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SOCIOLOGICAL NEEDS OF FARMERS FACING SEVERE ECONOMIC PROBLEMS

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The dialogue concerning how to "solve" the farm problem has not subsided with the passage of the 1985 Food Security Act. The United Farmer and Rancher Congress held recently in St. Louis, the sluggish response from international markets and the growing concern for the cost of the farm program will certainly attract a great amount of public attention in the months ahead.

As the debate continues, hundreds of farm families and families associated with rural small businesses are experiencing irrevocable changes in their lives. The negative impact of the economic crisis on these families, and indeed on the rural community, is tremendous. Unfortunately, little attention has been focused on how the impacted families and communities can be assisted. The social and economic safety net programs currently available in this country are not meeting the needs of these families. Failure to address these problems can lead to long-term social costs for the society.

We shall first present some of the data obtained from farm families who were forced out of farming. We will then look at some of the needs the families expressed and make general recommendations for helping these families during their transition.

Empirical Study

During the winter of 1985, we developed a list of all farm families in one of the top agricultural producing counties in Missouri who had lost their farms because of financial reasons between January 1, 1980, and January 1, 1985. The list was developed by contacting auctioneers, government agency personnel, lenders and local farm families.

Forty-six families were identified. Two had left without telling anyone how they could be contacted. One was not interviewed because of illness, another refused to be interviewed and two families interviewed were omitted from the current analysis because their severe

economic problems were compounded by illness and retirement. The following analysis is based on forty families.

This study was replicated, using a different method for obtaining names, in New York state during the summer of 1985, and the findings were very similar.

Characteristics. Several studies conducted by economists have shown that the financial crisis is falling disproportionately on younger families. Our data support this conclusion. Seventy-five percent of the farm men were 45 years of age or younger, as were 83 percent of the farm women. Ninety percent were less than 50 years of age.

Because the families were relatively young, it is not surprising that they averaged 2.1 children still living at home. The respondents were asked whether the loss of the farm had any impact on their children's behavior. Nearly 60 percent indicated it had. One woman spoke of behavioral changes in her one-year-old. Several parents said their children displayed more behavioral problems and loss of interest in school. Junior and senior high school boys who had planned on returning to the farm seemed to display some of the greatest behavioral changes. Many of them held their fathers responsible for having permanently altered their futures. In some cases, these feelings lead to severe communication problems between parent and child. Perhaps the emotional and social cost were best described by those parents whose children had left home and taken other jobs. Several parents indicated that their children had neither returned for the farm sale nor been back to visit since the sale, regardless of whether they lived within the community or at some distance.

A third of the respondents had more than twelve years of education and only two farmers reported less than twelve years of education. Many of the families we interviewed were leaders in their community at one time. We interviewed the former chairperson of the local cattlemen's association, pork producers' association and former members of extension council, church and school organizations. Most of these families indicated that they now participated little in the activities of the community. Given that we entered the 1980s without a surplus of leaders in many farming communities and given the special need for community leadership at this time, the loss of these leaders is especially significant.

The farms ranged in size from a 40-acre confinement hog operation to a 2,000-acre crop farm. The farms averaged 510 acres of which 309 acres were rented and the remainder was owned (or being purchased). Only 18 percent of the farmers indicated that they had purchased any major new equipment since 1975. Over half indicated they started by renting all their land and about the same number indicated they started by working with other family members. The

major commodities produced were corn, soybeans, milo, wheat, hogs and beef cattle.

Stress Reactions. Perhaps the most revealing and significant part of the study appeared in the findings of the emotional and psychological consequences of having lost the farm. In most cases interviews were conducted with both husband and wife present to answer the questions jointly. However, for these questions on stress, the husband and wife were asked to respond individually.

All of the women and all but one of the men said they had experienced depression in the course of losing their farm. More than half of them continued to be depressed. (See Table 1). The remaining 14

Percent of Respondents Reporting Common Reactions to Stress During Recent Times

Reactions	Have Experienced		Continue to Experience	
	Men	Women	Men	Women
a. Become depressed	97	100	56	72
b. Became withdrawn from family/friends	61	66	26	41
c. Became nauseous, lost appetite	40	47	18	34
d. Could fall asleep at night, but would awake and be unable to return to sleep	77	53	41	38
e. Experienced feelings of worthlessness	74	69	49	41
f. Became restless, unable to concentrate, agitated	72	81	41	38
g. Did anything to keep busy	67	41	46	31
h. Increased smoking	23	25	18	22
i. Increased drinking	18	12	10	6
j. Showed increased fear of things, people	38	31	18	25
k. Became more physically aggressive	49	31	26	9
l. Experienced great changes in moods, from low to high and back	67	81	36	47
m. Became confused	54	31	31	19
n. Became unable to think or respond locally	31	34	13	19
o. Became unusually silent for periods of time	62	53	44	28

questions asked were simply specific indicators of depression. Given the response to the first question, one would anticipate high responses for the remaining items. A few of these items are especially significant when we attempt to develop programs to help these families.

Two-thirds of the men and women indicated that they withdrew from family and friends. When one experiences depression, the tendency is to withdraw rather than to reach out for assistance.

More than half of the respondents indicated both sleeping and eating disorders and three-fourths of the respondents indicated they experienced feelings of worthlessness.

Many of the respondents indicated they had increased their smoking and drinking and a significant number indicated continued use of some of these drugs.

Half of the men and a third of the women indicated they became more physically aggressive. In addition, most of the respondents in this study indicated that they had experienced great mood changes from low to high and back again. Obviously, it is very difficult to communicate with persons who alternate moods and who have the potential for becoming physically aggressive. Thus, these reactions have major consequences for family relations.

About one-half of the men indicated that they became confused and a third indicated that they became unable to think or respond logically or rationally. Given that these responses were self reported by former farmers, we doubt that they overstated their reactions. The inability of the forced-out farmers to think logically or rationally is frequently mentioned by agricultural lenders and extension farm management specialists.

Several of us have noted that the process of losing a farm leads to a grief process not too dissimilar to that described by Elizabeth Kubler-Ross when she talked about the five stages of grief that accompany a death. The first of the five stages is denial. We deny the fact that the impending grief is inevitable. It is very difficult to deny the impending loss of a farm if one keeps good records. The comment is frequently heard that farmers do not keep their financial records as well now when they enter these serious financial situations as they formerly did. When one understands the denial phase of the grief process and when one realizes that most farmers are experiencing depression, it is not at all surprising that farmers are unable to keep good records and make rational managerial decisions based on those records. One of the major needs of farmers at this time is assistance in helping them to think through their own financial situation. This is perhaps one of the major reasons why our MOFARM program in Missouri which provides one-on-one financial assistance to financially stressed farmers has been so successful. Extension programs across the country have probably responded best to this special need.

Assistance Received. The respondents were asked a series of questions focusing on the assistance they received from government agencies, churches and other organizations during the process of being forced out of agriculture. Only five of the 40 families could think of any assistance that they received from government agencies, churches or other organizations at this time. Two men received Pell grants which enabled them to return to college. Two respondents indicated they received some help from their church. In one case, the church provided financial assistance for the individual to attend seminary and in the other case the church gave the family a farewell

party. The fifth respondent family indicated they had attended an extension workshop on dealing with stress.

The focus county had a mental health department, a food stamps program, a commodity food program, caring church congregations and a host of other programs and activities that could have helped these families. The obvious question is, Why did these families not receive more assistance? We have no empirical answers, but we do have some hypotheses.

These families were formerly proud, middle class people who, when farming, were somewhat ideologically opposed to some of the social safety net programs from which they now needed to seek assistance. Using a cost benefit analysis, we might suggest that the psychological costs of accepting "public assistance" were greater than the benefits they felt they would receive. The psychological and social costs of receiving such assistance are increased because the local offices administering most of these programs are located in very public places. For example, the mental health department is often located in the courthouse. An individual might seek mental health assistance if he could unobtrusively slip into a room in the local hospital to visit with a counselor, but he might be quite reluctant to walk past acquaintances at the courthouse to enter the mental health facilities.

A second reason families may resist asking for assistance is related to this aforementioned fact that persons experiencing depression tend to withdraw from social interaction and not reach out. It is probably easier for farm families to become very socially isolated at this time in our history than at any previous time. In the past, much of the farm work and community activities in rural communities required farm families to work together. Most farm work today can be done in relative isolation.

The tendency for withdrawal and the failure to request assistance is heightened when the receiving family must fill out long and detailed forms that elaborate their financial history. This increases the shame and humiliation the family is experiencing.

The fact that families experiencing depression do not think rationally or logically is a third reason families do not reach out for help. Most of these families have never experienced major economic deprivation. They are not familiar with many of the social safety net programs. They do not know where to seek information about the availability of programs. But most importantly, they are not thinking very clearly. They are often unable to prioritize activities and needs and unable to search out information in a logical manner.

A fourth reason for the failure to receive assistance stems from the fact that some government agencies are not prepared to provide the type of assistance these particular families need. We will comment

on some specific examples when we discuss suggested program alterations.

Assistance Needed. Respondents were asked a series of questions about what type of help they needed. We divided their needs into two categories, those directly related to the farm and those of a nonfarm nature. We added a third category of additional nonfarm needs we felt were identified as a result of talking with these families.

It is not surprising that most of these families indicated that they needed lower interest rates, a reorganization of their loans by the Farmers Home Administration and banks, higher commodity prices and better government policies. We should note, however, that most of these families were at a stage in the grief process in which they were no longer blaming other people or organizations. In fact, from a mental health perspective, they were probably accepting too much of the blame themselves. The array of accumulated data indicates that the variable crucial to whether these families survived has more to do with the debt load they carried coming into the 1980s than their managerial ability per se. To a large extent, these former farmers were blaming themselves. They felt they were failures. They had little confidence in their current or future ability. Many were withdrawing from society and had little hope that they could ever again be productive members of the society.

In the area of nonfarm needs, most of their suggestions focused on the need for food stamps, Medicare, help to find another job and someone to answer questions not related to agricultural production and marketing.

What Are They Doing? Five of the families moved out of state. One former farmer continued his education and the remaining four entered an agricultural related organization or an organization with which they had had some experience at an earlier time.

Two additional families moved to noncontiguous counties within the state and were very similar to those that left the state, in that they had either a good job or were continuing their education. Five other families moved to contiguous counties and the men had obtained managerial type positions. Five additional families stayed within the same counties but moved into towns where the men became skilled workers, such as mechanics and welders.

Twenty-three families continued to live in the same area where they farmed. Three of these families had been part-time farmers with relatively good nonfarm jobs and simply became totally dependent upon the nonfarm job for their source of income. The remaining twenty families who stayed in the local area appear to have questionable futures. Ten of these twenty families still lived in the same house they lived in while they were farming. But this was only a

temporary situation, since the lenders who had foreclosed on them will eventually require them to move. A few of these men have work they feel good about and the income received by both the husband and wife meets the necessities of the family. However, most of them are either unemployed or underemployed at very temporary jobs. In fact, more of the men were unemployed than were the women. Like the men, the women were employed at very low paying jobs.

As we think about the twenty families who remain in the county, we are reminded of the case study done by Fitchen of rural families who lost their jobs in the mining industry. The bottom line was that most of these families' situations were characterized by periods of time when they would be involved in rather menial low paying jobs followed by periods when they would fall back once again to depend upon the social safety net programs. The outlook for many of these twenty families, like the outlook for the families Fitchen studied, is not very bright unless the families receive some major assistance.

Policy Recommendations

Recent scenarios by agricultural economists have not suggested a major turnaround in the financial conditions of farmers. An analysis of the impact the 1985 Food Security Act will have on farm income and federal governmental expenditures suggests that 1986 may very well be the pattern for the rest of the 1980s. Prospects for the early 1990s do not show a great deal of improvement either. Thus, we are not talking about a crisis, because "crisis" suggests a situation of rather short duration. We are addressing a deteriorating condition that will be with us for the next decade.

In addition, what may have begun as a "farm crisis" has rapidly spread out to impact the lives of many rural families in communities that depend heavily on agriculture. Elderly people who depend on rent from the farm or income from the sale of their farms are impacted. Agribusiness families and the families of others involved in businesses in rural America are impacted. Soon families who draw most of their income from the local public sector also will begin to experience many of the characteristics described above. In rural communities that depend less on agriculture, the downturn in the energy industry and the loss of other rural industries have had similar consequences. Thus, while it is extremely important to look at governmental policy solutions to the major problems, we should also look at governmental programs that might help alleviate some of the symptoms stemming from those major problems. While our data come mainly from farm families, the implications for rural communities are obvious.

Mental health professionals note that depression is contagious. It can move between husband, wife and children. But in addition, it can also begin to move outside the immediately impacted families to

touch the lives of other families. We call this "collective depression." Increasingly, we see rural communities experiencing collective depression. This is characterized by a sense of helplessness and a feeling that there is no hope for the future. We suggest that it will be extremely difficult to inspire economic development in communities that have "given up." What small businessperson wants to invest in a community that feels there is no hope? What lender would loan money in such circumstances? Many experts are looking to economic development as a means of dealing with the adverse economic conditions resulting from the farm crisis. We would suggest that the probability of success of many of the economic programs is questionable unless some of the social and psychological consequences are also handled in an effective manner.

With this as a background, we wish to turn to some specific recommendations for dealing with some of these symptoms of the rural economic condition.

Mental Health Outreach Programs. All of us have learned ways to cope with the normal stress in our own lives. However, as that stress increases to abnormal levels, we are unable to cope with it ourselves. Assistance is required from others.

For some, concerned listeners may be adequate to help the individuals begin to cope with their stress. The vast majority of our respondents said that of all the help they received, persons who would listen to them, encourage them and give them moral support were of most assistance. Informal community activities, such as recreational activities, that provide opportunities for sharing and visiting can help provide such assistance. For other individuals, social support groups, which are conducted by individuals with limited training, have been very useful. More formally structured support or therapy groups with trained counselors present are required to provide adequate help for some individuals, and others have needs that require the attention of trained mental health professionals in a more private setting.

In most rural communities across the country, mental health workers devote most of their time and attention to what is called clinical practice. Although many of our rural mental health centers were set up with the purpose of reaching out into the rural community and providing a large array of services to those in the community, much of this type of activity is no longer evident. As attempts were made to reduce the number of chronically mentally ill patients in institutional settings, the patients were returned to their communities and assisted by the local mental health centers. Today, very few funds are available to do rural mental health outreach programs, such as providing backup support for social support groups, providing mental health education and meeting with rural families in nonclinical settings. If properly funded, such programs could be operated in schools, church basements, local community hospitals and even in the homes

of families. Thus, much of the social stigma associated with going to mental health offices could be avoided.

There are a few examples of some innovative programs that have received major attention. Two examples are the therapy groups conducted by the Northwest Iowa Mental Health Center in Spencer, Iowa, and "Stress Country Style," an Illinois program in operation for just over six months under the direction of the Farm Resource Center that has placed two mental health outreach workers in each of the nine extension districts.

There are some national and state efforts underway to focus on the mental health issue related to financial problems in rural areas. The Council of State Governments and the National Institute of Mental Health held a conference in Chicago in April, and is planning a similar conference in Atlanta in November, to bring together what is referred to as the agricultural and mental health communities.

Job Retraining. All but two of the men in our study had grown up on a farm and most had no nonfarm experience. Most said that farming was all that they had ever wanted to do. These men needed help in resume writing, developing interviewing skills, learning how to make contacts for new jobs and, perhaps most important, developing some idea of the job opportunities available and their own aptitudes.

The major national effort for job training is the Job Training and Partnership Act (JTPA). It has several limitations. Traditionally, JTPA programs have been oriented toward youth and lower socioeconomic status persons. For the most part, the programs have not been utilized by middle class families and they carry with them something of a stigma. In addition, most of their programs have been geared more towards working with nonmanagerial or professional people. Many members of these former farm families who still have some confidence in their abilities are seeking higher status jobs than those for which current job training programs have traditionally trained people.

Although some states have rather liberally interpreted who qualifies for such programs, the general guidelines for receiving assistance are that the applicant must no longer have any net worth. The problem is that by the time the farmer has lost his farm, he is experiencing depression and has lost all confidence in his ability and hope for the future. Surely, the guidelines could be revised so that as the farmer begins to realize his farm financial situation is becoming increasingly futile, he could begin getting help in finding other job opportunities. If we wait for individuals to lose everything financially before receiving special assistance, the job training effort must then include a major component focusing on mental health.

Tax Policies and Entitlement Programs. One of the families we interviewed that seemed to be most successful in making the transition

from farming was a family that realized that their farming operation was losing money and decided to change careers before they had lost all their capital. They liquidated the farming operation, paid all of their debts and had about \$70,000 remaining. With this money they left the state, found a reasonably good nonfarm job and purchased a home about a year and a half before they were interviewed. A couple of months after the interview, we received a desperate call one Friday evening. The family had just been notified by the IRS that they owed about \$70,000 in capital gains tax. The amount was due in one week. We immediately sought the advice of tax experts, but were told it was too late. The IRS agreed to settle with the family if they would transfer ownership of their house to the IRS. The story has been repeated hundreds of times across the farming community.

We are not sure what the current status of this situation is and do not have the expertise to make recommendations that might help alleviate these problems without opening a floodgate of others, but we understand that corrective efforts are underway. The consequence of this situation goes far beyond the implications for the immediate family. It tends to lock many farmers into farming. Farmers who understand these tax implications indicate that if they "quit now" they will lose all of their assets anyway. Thus, if they see a one percent probability of success by continuing their operation, they will continue to borrow money, going deeper into debt. When they finally do face bankruptcy, they leave a large amount of unpaid debts in the local community. Thus, it is in the interest of most businesses in rural communities to make it easier for farm families to continue farming.

The guidelines for most of the entitlement programs assume that families in need of such assistance have been on salaries or wages. Not until farm families had been sold out did they qualify for most entitlement programs. In fact, almost one-third of these families who had had their livestock and equipment sold still had title to some land which the lending agency had not yet taken back.

When farm families with relatively high debt loads have a negative farm income, it is possible to have assets, but no money with which to buy food or health care for the family. Again, we do not have specific recommendations for changes because it would be very easy to alter the requirements in such a way to allow many people access to programs that were not intended for them. We would suggest a reexamination of the guidelines to determine if there are ways to make these programs more available to farm families in need, while not making them available to persons for whom they were not intended.

Youth Assistance. We must not overlook the special needs of children caught in this financial problem. As we have traveled around the country, we have heard of increasing numbers of farm children

coming to school in the morning without breakfast. It is not uncommon for school nurses and elementary teachers to provide cereal and milk or peanut butter and crackers for these children. Teachers and school nurses also note the decrease in basic medical and dental care the children are receiving. The additional strain of living in families under severe stress also leads to major behavioral problems for children who may already be depressed about the situation.

Urban homes for runaway children report significant increases in the number of children coming from farm backgrounds. In looking at their data on the number of teenage pregnancies, the Illinois Caucus on Teenage Pregnancy discovered a decrease in urban teenage pregnancy and an increase in rates of teenage pregnancy in rural counties. The list of behavioral consequences can easily be extended.

The financial crisis has altered educational plans and the entire opportunity structure for rural children. Many children who had planned to further their education at colleges or vocational school may find this option closed. Data from the 1950s, which was another era when we saw a major exodus of farm families from farming, indicated that rural youth did not fare as well in the urban labor market as did their urban counterparts. Certainly, efforts must be made to insure that rural youth receive an education comparable to urban youth. Because much of the revenue to support schools comes from local taxes, this goal will be increasingly difficult to achieve as the financial problems continue in rural America.

Rural Economic Development. Farm and rural families need help in finding other employment. Many, if not most, would prefer to stay in the rural environment and the social setting where they feel most comfortable. This will require more effort in rural economic development, but as we noted earlier we must not overlook some of the social factors necessary for economic development. Economic development may include attracting large firms to rural areas, but it should also place new emphasis on helping support smaller, local entrepreneurs. Many talents and opportunities exist in rural communities, but often the two do not come together. Smaller locally owned and controlled firms often contribute more socially and economically to the community than do large firms owned and controlled from outside of the community. Assistance in recognizing new business opportunities for rural communities, efforts to develop entrepreneurial skills on the part of local persons and assistance in developing marketing systems could help facilitate the development of more small, locally-owned businesses.

Informational Services. Government agencies have a history of not coordinating services. Most rural families experiencing serious financial and emotional problems need a variety of assistance for which there are existing programs, but in most rural areas there is no clearinghouse or network connecting the various "caregivers"

and their programs. If a family does have the energy to reach out and ask for assistance from one agency, they may not have the energy to reach out to any others. Systems and networks must be put together so that rural families can be assisted in a holistic manner. Furthermore, there are certain individuals in the community who are much more likely to know, or can be trained to identify, families who need help. Networks need to be facilitated that can receive this information and then attempt to assist the families in numerous ways.

Many of the families interviewed told us they did not know where to obtain information about government programs, legal assistance, bankruptcy and new jobs. In some states, hotlines have been established which provide some assistance to the callers. Often, however, these hotlines are unable to connect the individuals back into the social support network in the family's own local community.

Conclusions

The long-term costs to society of the current economic conditions will be considerable if programs currently in place are not altered to meet the needs of rural families in transition. Whether these impacted families stay in the geographic area of their farm or migrate to cities as many did in the past, many will never make the contribution to the society they previously did or take advantage of the potential they have. Aside from issues of human dignity, quality of life and the ethical issue of economic justice, there is a basic economic cost to society.

Society must make investment today in easing the human cost of the transition, or society will incur economic costs that could continue for generations. A brief reflection suggests that many of the societal costs resulting from conditions in our central cities have resulted from previously not addressing the human costs related to transferring large numbers of persons out of agriculture during mid career.

Our primary suggestion is to alter our many social safety net programs already in existence. Modifications are necessary to make these programs more responsive to the current needs.

Secondly, we have called for a major effort to integrate the various programs so that individuals are assisted in a holistic manner. Bring all the available resources to bear on the needs of the specific rural families and communities.

Finally, we have suggested that a renewed emphasis be placed on rural development. Such an emphasis must focus both on the social and economic conditions present. Given the increased dependency of farm families on nonfarm income, both farm and nonfarm rural fami-

lies will benefit if economic opportunities in the nonfarm sector of rural America are improved.

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