

**Average off-farm income by source of income by class of farm.**—Table 42, expressing off-farm income as an average per farm, indicates a sharp distinction between part-time (Class VII) and residential (Class VIII) farm operators on the one hand and Classes II–VI on the other; with the average off-farm income of \$2,730 for Class VII and \$2,382 for Class VIII compared with a narrow range of \$1,198 for Class II, \$1,161 for Class III, \$1,228 for Class IV, and a wider range of \$1,668 for Class V to \$834 for Class VI. Class I farm operators average particularly high in income received from farm custom work, farm work, nonfarm business, rental of farm real estate, and interest, dividends, trust funds, or royalties. Part-time and residential farm operators report that nonfarm work for others for wages or salary is their major source of off-farm income. Thus, Class I farm-operator families derive the major part of their off-farm income from investments in machinery or custom equipment, in land, real estate stocks, etc., while the high income of part-time and residential farm operators is largely from wages or salary.

Income received from working for others, for wages or salary in nonfarm work, averages about the same for Classes II and III, increases for Classes IV and V, and reaches a peak for part-time and residential farms; thus suggesting that the amount of money earned in nonfarm work by the operator is in inverse proportion to the labor required for farm operation. The income earned by the wife and by other family members does not vary in the same way from class to class and there is no apparent consistent relationship between size of farm operations and average off-farm earnings of

the wife and other members of the family. The most notable exception is the high average income of the wife in the part-time (Class VII) farm-operator group.

The differences by economic class in average income from wages or salary from nonfarm work by the operator—as compared with income of wife and other family members from nonfarm sources—suggests that nonfarm earnings of the farm operator are limited by the time he has available for nonfarm work as well as by the availability of off-farm work. This suggests that the growing mechanization of “medium-size” farms, in Classes III, IV, and V especially, and the consequent reduction in the farm labor requirements of these farms, will lead to increased off-farm employment of the farm operator and to more nonfarm family income. The low level of mechanization in Class VI, part-time (Class VII), and residential (Class VIII) farms—in spite of the increases previously noted—leads to the inference that off-farm earnings of the farm operator in these classes will increase to a lesser degree, as a general rule, as the result of further advances in mechanization. The hypothesis might be suggested that increases in mechanization among the Class III, IV, and V farms will result in alleviating part of their income problem by enhancement of off-farm earning ability. Among farm operators in Classes VI, VII, and VIII further increases in mechanization will have relatively little effect in this regard and the low-income problem of these operators, who constitute 40 percent of the total number of all operators, will be alleviated primarily through increased off-farm income with reductions in the farm labor requirement being dependent more on decline in the amount of farm enterprises undertaken.

Table 42.—AVERAGE OFF-FARM INCOME OF FARM-OPERATOR FAMILIES BY SOURCE OF INCOME, BY CLASS OF FARM, FOR THE UNITED STATES: 1955

Source of income	United States (dollars)	Group I			Group II				Group III			
		Total (dollars)	Class I (dollars)	Class II (dollars)	Total (dollars)	Class III (dollars)	Class IV (dollars)	Class V (dollars)	Total (dollars)	Class VI (dollars)	Part-time (dollars)	Residential (dollars)
Average off-farm income of farm-operator families:												
Total from all sources.....	1,682	1,538	2,779	1,198	1,332	1,161	1,228	1,668	2,119	834	2,730	2,382
Total farm income (except this farm).....	224	524	1,209	336	207	249	184	189	142	137	161	131
Total nonfarm income.....	1,458	1,014	1,571	862	1,125	912	1,044	1,479	1,977	698	2,569	2,251
Income received by farm operator:												
Income from off-farm business or self-employment.....	266	371	861	237	214	170	213	266	289	93	424	298
Farm customwork.....	43	124	329	68	51	67	38	49	7	8	12	4
Farm trucking and hauling.....	14	12	.....	15	14	7	16	17	15	6	10	23
Nonfarm business.....	209	235	532	154	160	96	158	200	267	80	403	272
Income from working for others for wages or salary.....	719	360	673	274	483	282	438	777	1,102	176	1,496	1,325
Farm work.....	48	140	432	60	32	28	33	34	35	27	44	34
Nonfarm work.....	671	220	241	214	451	254	405	742	1,067	148	1,452	1,292
Income from rental of farm real estate.....	96	192	394	137	93	126	77	74	67	68	80	56
Income from rental of nonfarm real estate.....	36	37	68	29	34	45	27	30	39	11	72	30
Income from roomers and boarders.....	11	6	8	6	9	10	8	10	15	5	22	16
Income from interest, dividends, trust funds, or royalties.....	95	230	407	181	99	160	84	47	44	11	28	74
Income from veteran's pensions and compensation, veteran's school allotment, serviceman's family allotment.....	40	18	12	20	36	35	28	49	51	56	45	53
Income from retirement pay, unemployment compensation, old age pension, annuities, alimony, regular contributions or welfare received.....	68	13	9	15	25	11	19	50	135	93	126	164
Any other personal income.....	10	11	17	9	12	8	15	11	7	7	6	7
Income received by wife.....	174	127	165	116	162	130	188	165	203	134	282	185
From farm sources.....	5	5	1	6	5	5	8	2	4	11	1	2
From nonfarm sources.....	169	122	164	110	157	126	179	163	200	124	280	183
Income received by other family members.....	167	173	165	175	165	182	132	189	167	179	149	173
From farm sources.....	18	51	53	51	13	16	10	12	14	17	14	12
From nonfarm sources.....	148	122	112	125	152	167	121	177	153	162	135	160