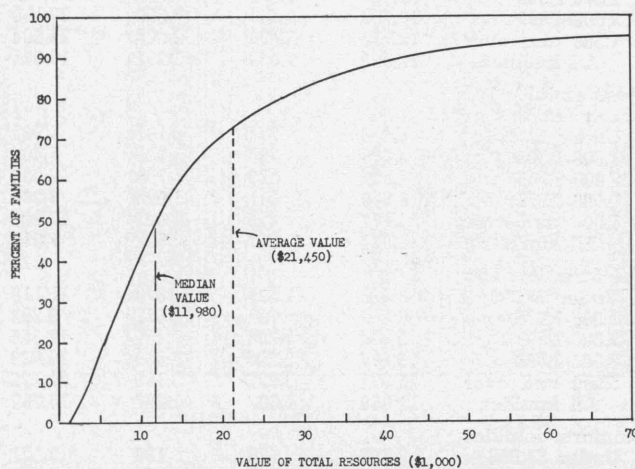


Figure 12. Percent of full-time farm families with specific total resource values in rural Northeast Texas. Half of these families had total resources of less than \$12,000. Nearly 60 percent had less than \$15,000 and about 73 percent had less than the average of \$21,450. Only about 11 percent had total resources of \$40,000 or above.

vides a basis for examining the effects of industrial development on rural incomes and resource uses. Its findings also have important implications for policies and research related to rural low-income problems in other parts of the Nation.

The major classes of low-income situations have been identified as (1) those in which the family heads had a human resource limitation of one kind or another and (2) those in which family heads had none of these resource limitations.

In addition to the human resource characteristics, the adequacy of farm resources of the full-time farm families has been examined, and situ-

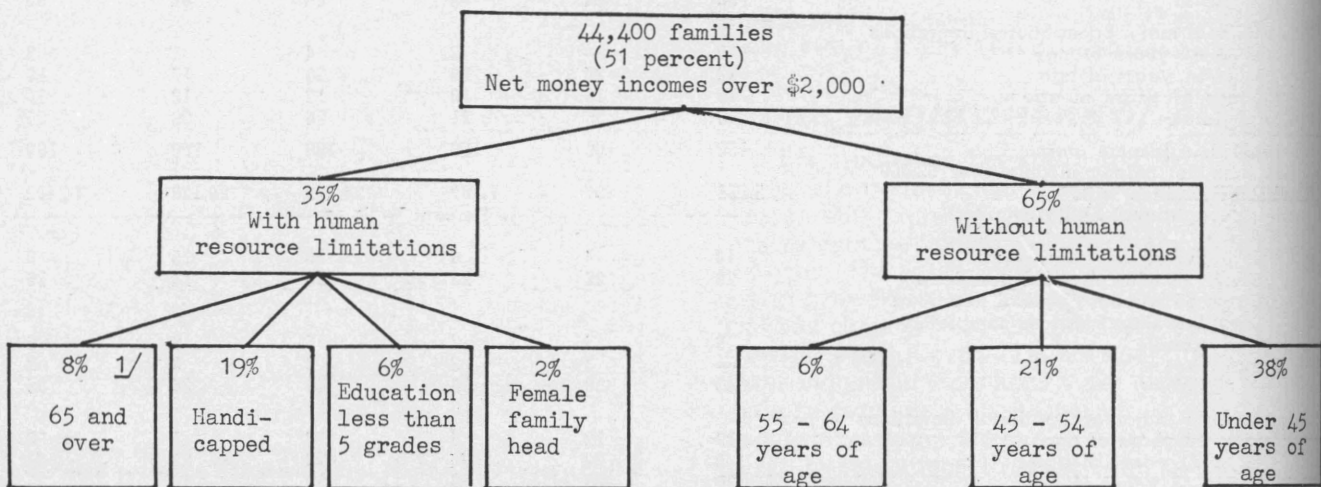
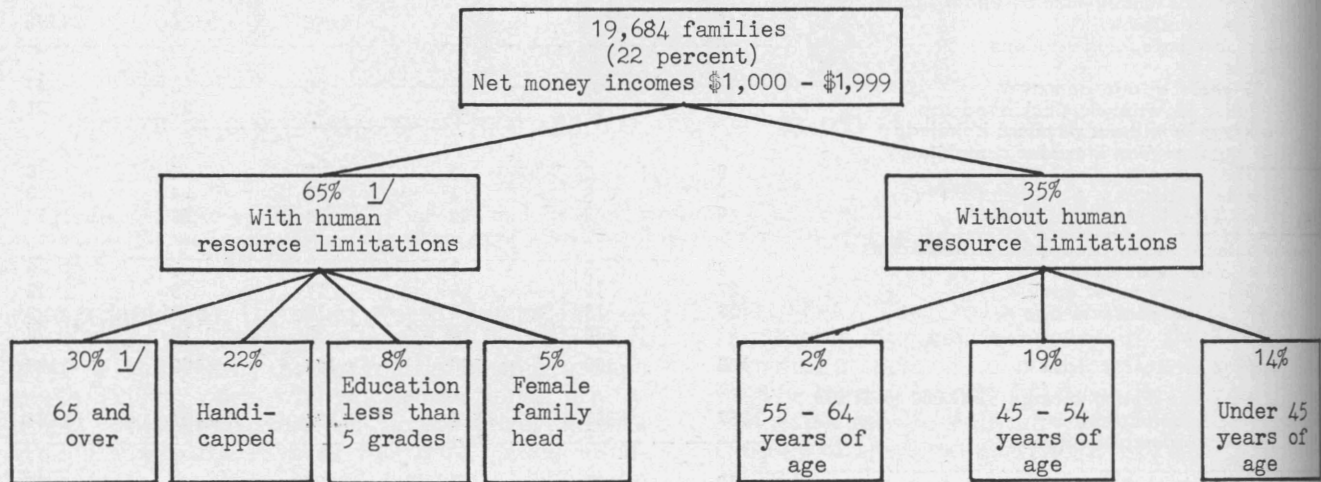
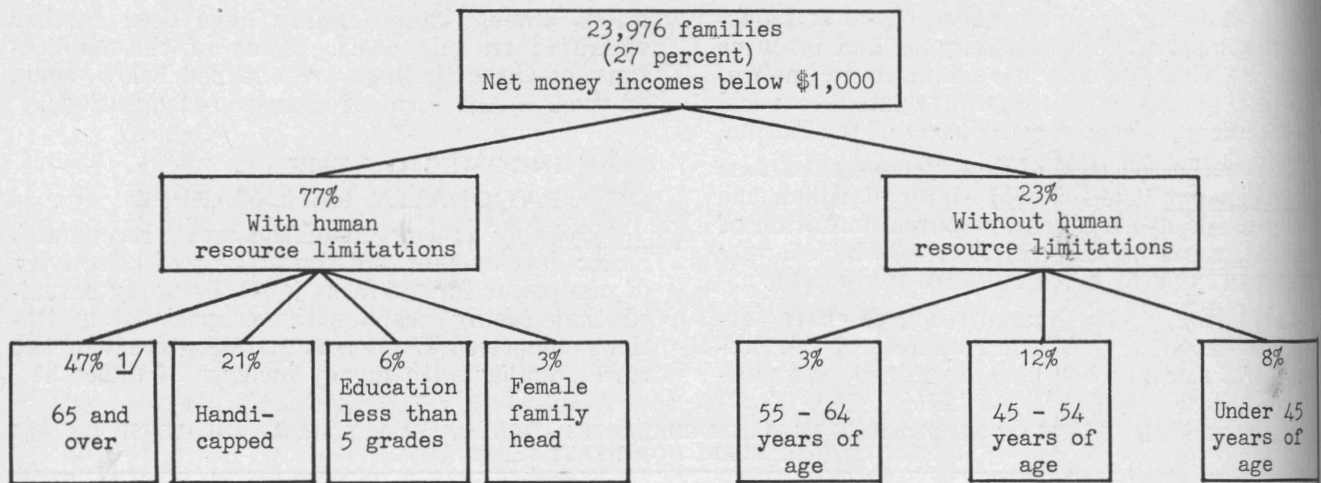
ations among these families have been further classified on this basis. Some of the implications of these findings are outlined below, some of them in the form of unanswered questions.

LOW INCOMES OF THE OCCUPATIONALLY HANDICAPPED

Probably as a result of the area's recent economic development and the process of selectivity of manpower for off-farm jobs, the study revealed that family heads with occupational limitations comprised 77 percent and 65 percent of the rural families with money incomes of under \$1,-

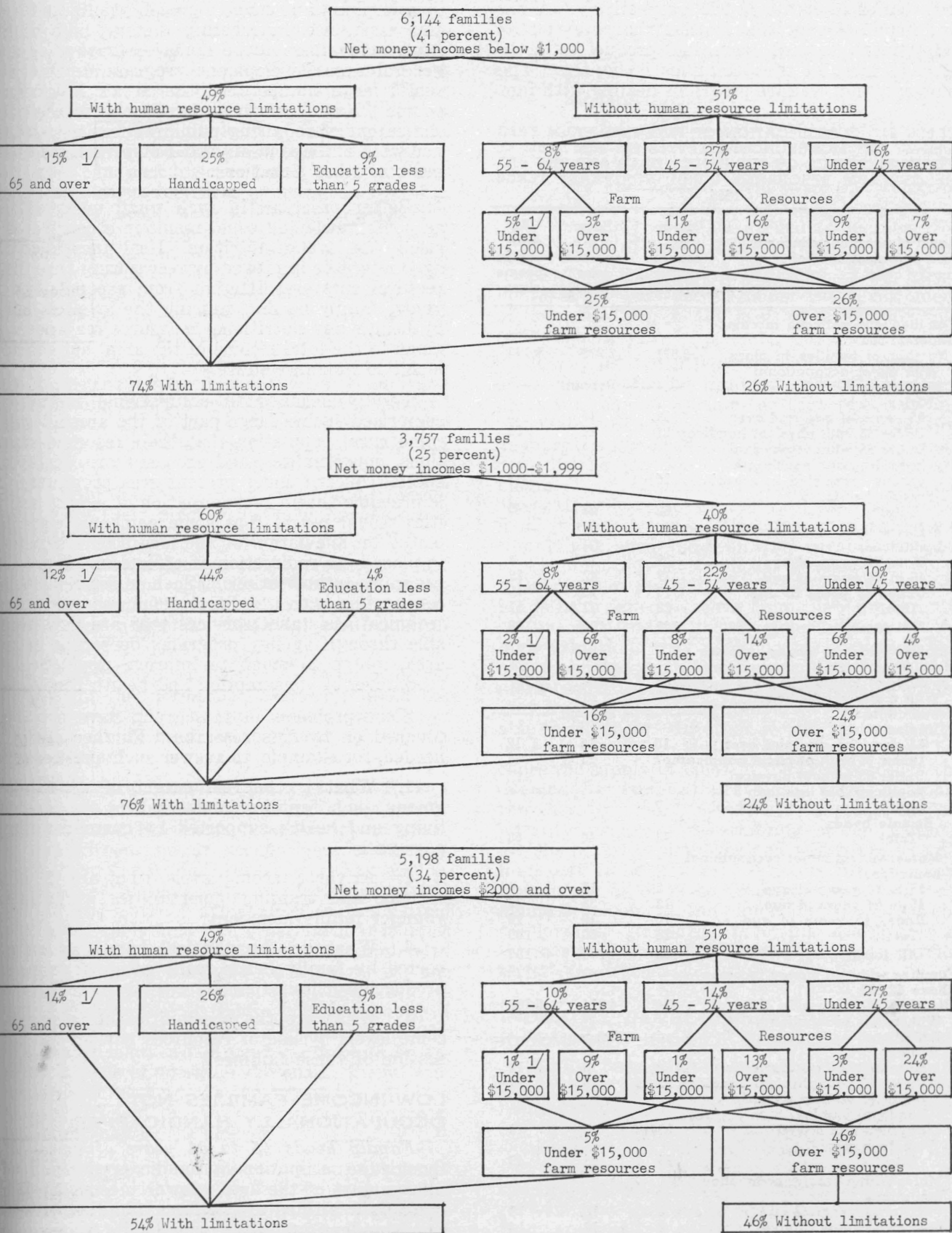
TABLE 22. CLASSIFICATION OF ALL FAMILIES BY MAJOR CHARACTERISTICS OF FAMILY HEAD AND LEVEL OF NET MONEY INCOME, RURAL NORTHEAST TEXAS, 1955

Level of net money income and characteristic of family head	Farm families				Nonfarm families	All rural families
	Full-time	Part-time	Residential	All		
Families with net money income under \$1,000						
Number of families with major occupational limitations	6,144	2,882	5,034	14,060	9,916	23,976
	Percent					
Males						
65 years of age and over	15	43	65	38	60	47
Under 65 with physical handicap	25	21	18	21	22	21
Under 65 without physical handicap but less than 5 grades completed in school	9	3	3	7	4	6
Female heads	—	3	4	2	4	3
Total	49	70	90	68	90	77
Males without major occupational limitations						
55 to 64 years of age	8	5	1	5	1	3
45 to 54 years of age	27	15	6	17	5	12
Under 45 years of age	16	10	3	10	4	8
Total	51	30	10	32	10	23
All families in income class	100	100	100	100	100	100
Families with net money income of \$1,000 to \$1,999						
Number of families with major occupational limitations	3,757	3,301	3,524	10,582	9,102	19,684
	Percent					
Males						
65 years of age and over	12	31	34	27	32	30
Under 65 with physical handicap	44	22	19	27	16	22
Under 65 without physical handicap but less than 5 grades completed in school	4	7	8	6	9	8
Female heads	—	4	8	4	7	5
Total	60	64	69	64	64	65
Males without major occupational limitations						
55 to 64 years of age	8	—	2	4	1	2
45 to 54 years of age	22	20	19	20	17	19
Under 45 years of age	10	16	10	12	18	14
Total	40	36	31	36	36	35
All families in income class	100	100	100	100	100	100
Families with net money income over \$2,000						
Number of families with major occupational limitations	5,198	11,807	7,267	24,272	20,128	44,400
	Percent					
Males						
65 years of age and over	14	8	9	10	5	8
Under 65 with physical handicap	26	22	23	23	14	19
Under 65 without physical handicap but less than 5 grades completed in school	9	5	2	5	6	6
Female heads	—	3	2	2	3	2
Total	49	38	36	40	28	35
Males without major occupational limitations						
55 to 64 years of age	13	12	5	10	1	6
45 to 54 years of age	8	22	26	20	23	21
Under 45 years of age	30	28	33	30	48	38
Total	51	62	64	60	72	65
All families in income class	100	100	100	100	100	100



*Includes all heads 65 and over; other groups are less than 65 years of age and mutually exclusive.

Figure 13. Human resource classification of all rural family heads in Northeast Texas.



Includes all heads 65 and over; other groups are less than 65 years of age and mutually exclusive. Farm resources based on total value of land, livestock and equipment.

Figure 14. Human and farm resource classification of all full-time farm family heads in Northeast Texas.

000 and of \$1,000 to \$1,999, respectively. A major implication of this is that the potential for adjustment toward increased productive activities of most of these families is limited. This suggests that welfare programs dealing with fam-

TABLE 23. CLASSIFICATION OF FULL-TIME FARM FAMILIES BY NET MONEY INCOME LEVELS ON THE BASIS OF CHARACTERISTICS OF THE FAMILY HEAD AND THE VALUE OF FARM RESOURCES, RURAL NORTHEAST TEXAS, 1955

Level of net money income and characteristics of family head	Farm re-sources under \$15,000	Farm re-sources over \$15,000	All fam-ilies in income class
Families with net cash incomes under \$1,000			
Number of families in class	3,871	2,273	6,144
With major occupational limitations:	— — — Percent — — —		
Males			
65 years of age and over	16	13	15
Under 65 with physical handicap	31	16	25
Under 65 without physical handicap, but less than 5 grades completed in school	15		9
Female heads			
Total	62	29	49
Males without major occupational limitations:			
55 to 64 years of age	8	10	8
45 to 54 years of age	17	42	28
Under 45 years of age	13	19	15
Total	38	71	51
All families	100	100	100
Families with net money incomes of \$1,000 to \$1,999			
Number of families in class	2,254	1,503	3,757
With major occupational limitations:	— — — Percent — — —		
Males			
65 years of age and over	10	15	12
Under 65 with physical handicap	57	25	44
Under 65 without physical handicap, but less than 5 grades completed in school	7		4
Female heads			
Total	74	40	60
Males without major occupational limitations:			
55 to 64 years of age	3	15	8
45 to 54 years of age	13	35	22
Under 45 years of age	10	10	10
Total	26	60	40
All families	100	100	100
Families with net money incomes above \$2,000			
Number of families in class	884	4,314	5,198
With major occupational limitations:	— — — Percent — — —		
Males			
65 years of age and over	8	16	14
Under 65 with physical handicap	25	26	26
Under 65 without physical handicap, but less than 5 grades completed in school	33	3	9
Female heads			
Total	66	45	49
Males without major occupational limitations:			
55 to 64 years of age	8	10	10
45 to 54 years of age	8	16	14
Under 45 years of age	18	29	27
Total	34	55	51
All families	100	100	100

ilies in place, and involving cash grants and special assistance in meeting dietary and health needs, may have to be a major feature of any general area development program designed to assist large numbers of the area's low-income people. Not all of these families were needy to the extent of requiring public welfare assistance, nor were all beyond any kind of personal adjustment to other situations.

Better practices in such small undertakings as home gardening could result in a considerable rise in the level of nutrition. Health levels of the aged might be improved by recognizing that their requirements are different from a population of young family heads. Raising the level of living by health and nutritional measures may not add much to the total income of the area, but can add much to human welfare.

Family heads with occupational limitations comprised such a large part of the area's low-income rural population that their resource situations, opportunities, and problems are worthy of special concern under present area programs. It is probable that a reexamination of agency activities would reveal that some emphasis could be placed on alleviation of the low-income situation in place by a redirection of efforts under present program authorizations. Such a redirection, in conjunction with the direct money payments and technical assistance services that are now available through agency programs operating in the area, might do much to improve production of food, level of consumption and health conditions.

Some problems of this group have not been touched on by this research. Further study is needed, for example, to answer such questions as:

1. What is the real extent of dependency among such families, and what is the level of living and health supported by current welfare payments?
2. At these income levels, what are the educational and training opportunities available to younger family members?
3. What do the physical handicaps as reported by family heads really mean in terms of productivity limitations?
4. What are the possibilities of raising income levels by use of resources now in the possession of these families?

LOW-INCOME FAMILIES NOT OCCUPATIONALLY HANDICAPPED

Family heads 45 to 64 years of age. — Although the occupationally handicapped comprised a large part of the area's lower income families, more than a third of the farm families with incomes under \$2,000 had male family heads under 65 years of age, with five or more grades of schooling and without major physical handicaps. That is, low incomes are prevalent among many

families whose human resource characteristics apparently did not limit their productive capacity. Two-thirds of the heads of families with no limitations, however, were between 45 and 64 years of age. As a consequence, many family heads in full-time farming were already at an age that might limit the kind of farming adjustments that were economically feasible for them to make. In past research and programming, recommendations for farm adjustments by these older family heads have seldom been separated from those for younger farmers. Yet age is of such importance in obtaining long-term credit and in a farmer's long-run expectations that there is a need to treat these older families as a special group in proposing any farm adjustments.

In research and programming there is a need also to distinguish between families in full-time farming and families receiving a large part of their income from nonfarm employment. For this group of families, there is need especially for research on the following questions:

1. How does the age of these family heads affect both their farm adjustment opportunities and their nonfarm employment opportunities?

2. To what extent do these effects grow out of declining labor capacities and to what extent are they a result of credit policies, employee hiring practices and other conditions of an institutional nature?

3. Taking account of any declining labor capacities and the increasing uncertainty about the years of work life they have left, in what ways can these family heads most effectively improve their incomes?

Family heads under 45 years of age.—It is a major economic paradox that so many family heads in rural Northeast Texas under 45 years of age, without major occupational handicaps, should have family incomes of less than \$2,000. For some of those in full-time farming, an immediate and current explanation is the limited quantity of their land and other farm resources. At the time of the study, 60 percent commanded less than \$15,000 worth of farm resources; the remaining 40 percent controlled enough farm resources to have had at least a good start toward moving into a higher income position. In the first group, many would need capital and an increase in scale of operations to enable them to increase their incomes. In the latter, the adoption of more efficient practices and some farm reorganization may be the answer.

Future research directed to the problems of farm families with very limited resources should, as a condition for evaluating their adjustment opportunities, answer the following questions:

1. Do they have limited resources?

a. Because of inadequate credit facilities?

b. Because of the area's shortage of land suitable for farm enlargement?

c. Because of a general lack of knowledge of leasing arrangements needed for new kinds of farming?

d. Because land prices are so much above their values for farm production that it is difficult, under known ways of farming and present farm price-cost relationships, to develop profitable systems of farming of kinds needed to increase the scale of operations?

2. Does the dynamic character of the area's nonfarm economy fight against the development of its agriculture on the basis of large-scale full-time farms?

It may be that it is easier and more remunerative for the family head to seek off-farm employment than to assume the economic risk and uncertainty of long-range farm adjustments. For younger family heads, farm and nonfarm, there remains the question of why, in view of the employment opportunities available in Northeast Texas, they have not moved into jobs that yield a much higher income. The answer to this question might shed light on the rural-low-income problem not only in Northeast Texas but in many other parts of the Nation. It may be that family heads have failed to move from their present situations into higher income jobs because of the high valuations they place on nonpecuniary values associated with their present situation. Or more likely, the number of jobs available in the area may be below the number of workers available to fill them. In other words, perhaps many have remained in a state of underemployment because the supply of labor in the area exceeded the demand for labor at prevailing wages in more remunerative jobs. If such is the case, the selectivity processes determining which workers get the better paying jobs and which are left behind need to be explored. Factors for investigation might be distance from the centers of economic development, individual inertia and special employment standards involving selectivity on the basis of special aptitudes, personal characteristics or race.

INDUSTRY DEVELOPMENT AND THE RURAL-LOW-INCOME PROBLEM

As has been pointed out, after large economic development in its nonfarm sector, there are still many families in rural Northeast Texas whose low incomes cannot be explained by such factors as advanced age, physical disabilities, other major occupational handicaps or limited farm resources. Nonetheless, the findings of this study indicate that incomes in the Nation's low-income rural areas can be greatly improved by rural economic development that has a sound economic base, is large in scope and is associated with extensive industrial development in the larger reg-

ions of which the areas are a part. The recent economic development achieved in this area and in nearby regions generally has enabled the area's farm people to achieve incomes approximating those of its rural nonfarm residents—many of them doing this by moving into nonfarm employment. This is much more a result of increased incomes from nonfarm work than it is of increased farm incomes obtained through adjustment and reorganization of farm units. But even with improvements that have been made, incomes of the area's rural people still are below those of nonfarm families in the Nation as a whole, with cash and noncash income combined in 1955 averaging less than \$3,500 per rural family in Northeast Texas compared with about \$6,570 for nonfarm families in the Nation.

In view of the continuing large income difference between rural Northeast Texas and the nonfarm economy of the Nation as a whole, and of the large economic growth of recent decades in the Southwestern region, the following questions appear to be significant for the Nation's rural low-income problems when considered in the aggregate view:

1. How much will it be necessary for the Nation's nonfarm economy to grow within a decade in order to bring the Nation's rural low-income people into full production and employment—i.e., employment which is as productive and which yields as large incomes as are received by people of comparable ability in more productive parts of the Nation's economy?

2. Short of such full employment for the Nation as a whole, what, if anything, can be done to help the Nation's low-income rural areas to share more fully in the benefits of general economic growth, especially in that growth which results from Federal spending policies?

3. What are the relationships, if any, between the income problems of the Nation's low-income farm areas, those of agriculture as a whole, and those growing out of underemployment and unemployment in the nonfarm economy? Are these all the same general kind of problems in terms of basic causes and in terms of the possibilities for solution? In short, can the Nation's rural low-income problems be successfully attacked except through policies and programs that are an integral part of the policies and programs that are needed to promote the economic health of all of agriculture and the rest of the Nation's economy?

CURRENT TRENDS AND OUTLOOK

A pertinent question arises: *Is the low-income situation in farming being resolved in this*

area? The answer is: *Yes, partly.* The movement in recent years of thousands of families to higher income situations through nonfarm employment has been detailed earlier. New and growing industries within the area, as well as economic expansion outside the area, have operated to bring about this partial solution. The children of present farm families have not remained in farming, but have left at the rate of 9 of every 10 who have left home. Apparently these trends are continuing, but at a slower rate. Thus, the pressure of a labor resource that is large in relation to farm and land resources has been and is being relieved.

Yet, in terms of farm adjustment and reorganization, this large-scale movement of population has brought only moderate adjustment in the farms that remain. There has been little if any recombination of land and labor resources around larger and more efficient full-time farms. Much land is being left unused among a large proportion of the rural families who have quit farming but who still reside in the rural areas. Farm and land resources, at least in the short run, are not being effectively adjusted toward achievement of more efficient production and higher income levels. Underemployment is more widespread among the families in full-time farming than among other rural families. This picture of what has occurred implies that realization of the farm production potentials of the area will not automatically follow the transfer of labor resources out of farming, but will have to be implemented in some manner if full-time farming is to continue as a major feature of the area's economy.

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