Ohio Farm Household
Longitudinal Study*

Department of Agricultural Economics
and Rural Sociology
The Ohio State University
ESO 1878, August 10, 1991

Ohio Farm Household Off-farm Employment

This report is one in a series reporting results from the Ohio Farm Household Longitudinal Study. The "Longitudinal Study" has gathered information from Ohio's farm operator's regarding their households and farm businesses since 1986. The 1990 survey consists of a representative sample of approximately 1000 farm operators. This report focuses on off-farm employment of farm operators and their spouses in 1990.

On average, farm households earn most of their income from non-farm sources. In 1990, about two-thirds of farm household income came from non-farm sources. But households operating commercial farms (annual farm sales of $100,000 or more) earned only 18 percent of their income from non-farm sources.

Non-farm income sources are varied and include (a) jobs held by operators, spouses, and children, (b) small businesses such as seed dealerships and machinery repair shops, (c) social security benefits and retirement funds, (d) interest and dividends, and (e) property owned off the farm. Off-farm employment of operators and spouses accounts for a high proportion of this non-farm income.

A summary of the findings in this report are that (a) farm operators working in off-farm jobs make on average $13.98 per hour, (b) these wages are comparable to the rest of Ohio's labor force, (c) about half of farm operators and spouses work off the farm, but most commercial farmers work full time on the farm, (d) operators worked off-farm most often in manufacturing and service industries, (e) a majority of operators held management and production positions, and (f) spouses had employment in clerical, teaching, service and health related positions.

Off-farm Employment of Farm Operators and Spouses

Almost half of the farm operators in this study had some sort of off-farm employment in 1990, and only a slightly lower percentage of spouses were employed off the farm (Table 1). The smallest farm size in this survey (annual sales under $40,000) are typically unprofitable and so non-farm income supported the household and subsidized the farm as well. These farms probably are better described as rural residences.

On commercial farms (gross sales over $100,000), the farm generates sufficient income to provide for the household and give full time employment to the operator. However, a similar proportion of spouses work off the farm to supplement the household income as spouses from smaller farms (Table 1).

Operators earned an average of $13.98 per hour in their off-farm employment (not distinguishing between full and part-time employment off the farm). It appears that farm operators were fully integrated into labor markets and occupied reasonably well paying jobs.

Where They Work

Farm operators and their spouses were asked where they worked. Using the Standard Industrial Classifications (SIC), employers were placed into eight industry categories (Table 2). By far the most important industry in this survey was manufacturing, employing almost one third of the surveyed farm operators. Service industries were also important. The majority of spouses and 19 percent of the operators were employed in the service sector. Note that Table 2 records where they worked, not what jobs they had. Jobs in each category might range from laborer to president.

Spouses received less than the operators in almost every industry. Spouses' lower wages were not due to employment in lower paying industries. Discrimination may or may not have contributed to this difference. Spouses possibly worked less or were in and out of the job market

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* The analysis of the Ohio Farm Household Longitudinal Study is supported by the Ohio Agricultural Research and Development Center and the Ohio Cooperative Extension Service. Authors are Gail Edgington, Lynn Forster, Tom Stout and Gary Schnitkey.

more often and had less seniority.

What They Do

A sharper focus on off-farm jobs is gained by looking at the job titles of the survey participants. These are based on the Standard Occupational Classification (SOC). Whereas Table 2 represents where they worked, Table 3 records what they did. When we see that many operators are in "production and manufacturing" it is easy to imagine that they worked at factories like DuPont or Honda. Just as many operators were "managers and administrators" which could mean they were store managers or production line supervisors, for example.

Spouses frequently worked in a clerical position, which would include bookkeepers, cashiers, and mail carriers as well as secretaries. Teaching was popular among the spouses in the survey, as were health related professions and service positions (Table 3).

Again, spouses received less in every occupational classification than the farm operators, just as in the industry classification. This does not seem to be education related since spouses seem to have occupations with stiffer educational requirements than jobs the operators had. The difference may be caused by switching jobs, lower seniority and/or discrimination.

Summary

Farm operators and their spouses occupied off-farm jobs to provide household income. On the smaller farms, off-farm income supported both the household and the farm. These were basically country homes, and although not the image that most people hold when they think of farm operations, they do account for the majority of Ohio farm households. Off-farm income was important to large farms also because, although the farm operators would probably be employed full time on the farm, their spouses were just as likely to work off the farm as spouses in other families.

Farm households are directly affected by the employment opportunities available to them in their local areas. Generally, farm families were well integrated in labor markets and were affected by business cycles as well as by conditions in the farm economy.

Table 1. Off-farm Employment of Farm Operators and Spouses

	Operators	Spouses
Percent Employed in Off-farm Jobs		
All Farms	47	41
By Annual Gross Sales from Farm		
Less than $40,000	55	40
$40-99,999	46	47
$100,000 or more	17	38
In Primary Off-farm Job of Those Working		
Annual Pre-tax Earnings	22,779	13,855
Annual Hours worked	1,629	na
Earnings Per Hour	13.98	na

Table 2. Industry Where Employed: Off-farm Employment Earnings of Farm Operators and Spouses, by Industry (Standard Industrial Classifications), 1990.*

INDUSTRY	Operators		Spouses	
	Percent Working Here	Annual Pre-tax Earnings	Percent Working Here	Annual Pre-tax Earnings
	(%)	($)	(%)	($)
Agriculture & Mining	9.7	18,464	5.1	8,951
Construction	4.3	27,183	0.5	18,733
Manufacturing	31.6	30,193	8.2	17,227
Transportation	9.1	23,555	3.9	15,675
Wholesale & Retail	7.9	18,139	10.8	8,434
Finance	5.5	20,118	6.4	11,722
Services	8.8	22,944	61.7	14,691
Public Administration	13.1	9,353	3.3	16,451
Weighted Average	100	22,779	100	13,855

*Standard Industrial Classifications developed by the U.S. Office of Management and Budget.

Table 3. Job Title: Off-farm Employment Earnings of Farm Operators and Spouses, by Job Title (Standard Occupational Classification), 1990. *

JOB TITLE	Operators		Spouses	
	Percent Working Here	Annual Pre-tax Earnings	Percent Working Here	Annual Pre-tax Earnings
	(%)	($)	(%)	($)
Manager & Administrator	20.7	18,980	5.9	16,192
Scientist & Engineer	2.7	36,533	0.5	21,400
Teacher, Librarian	7.0	32,883	19.3	21,027
Health Related	0.6	40,000	12.1	18,036
Technician	1.8	27,167	2.1	18,138
Sales	5.5	17,797	7.7	9,575
Clerical	7.0	20,211	31.1	11,700
Service	2.7	14,728	12.8	7,809
Ag. & Forestry	2.7	16,099	1.3	5,280
Construction	5.8	24,921	0.3	344
Transportation	11.5	15,916	2.1	5,786
Mechanics	7.3	26,055	0.0	0
Production & Manufacturing	20.7	28,032	3.3	15,079
Other	3.9	15,614	1.5	8036
Weighted Average	100	22,779	100	13,855

*Standard Occupational Classification prepared by the U.S. Department of Commerce.

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Dept. of Agricultural Economics and Rural Sociology
The Ohio State University
2120 Fyffe Road, Room 238
Columbus, Ohio 43210-1099

1114-210525-361