Per Capita Income by Economic Class of Farm, 1949

By Ernest W. Grove

This article presents newly developed national estimates of average income, per farm and per person in the farm family, for each economic class of farm in 1949. Aggregates and averages of farm income and expenditures are published regularly in considerable detail in The Farm Income Situation. Breakdowns are provided by regions and States and also in such terms as individual commodities and commodity groups, money and nonmoney income, and the various types of expenditures. But historical data by economic class of farm are not available to permit analyses of income trends on commercial farms on the one hand and noncommercial farms on the other. That is, estimates are for all farms in the United States, from the very small part-time and residential farms to the very large farms with sales valued at $100,000 or more.

AS THE BULK of the farm income, both gross and net, goes to those farms that are classified commercial, the published totals are sometimes used as representative of commercial farms. This is probably valid enough when year-to-year changes or short-period trends are under consideration. For periods of more than a few years, however, it is questionable whether the farm incomes of small and large farms move together.

In any event, the published averages of income per farm and income per person on farms are for all farms taken together, and they cannot be assumed to represent either the commercial or the noncommercial groups of farms. On many small farms, the farmer and his family are primarily dependent for a livelihood on income from nonagricultural sources rather than on farm income. Most commercial operators, however, not only have larger total incomes but receive the bulk of their income from farming operations. Thus, the overall averages of per farm and per capita income are actually combinations of income averages for more homogeneous subgroups of farms, among which both the absolute size and the relative importance of farm and nonfarm sources of income show wide variations.

For these reasons, a breakdown by economic class of the overall totals and averages of farm income is badly needed. It may be only fair to say that the income averages stand more in need of such a breakdown than do the totals from which they are derived.

The ultimate goal is annual series of income estimates for each economic class of farm, but these estimates could be provided only on the basis of regular and frequent surveys of farmers' income—and such surveys are expensive to conduct. Next best is a one-time report that would show income data in complete detail by economic class of farm. To date, income data by economic class of farm are available only for the year 1949. Data from the 1954 Census of Agriculture and from an Agricultural Marketing Service Survey of Farmers' Expenditures in 1955, when available, will provide additional information on the breakdown between commercial and noncommercial farms.

The published results [1] of the 1949 survey include per farm averages of money income for each economic class. They do not, however, allow for the differential effects of (1) survey understatement of farm income and (2) the distribution of nonmoney income, nor do they (3) combine the population and income data, both obtained in the survey, to provide estimates of per capita income by economic class of farm.

The purpose of this article may be restated: It is to fill the three gaps just mentioned, thereby enhancing the usefulness of the 1949 income data by economic class of farm. This is done, in the order indicated, in tables 1, 2, and 3. There follow descriptions of the contents of these tables and of their derivation and significance.

Allowance is made in table 1 for the understatement that appears to be inevitable in field surveys

[1] *Farms and Farm People—Population, Income and Housing Characteristics by Economic Class of Farm.* A Special Cooperative Study byt he U. S. Departments of Agriculture and Commerce. U. S. Govt. Print. Off., Washington, D. C., June 1953.

of income. The average net money income from the farm in 1949 is given, as reported, for each economic class in column 1. The estimated average amounts of understatement are shown in the second column. The first two columns are then added together to produce adjusted averages of net money income from the farm in the last column.

Table 2 shows the average income of farm-operator families by source of income for each economic class of farm in 1949. Starting with the adjusted average net money income from the farm in the left-hand column, as derived in table 1, the average rental value per farm dwelling unit and the average value of home-produced food and fuel are added in columns 2 and 3 to give realized net income per farm in column 4. The 1949 inventory decline is then subtracted in column 5, giving average total net income from the farm in column 6. Finally, off-farm sources of income in column 7 are included to provide estimates of the average total income from all sources in column 8.

In table 3, the data of table 2 are translated to a per capita basis after rearrangement in order to summarize all types of money income, farm and nonfarm, in the first three columns of the table, and to combine all types of nonmoney income in the next column. The averages in both tables are shown by economic class of farm as defined in the 1950 Census of Agriculture, but excluding the so-called "abnormal" farms, primarily institutional in character, to which family income data do not generally apply.

In addition to the usual combinations of "commercial" farms—classes I through VI—and "other" farms, including the part-time and residential categories, two summary groups are also shown under the headings "high-production" and "low-production" farms. The former covers classes I through IV, or all those farms for which the value of sales in 1949 was $2,500 or more. The latter includes classes V and VI commercial farms and all "other" farms—all farms from which the value of farm products sold in 1949 was below $2,500.

The per farm and per capita income averages here developed are based largely on 1950 Census data. More specifically, they are based on the matched sample of schedules from the 1950 Censuses of Population and Agriculture, the results of which were published 3 years ago in a report

TABLE 1.—*Average net money income from the farm, with allowance for underreporting of income, by economic class of farm, 1949*

Economic class of farm	Average net money income as reported [1] (1)	Estimated average amount of understatement [2] (2)	Adjusted average net money income from farm [3] (3)
	Dollars	*Dollars*	*Dollars*
All farms	1, 577	248	1, 825
High-production (classes I–IV).	3, 061	616	3, 677
Low-production (all others).	592	3	595
Commercial farms	2, 076	351	2, 427
Class I	8, 880	5, 725	14, 605
Class II	4, 730	1, 153	5, 883
Class III	3, 030	305	3, 335
Class IV	1, 750	97	1, 847
Class V	980	11	991
Class VI	550	0	550
Other farms	385	0	385
Part-time	440	0	440
Residential	350	0	350

[1] From table 4, page 28, in *Farms and Farm People*.
[2] Average understatement for all farms, as derived from AMS control total, allocated by economic class in proportion to the average amount by which the calculated net value of farm products sold (from table 4, page 28, in *Farms and Farm People*) exceeds the reported average net money income of column (1).
[3] Sum of columns (1) and (2).

called *Farms and Farm People*.[2] The 1950 Census of Population and Housing obtained information on money income in 1949, as well as data on population and housing. By combining this with Census of Agriculture data, the matched sample produced tabulations of money income, population and housing characteristics for farm-operator families in relation to the economic classification of farms.

Methods of Estimation

The footnotes to the tables provide a summary description of the sources and methods used in preparing the estimates. A more detailed description follows.

[2] Ibid. Chapters 3, 4, and 5 in this report, written by Ernest W. Grove, Helen R. White, and Barbara B. Reagan, respectively, provided the basic data by economic class of farm used in developing the income averages given in the tables.

TABLE 2.—*Average income of farm operator families, by source, by economic class of farm, 1949*

Economic class of farm	Adjusted average net money income from farm [1] (1)	Average rental value of farm dwelling [2] (2)	Average value of home consumed farm products [3] (3)	Average realized net income from farm [4] (4)	Average net decline in farm inventories [5] (5)	Average total net income from farm [6] (6)	Average income from off-farm sources [7] (7)	Average total income from all sources [8] (8)
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
All farms	1,825	236	308	2,369	−148	2,221	1,075	3,296
High-production (classes I–IV).	3,677	295	383	4,355	−328	4,027	769	4,796
Low-production (all others).	595	197	258	1,050	−29	1,021	1,279	2,300
Commercial farms	2,427	250	351	3,028	−206	2,822	740	3,562
Class I	14,605	327	503	15,435	−1,949	13,486	1,320	14,806
Class II	5,883	327	410	6,620	−533	6,087	870	6,957
Class III	3,335	311	386	4,032	−252	3,780	670	4,450
Class IV	1,847	264	356	2,467	−130	2,337	750	3,087
Class V	991	215	325	1,531	−64	1,467	920	2,387
Class VI	550	161	288	999	−25	974	425	1,399
Other farms	385	203	206	794	−10	784	1,878	2,662
Part-time	440	219	284	943	−22	921	1,960	2,881
Residential	350	193	155	698	−3	695	1,825	2,520

[1] From table 1.
[2] United States estimate allocated by economic class in proportion to the product of average number of rooms per farm dwelling unit and percentage of dwelling units not dilapidated, as given on page 74 of *Farms and Farm People.*
[3] United States estimate of total value of home consumption, minus value of wages in kind paid to hired farm workers, allocated by economic class in terms of the 1944 relationship between value of sales and value of home consumption.
[4] Sum of columns (1), (2), and (3).
[5] United States estimate allocated by economic class in proportion to the average value of farm products sold as given in table 4, page 28, of *Farms and Farm People.*
[6] Sum of columns (4) and (5).
[7] Adjusted average family cash income minus average net money income from farm, both as given in table 4, page 28, of *Farms and Farm People.*
[8] Sum of columns (6) and (7).

The reported averages of net money income per farm in column 1 of table 1 were taken directly from *Farms and Farm People.*[3] The problem of underreporting of farm income was discussed in that report, but adjustment was made only for the nonreporting of farm income. In other words, where the total farm family income had been reported with no farm income included, the reported family income was adjusted upward by an amount equal to the average farm income reported on farms of the same economic class. However, no attempt was made to adjust for understatement in reported farm incomes.

It was estimated in *Farms and Farm People* that underreporting of farm income totaled about 20 percent before the adjustment for nonreporting, and that it remained somewhere between 10 and 15 percent even after the adjustment. The problem in table 1 was to allow for this remaining understatement in farm incomes.

The allowance for understatement had to be based on the assumption that the official estimate of farm income published by the Department of Agriculture for 1949 represented the correct total. However, in deriving the 1949 control total for this purpose, the removal of nonmoney income, and other adjustments to provide conceptual comparability with the survey results, were only one of two steps required. The other necessary step was to allow for farms that were actually in existence in 1949, and were included in the total of farms used in deriving the national averages of income per farm in *The Farm Income Situation*, but which for one reason or another had been omitted from the census averages reported in *Farms and Farm People.*

[3] Op. cit., table 4, page 28.

TABLE 3.—*Average per capita income of farm-operator families, by source, by economic class of farm, 1949* [1]

Economic class of farm	Net money income per capita from: Farm	Off-farm sources [2]	All sources	Non-money income per capita [3]	Total income per capita from all sources
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*
All farms	449	265	714	97	811
High-production (classes I–IV)	889	186	1, 075	85	1, 160
Low-production (all others)	148	318	466	106	572
Commercial farms	598	182	780	97	877
Class I	3, 605	326	3, 931	−276	3, 655
Class II	1, 424	211	1, 635	49	1, 684
Class III	814	164	978	108	1, 086
Class IV	442	180	622	117	739
Class V	242	224	466	116	582
Class VI	145	112	257	112	369
Other farms	94	461	555	98	653
Part-time	108	480	588	118	706
Residential	86	448	534	85	619

[1] Based on the per-farm averages of income in table 2, the total numbers of farms as given on page 27 of *Farms and Farm People,* and the population in farm-operator households as given in *Farms and Farm People,* page 47.
[2] Includes income received from work and rents on farms other than the farm operated, in addition to income from strictly nonfarm sources.
[3] Includes the rental value of farm dwellings, the value of home-consumed farm products, and the net decline in farm inventories of crops and livestock which occurred during 1949.

In other words, the all-farm averages shown on the top lines of tables 1, 2, and 3 are not actually averages for all farms that were in existence in 1949. Instead, they are averages for all farms except (1) those farms in existence in 1949 which no longer existed as separate farms in 1950 because of consolidation or abandonment, and (2) those farms in existence in both 1949 and 1950 which were inadvertently missed in the 1950 Census of Agriculture. The 1949 income received by these farms omitted from the 1950 Census had to be removed from the 1949 control total of income before adjustments could be made for underreporting of income.

On the whole, approximately 340,000 farms were omitted from the 1950 Census because of the two factors just mentioned. It was assumed that these omitted farms had average net money incomes equal to the average for all reporting farms included in the low-production category (that is, with less than $2,500 in farm products sold). On this assumption, the income of the omitted farms was taken out of the control total before adjusting for underreporting on the remaining farms. The adjustment itself had very little effect in raising the reported average incomes for low-production farms, as most of it was in the incomes of high production farms. Therefore, a series of successive approximations—theoretically required by this method of removing the income of omitted farms from the control total—was not actually necessary.

On the whole, understatement of 1949 farm incomes was relatively small. After the adjustment just described, it amounted to only 14 percent of the control total. Judging from previous experience with farm income surveys, however, understatement in the upper income brackets may have been relatively large. There was also some evidence in the 1949 data themselves that this was probably the case. Thus, a uniform upward adjustment of incomes of all the economic classes by 14 percent would not be a satisfactory allowance for underreporting of farm income. Rather, some method had to be devised whereby most of the understatement could be assigned to the higher value-of-sales classes.

Fortunately, *Farms and Farm People* provides a quite acceptable basis for such adjustment. The table that shows the reported averages of net money income from the farm also includes the "calculated net value of farm products sold per farm" for each economic class. This was obtained by subtracting the average expenditure per farm for the eight expenditure items reported in the 1950 Census of Agriculture from the average value of farm products sold. The result was a partially net figure for average farm money income that could be used as a check on the net incomes reported in the Census of Population. The discrepancies between these two independent sets of data were much greater in the higher than in the lower value-of-sales classes, so this "calculated net value of farm products sold" appeared to be tailormade for use in allowing for understatement of income.

The estimated class averages of understatement (column 2, table 1) are proportionate to the amounts by which the calculated net value of farm products sold per farm exceeded the reported average net money income in column 1. As the calculated net values were higher than reported income only for classes I–V, and were lower for all other economic classes, this method assigns all understatement of farm income to classes I–V. In fact, it assigns about two-fifths of the aggregate understatement to class I farms and about a third to class II farms. The remaining 27 percent of the total is distributed in rapidly diminishing amounts to classes III, IV, and V farms.

The averages of net money income from the farm, adjusted for understatement in the way just described, were transferred from table 1 to column 1, table 2. The per farm averages of nonfarm money income (column 7, table 2) were taken directly from the report on *Farms and Farm People*. The various categories of nonmoney income (columns 2, 3, and 5, table 2) represent Department of Agriculture official estimates for all farms in the United States, each adjusted to allow for omitted farms and then allocated by economic class in proportion to the most nearly applicable information available. The adjustments to nonmoney income for the omitted farms were based on the same assumption that was used in the case of net money income from the farm, which was that the average income for the omitted farms was equal to the average for all farms reporting sales of less than $2,500.

Finally, the per farm averages, table 2, were multiplied by the number of farms in each economic class. The resulting products were then divided by the population in farm-operator households, also as given by economic class in *Farms and Farm People*, to provide the per capita estimates (table 3).

The average rental value of farm dwellings (column 2, table 2) represents the published United States estimate for 1949 [4] adjusted for the omitted farms, then allocated by economic class in proportion to the product of (1) the average number of rooms per farm dwelling unit and (2) the percentage of farm dwelling units not dilapidated. This information was obtained in the 1950 Census of Housing and was related to the economic classification of farms in the matched sample that formed the basis for *Farms and Farm People*. It provides a reasonably satisfactory basis for allocation. The results indicate, as expected, a fairly uniform gradation in average rental value per farm from the high to the low value-of-sales classes.

The average value of home-consumed farm products (column 3, table 2) represents the published United States estimate of the total value of home consumption in 1949, less the value of perquisites received by hired farm workers in that year,[5] with the remainder, after adjustment for omitted farms, allocated by economic class in terms of the 1944 relationship between value of sales and value of home consumption. Farm-operator families do not consume all the unsold food and fuel produced on the farm. Some goes to hired laborers in the form of perquisites, and this part had to be removed from the total value of home consumption to give the value of products consumed by farm-operator families. Allocation of this remainder by economic class was based on the 1949 class averages of farm products sold and the 1944 regression of average value of home consumption on average value of sales.[6]

The value of home consumption is the only item in the tables for which the distribution by economic class is not based entirely on 1950 Census information. *Farms and Farm People* reported the percentages of farms in each class on which

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[4] U. S. Agricultural Marketing Service. *The Farm Income Situation*, No. 155, October 1955, page 51.

[5] Ibid., pages 51 and 54.

[6] U. S. Bureau of the Census. 1945 CENSUS OF AGRICULTURE. SPECIAL REPORT ON FARMS AND FARM CHARACTERISTICS BY VALUE OF PRODUCTS. Table C. Page XXXIV.

the various home food-production practices occurred, but it provided no information on their value. The percentages tended to increase from the lower to the higher value-of-sales classes up through class III farms, then to drop off somewhat in classes I and II. Data for previous Census years showed similar trends in the percentage incidence of home food production by value-of-sales classes. But they also showed conclusively that the average value of home consumption on farms reporting it increased a great deal more than enough to offset the drop in percentages reporting it in the highest value-of-sales brackets. For this reason, the 1950 data on percentage incidence of home food production practices were considered inadequate for the purpose, and 1945 data were used instead. However, a comparison of 1940 and 1945 Census data on value of home consumption related to value of sales indicates that the relationship is a highly stable one; so the estimates in column 3 of table 2 are probably about as reliable as those in any other column.

No specific information is available with respect to crop and livestock inventories by economic class of farm. Consequently, the net decline in farm inventories for all farms taken together—as reported for 1949 in *The Farm Income Situation* [7]—had to be allocated by economic class, after adjustment for omitted farms, in direct proportion to the value of farm products sold. As might be expected, this method resulted in the allocation of a very substantial part of the inventory reduction to the higher value-of-sales classes. For example, the average net decline in farm inventories assumed for class I farms is $1,949, as compared with an average for all farms of only $148. But it is logical to assume that, in a year when farm inventories were reduced, most of the reduction occurred on farms that had the largest volume of sales. In fact, in the absence of any definite information on the subject, this method of allocation is the only acceptable one.

Evaluation of Results

The chief conclusion to be drawn from the income averages given in the tables is that low-production farms and low-income farm families are not necessarily one and the same thing. The right-hand columns of tables 2 and 3 show per farm and per capita averages of income from all sources and these are perhaps about as high as one might expect on the high-production farms. However, the estimates also indicate that the incomes of families on low-production farms are not excessively low on the average, except for Class VI commercial farms. Although income from the farm averaged fairly low for these low-production farms, on the whole, it was not quite so low as might have been expected. In addition, most of the low-production farm families received substantial income from nonfarm sources. The class VI group is a special case incomewise, having been so defined as to exclude all families who had any considerable income from either farm or nonfarm sources.

Two types of comparisons may be made in appraising the validity of these results. First, the all-farm averages of income in the tables may be checked with the official per farm and per capita averages for 1949, as published in *The Farm Income Situation.* Second, the per capita averages by economic class (table 3) may be compared with the only other estimates of this kind that have been published—a study of per capita farm income by economic class for the year 1944.[8]

Considering first the realized net income per farm, the average for all farms is $2,369 (table 2). This is $20 less than the national average of $2,389 for 1949 as published in *The Farm Income Situation.*[9] The latter figure is the higher of the two because it includes rent received from land rented to other farmers, whereas in table 2 such rent is counted under off-farm sources of income in column 7, and not under farm income in column 1 or 4. This more than offsets the assumption that farms omitted in the 1950 Census had below-average incomes in 1949. Net rent received by farmers from land rented to other farmers averaged approximately $93 per farm for all farms in 1949.

The per capita income estimates published in *The Farm Income Situation* are not an exact counterpart of those in table 3. Nevertheless, they are close enough to justify a comparison of the 1949 figures. Total income per capita from all sources in table 3 is $811 for all farms combined. The 1949 figure in *The Farm Income Situ-*

[7] Op. cit., page 51.

[8] Brandow, G. E., and Allison, H. E. Per Capita Incomes on Commercial and Non-commercial Farms. Journ. Farm Econ. 33: 119–123, February 1951.

[9] Op. cit., page 46.

ation is \$765.[10] The latter figure represents per capita income of the entire farm population, whereas the figure in table 3 is only for the population in farm-operator households—and only for that part that was still there in 1950.

The population in farm-operator households represented about 90 percent of the total farm population in 1949. The remaining 10 percent was probably made up chiefly of farm-laborer households and retired people. As the per capita income of this smaller group was undoubtedly below that for farm-operator households, per capita income of the latter should be higher than the overall average.

The total farm population declined by more than 3 percent from 1949 to 1950. It is reasonable to suppose, therefore, that about 3 percent of the 1949 farm population were persons in farm-operator households who were no longer there when the 1950 Census was taken. If the low-production figure of \$572 in table 3 is taken as the correct average per capita income for this small group, and if the all-farm average of \$811 in table 3 is taken as the correct average per capita income for the 87 percent of the 1949 farm population that was still in farm-operator households in 1950, and if the official figure of \$765 is accepted as the overall average for the total 1949 farm population, then per capita income for the 10 percent of the farm population not in farm-operator households must have been about \$423. This may be somewhere near the correct relationship.

It is evident that the estimates here presented tie in quite well with the official published estimates for all the Nation's farms and farm people. This is due partly to the adjustment of most components to official estimates. Nevertheless, it has some corroborative value. A further comparison with per capita incomes by economic class of farm as estimated by Brandow and Allison for the year 1944 can provide only a very rough sort of check because of significant changes in the economic classification of farms between the 1945 and 1950 Censuses of Agriculture.

The study by Brandow and Allison involved a detailed distribution of the Department's farm income and population totals for 1944 among seven economic classes of farms, relying mainly on the 1945 Sample Census of Agriculture. Most of their data had to be allocated rather arbitrarily by economic class in terms of the most relevant information that was available; and they had no basis for allocating income from nonfarm sources. In the present study, net money income from the farm and income from off-farm sources were reported directly by economic class, as were data on population in farm-operator households. As we have seen, arbitrary allocation by economic class in table 2 had to be resorted to only in the case of nonmoney income; and even there some fairly pertinent information was available.

The number of economic classes and their definitions were both changed in the 1950 Census of Agriculture, so that the 1944 and 1949 results are not strictly comparable. But despite some lack of comparability in the two sets of data, it is evident that the 1944 allocation resulted in assigning relatively lower per capita incomes to low-production farms than did the 1949 study. Probably this did not arise from any real shift in income relationships between 1944 and 1949. Rather, it may have come from the fact that low-production farmers reported considerably higher net cash farm incomes in the 1950 Census of Population than could reasonably be derived from the value of farm products sold reported in the Census of Agriculture.[11]

Some of the larger producers reported considerably lower net cash farm incomes than might reasonably be estimated from the value of the farm products they sold, but this was generally washed out by the adjustments made in table 1 for underreporting of income. As a result, 1949 per capita incomes on high-production farms appear to be fairly well in line with those shown by Brandow and Allison for 1944.

[10] Op. cit., page 44.

[11] This discrepancy is discussed on page 29 of *Farms and Farm People*. The value of farm products sold was probably very substantially understated on low-production farms. The 1950 Census of Population obtained information on net cash farm income in response to a question which covered all types of self-employment income. Thus, a farm operator with a nonfarm business or profession was expected to report a single figure combining his farm and nonfarm business incomes. There may, therefore, be some nonfarm business income included with net money income from the farm in the first column of table 1. However, the number of such multiple proprietors reporting combined incomes must have been quite small, even in the part-time and residential groups, and the income involved was probably insignificant.

An important influence in reducing income differences among economic classes is the distribution of income from nonfarm sources. That is to say, farm families who have the lowest farm incomes are, by and large, those who get most of their incomes from nonfarm sources. The 1949 data, which showed income from nonfarm sources by economic class of farm for the first time, indicate that the average farm-operator family got 63 percent of its total money income from the farm and 37 percent from other sources. But if the data are broken down as between high- and low-production farms, we find that the high-production farm families received on the average more than four-fifths of their money income from the farm, and the low-production farm families received less than a third of their money income from the farms they operated. In actual dollars, the average net cash farm income from high-production farms was $3,677 in 1949, or more than 6 times as large as the average of $595 for low-production farms. In terms of total family income, however, the high-production average of $4,796 was only a little more than twice the low-production average of $2,300.

Thus, differences in the size of total farm family incomes are not nearly so great as differences in the size and productivity of farms might lead one to suspect. Nor were these differences generally increased by putting the averages on a per capita basis. In fact, the difference in average income between high- and low-production farms was reduced on a per capita basis, because the average size of farm-operator households was a little smaller on low-production than on high-production farms.[12]

These three factors—somewhat more favorable farm incomes than might have been assumed at the lower levels, a heavily skewed distribution of income from nonfarm sources, and a not disproportionate distribution of population—combine to produce the main conclusion of this report, which is, that the spread in average per capita incomes between high- and low-production farms is smaller than expected.

All this is not to deny the continued existence of some poverty in agriculture. There are many low-income farm families. But they are not necessarily all on low-production farms, and many of the families who live on low-production farms are not low-income families.

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[12] The income data of table 2 are for the *family,* although unrelated individuals who were farm operators are included as "single-person families." The population data used in deriving table 3 are for the *household.* On a majority of farms, the farm-operator family and the farm household are one and the same thing. On some farms, however, the household includes additional single individuals or secondary families. As income was not obtained for these additional people included in the population totals, it is evident that the per capita income averages of table 3 may be subject to some small degree of understatement. It is also likely that the discrepancy was relatively a little more important on large farms, particularly those in class I, than on small farms; so the larger average size of households on high-production farms may have been due entirely to a larger proportion of nonfamily members in the average household.