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Farm Family Living

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WASHINGTON, D. C.

OCTOBER 1940

OUTLOOK CHART SERIES

1941

The charts in this book have been selected by the Outlook Committees as those best adapted for presenting graphically the economic background for the respective commodities. Though the charts are as up-to-date as available data will permit, mimeographed data sheets will be mailed early in November for bringing to date, as of November 1, those charts and tables having monthly data. Many other charts which are useful in special cases but are not included in this booklet can be supplied upon request.

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Demand, Credit and Prices	Dairy and Poultry
Farm Family Living	Fruits and Vegetables
Wheat, Rice and Dry Beans	Feed Grains, Fats and Oils
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FARM FAMILY LIVING

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INTRODUCTION

An attempt to predict the kind of living farm families will have ie a precarious undertaking in any year; but whether their material benefite and security will rise or fall in 1941 is a question presenting unusual difficulty. A confident answer would necessitate the probing of a future clouded by domestic and international uncertainties. A more modest goal is the accurate description of the current levels of farm family living, and of the most important factors on which these depend. Present trends may throw some light on alternative future possibilities.

The factors affecting farm family living are numerous and closely interrelated. They include measurable economic quantities as well as such intangibles as the feelings concerning past and future of a nation's investors, workers, farmers, and business men; they include the results of decisions made by individuals and by governments. Following are some of the important guides to watch:

THE DEFENSE PROGRAM. The character of the government program for national defense influences the income of industrial workers, the cost and eupply of labor, and hence the prices farmers must pay and the prices they receive.

INCOME OF INDUSTRIAL WORKERS. Domestic demand ie one of the most significant factors affecting the marketing of agricultural products. Greater incomes for industrial workers and other urban groups help increase the demand for farm products and the income of farmers.

THE EXPORT MARKET. Foreign demand is of paramount importance for some agricultural products, and is of considerable importance for many. To what extent will foreign nations be able and willing to buy American products?

GROSS INCOME FROM AGRICULTURE. This total varies with the yield from agriculture, the quantity of products sold, the prices received, government payments, and the value of farm products retained for family consumption.

COST OF PRODUCTION. Farmers' expenses vary with the prices they pay for labor, seed, fertilizer, equipment, repairs, and other goods and services needed for production, and the quantities of each that they must purchase.

NONFARM EARNINGS. Constituting a substantial part of incomes of some farm families are earnings from employment off the farm.

NONMONEY INCOME. Farm income is importantly augmented by goods from the farm, such as food, fuel, and housing.

NET FAMILY INCOME. This figure is derived by subtracting total costs of production from the sum of the following items: Gross income from agriculture, nonmoney income not already included in gross income (such as housing), nonfarm earnings and other money income from nonfarm sources. Net family income must provide for living expenses and for whatever financial progress farm families are able to make. Increases in net incomes can mean a higher level of living, decreased debts, and/or increased assets for the family, unless the increases in incomes are offset by rises in prices and living costs.

RETAIL PRICES OF CONSUMPTION GOODS. The prices farmers must pay for the goods needed by their families--the food, clothing, furnishings and other items they buy--will determine in part how much they can afford, and what kind of living the farm family will have.

The gross cash income of the nation's farm families from marketings and government payments was 10 percent higher in the first 5 months of 1940 than during the same period of 1939. In interpreting the significance of this increase in terms of the well-being of the farm population, two major considerations must be borne in mind: The characteristics of the pattern of distribution of the national income from agriculture among farm families; and differences in the abilities of families to make such income as they have contribute effectively to their health and happiness.

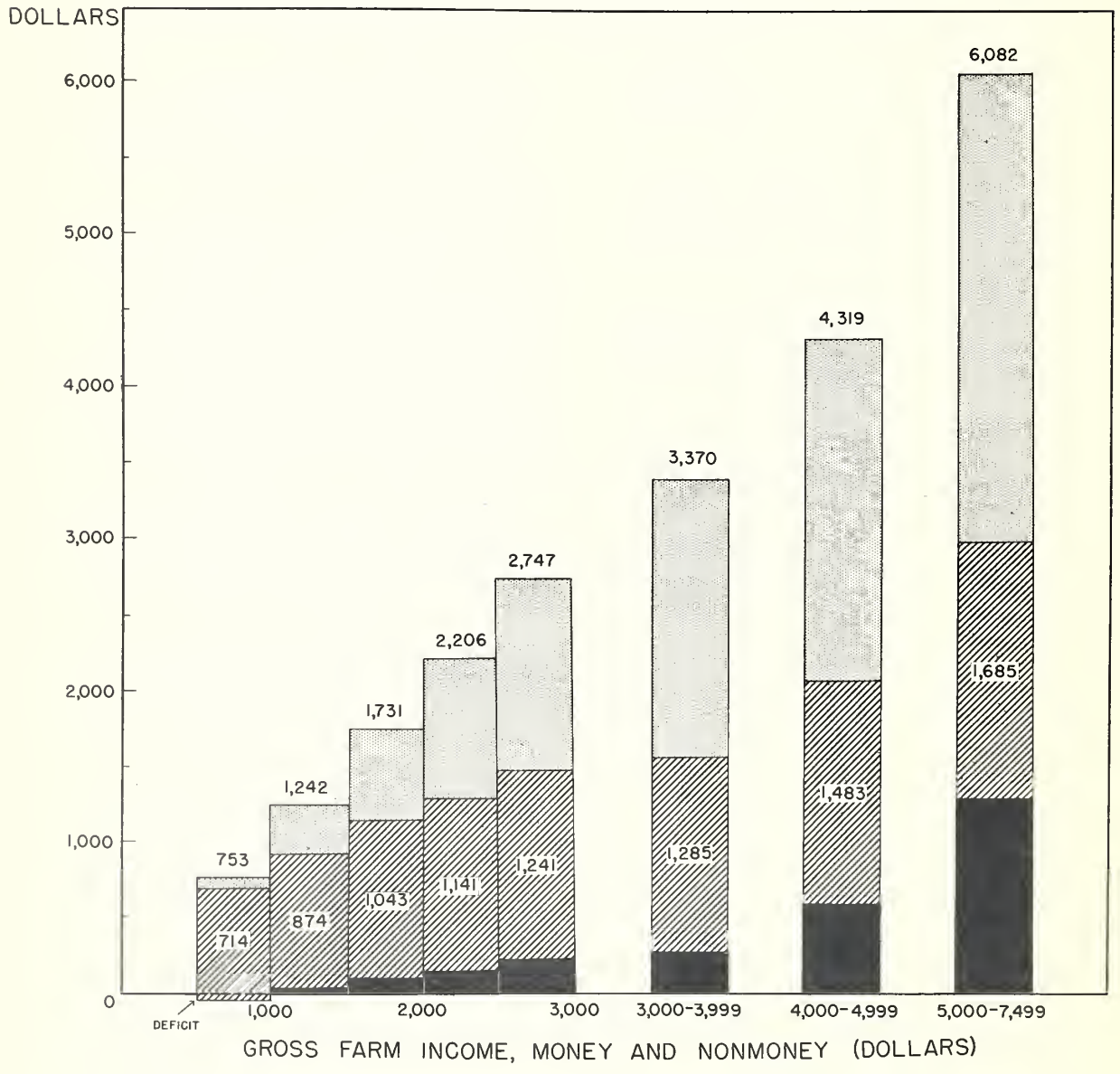
The increase in the nation's cash income from farm marketings and government payments has not been equally distributed among all agricultural areas. Farm families have fared differently from one area to another because of variations in weather and other production conditions, and differences in demand for their products, especially those for which there has heretofore been a considerable export market. Within each area, inequalities in income distribution likewise appear, owing to diverse advantages springing from chance, ability, industry, form of land tenure, size of farm, and ownership of equipment, livestock, and other production resources. Undoubtedly many farm families--especially at the lower income levels--have benefited little or none from this nationwide increase in farm income. Ways of helping the least fortunate groups to increase their incomes and raise their levels of living must therefore be a continuing concern of agricultural policies and programs.

All families, whether income be high or low, can benefit from wise management of their resources. However, they differ greatly in the extent to which they take advantage of the best information available concerning management procedures, and of the services of government and other agencies that are to be had for the asking. Efficient planning for family consumption as well as for production can take many forms: Budgeting of funds and of time of family members; thoughtful market selections based on intelligent study of family needs and wants and guided by consumer education; wise use of land for producing a home food supply adapted to both the preferences and the nutritional needs of family members; and sound credit practice for getting ahead financially. In addition, farm families in a locality can work as a group to improve the facilities for the education of their children and for medical care; to extend the availability of electricity; and to plan and carry out programs for improving and stabilizing the farm business.

Intelligent decisions on questions of farm family financial management must rest upon an understanding of general economic conditions as well as upon a careful appraisal of the family's own situation--what the members want most in life and their resources for achieving those goals. This chart book brings together a wide variety of information for the use of persons in the extension service and others working to help farm families solve their farm-home management problems.

FAMILY LIVING AS A SHARE OF GROSS FARM INCOME

PENNSYLVANIA-OHIO FARM FAMILIES WITH TWO CHILDREN UNDER 16, 1935-36



FAMILY LIVING AS A SHARE OF GROSS FARM INCOME

High gross farm incomes generally are accompanied by relatively large farm operating expenditures. However, the number of dollars left for family living and getting ahead financially after operating expenditures are paid tends to be larger when gross incomes are high than when they are low.

The share of the gross farm income available for family living of a group of selected families of white farm operators in Pennsylvania and Ohio in 1935-36 is shown by the chart on page 2 and the table below. Gross farm income, as defined in the Consumer Purchases Study from which these data were taken, includes gross money income from farming operations, and the nonmoney value of occupancy of the farm dwelling and of farm-furnished food, fuel, and other products used by the family.

None of the families in this group had nonfarm earnings. Their net money income from farming (gross farm money income minus operating expenditures) had to cover family living expenditures and provide for savings and investments in the farm enterprise.

Families whose gross farm incomes were in the range $500-$999, as a group, ended the year with a net deficit that averaged $44; their incomes did not cover the value of their living plus their outlays for farm operation. Not every family at this income level "went in the red" but the group's total income was less than the sum of their expenditures. Some of the families with deficits increased their debts; others drew upon savings or other resources.

Average gross farm income of the families at the upper end of the income scale studied ($5,000-$7,499) was 8 times as great as that of the group at the lower end ($500-$999). The value of family living increased far less, proportionally, than income; it little more than doubled, rising from an average of $714 to $1,685. In contrast, expenditures for farm operation were 37 times as great for the families at the upper income level as for those at the lower. Savings also increased far more, proportionally, than income; families at the lower income extreme studied had an average net deficit while those at the upper had an average surplus of $1,287.

The smaller the gross income, the greater was the share taken for family living. Thus, the value of living of families in the gross income class $500-$999 was 95 percent of their total income; in the class $5,000-$7,499, only 28 percent. The latter group, however, had a better living, judged by money value, as has been seen.

Farm operating expenditures accounted for a much greater share of gross income at the upper than the lower end of the distribution--the reverse of the situation noted for family living. Families with gross incomes in the range $500-$999 spent 11 percent of their aggregate income for operating their farms; those in the income range $5,000-$7,499, 51 percent.

Amounts spent for getting ahead financially--for paying debts, for building up the farm business and for other investments--also took an increasing share of gross farm income as this rose. The net surplus of families in the income range $1,000-$1,499 was about 4 percent of their aggregate income while it was 21 percent at the level $5,000-$7,499. Farm families tend to save more than urban families as income rises; they seem to be more willing to apply the brake to expenditures for living in order to increase their net worth. Perhaps one reason is that the farm enterprise is a family undertaking; all the members can have a share in building up the business and in producing money and nonmoney income to better their levels of living.

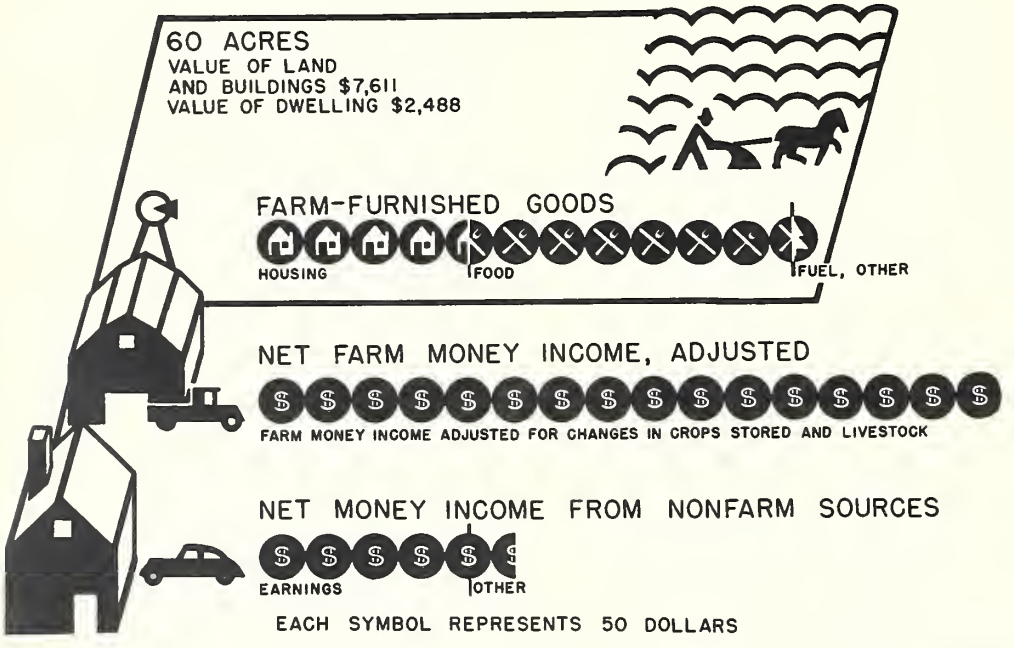
Gross farm income (money and nonmoney) as divided among farm business, family living, and change in net worth, Pennsylvania-Ohio farm families with two children under 16, by income, 1935-36

Gross farm income class (dollars)	Total gross farm income		Farm operating expenditures		Family living purchased and farm-furnished		Net surplus or deficit (-)	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
500 - 999	753	100.0	83	11.0	714	94.8	-44	-5.8
1,000 - 1,499	1,242	100.0	323	26.0	874	70.4	45	3.6
1,500 - 1,999	1,731	100.0	593	34.3	1,043	60.2	95	5.5
2,000 - 2,499	2,206	100.0	917	41.6	1,141	51.7	148	6.7
2,500 - 2,999	2,747	100.0	1,303	47.4	1,241	45.2	203	7.4
3,000 - 3,999	3,370	100.0	1,821	54.1	1,285	38.1	264	7.8
4,000 - 4,999	4,319	100.0	2,256	52.3	1,483	34.3	580	13.4
5,000 - 7,499	6,082	100.0	3,110	51.1	1,685	27.7	1,287	21.2

Source of data: Consumer Purchases Study — Bureau of Home Economics

AVERAGE INCOME OF FARM OPERATORS

LANCASTER COUNTY, PENNSYLVANIA 1935-36



Farm families as a group derive their income chiefly from agriculture, despite the importance to some of cash income from nonfarm sources. This fact is illustrated by figures shown below from families of farm operators in Lancaster County, Pennsylvania. Net income from the farm (money and nonmoney) averaged more than four-fifths of the total income for all families included in the study. Earnings from employment off the farm and from other nonfarm sources were more important for the lower than for the higher income groups. Among families in the income class $0-$499, such earnings were the main source of net money income.

Farm-furnished housing and products constituted the bulk of net income for families at the lower income levels; even for those in the class $3,000 and over, such goods formed almost one-fourth of total income. Farm-furnished food, the item with highest monetary value, can contribute much to the nutritive adequacy of family diets; farm-furnished goods also serve as a cushion in times of economic stress. However, because their income is partly in the form of goods, farm families have budgets for money expenditures that are less flexible than those of city families with equivalent incomes, all in cash.

Average amount of family income derived from specified sources, by income, farm families in Lancaster County, Pennsylvania, 1935-36

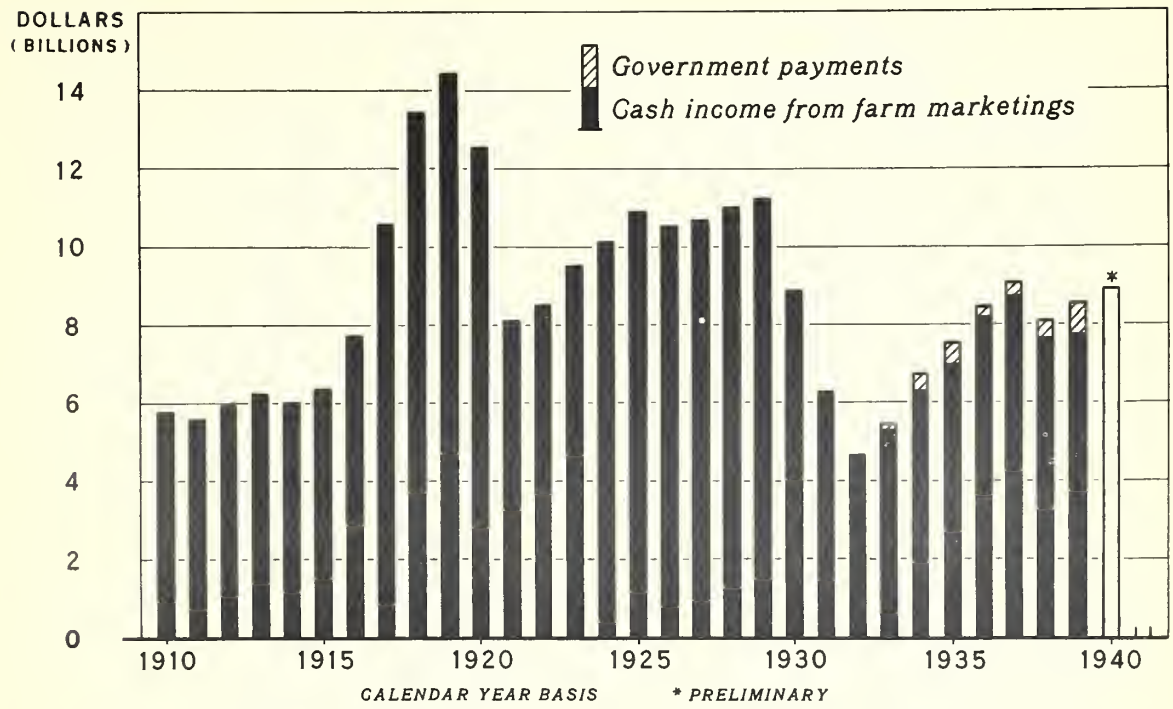
Family-income 1/ class (dollars)	Total family income	Net farm income							Money and changes in crops stored and 2/ livestock	Net money income from nonfarm sources
		Total	Farm-furnished goods							
			All		Housing	Food	Fuel, ice, other			
			Amount	Percentage of total family income						
	Dollars	Dollars	Dollars	Percent	Dollars	Dollars	Dollars		Dollars	Dollars
All incomes.....	1,654	1,383	594	36	237	339	18		789	271
0 - 499.....	354	270	290	82	104	172	14		-20	84
500 - 999.....	768	593	413	54	154	242	17		180	175
1,000 - 1,499....	1,251	978	526	42	205	303	18		452	273
1,500 - 1,999....	1,729	1,457	654	38	260	374	20		803	272
2,000 - 2,999....	2,394	2,120	762	32	310	434	18		1,358	274
3,000 or over....	3,996	3,383	898	23	400	480	18		2,485	613

1/ Money and nonmoney.
2/ Represents net money income from farm plus increases or minus decreases during the year in value of crops stored for sale and livestock owned.

Source of data: Consumer Purchases Study

Bureau of Home Economics

CASH FARM INCOME, UNITED STATES, 1910-40



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When gross money income from farming rises or falls throughout the country, net money income moves in the same direction, though not in direct proportion. Farm operating costs may change at a different rate from cash farm income. The severe drop in cash income from 1929 to 1932 was followed by a partial recovery to 1937. Since the decline in 1938 there has been an upward movement fed by growing industrial activity, consumer income, and domestic demand, but threatened by an unfavorable world situation for exported commodities.

Although the general level of income of farm families is determined primarily by net money receipts from marketings and government payments, nonmoney income in the form of occupancy of the farm dwelling and home-produced food, fuel, and other products is a substantial proportion of total net family income from the farm. Fortunately for the family in periods of depression the use-value of these farm-furnished goods is not lessened by income declines.

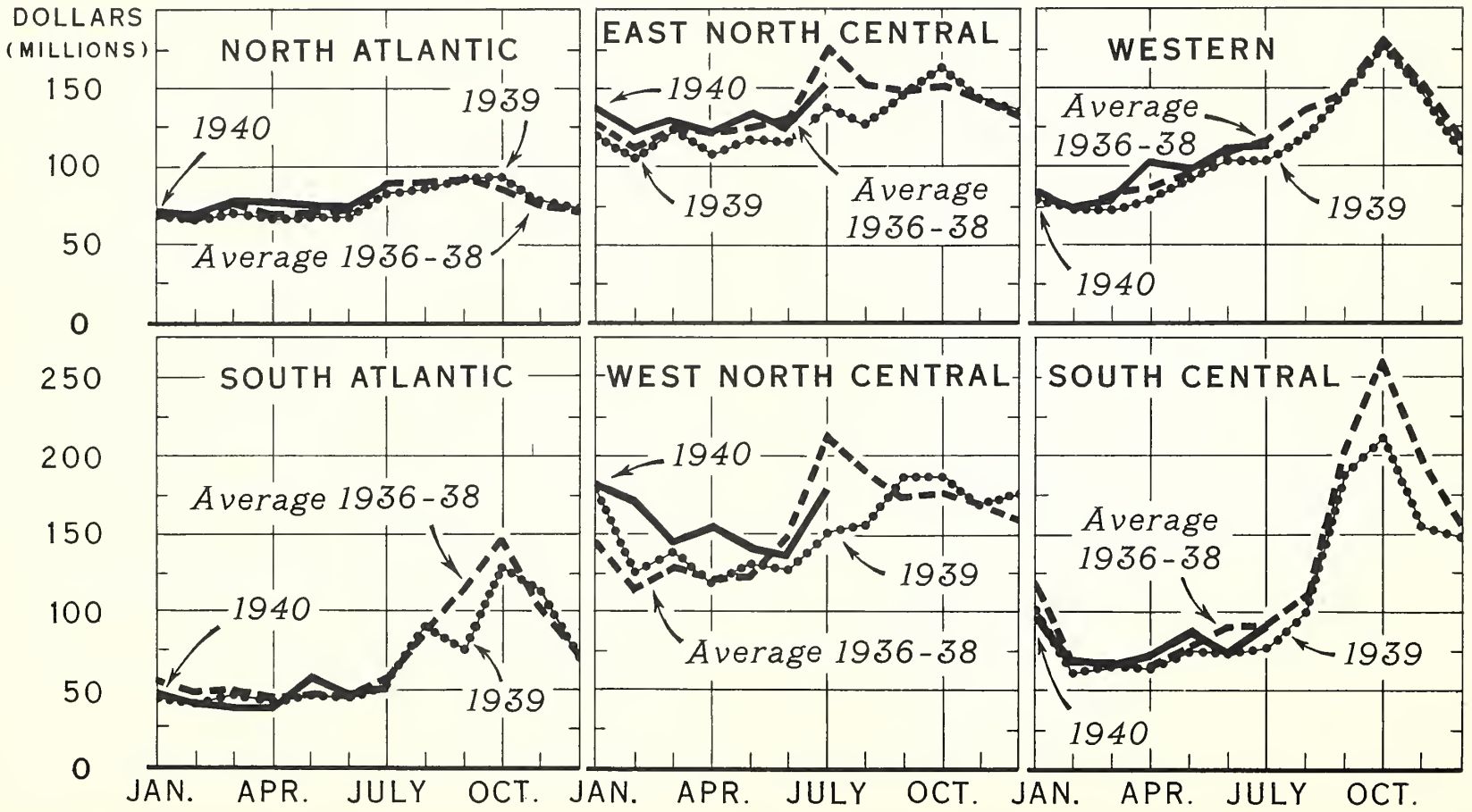
Cash income from farm marketings and Government payments in the United States, 1910-40

Year	Cash income from farm marketings	Year	Cash income from farm marketings	Government payments	Cash farm income and Government payments
	Million dollars		Million dollars	Million dollars	Million dollare
1910	5,785	1926	10,529	-	-
1911	5,581	1927	10,699	-	-
1912	5,966	1928	11,024	-	-
1913	6,251	1929	11,221	-	-
1914	6,015	1930	8,883	-	-
1915	6,391	1931	6,283	-	-
1916	7,755	1932	4,682	-	-
1917	10,648	1933	5,278	131	5,409
1918	13,464	1934	6,273	447	6,720
1919	14,436	1935	6,969	573	7,542
1920	12,553	1936	8,212	287	8,499
1921	8,107	1937	8,744	367	9,111
1922	8,518	1938 1/	7,590	482	8,072
1923	9,524	1939 1/	7,733	807	8,540
1924	10,150	1940 1/			8,900
1925	10,927				

1/ Tentative estimates.

Source of data: Bureau of Agricultural Economics Bureau of Home Economice

CASH INCOME FROM FARM MARKETINGS, BY REGIONS, UNITED STATES, AVERAGE 1936-38, AND 1939-40



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INCOME FROM FARM MARKETINGS (EXCLUDING GOVERNMENT PAYMENTS)

Averages or aggregate figures for cash income of all families in the United States may tell little concerning the welfare of farmers in particular areas. There are differences from region to region in principal crops, and in family-income levels. A cyclical change in business or a reduction in exports to foreign markets may bring sharp decreases in income to farmers in one area while playing only a minor role in another.

During the first 5 months of 1940 cash receipts from farm marketings increased over those for a similar period in 1939 in all regions of the country, with one exception. The driving force of the rise in income from farm marketings, which was 10 percent for the nation as a whole, was a growing domestic demand. The greatest element of uncertainty was the international situation; the closing of Europe's markets greatly affects certain crops, such as cotton, tobacco, soybeans, and many fresh fruits, and accordingly is felt more strongly in some areas than others.

In the North Atlantic region, income from farm marketings during the first 5 months of 1940 was 9 percent higher than a year earlier. Leader within the region was Connecticut, whose receipts were more than one-third higher owing to large marketings of tobacco.

Income from farm marketings showed a 1-percent fall in the South Atlantic States over the 1939 period. The slight decline for the area was largely due to a 15-percent loss suffered by Florida, where a freeze in the early part of the year cut income from citrus fruits, strawberries, truck crops, and potatoes.

In the East North Central States, income from crops accounted for most of the 13-percent rise during the first 5 months of 1940 over the corresponding period in the previous year. Receipts from sale of corn and wheat were chiefly responsible for the increase.

The gain in the farm marketing receipts in the West North Central States in early 1940 totaled 15 percent above its 1939 level. North Dakota, where income from grains was three times as large as in 1939, was the leader in this area. The smallest increases--8 percent--were recorded in Iowa and Kansas.

A 5-percent rise in the income from farm marketings occurred in the South Central region in the first 5 months of 1940 as compared with the similar period in 1939. Arkansas, where returns from cotton and dairy products rose, recorded an 18-percent increase.

All States in the Western region shared in the substantial income rise in early 1940 over 1939, the gain for the whole area being 11 percent. Montana, where wheat sales were larger, and New Mexico, where increases occurred in sales of cotton, cattle, and grains, were the leaders.

The seasonal variation in cash receipts are not the same either in timing or in intensity for all regions. Seasonal differences are most marked where farm income is derived mainly from crops, as in the South Atlantic and South Central regions. Marked variations in income from month to month affect family financial management.

Cash income from farm marketings (excluding government payments), 1939 to date

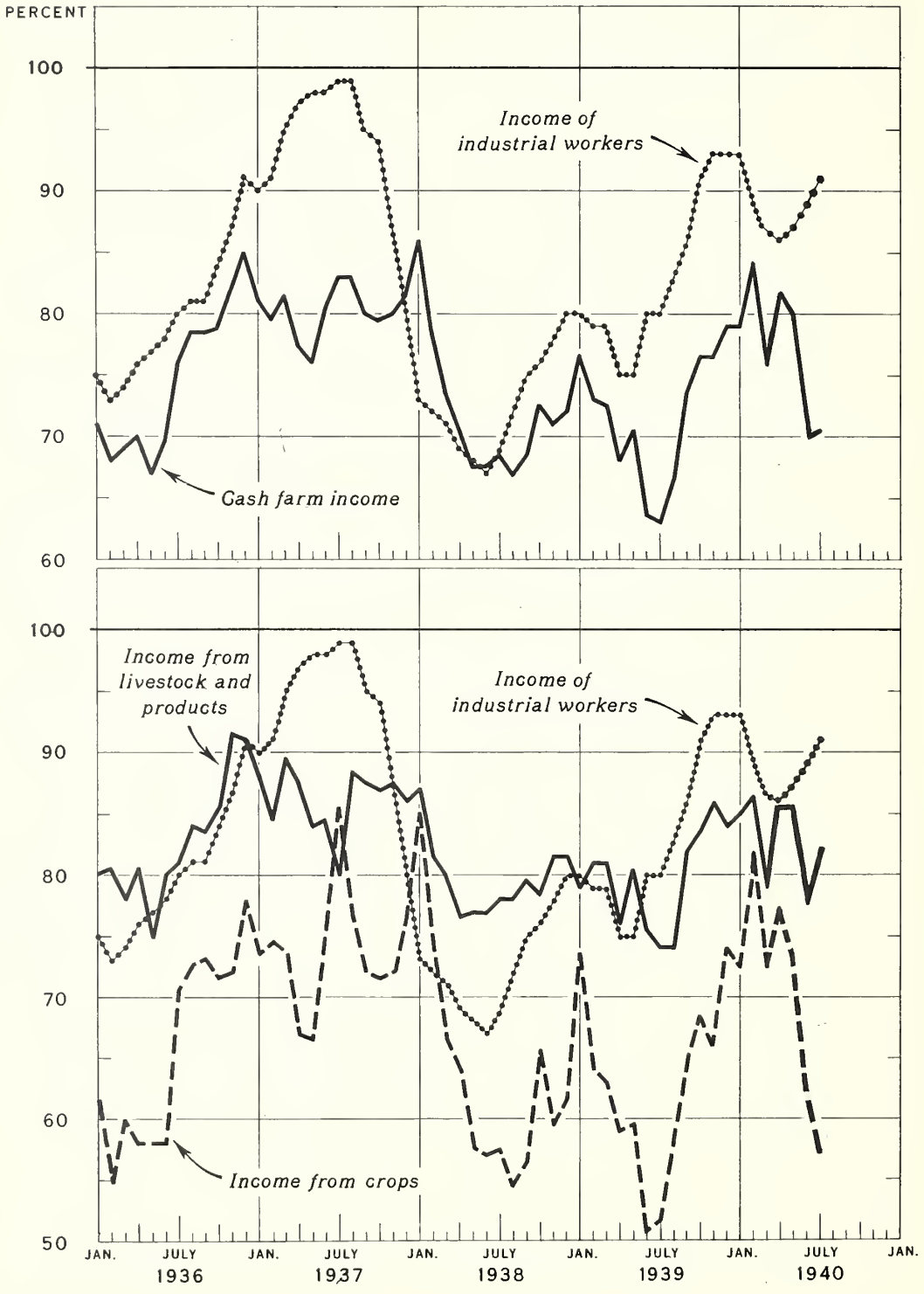
Year and Month	United States	North Atlantic	South Atlantic	East North Central	West North Central	South Central	Western
	Mil. Dol.	Mil. Dol.	Mil. Dol.	Mil. Dol.	Mil. Dol.	Mil. Dol.	Mil. Dol.
1939							
January	593	70.1	42.9	120.5	178.7	101.3	79.6
February	471	66.2	41.3	104.8	125.9	61.0	71.5
March	517	71.0	46.1	124.0	137.8	66.2	71.9
April	478	67.2	41.8	108.2	118.2	63.1	79.4
May	528	68.1	46.0	116.8	130.8	74.6	91.4
June	531	67.5	44.8	116.2	127.3	72.5	103.0
July	604	83.2	52.1	138.2	150.5	77.3	103.2
August	675	85.9	87.8	126.5	155.1	100.8	118.8
September	835	93.5	74.5	145.3	186.5	187.8	147.6
October	960	94.0	129.4	162.4	185.9	210.6	178.2
November	808	79.3	114.0	142.9	168.2	154.9	148.9
December	710	73.2	68.9	135.1	176.2	148.9	107.8
1940							
January	617	72.5	46.8	138.1	182.0	94.0	83.5
February	545	69.0	37.9	123.6	171.7	68.6	73.7
March	537	80.2	37.3	128.0	145.8	66.4	79.2
April	562	76.8	37.4	121.8	153.0	69.9	102.8
May	592	75.1	57.6	135.2	140.5	86.2	97.5
June							
July							
August							
September							
October							
November							
December							

Source of data: Bureau of Agricultural Economics

Bureau of Home Economics

CASH INCOME FROM FARM MARKETINGS AND INCOME OF INDUSTRIAL WORKERS, UNITED STATES, 1936-40

INDEX NUMBERS (1924-29-100) ADJUSTED FOR SEASONAL VARIATION



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CASH INCOME FROM CROPS, LIVESTOCK AND LIVESTOCK PRODUCTS, AND INCOME OF INDUSTRIAL WORKERS

Income from farm marketings depends on the quantity of products sold and on the prices obtained. Year to year fluctuations in production may be offset by variations in price. But changes in quantities sold owing to fluctuations in consumer demand are seldom fully offset by price changes; the aggregate value of farm products sold usually moves up and down with the incomes of industrial workers.

As between income from livestock and products, and income from crops, the former is more sensitive to changes in incomes of urban consumers. Crops--particularly grains and cotton--may be stored for considerable periods. Their prices, therefore, are less directly determined by the quantity currently produced and the quantity currently demanded; estimations of future demand and supply play a significant part in this price determination. Foreign demand and supply conditions also exert an important influence on agricultural income, and constitute an especially weighty factor in the case of grains and cotton.

Since 1936 income from livestock and products has been higher than that from crops, relative to the 1924-29 base. Livestock income has also been more closely associated with income of industrial workers. The large fluctuations in crop incomes during late 1939 and early 1940 reflect in part events connected with the war in Europe.

Cash income from farm marketings, and income of industrial workers, 1936-40
(Index numbers, 1924-29 = 100, adjusted for seasonal variation)

Year and month	Cash income from crops	Cash income from livestock and livestock products	Cash income from crops and livestock	Income of industrial workers	Year and month	Cash income from crops	Cash income from livestock and livestock products	Cash income from crops and livestock	Income of industrial workers
1936					1938 cont'd.				
January	61.5	80.0	71.0	75	July	57.5	78.0	68.5	69
February ...	55.0	80.5	68.0	73	August ...	54.5	78.0	67.0	72
March	60.0	78.0	69.0	74	September.	56.5	79.5	68.5	75
April	58.0	80.5	70.0	76	October ..	65.5	78.5	72.5	76
May	58.0	75.0	67.0	77	November..	59.5	81.5	71.0	78
June	58.0	80.0	69.5	78	December..	61.5	81.5	72.0	80
July	70.5	81.0	76.0	80					
August	72.5	84.0	78.5	81	1939				
September ..	73.0	83.5	78.5	81	January ..	73.5	79.0	76.5	80
October	71.5	85.5	79.0	84	February .	64.0	81.0	73.0	79
November ...	72.0	91.5	82.0	87	March	63.0	81.0	72.5	79
December ...	78.0	91.0	85.0	91	April	59.0	76.0	68.0	75
					May	59.5	80.5	70.5	75
1937					June	50.5	75.5	63.5	80
January	73.5	88.0	81.0	90	July	51.5	74.0	63.0	80
February ...	74.5	84.5	79.5	91	August ...	58.5	74.0	66.5	83
March	73.5	89.5	81.5	95	September.	64.5	82.0	73.5	86
April	67.0	87.5	77.5	97	October ..	68.5	83.5	76.5	91
May	66.5	84.0	76.0	98	November..	66.0	86.0	76.5	93
June	76.0	84.5	80.5	98	December..	74.0	84.0	79.0	93
July	85.5	80.0	83.0	99					
August	76.5	88.5	83.0	99	1940				
September ..	72.0	87.5	80.0	95	January ..	72.5	85.0	79.0	93
October	71.5	87.0	79.5	94	February .	81.0	86.5	84.0	89
November ...	72.0	87.5	80.0	87	March	72.5	79.0	76.0	87
December ...	76.5	86.0	81.5	80	April.....	77.0	85.5	81.5	86
					May	73.5	85.5	80.0	87
1938					June	61.5	78.0	70.0	89
January	85.0	87.0	86.0	73	July 1/...	57.5	82.0	70.5	91
February ...	75.0	81.5	78.5	72	August ...				
March	66.5	80.0	73.5	71	September.				
April	64.0	76.5	70.5	69	October ..				
May	57.5	77.0	67.5	68	November..				
June	57.0	77.0	67.5	67	December..				

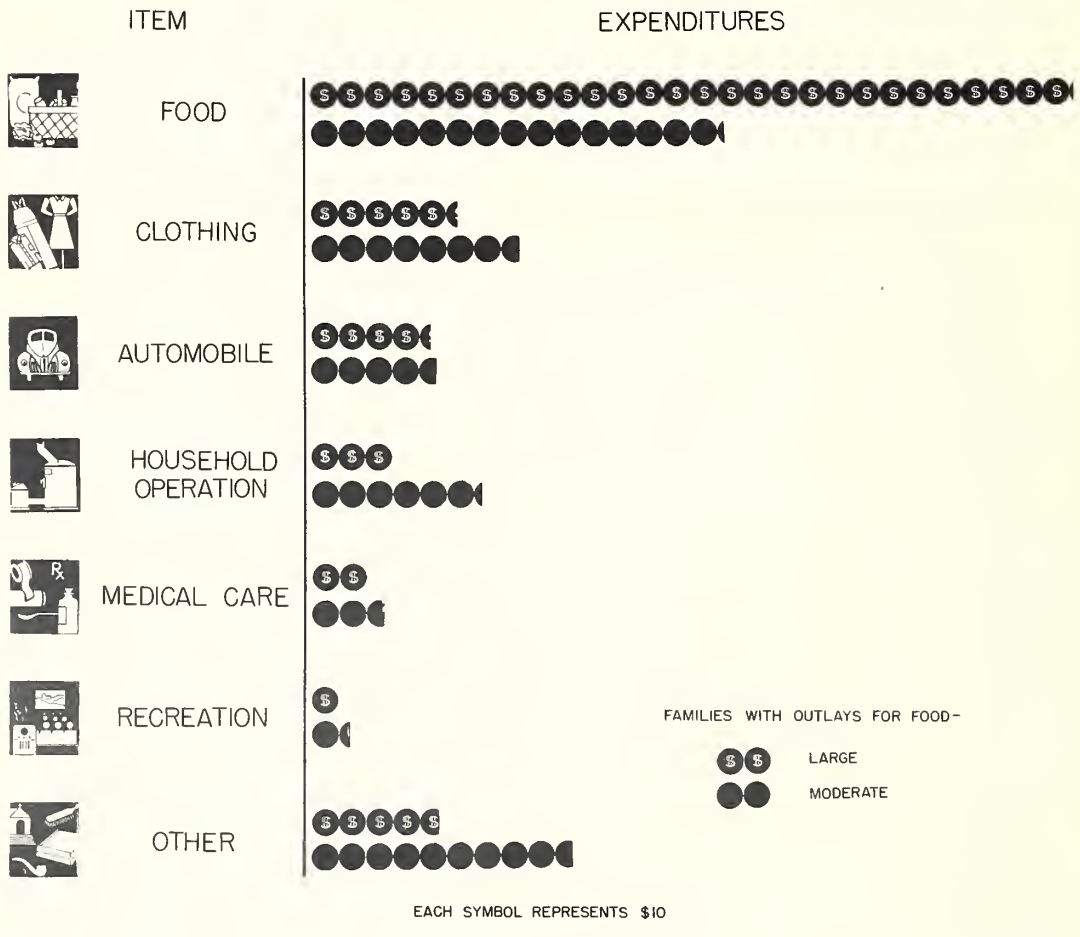
1/ Tentative estimates

Source of data: Bureau of Agricultural Economics Bureau of Home Economics

HIGH FOOD BILLS LIMIT OTHER PURCHASES

FAMILIES WITH LARGE FOOD OUTLAYS SPEND LESS FOR OTHER THINGS

MIDDLE ATLANTIC AND NORTH CENTRAL FARM FAMILIES WITH TWO CHILDREN UNDER 16, MONEY-INCOME CLASS $250-$499, 1935-36



Food: Expenditures for food purchased for consumption of members of the economic family at home or away from home (including board at school) and of paid household help and guests.

Clothing: Expenditures for purchase and upkeep (excluding laundry) of all types of apparel, and for help for sewing.

Automobile: Family share of net purchase price of new or used automobile bought during the report year, and nonbusiness expenditures for maintenance and operation.

Household operation: Expenditures for fuel, light, refrigeration; household help; and other items such as telephone, water rent, laundry sent out, and laundry supplies.

Medical care: Expenditures for services of physicians and specialists; clinic visits; hospital room or bed; nursing service; special examinations and tests; medicines and drugs; medical supplies and appliances; health and accident insurance.

Recreation: Expenditures for all paid admissions for family members and guests; equipment and fees for games and sports; purchase and upkeep of radio, musical instruments; photographic supplies, toys, club dues, and unclassified spending money.

Other: Expenditures for housing (for farm families these are mainly for insurance and minor repairs); furnishings and equipment; formal education; reading; gifts, welfare, and selected taxes; travel and transportation other than automobile; personal care; tobacco; and miscellaneous items.

HIGH FOOD BILLS LIMIT OTHER PURCHASES

When low-income families spend large amounts for food they do so at the expense of other items in the budget. This is shown by the chart on page 10 and the data in the table below in which are compared the average expenditures for living of families with relatively large food outlays with those of families who spent moderate amounts for food. The data refer to families of nonrelief white farm operators in the Middle Atlantic-North Central region. All of the families included in this comparison consisted of husband and wife and two children under 16 years. They were in the money-income class $250-$499; average money expenditures for living of both groups were just under $500.

The families whose food expenditures were high spent an average of $281 a year for this item. The term "high" should be interpreted to mean relatively high. The food expenditures of this group were high in that they represent 58 percent of all money expenditures for family living. They were also high compared to the food expenditures of the majority of farm families of this family composition and money-income class. If this amount of money ($281) had to provide for the family's entire food supply purchased at retail prices, without supplementation by farm-furnished products, it would represent a low dietary level--approximately that of the "restricted diet for emergency use." However, these families raised some food for home consumption--$235 worth. The money value of their food as a whole would put their diet in the "moderate-cost" class.

Families in the lower food expenditure class spent an average of only $152 a year for food--$129 less than those whose expenditures for food were relatively high. These lower expenditures did not necessitate unsatisfactory diets. On the contrary, by raising a generous food supply (over $300 worth) to supplement purchases, they had "moderate-cost" diets.

Average expenditures for family living for families at two levels of expenditures for food, Middle Atlantic and North Central farm families with two children under 16, money-income class $250-$499, 1935-36

Item of family living expenditure	Families whose expenditures for food were -		Difference
	Large	Moderate	
	Dollars	Dollars	Dollars
Total.....	486	476	10
Food.....	281	152	129
Clothing.....	54	77	23
Automobile....	44	47	3
Household operation....	30	62	32
Medical care..	20	27	7
Recreation....	10	14	4
Other.....	47	97	50

Source of data: Consumer Purchases Study

The $129 difference between the food expenditures of the two groups is equivalent to more than a fourth of the average money expenditures for living for both groups. The cash released for other items by those making the lower outlays for food was distributed among all items of the budget although not equally to each item. Clothing, for example, received almost a fifth of the extra money. The families with moderate expenditures for food spent $23 a year more for clothing than did the families with the larger outlays for food. This small dollar difference represents a 43 percent increase over the clothing expenditures of families with high food bills.

Expenditures for the automobile were but $3 higher for the group with moderate food expenditures than for the families with high food expense. At this low money income level other items made more urgent demands for the leeway in cash.

Household operation expenditures were over twice as high among the families whose food expenditures were moderate as among the group spending large amounts for food. It is difficult to see how the families with high food bills managed with an average expenditure as low as $30 a year for household operation. It is not surprising that when there was a little more cash to spare, expenditures for household operation increased.

For medical care, families with moderate food expenditures paid out an average of $27 a year as compared with $20 spent by the families with high food expenditures. This difference does not mean that the former group had more illness; it probably means that their needs were more adequately cared for.

Money incomes of less than $500 a year do not allow for much recreation that must be paid for in cash. Among families with the moderate food bills the average expenditure for this item was $14 a year; it was $10 for the group whose food expenditures were high.

In this comparison all the other expenditures for family living have been combined into one category designated as "other" items, as explained on the preceding page. For all of these, families of husband, wife and two children under 16 years, with high food expenditures spent an average of $47, or less than a dollar a week. This amount was more than doubled, however, by the families who spent moderate amounts for food.

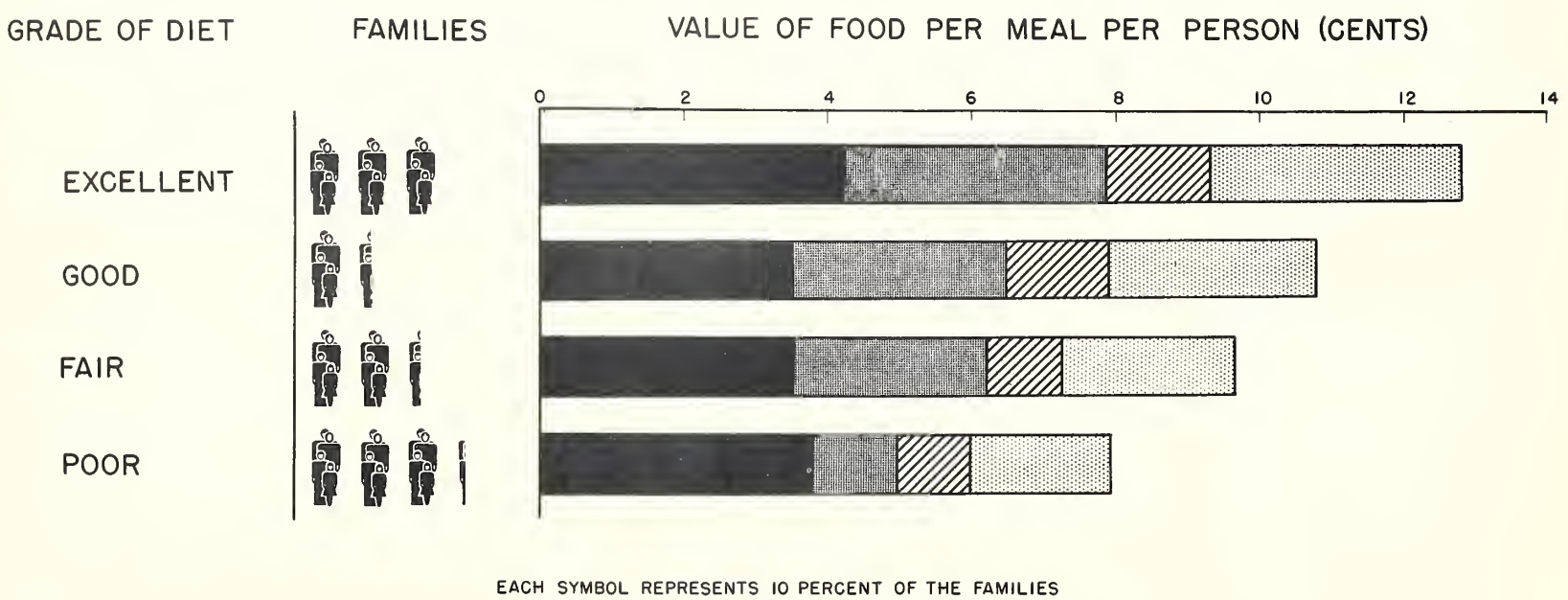
The figures here presented illustrate the cash-sparing value of home food-production programs. Both groups of families produced some food for home use, those with high food bills an average of $235 worth, and those with moderate expenditures, $312. Because home-produced foods are valued at less than retail prices, total quantities of food available to the two groups were more nearly the same than figures on the money value of their total food supply. The group that raised the most food and spent the least for food had more cash for goods and services that could not be home-produced.

Bureau of Home Economics

GRADE OF DIET AND MONEY VALUE OF FOOD

PURCHASED FOOD AND TYPE OF HOME-PRODUCTION

SOUTHEAST WHITE FARM FAMILIES, INCOME (MONEY AND NONMONEY) CLASS $500–$999, 1936-37



U.S. DEPARTMENT OF AGRICULTURE

NEG. 73 BUREAU OF HOME ECONOMICS

GRADE OF DIET AND MONEY VALUE OF FOOD

Purchased food and type of home production

Among families of a given income class, a decreasing money value of food is associated with diets progressively less satisfactory nutritionally--those graded excellent, good, fair, and poor, respectively. Diets differing in grade include differing average quantities of home-produced food for each family member rather than differing amounts spent for the food of each person. This is shown in the chart on p. 12 and in the table below. The figures are for white farm families in the Southeast in the income (money and nonmoney) class $500-$999.

About the same amounts of money were spent for the food of each person in families with diets graded excellent, as for those in families with diets graded poor--4.2 cents as compared with 3.8 cents per person per meal. In contrast, more than twice as much food (in terms of money value) was home-produced for each person by the families with diets graded excellent--8.6 cents worth a meal as compared to 4.1 cents worth for persons with poor diets. Two-thirds of the total money value of each person's food represented the value of home-grown products among the families with diets graded excellent; only half of each person's food was furnished directly from the farm among the families with poor diets.

Not only did families with diets graded good or excellent have more home-produced food for each member than did those with diets graded fair or poor, but differences in the quantities home-produced were proportionately greater for those foods that made special contributions to dietary adequacy. Thus on a per capita basis, families with diets graded excellent produced three times as much milk for household use, one and one-half times as much eggs, poultry and meat, and almost twice as much vegetables, fruits and other home-grown produce as did those with food supplies that were the least satisfactory from the standpoint of nutrition.

Generally speaking, a dollar's worth of home-produced food yields a higher nutritive return than a dollar spent at the village grocery store. This is true in part because home-produced foods tend to be valued at prices lower than village retail prices. But chiefly it is true because the foods from the farm consist mainly of milk, butter, eggs vegetables, fruits, and meats--foods that make important contributions to the diet in minerals, vitamins, and high-quality proteins. This is of special significance because diets are less likely to supply needed quantities of minerals or vitamins than of energy-yielding food.

Fortunately many of the farm families with diets now in need of improvement can remedy the situation through a well-planned program of food production for home use. Low-income families especially should be sure that they are making full use of the resources of their farms in bringing about and maintaining a satisfactory level of nutrition. This may not mean producing more of every kind of food; it may mean increasing the production of some more than others--some shift in emphasis.

Basic to any decision as to what to raise should be a careful study of the family's food needs. Diet plans should be worked out that will make maximum use of the particular kinds of food that can be economically produced on farms in a given section. Not every farm, perhaps, is well adapted to keeping cows. In such cases it might be better economy to purchase milk and to devote the land to crops of some kind. In some sections--Northern Vermont, for example--the short growing season limits the variety of fruits and vegetables that can be satisfactorily produced. What must be purchased can be wisely decided only after careful consideration of what the family needs and what can be furnished by the farm.

Recognizing that problems of food purchase and home-production of food vary with income, with family size, and with section of the country, several agencies have worked out plans to assist families in deciding what foods to raise and how much of each is needed. Among these agencies are the Bureau of Home Economics, the Extension Service in cooperation with the State agricultural colleges, and the Farm Security Administration. With better plans and methods for production and with improved ways of preserving food, it should be possible for a much larger proportion of farm families to move up from a poor-diet level into the class of good or excellent diets.

Value per meal per person of all food, purchased food, and specified types of home-produced food, by grade of diet, Southeast families of white farm-operators and sharecroppers, family-income 1/ class $500-$999, 1936-37

Grade of diet	Families	Value of food per meal per person							
		Total	Purchased		Home-produced				
					Total		Milk	Eggs, poultry, meat	Vegetables, fruit, other products
	Percent	Cents	Cents	Percent	Cents	Percent	Cents	Cents	Cents
Excellent.....	30	12.8	4.2	33	8.6	67	3.6	1.5	3.5
Good.....	14	10.8	3.5	32	7.3	68	3.0	1.4	2.9
Fair.....	24	9.7	3.5	36	6.2	64	2.7	1.1	2.4
Poor.....	32	7.9	3.8	48	4.1	52	1.2	1.0	1.9

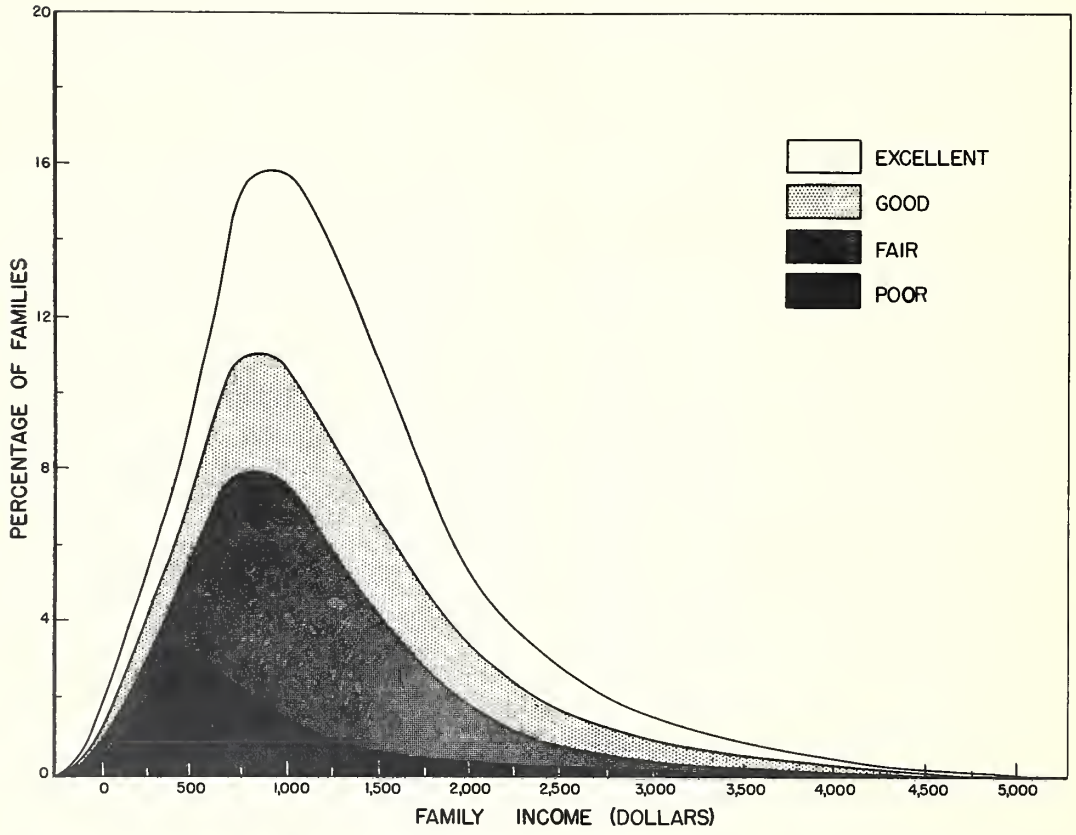
1/ Money and nonmoney.

Source of data: Consumer Purchases Study

Bureau of Home Economics

GRADE OF DIET ON FARMS

NONRELIEF WHITE OPERATORS, NORTH AND WEST, 1936-37



U.S. DEPARTMENT OF AGRICULTURE NEG. 74 BUREAU OF HOME ECONOMICS

From data supplied by food records, diets of farm operators' families have been classified into four groups--excellent, good, fair, and poor. The above chart shows for native white families in the North and West their distribution by income (outer curve), and the proportion of families at each income level whose diets were in each diet grade (inner curves). Of the family diets studied from this part of the country, about a third were classed as excellent; a fifth, as good; a third, as fair; and a little less than a tenth, as poor.

As would be expected, the greatest proportion of poor diets (black area) was found at the lower income levels. For example, when incomes were around $500, about a third of the diets were poor, a fourth fair, and about two-fifths, good or excellent. With incomes of $1,500, however, only about 6 percent of the diets were poor while 60 percent were good or excellent.

Source of data: Consumer Purchases Study

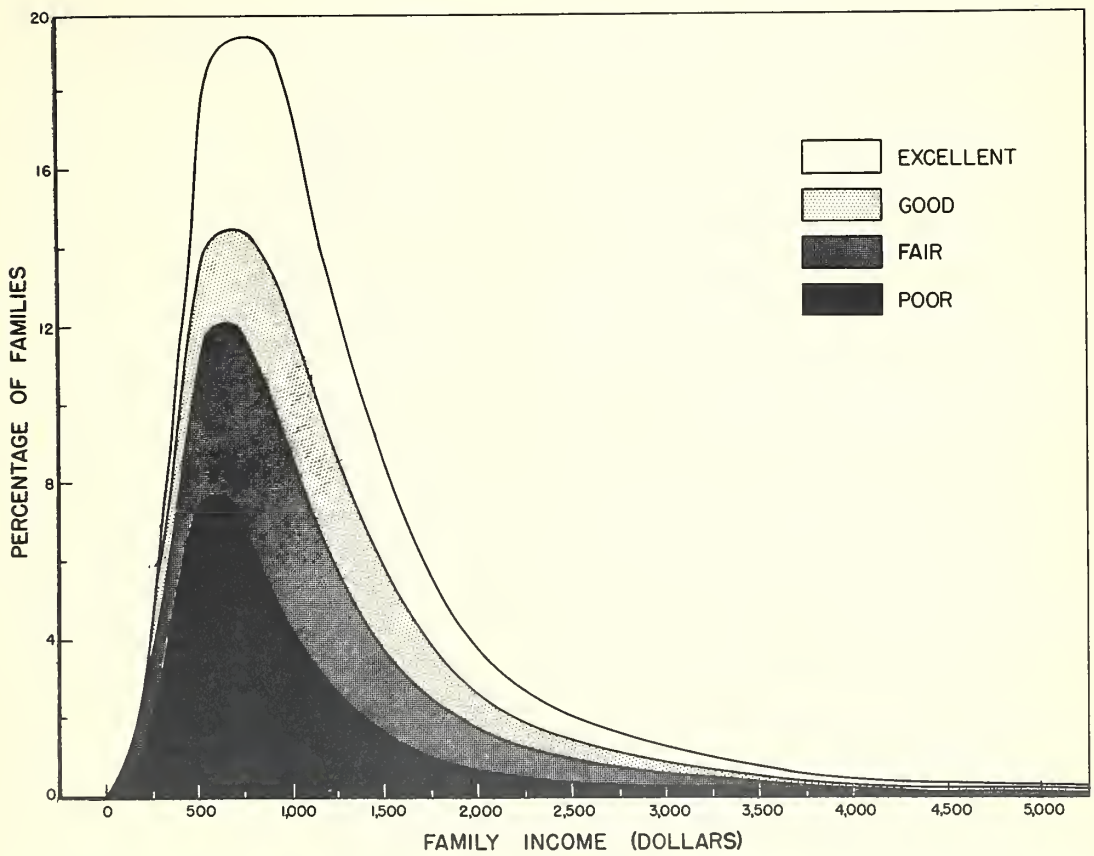
At nearly all income levels some families were found to have good diets while others had diets graded poor. In large part this is due to differences in the quantities of protective foods that families procured directly from their farms. In part too, differences in grade of diet at a given income reflect the wide differences from family to family in the total money value of the food supply, and perhaps what is even more significant, differences in the proportion of the total money value that is represented by purchased food.

When most of the food supply is purchased, diets seldom include as much of the protective foods as when a well-planned food-production program is in operation. For example, only a small proportion of families probably would buy from a dealer as much milk as they would use if the farm furnished a generous supply of milk. This explains why farm families tend to have better diets than city families even when income and family size are the same.

Bureau of Home Economics

GRADE OF DIET ON FARMS

NONRELIEF WHITE OPERATORS, SOUTHEAST, 1936-37



U.S. DEPARTMENT OF AGRICULTURE NEG. 75 BUREAU OF HOME ECONOMICS

The distribution of families of white farm operators in the Southeast by income and grade of diet is shown in the chart above. Of the total number of family diets studied from this region, 26 percent were graded excellent, 17 percent good, 31 percent fair, and 26 percent poor.

Compared to similar estimates for the North and West, the proportion of excellent diets was lower and of poor diets, higher, in the Southeast. Although this may be explained in part by the fact that more of the families studied in the North and West were in higher income classes than in the Southeast, the same general relationship is found when the comparison is made for a given income class. With incomes at $500, almost half of the diets in the Southeast were poor as compared to a third of those in the North and West. With $1,500 incomes about a fifth of the diets in the Southeast were poor whereas only 6 percent of those in the North and West were so graded.

At each income level, families in the North and West had food of higher average money value per food-expenditure unit than those in the Southeast. In the latter region, families tended to have more members and, given the same income, large families are apt to spend less for food per person (or per unit) than are small ones.

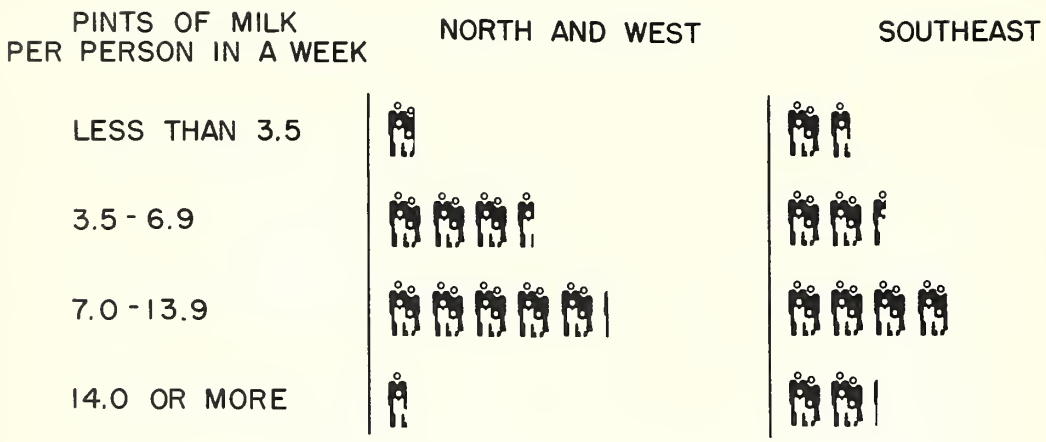
The relationship between money value and quality of diet should be carefully interpreted. Good diets are not necessarily expensive. They are good because of the kinds and quantities of foods they contain. In current practice, however, diets of higher money value usually contain more eggs, milk, green leafy vegetables, and vitamin C rich fruits than the diets of lower value. These foods generally make the difference between good and poor diets. They supply the calcium and vitamins A and C that were most frequently low in diets that were graded poor.

Source of data: Consumer Purchases Study

Bureau of Home Economics

MILK

LOW-INCOME* FAMILIES OF WHITE FARM OPERATORS, 1936-37



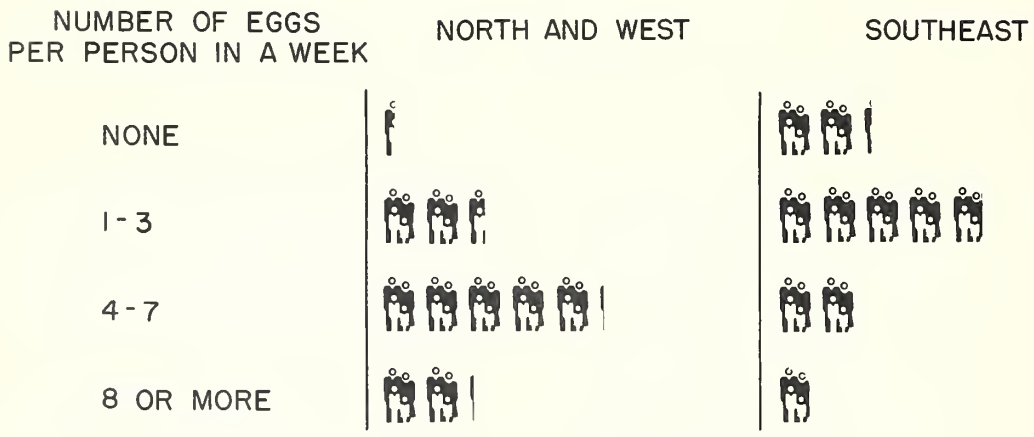
EACH SYMBOL REPRESENTS 10 PERCENT OF THE FAMILIES

*FAMILIES HAVING FOOD VALUED IN THE RANGE $1.38-$2.07 PER FOOD-EXPENDITURE UNIT IN A WEEK

U.S. DEPARTMENT OF AGRICULTURE NEG. 76 BUREAU OF HOME ECONOMICS

EGGS

LOW-INCOME* FAMILIES OF WHITE FARM OPERATORS, 1936-37



EACH SYMBOL REPRESENTS 10 PERCENT OF THE FAMILIES

*FAMILIES HAVING FOOD VALUED IN THE RANGE $1.38-$2.07 PER FOOD-EXPENDITURE UNIT IN A WEEK

BUREAU OF HOME ECONOMICS NEG. 77 U.S. DEPARTMENT OF AGRICULTURE

VARIATION IN CONSUMPTION OF SPECIFIED FOODS

There are great differences from family to family in the quantities consumed of various foods even when diets are of approximately the same money value. This explains why some families manage to obtain excellent diets while others have only poor diets for the same amount of money.

The variations in the consumption of specified kinds of food shown in the table below and in charts on pages 16 to 19, are for families with diets valued in the range 20 to 30 cents per food-expenditure unit per day. This relatively low level of money value of food is found more frequently among white operators' families in lower than in higher income classes. In the North and West 88 percent of the diets studied individually in connection with the Consumer Purchases Study were valued at more than this amount; in the Southeast, 65 percent.

Because seven-eighths of the records obtained in each region were collected in the 6-month period, June-November, the figures presented depict summer and fall dietary patterns rather than those of winter and spring. This fact affects the interpretation of data for products that have a seasonal swing in consumption, as eggs or citrus fruits.

Milk. Milk consumption was fairly low among farm families that had food valued at 20 to 30 cents per unit per day. Both in the North and West and in the Southeast, 40 percent or more of these families had less than a pint a day per person. Because the calcium content of diets is closely related to the quantity of milk consumed, many families in this money-value-of-food class had suboptimal supplies of calcium.

Eggs. Eggs are a good source of protein and iron and contain significant amounts of vitamin A and thiamin. They can be produced on farms in practically all parts of the country, and yet at the money-value-of-food level presented (20 to 30 cents per unit per day) egg consumption was very low in some households. Some farm families, 3 percent of those studied in the North and West and 22 percent in the Southeast, used no eggs during the week of the food study, while some used 8 or more per person per week.

Meat, poultry, and fish. In both regions about a third of the families whose diets were valued at 20 to 30 cents per unit per day consumed less than 1 pound of meat, poultry, and fish per person per week; another third, 1 to 2 pounds; the other third, 2 to 4 pounds, respectively. These differences in consumption contribute to the differences in quality of diet particularly with respect to protein, iron, thiamin, and riboflavin.

Vegetables other than potatoes. In the North and West, a fourth of the farm families studied that had food worth 20 to 30 cents per unit per day, used less than 1½ pounds of vegetables other than potatoes per person per week; a third, 1½ to 3 pounds; another third, 3 to 6 pounds; and a tenth, 6 pounds or more. These differences are due not only to food habits and tastes but to the fact that some families produced greater quantities of vegetables for home use than others. The level of vegetable consumption greatly affects the quantity of minerals and vitamins in the diet.

Citrus fruit. In diets valued at about 20 to 30 cents per unit per day, the average consumption of citrus fruit was low--57 percent of the families studied in the North and West and 85 percent of those in the Southeast had none during the week in which they kept food records (chiefly in the summer and fall); in the North and West 32 percent had some for each person but less than half a pound--about the weight of one large orange. Few families had more than this quantity. Citrus fruits are rich in vitamin C but because they require a cash outlay in most farm sections, low-income families seldom have them. Although other fruits and vegetables, especially tomatoes, contribute generous amounts of this nutrient, many farm diets were found to be low in vitamin C.

Fruit other than citrus. Most farm families with food worth from 20 to 30 cents per unit per day had some kind of fruit other than citrus during the week covered by the food records. By far the largest proportion--57 percent of the families of white operators in the North and West and 63 percent in the Southeast--were in the groups having some fruit but less than 3 pounds per person per week.

Percentage of low-income 1/ families consuming specified quantities of designated food groups, North and West and Southeast white farm-operator families, 1936-37 2/

Quantities per person in a week	Percentage of families 1/		Quantities per person in a week	Percentage of families 1/	
	North and West	Southeast		North and West	Southeast
Milk			Vegetables other than potatoes		
Less than 3.5 pints ...	8	16	Less than 1.5 pounds .	25	23
3.5 - 6.9 pints	35	24	1.5 - 2.9 pounds	33	22
7.0 - 13.9 pints	51	39	3.0 - 5.9 pounds	32	38
14.0 or more pints	6	21	6.0 or more pounds ...	10	17
Eggs			Citrus fruit		
None	3	22	None	57	85
1 - 3	25	49	0.01 - 0.49 pound	32	12
4 - 7	51	20	0.50 - 0.99 pound	5	1
8 or more	21	9	1.00 or more pounds ..	6	2
Meat, poultry, fish			Fruit other than citrus		
Less than 1.0 pound ...	30	32	None	11	29
1.0 - 1.9 pounds	37	36	0.1 - 2.9 pounds	57	63
2.0 - 3.9 pounds	33	30	3.0 - 5.9 pounds	21	5
4.0 or more pounds	0	2	6.0 or more pounds ...	11	3

1/ Families having food valued in the range $1.38 - $2.07 per food-expenditure unit in a week (20 to 30 cents a day). Household size was expressed in terms of food-expenditure units on the basis of the relative cost of feeding persons differing in age, sex, and activity. A moderately active man was counted as 1 unit while a 'teen age boy, for example, was counted as 1.1 unit, and a girl of 4, as 0.6 unit.

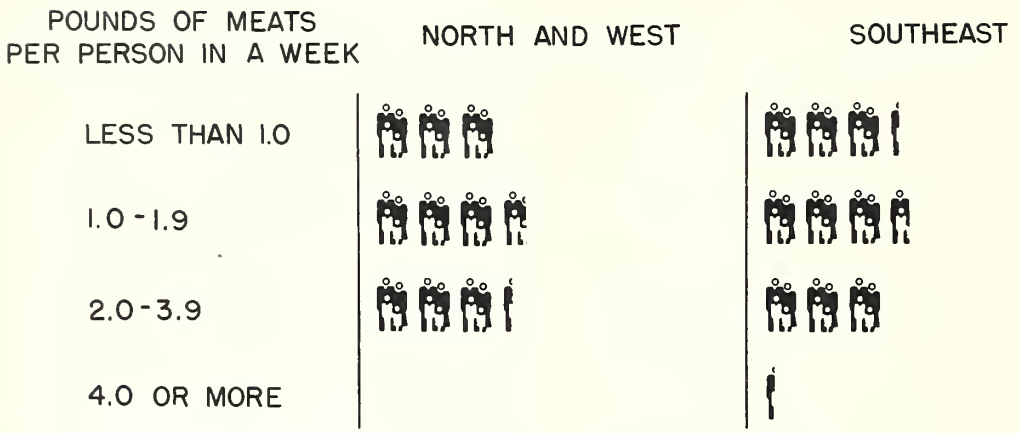
2/ Chiefly June to November 1936.

Source of data: Consumer Purchases Study

Bureau of Home Economics

MEAT, POULTRY, FISH

LOW-INCOME* FAMILIES OF WHITE FARM OPERATORS, 1936-37



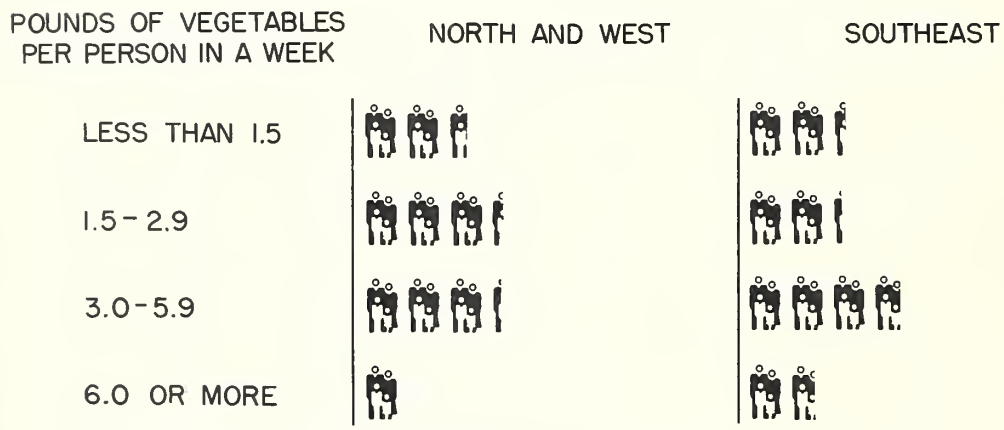
EACH SYMBOL REPRESENTS 10 PERCENT OF THE FAMILIES

*FAMILIES HAVING FOOD VALUED IN THE RANGE $1.38-$2.07 PER FOOD-EXPENDITURE UNIT IN A WEEK

U.S DEPARTMENT OF AGRICULTURE NEG. 78 BUREAU OF HOME ECONOMICS

VEGETABLES OTHER THAN POTATOES

LOW-INCOME* FAMILIES OF WHITE FARM OPERATORS, 1936-37



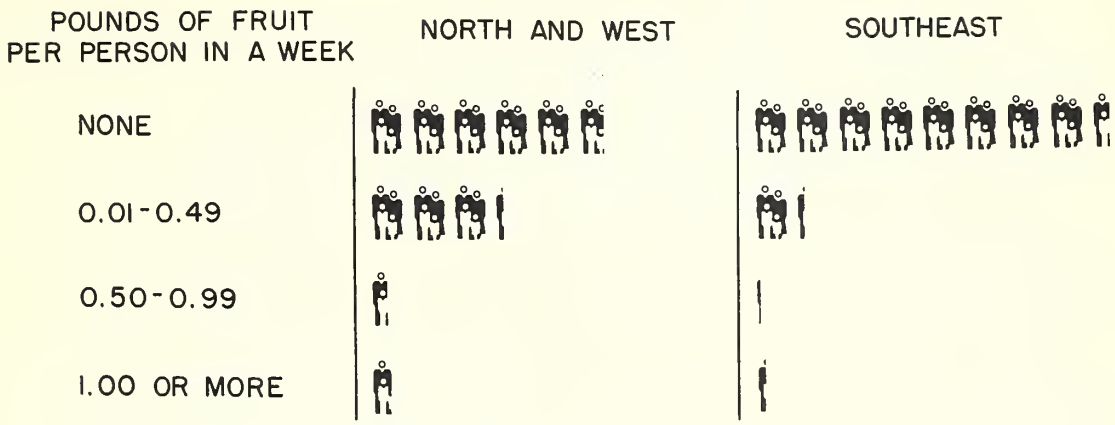
EACH SYMBOL REPRESENTS 10 PERCENT OF THE FAMILIES

*FAMILIES HAVING FOOD VALUED IN THE RANGE $1.38 - $2.07 PER FOOD-EXPENDITURE UNIT IN A WEEK

U S DEPARTMENT OF AGRICULTURE NEG. 79 BUREAU OF HOME ECONOMICS

CITRUS FRUIT

LOW-INCOME* FAMILIES OF WHITE FARM OPERATORS, 1936-37



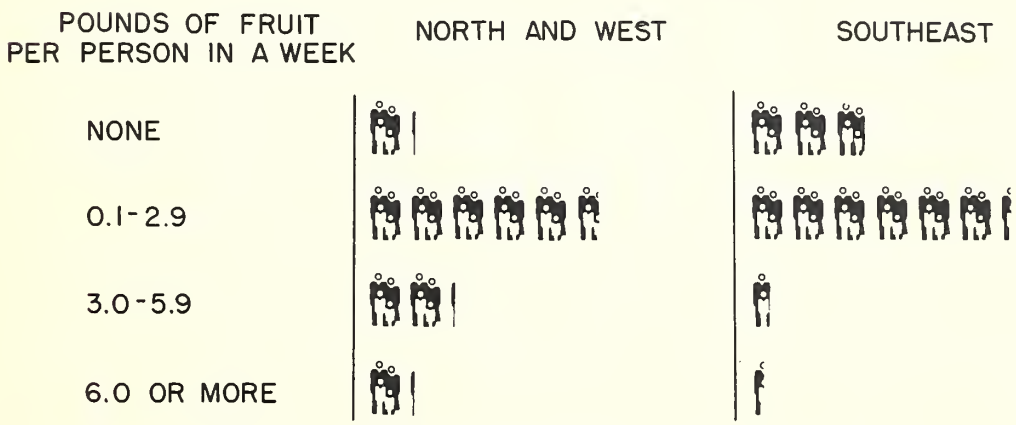
EACH SYMBOL REPRESENTS 10 PERCENT OF THE FAMILIES

*FAMILIES HAVING FOOD VALUED IN THE RANGE $1.38-$2.07 PER FOOD-EXPENDITURE UNIT IN A WEEK

U.S. DEPARTMENT OF AGRICULTURE NEG. 80 BUREAU OF HOME ECONOMICS

FRUIT OTHER THAN CITRUS

LOW-INCOME* FAMILIES OF WHITE FARM OPERATORS, 1936-37



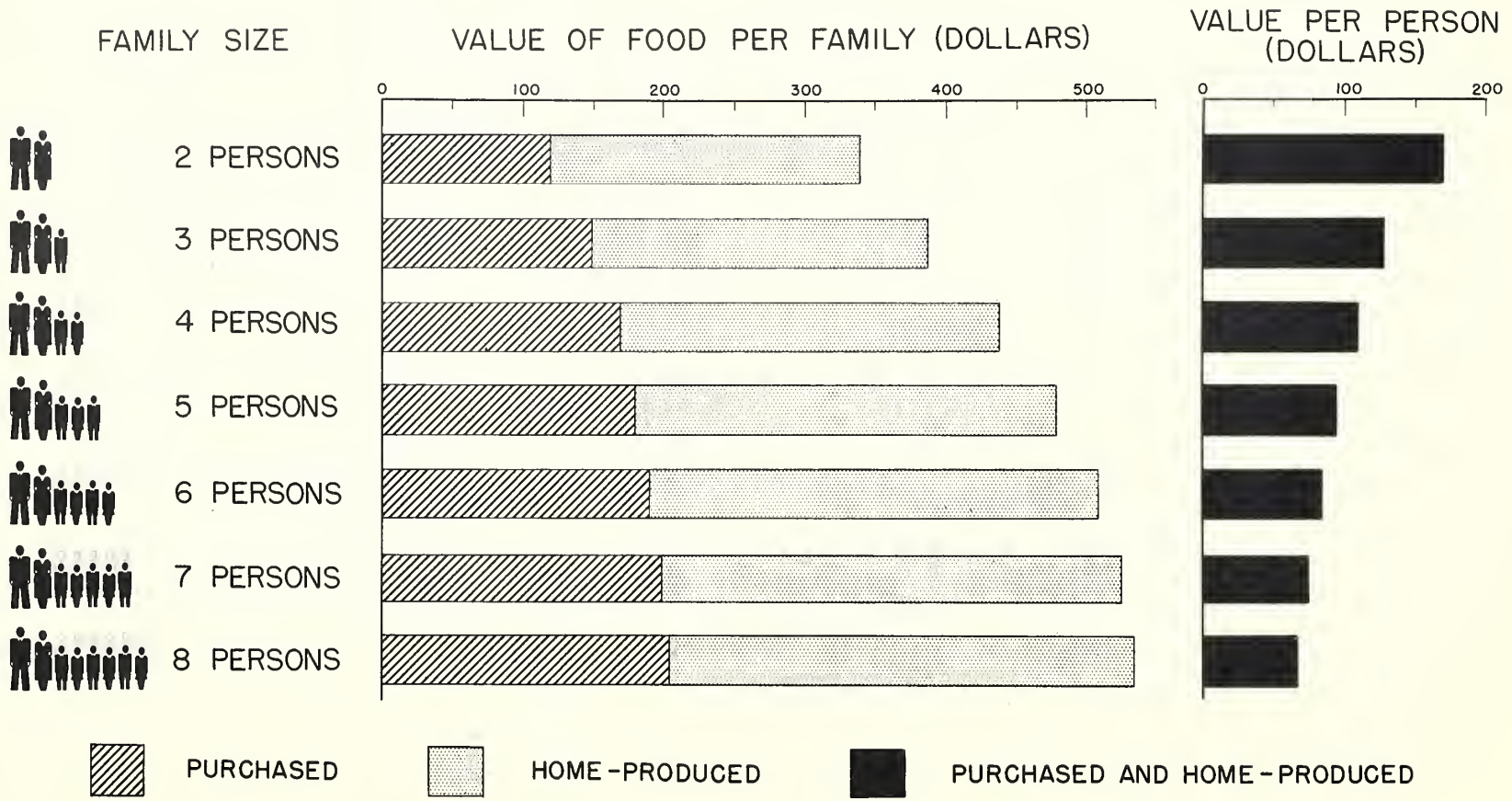
EACH SYMBOL REPRESENTS 10 PERCENT OF THE FAMILIES

*FAMILIES HAVING FOOD VALUED IN THE RANGE $1.38-$2.07 PER FOOD-EXPENDITURE UNIT IN A WEEK

U.S. DEPARTMENT OF AGRICULTURE NEG. 81 BUREAU OF HOME ECONOMICS

HOW FAMILY SIZE AFFECTS FOOD OUTLAYS

PENNSYLVANIA-OHIO FARM FAMILIES, INCOME (MONEY AND NONMONEY) CLASS $750-$999, 1935-36



U.S. DEPARTMENT OF AGRICULTURE

NEG. 82 BUREAU OF HOME ECONOMICS

HOW FAMILY SIZE AFFECTS FOOD OUTLAYS

Measured in dollars and cents, the food supply of families tends to increase with number of persons to be fed; but at a given income level an increase in family size does not bring a proportional rise in the money value of food. This is shown on the chart on page 20 and in the table below. These data refer to farm families in Pennsylvania and Ohio with incomes in the class $750-$999.

In this group the four-person families had food with an average money value of $440 as compared to $340 for the two-person families. Thus, the value of the food of the larger families was less than a third (29 percent) higher, although there were twice as many members to be fed.

With each additional person in the family, the increase in the average money value of the family's food became smaller and smaller. For example, the food of the three-person families was valued at $50 a year more than that of the families with two persons; for six persons, the money value was only $30 more than for five persons; similarly for eight persons, it was only $8 more than for seven persons.

The money value of the family food supply expressed on a per capita basis also reflects the need for food economy as number of members increases. The chart shows that at the same income level, large families did not enjoy so high a dietary level as small ones. Among families with six members, the money value of food amounted to an average of $85 per person for the year; for two-person families, the average value was $170 per person or just twice as much as for each member in the larger families. Although there may be some economy in purchasing and preparing food for large families, this alone does not account for the difference between the money value of food per person in small and large families. Obviously, the large families had less expensive food, or smaller quantities, or both.

Money expenditures for the family's food increased with increasing family size. But here again when expressed on a per capita basis, the amounts spent for food decreased as family size became larger. The two-person families spent an average of $60 a year per person; families of four, $42 per person; and families of six, $32 per person in a year. At a given income level it is more difficult for large than for small families to provide for their members' needs and wants. Food is not the only item that calls for greater expenditures as family size increases. The wardrobe of the large family costs more even though the husband and wife spend less on their clothes than parents of only one or two children. Family outlays (as contrasted with per capita) for personal care and for education are greater too; but savings are smaller.

If there is little opportunity for increasing cash income, families must look to the farm for the additional food needed to maintain a satisfactory dietary level. The larger the family the more important it becomes to produce a generous share of the household food supply.

At the income level $750-$999, the larger families did not succeed in making the adjustment needed to provide a liberal food supply. Not only did expenditures for the food of each person decrease as family size increased, but the value per person of home-produced food likewise decreased, and at an even faster rate. For example, the per capita food expenditures of four-person families were 70 percent as great as those of two-person families, while the money value of the farm-furnished food was only 61 percent as great. The money value of the food (home-produced and purchased) of families of three to eight members is shown below as a percentage of the money value of the food to the two-person families:

Number of persons in family:	Relative money value per person (2-person family = 100)	
	Purchased	Home-produced
2	100	100
3	83	72
4	70	61
5	60	55
6	53	48
7	47	43
8	43	37

Apparently, in this Pennsylvania-Ohio farm group, home-production programs were not scaled to meet the needs of the larger families though this would have improved their dietary levels.

Value of purchased and home-produced food per family and per person, by number of persons in family, Pennsylvania-Ohio farm families, family-income 1/ class $750-$999, 1935-36

Number of persons in family	Value of food per family			Value of food per person		
	All	Purchased	Home-produced	All	Purchased	Home-produced
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
2	340	120	220	170	60	110
3	390	150	240	130	50	80
4	440	170	270	110	42	68
5	480	180	300	96	36	60
6	510	190	320	85	32	53
7	527	200	327	75	29	46
8	535	205	330	67	26	41

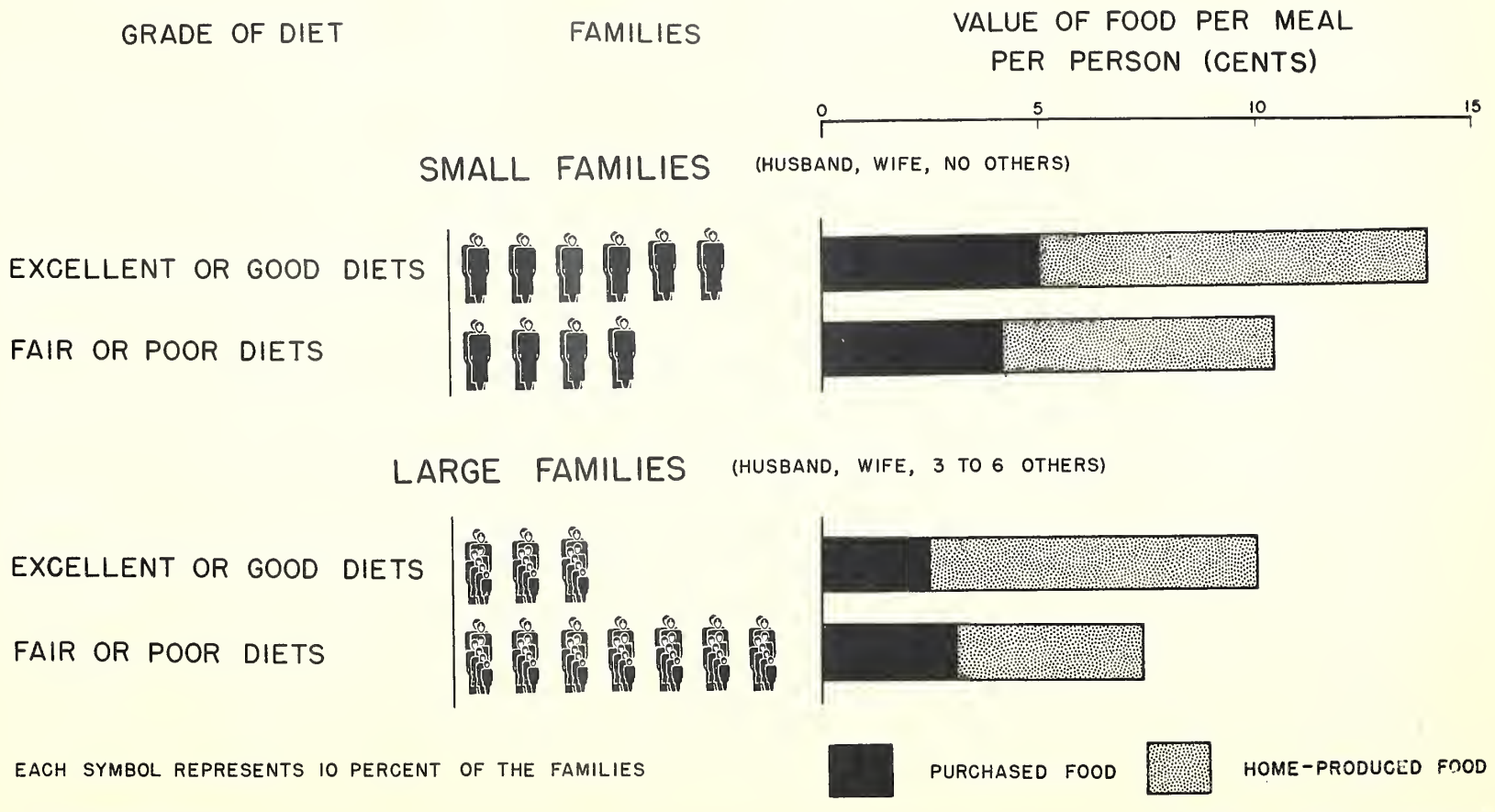
1/ Money and nonmoney.

Source of data: Consumer Purchases Study. Bureau of Home Economics

DIETS OF SMALL AND LARGE FAMILIES

GRADE OF DIET AND MONEY VALUE OF FOOD

SOUTHEAST WHITE FARM FAMILIES, INCOME (MONEY AND NONMONEY) CLASS $500–$999, 1936-37



U.S. DEPARTMENT OF AGRICULTURE

NEG. 83 BUREAU OF HOME ECONOMICS

DIETS OF SMALL AND LARGE FAMILIES

Grade of diet and money value of food

At a given income level small families are more likely to have excellent or good diets than are large families. This is shown in the chart on page 22 and in the accompanying table, both of which refer to white families of farm operators and sharecroppers in the Southeast, in the income class $500-$999. Six out of 10 small families (consisting of husband and wife only) had excellent or good diets but only 3 out of 10 large families (5 to 8 persons) had diets that could be so classed.

On the same income small families find it easier than large families to have adequate diets because of differences in relative economic status. An income of $750 a year, for example, will go much further toward providing for the needs of two adults than it will for a family of two adults and four children. There is more money to spend for the food of each person in the small than in the large family.

On farms, the amount of money spent for food does not necessarily determine the quality of the diet, however. As shown by the chart, the larger families with excellent or good diets spent less per person than those with poor diets, but they produced food valued at almost twice as much.

The cost of an extensive home food-production program is another reason why smaller families are more likely to have good diets than larger families. For example, two farms similar in size might each have a cow, some chickens, a few pigs, some fruit trees and a vegetable garden. But if there were three persons in one household and six in the other, it is obvious that there would be more home-produced food for each person in the small than in the large family. To have an equally generous supply of home-produced food, the larger family would have to increase greatly its investment of capital, land, and labor in the enterprise.

Percentage of small and large families having diets graded excellent or good and fair or poor, and money value per meal per person of purchased and home-produced food, Southeast white farm-operator and sharecropper families, family-income 1/ class $500-$999, 1936-37

Family size and grade of diet	Families	Value of food per meal per person		
		All	Purchased	Home-produced
	Pct.	Cents	Cents	Cents
Small families 2/				
Excellent or good diets	60	14.0	5.0	9.0
Fair or poor diets	40	10.5	4.2	6.3
Large families 3/				
Excellent or good diets	30	10.1	2.5	7.6
Fair or poor diets	70	7.5	3.2	4.3

1/ Money and nonmoney.
2/ Husband, wife, no others.
3/ Husband, wife, 3 to 6 others.

Source of data: Consumer Purchases Study

For both the small and large families represented by figures in the table and chart, the money value of the excellent or good diets was at least a third more than that of the fair or poor diets. In both family-size groups home-produced food accounted for a greater share of the total money value of the excellent or good diets than of those classed fair or poor, as shown below:

	Percentage of money value of food		
	All	Purchased	Home-produced
Small families			
Excellent or good diets	100	36	64
Fair or poor diets	100	40	60
Large families			
Excellent or good diets	100	25	75
Fair or poor diets	100	43	57

The difference is particularly marked in the case of large families. Those with satisfactory diets produced food that accounted for three-fourths of the total money value, whereas families with unsatisfactory diets produced on their farms only a little over half of the total.

To be adequate from the nutritional standpoint it is unnecessary for the money value of diets to be as high as frequently is found in dietary analyses. The excellent or good diets obtained by these two-person families in the Southeast (white farm operators and sharecroppers in the income class $500-$999) were valued at an average of 14 cents per meal per person. This represents an expensive form of a good diet. The larger families that succeeded in obtaining excellent or good diets did so for 10.1 cents per meal per person. They had a moderate-cost good diet.

The large families that succeeded in obtaining excellent or good diets for 10.1 cents per meal per person probably were able to do so because a large share--75 percent--of their food supply was home-produced. The small families that obtained only fair or poor diets although their food was valued at about the same amount, received only 60 percent of their food supply directly from their farms.

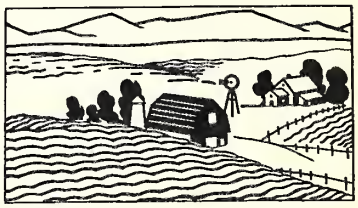
Foods which can be produced on the farm--milk, eggs, meats, vegetables and fruits--usually make the difference between good and poor diets. At a given income level the diets of large families seldom include as generous quantities of these foods per person as small families enjoy; consequently diets of the large families are less likely to be nutritionally adequate than are those of the small. The more limited the income the more important it becomes for families to plan and carry out suitable home-production programs. By so doing they not only can release cash for other items of family living, but they can go far toward safeguarding the nutritive quality of their food supply.

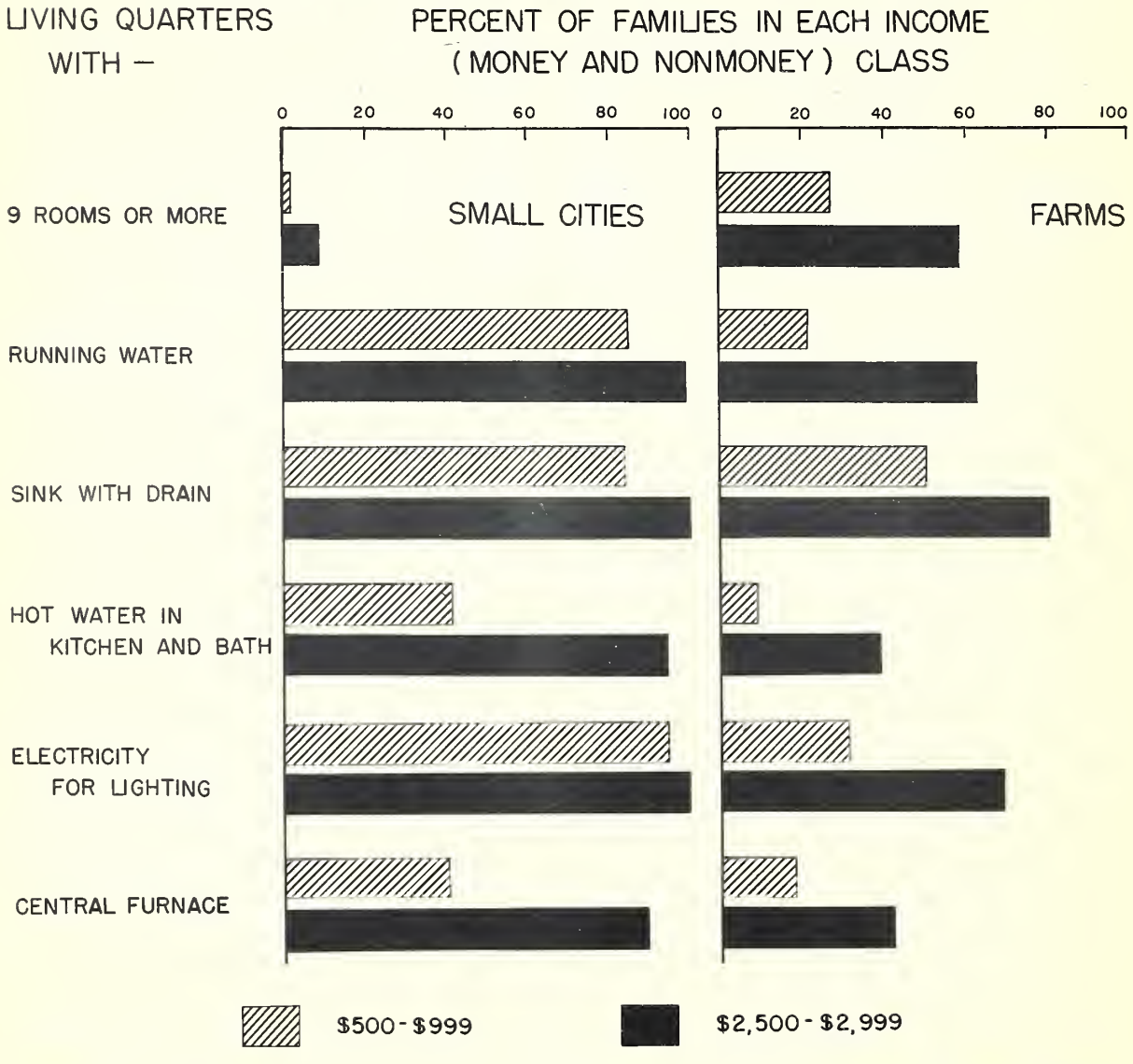
Bureau of Home Economics

FACILITIES IN LIVING QUARTERS

NORTH CENTRAL SMALL CITIES AND PENNSYLVANIA-OHIO FARM SECTION, 1935-36







FACILITIES IN LIVING QUARTERS

The proportion of families who have modern housing facilities becomes greater with increases in the income available for providing such advantages, yet even at the higher income levels farm families are generally far less fortunate in this respect than are their urban neighbors. Without doubt many of these families would be glad to spend the money necessary for maintain such facilities if the initial provision were as easy to accomplish as it is in most cities and villages. For such conveniences as electricity and running water, a greater installation outlay is usually necessary in rural than in urban areas.

Such relationships between income and facilitiee, and urbanization and facilities, are exemplified in the accompanying table and in the chart on page 24, which show data for families at two income levels (relatively low and high) in a Pennsylvania-Ohio farm section, compared with families receiving similar incomes in North Central small cities.

It will be seen that farm families surpassed the small-city families with respect only to the percentages having nine or more rooms in their living quarters. It should be remembered, however, that in many farm homes only part of the rooms are heated in winter and hence are of limited use to the household in some months. At the income level $500-$999, 27 percent of the farm families had homes with nine or more rooms, as compared with only 2 percent of the small-city families. Comparable percentages for the families in the income class $2,500-$2,999 were 59 and 9.

Of the facilities shown in the table, the most prevalent in farm homes was the kitchen sink with drain. Nevertheless, even this comparatively inexpensive convenience was found in the houses of only 50 percent of the lower income group and 81 percent of those having incomes in the clase $2,500-$2,999. In the cities, even at the lower income level, as many as 84 percent of the families had not only this facility but running water and electricity for lighting ae well.

While the provision of running water indoors was as frequent as that of the sink with drain in the homes of small-city families, it was considerably less common in farm homes. Of families in the class $500-$999 on farms only 21 percent had any running water; in the class $2,500-$2,999, 63 percent had been able to install this facility. While many of the families without running water were supplied by a hand pump indoors, in some homes it was necessary to bring water from an outside source.

Running hot and cold water in both kitchen and bath was found much less frequently than "any" running water at both income levels in the farm section and at the lower level in the urban group. This difference would indicate that running water in many of the homes was limited to cold water in the kitchen only. More than three-fifths of the farm families in the income class $2,500-$2,999 who had any running water at all had utilized it to the extent of providing hot and cold water in both kitchen and bath. In the lower income group, only about two-fifths of the families had been able to accomplish thie improvement.

Electricity for lighting, as has been indicated, was almost universally used by the small-city families. Even at the lower income level as many as 95 percent of the families had this utility, while every family in the class $2,500-$2,999 had an electrically-lighted home. The proportions of farm homes which were lighted by electricity were considerably smaller, only 31 and 70 percent in the two income classee, respectively. It seems reasonable to surmise that most of the 30 percent without electricity at the higher income level were without it due to lack of power lines in the vicinity. Even in the lower income class, it is probable that many of the 69 percent who lacked this accommodation would have installed it had a power line run past their homes. A discussion of recent developments in the extension of electric service to farm families will be found on page 28.

The central furnace as a principal method of heating the home was used much less often in the farm home than in the city home. Only 18 percent of the families in the income class $500-$999 and 42 percent at the higher income level used this method on the farms as compared with 40 and 90 percent of the city families at the respective income levels. That furnace-heated homes are less prevalent in farm than urban areas may be due to greater costs of installation of such equipment. In addition, the type of fuel obtained from the farm wood lot usually ie more satisfactorily consumed in stoves than in furnaces.

Percentage of families having specified facilities in living quarters, two family-income 1/ classes, North Central small cities and Pennsylvania-Ohio farm section, 1935-36

Item	North Central small-city families in family-income class -		Pennsylvania-Ohio farm families in family-income class -	
	$500-$999	$2,500-$2,999	$500-$999	$2,500-$2,999
	Percent	Percent	Percent	Percent
Families having in living quarters:				
9 rooms or more	2	9	27	59
Any running water indoors	85	99	21	63
Kitchen sink with drain	84	100	50	81
Running hot and cold water in both kitchen and bath	41	95	9	39
Electricity for lighting	95	100	31	70
Central furnace	40	90	18	42

1/ Money and nonmoney

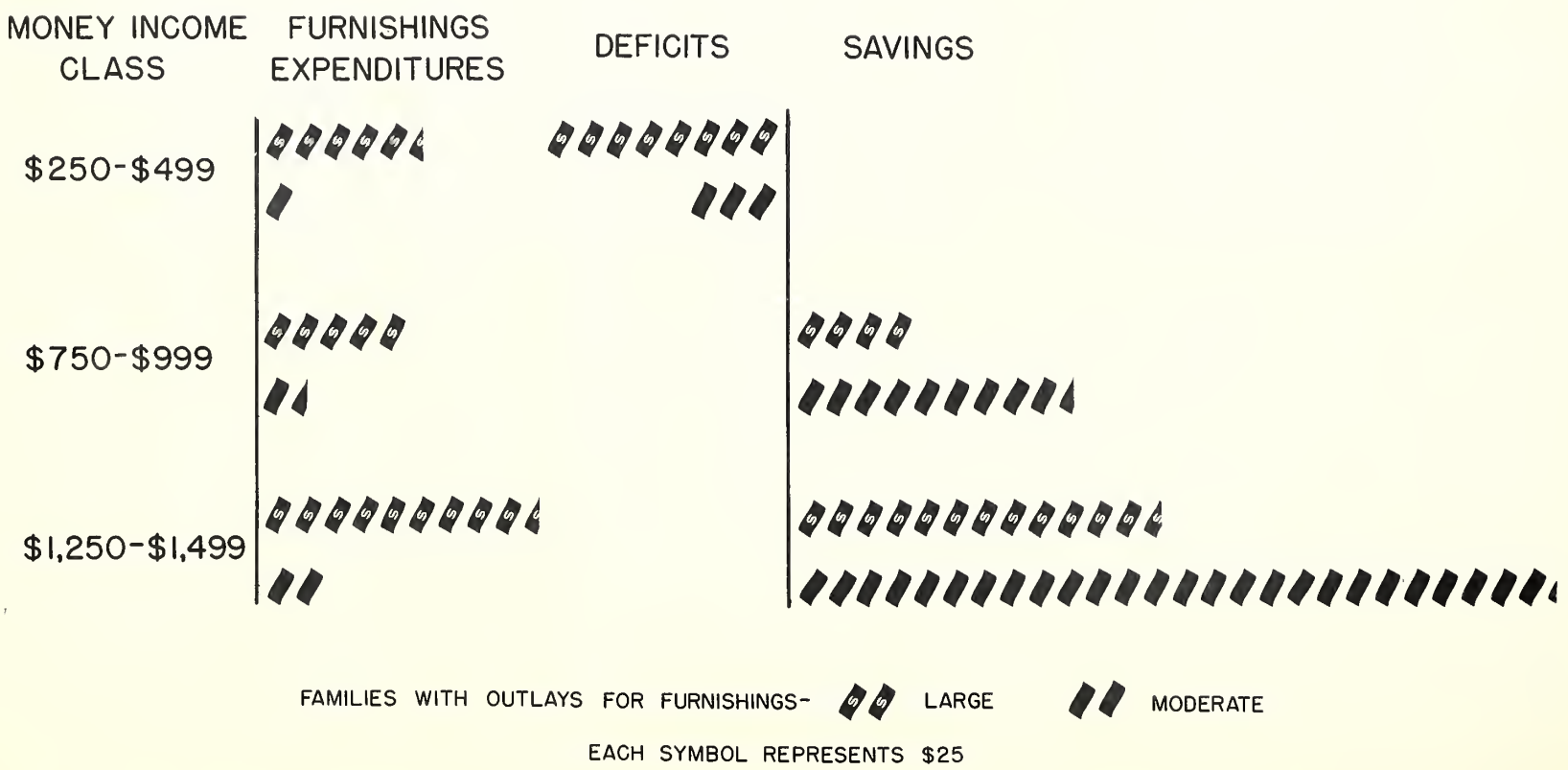
Source of data: Consumer Purchases Study

Bureau of Home Economics

HOW FAMILIES PAY FOR FURNISHINGS

LARGE OUTLAYS COME FROM PAST OR FUTURE SAVINGS

MIDDLE ATLANTIC AND NORTH CENTRAL FARM FAMILIES WITH TWO CHILDREN UNDER 16, 1935-36



U.S. DEPARTMENT OF AGRICULTURE

NEG 85 BUREAU OF HOME ECONOMICS

HOW FAMILIES PAY FOR FURNISHINGS

Almost all farm families spend something for household furnishings and equipment each year. Money is needed for replacing broken or worn-out articles, as for new brooms and other cleaning equipment; paring knives and various kitchen tools; glasses and dishes; towels, sheets, and pillow cases. Amounts spent for such replacements and additional household furnishings and equipment usually are small, ranging around $20 for families at the lower family-income levels and more than $60 for those in the comparatively well-to-do groups. For families in every income group, high or low, such expenditures are only about 3 percent of net family income (money and nonmoney).

Occasionally, however, comparatively large outlays are made, as for a mechanical washing machine, a stove, a davenport, or some other of the more expensive pieces of furniture or equipment. A large expenditure of this sort, perhaps as much as $100, might be from two to five times the amount that was ordinarily spent. The family, therefore, would have to readjust its financial plans to provide the necessary funds. Any of the methods listed below, or a combination of them, might be followed:

(a) Amounts customarily budgeted for other items of living might be cut and the purchase made from the share of the year's net money income usually allocated to family living;

(b) Customary savings might be reduced, thus making the purchase from the year's income without economizing on items of household expense;

(c) The family might draw upon its savings;

(d) Some type of credit might be used.

Farm families whose outlays for furniture and equipment were unusually large have been compared with those whose outlays were moderate in order to learn something concerning the financial adjustments made. Families composed of husband, wife, and two children under 16 living on farms in the Middle Atlantic-North Central region were included in the groups for which data are presented in the table below and in the chart on page 26. Three money-income levels are represented.

Most of the farm families that spent large amounts for furnishings and equipment apparently did not reduce their outlays for other items of family living. For example, money expenditures for all family living except for furnishings and equipment averaged $433 ($570 minus $137) for the group of families in the money-income class $250-$499 that spent greater-than-usual amounts for that budget category; $455 ($476 minus $21) for the group whose expenditures were moderate. At the two higher income levels, the families whose expenditures for equipment or furnishings were relatively high spent even more for other items of living than did the families that made moderate purchases.

Many of the families at each of the two upper income levels apparently financed their greater-than-usual purchases by a reduction of savings (i.e., of surplus) for the year. For example, at the income level $750-$999 the families with large outlays for furnishings and equipment had an average surplus of $98; those with moderate outlays, a surplus of $238, more than twice as great. The larger average surplus of the latter families is not to be accounted for solely by their lower expenditures for this one budget category; their average expenditures for other items of living were smaller also, as already noted.

At the lower income level, $250-$499, most families making greater-than-usual outlays apparently were unable to finance them from current income but drew upon savings or incurred debts; the group as a whole ended the year with an average deficit of $202. The group with moderate outlays also "went in the red" but their average deficit was much smaller--$72.

Some families at each of the three income levels may have used various types of credit to finance their larger-than-usual outlays. Thus a family spending $100 for a mechanical refrigerator may have found it wise to borrow funds for such a purchase in order that current income might be used to meet a payment on a mortgage. Farm families planning to borrow for such purchases should investigate the different types of credit available and their costs, before making commitments.

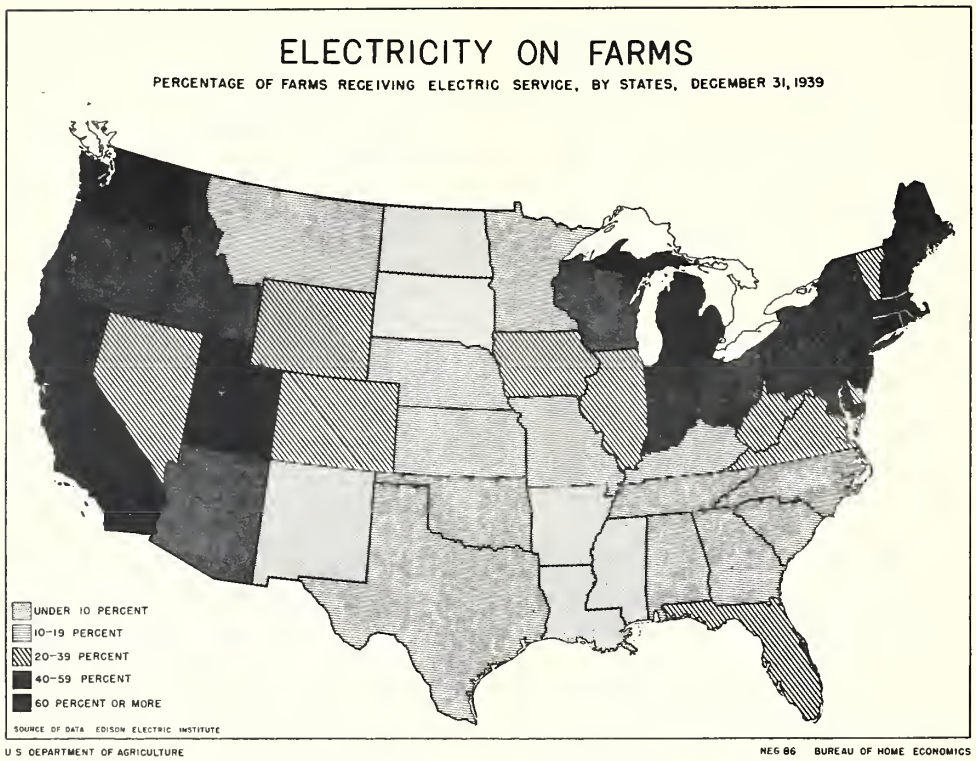
That a family can make a higher-than-usual outlay without going into debt does not necessarily prove that such a purchase is wise. It may mean leaving debts from other years unpaid, or sacrificing opportunities for getting ahead financially. In reaching its decision, the family should consider carefully its whole financial situation and what will add most to its long-time goals, as well as its present needs and wants.

Average expenditures for family living and for household furnishings; and change in net worth, for families at two levels of expenditures for household furnishings, Middle Atlantic and North Central farm families with two children under 16, three selected money-income classes, 1935-36

Money-income class (dollars)	Families whose expenditures for household furnishings were large				Families whose expenditures for household furnishings were moderate			
	Expenditures for family living	Expenditures for household furnishings		Net surplus or deficit (-)	Expenditures for family living	Expenditures for household furnishings		Net surplus or deficit (-)
	Dollars	Dollars	Percent 1/	Dollars	Dollars	Dollars	Percent 1/	Dollars
250 - 499	570	137	24.0	-202	476	21	4.4	-72
750 - 999	816	125	15.3	98	633	38	6.0	238
1,250 - 1,499.	1,029	239	23.2	315	731	53	7.3	659

1/ Percentage of total money expenditures for family living. This percentage is larger, of course, than the percentage of family (money and nonmoney) income taken for such expenditures.

Source of data: Consumer Purchases Study — Bureau of Home Economics



Advantages of electricity from power lines were extended in 1939 to about 380,000 additional farm families, bringing the number receiving electric service to about 28 percent of all occupied farms in the United States, as compared with 22 percent in 1938, according to the Edison Electric Institute (see table below). Approximately two-thirds of the increase was accounted for by new connections to rural cooperative lines financed by the Rural Electrification Administration.

Percentage of occupied farms receiving electric service 1/, by regions, 1938 and 1939

Region	Dec. 31, 1938	Dec. 31, 1939
	Percent	Percent
United States	22	28
New England	56	59
Middle Atlantic	55	61
East North Central .	38	50
West North Central .	13	18
South Atlantic	14	19
East South Central .	7	12
West South Central .	6	10
Mountain	28	34
Pacific	74	79

1/ These data do not include farms which had individual lighting plants.

Source of data: Edison Electric Institute Statistical Bulletin No. 7.

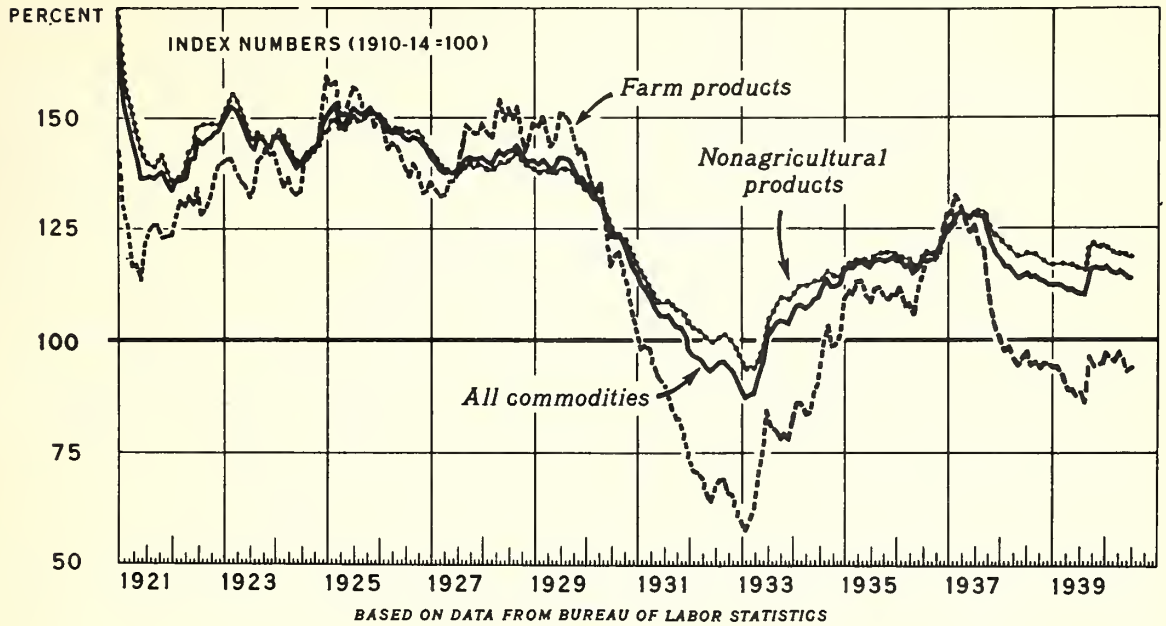
New York and Pennsylvania joined Michigan, Ohio, and California in having 100,000 or more farms served by electric power lines in 1939. At the close of the year only 6 of the 48 States had fewer than 10 percent of their farms connected with power lines, as shown by the map above. However, the Edison Electric Institute estimates that more than 4,600,000 of the Nation's occupied farms are still without electric service.

The Rural Electrification Administration reports that a continuous decline in the cost per mile of borrowers' systems has been effected by special designing, simplification, and standardization of rural lines to meet rural needs, and by placing construction on a mass-production basis. This reduction in the cost of REA lines in comparison with urban-type lines formerly constructed in rural areas has made possible the establishment of lower minimum charges, with the result that a much larger number of farm families are able to afford some electric service.

According to a survey of members of cooperatives financed by the Rural Electrification Administration, made in 1939 after these families had an average of about 10 months of electric service, the six household appliances most generally owned were: Hand iron, owned by 84 percent of the families; radio, by 82 percent; washing machine, by 59 percent; refrigerator, by 32 percent; toaster, by 31 percent; and vacuum cleaner, by 21 percent.

Bureau of Home Economics

WHOLESALE PRICES OF FARM AND NONAGRICULTURAL PRODUCTS AND OF ALL COMMODITIES, 1921-40



BASED ON DATA FROM BUREAU OF LABOR STATISTICS

U. S. DEPARTMENT OF AGRICULTURE NEG. 32678 BUREAU OF AGRICULTURAL ECONOMICS

Wholesale prices of farm products rose about 6 percent during the 12-month period from June 1939 to June 1940, the index number increasing from 87.5 to 92.8 (base, 1910-14). Prices of nonagricultural goods changed less, about 2 percent; index numbers for the two months were 116.1 and 118.2.

Since the rise in wholesale prices of both agricultural and nonagricultural products occurred in the latter part of 1939, after a decline during the first 8 months, the price index for the year as a whole was below that for 1938 for all commodities and for each of the two subgroups--farm and nonagricultural.

Wholesale prices of farm and nonagricultural products and of all commodities, 1921-40 1/
Index numbers (1910-14 = 100)

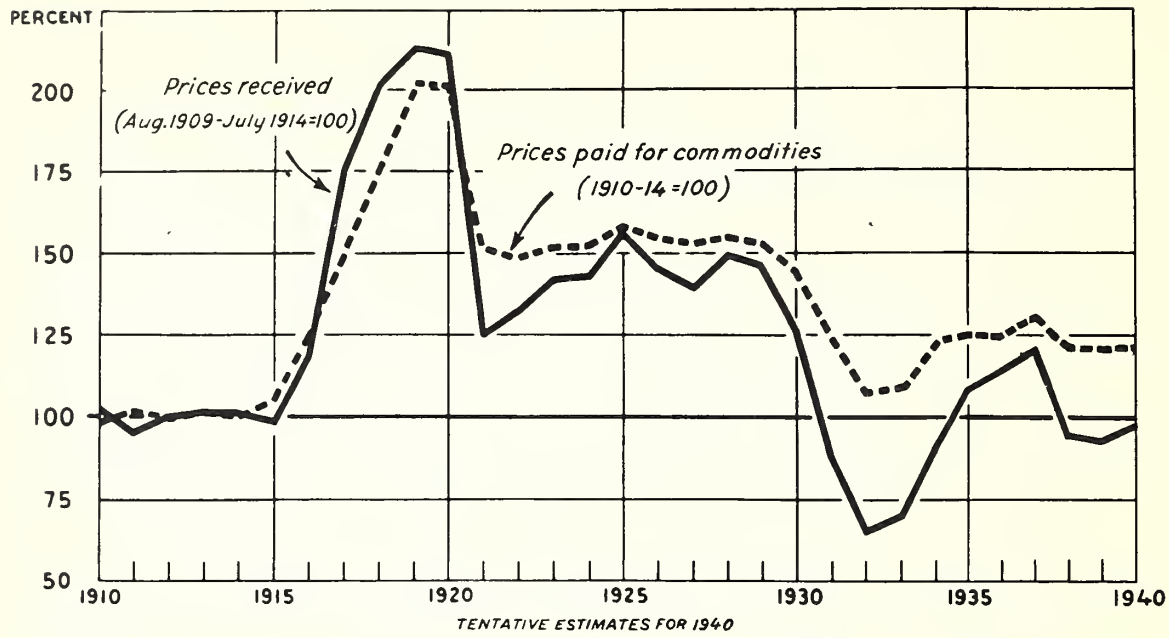
Year	Farm products	Nonagricultural	All commodities
1921	124.0	148.3	142.5
1922	131.6	144.1	141.2
1923	138.3	149.5	146.9
1924	140.3	143.9	143.2
1925	154.0	150.2	151.1
1926	140.3	148.1	146.0
1927	139.4	140.1	139.3
1928	148.5	140.4	141.2
1929	147.1	138.2	139.1
1930	123.8	127.3	126.1
1931	90.9	110.5	106.6
1932	67.6	101.2	94.6
1933	72.1	102.2	96.2
1934	91.6	113.9	109.3
1935	110.5	118.8	116.8
1936	113.5	119.6	118.0
1937	121.2	127.7	126.0
1938	96.1	119.4	114.7
1939	91.6	117.8	112.6
1940			

Year and month	Farm products	Nonagricultural	All commodities
1939			
Jan.	94.2	116.9	112.3
Feb.	94.2	116.9	112.3
Mar.	92.3	117.0	112.0
Apr.	89.3	116.7	111.2
May	89.3	116.7	111.2
June	87.5	116.1	110.4
July	87.8	115.7	110.1
Aug.	85.6	115.4	109.5
Sept.	96.4	120.4	115.5
Oct.	94.1	121.5	115.9
Nov.	94.4	120.9	115.6
Dec.	94.8	120.9	115.6
1940			
Jan.	96.9	120.7	115.9
Feb.	96.4	119.7	114.9
Mar.	95.2	119.3	114.5
Apr.	97.3	119.3	114.7
May	95.2	119.3	114.5
June	92.8	118.2	113.1
July			
Aug.			
Sept.			
Oct.			
Nov.			
Dec.			

1/ The nonagricultural series is based on prices of all commodities other than farm products. Data based on Bureau of Labor Statistics index numbers.

Source of data: Bureau of Agricultural Economics Bureau of Home Economics

PRICES RECEIVED AND PAID BY FARMERS, INDEX NUMBERS, 1910-40



The ratio between prices received and prices paid was more favorable to the farm family during the first six months of 1940 than was the ratio of the years 1938 or 1939. The response to improved general business conditions is usually smaller in the prices of goods farmers buy than in the prices of commodities they sell. Accordingly, farm family purchasing power--so far as it is reflected in the price ratio--usually increases during upturns in business activity.

The sudden rise in prices in late 1939 was for the most part maintained during the first half of 1940. In July 1940, the ratio of prices received to prices paid was at a level slightly more favorable to the farmer than its average for 1939. The farm family's net income from agriculture and its purchasing power depend not only upon the prices of the goods and services they buy and sell but also upon the quantities of products they market.

Prices received and paid by farmers, 1910 to date (Index numbers, 1910-14 = 100)

Year	Prices		Ratio
	Received 1/	Paid 2/	
1910	102	98	104
1911	95	101	94
1912	100	100	100
1913	101	101	100
1914	101	100	101
1925	156	157	99
1926	145	155	94
1927	139	153	91
1928	149	155	96
1929	146	153	95
1930	126	145	87
1931	87	124	70
1932	65	107	61
1933	70	109	64
1934	90	123	73
1935	108	125	86
1936	114	124	92
1937	121	130	93
1938	95	122	78
1939	93	121	77

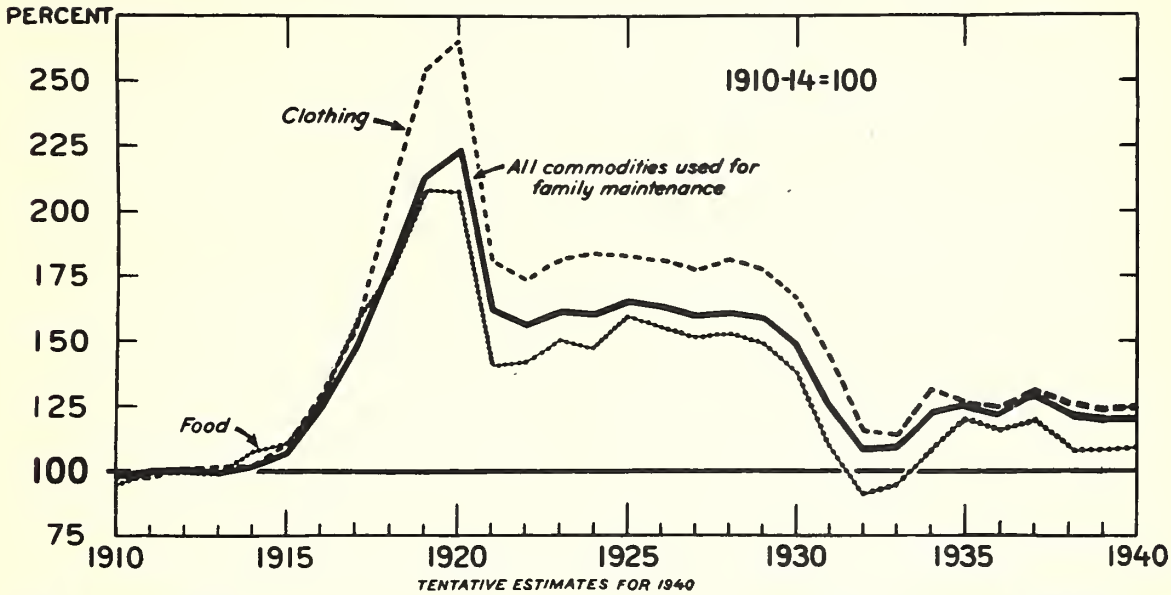
1/ Base period: August 1909-July 1914 = 100.
2/ These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly, i.e. for March, June, September, and December. The indexes for other months are interpolations between the successive quarterly indexes.
3/ Preliminary.

Source of data: Bureau of Agricultural Economics.

Year and month	Prices		Ratio
	Received 1/	Paid 2/	
1939			
January	94	120	78
February	92	120	77
March	91	120	76
April	89	120	74
May	90	120	75
June	89	120	74
July	89	120	74
August	88	119	74
September	98	122	80
October	97	122	80
November	97	122	80
December	96	122	79
1940			
January	99	122	81
February	101	122	83
March	97	123	79
April	98	123	80
May	98	123	80
June	95	3/ 123	3/ 77
July	95	3/ 122	3/ 78
August			
September			
October			
November			
December			

Bureau of Home Economics

Prices Paid by Farmers for Food, Clothing, and Family Maintenance, 1910-40



U. S. DEPARTMENT OF AGRICULTURE NEG. 24214-B BUREAU OF AGRICULTURAL ECONOMICS

The gradual decline begun in 1938 in prices paid for clothing and all commodities for family maintenance continued through 1939. Average food prices, however, held at the 1938 level. Price levels quoted are for each group of expenditures as a whole; specific items within a group may or may not follow the group trend. With the exception of the years 1932 and 1933, average prices for all three groups of items in 1939 were as low as or lower than prices quoted for the past fifteen years.

The failure of food prices to decline probably was due to the increased domestic demand accompanying improved general business activity, and the sharp increase in the prices of certain foods occasioned by the outbreak of war in the late months of 1939. Reductions in the price level of clothing and the all-commodities group served to better the position of farm families as buyers during 1939.

During the first quarter of 1940 prices paid for food, clothing, and all commodities rose above the average price levels of 1939. Should this upward movement continue during the remaining months of 1940, higher farm incomes are needed if farm families are to be as well off in 1940 as in 1939.

Prices paid by farmers for food, clothing, and all commodities used for family maintenance, 1924 to date
(Index numbers, 1910-14 = 100)

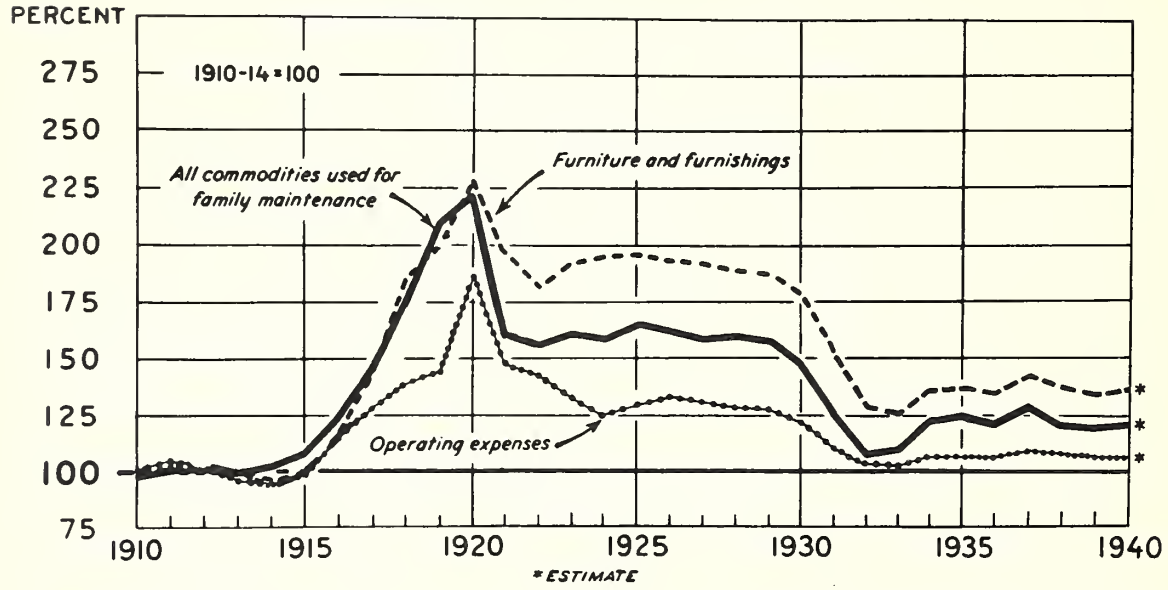
Year	Food	Clothing	All commodities used for family maintenance
1924	148	183	159
1925	159	182	164
1926	155	180	162
1927	152	177	159
1928	153	181	160
1929	149	177	158
1930	137	167	148
1931	109	142	126
1932	90	115	108
1933	95	114	109
1934	108	131	122
1935	120	126	124
1936	116	125	122
1937	120	131	128
1938	108	126	122
1939	108	124	120
1940			

Current data published in mimeographed releases of Agricultural Marketing Service entitled "Midmonth Local Market Price Report." Prices are collected four times a year and are weighted to give the indexes quoted above.

Source of data: Bureau of Agricultural Economics and Agricultural Marketing Service.

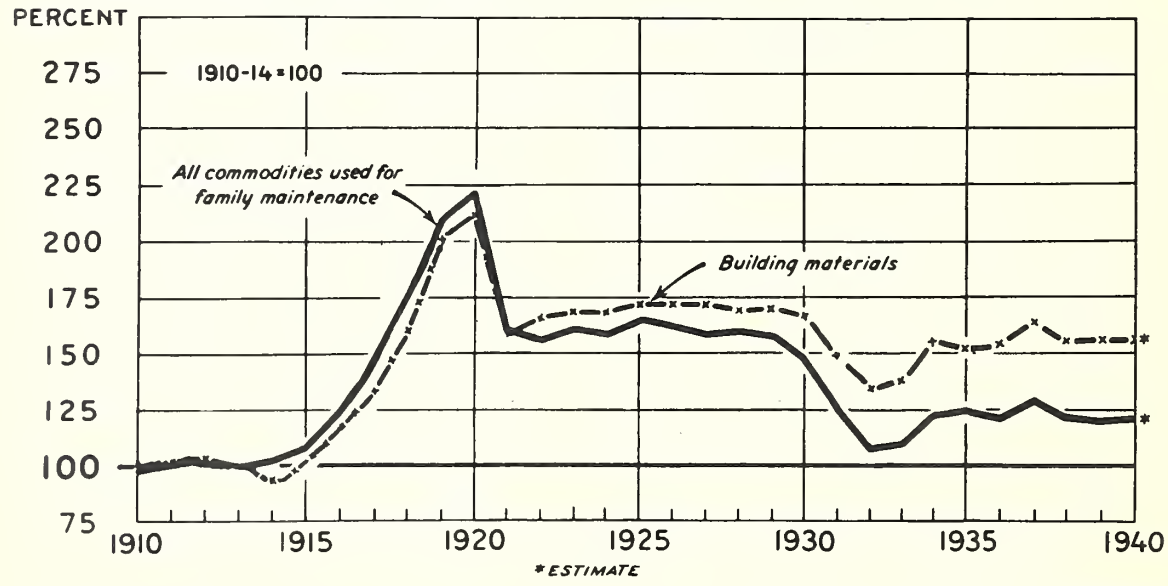
Bureau of Home Economics

Prices Paid by Farmers for Operating Expenses, Furniture and Furnishings, and Family Maintenance, 1910-40



U.S. DEPARTMENT OF AGRICULTURE NEG. 34602 BUREAU OF AGRICULTURAL ECONOMICS

Prices Paid by Farmers for Building Materials for House, and Family Maintenance, 1910-40



U.S. DEPARTMENT OF AGRICULTURE NEG. 34601 BUREAU OF AGRICULTURAL ECONOMICS

PRICES PAID BY FARMERS FOR GOODS REPRESENTING OPERATING EXPENSES, FURNITURE AND FURNISHINGS, BUILDING MATERIALS FOR THE HOUSE, AND FAMILY MAINTENANCE

The annual average of prices paid by farmers for all commodities used in the maintenance of their families fell in 1939 to its lowest level since 1933. The index number (relative to 1910-14) of such prices was 120 for the year as a whole, compared with 128 for 1937 and 122 for 1938. This decline continued a downward trend which began in the latter part of 1937. Prices of goods representing operating expenses, of furniture and furnishings, and of materials for repairing or building farm homes declined along with prices of other commodities used for family living.

The term "operating expenses" as here used includes the costs of not only such items as fuel, and laundry and cleaning supplies, but also of gasoline, oil, and tires for family use of the automobile. Half of the purchase price of the car is taken into account in deriving the index for all commodities used for family maintenance, but it does not appear in this separate group of commodities or in any other. The price index of these goods representing operating expenses declined from 109 in 1937 to 106 in 1939, or about 3 percent.

Prices of furniture and furnishings which stood at 142 (index number, base 1910-14) in 1937 fell to 137 in 1938 and again, to 134 in 1939. The decline in the index number of prices of building materials for the farm house was from 164 in 1937 to 155 in 1938; in 1939 a slight recovery in such prices raised the index to 156.

Although retail prices of goods used for family maintenance were comparatively low for 1939 as a whole, a rise occurred during the latter months which has tended to persist. The general retail price level for the first half of 1940 has therefore been higher than the average for 1939. Prices of furniture and furnishings, food, clothing, and building materials shared the rise; but operating expenses declined in the spring of 1940.

Expenditures of farm families for both household furnishings and repairs to the dwelling usually account for less than one-tenth of the money spent for living; household operation and the family's share of expenditures for running the automobile, for about one-fourth.

Prices paid by farmers for goods representing operating expenses, furniture and furnishings, building materials for the house, and all commodities used for family maintenance, 1924 to date

(Index numbers, 1910-14 = 100)

Year	Goods representing operating expenses	Furniture and furnishings	Building materials for house	All commodities used for family maintenance
1924	125	196	168	159
1925	129	197	172	164
1926	133	193	172	162
1927	131	192	172	159
1928	128	189	169	160
1929	127	188	170	158
1930	122	179	166	148
1931	110	153	149	126
1932	103	128	134	108
1933	102	126	138	109
1934	106	136	155	122
1935	106	136	152	124
1936	106	134	154	122
1937	109	142	164	128
1938	108	137	155	122
1939	106	134	156	120
March 15	107	135	155	119
June 15	106	134	156	119
September 15	106	134	-	122
December 15	105	135	157	121
1940				
March 15	106	136	157	121
June 15	104	135	157	121
September 15				
December 15				

Current data published in mimeographed releases of Agricultural Marketing Service entitled "Midmonth Local Market Price Report." Prices are collected four times a year and are weighted to give the indexes quoted above.

Source of data: Bureau of Agricultural Economics and Agricultural Marketing Service.

Bureau of Home Economics