

# "Income in the Various States" Comes Off Press

## Volume of 306 Pages Gives Sources and Distribution of Forty Million Incomes

**S**UMMING up many months of research, the first copies of *Income in the Various States, Its Sources and Distribution, 1919, 1920, and 1921*, have just come from the printer and are now being distributed directly from the offices of the National Bureau of Economic Research, 474 West 24th Street, New York.

The Bureau is its own publisher and aims to distribute its reports at prices just sufficient to cover publication expenses, all the research costs being defrayed from contributions to the Bureau's general funds.

### Seventh Formal Publication

This is the seventh formal publication of the Bureau and the fourth in the Bureau's series of income studies. In 306 pages, it gives the results of two years' work by Dr. Willford I. King and Mr. Maurice Leven, with the aid of a fully equipped staff and under the general supervision of Drs. Edwin F. Gay and Wesley C. Mitchell, directors of research. Its 17 maps and charts bring out salient features for the busy reader, while its 67 tables, many covering several pages each, give the detailed facts for the student and investigator.

Income as used in this report is defined as the sum of those kinds of individual book incomes commonly accounted for in terms of money. If every individual kept an accurate set of private accounts, and thereby arrived at his net money income for the year, and if all these net incomes were added together, the resulting totals would be those which this report attempts to approximate.

### Facts Relate to 40,000,000 Persons

These figures should not be confused with tax returns. They involve research far more complicated than merely classifications based upon Internal Revenue Department documents. They represent as nearly as possible, the actual incomes earned, received by or imputed to every income earner or income receiver in the United States. The determination of this "actual income" required the study of the facts relating to the income of over 40,000,000 people. Tax data cover less than 7,000,000 and, owing to exemptions, do not give a true picture of even that fraction of income receivers.

In brief compass, this report pictures economic conditions in each of the 48 states; shows how incomes change with business cycles; reveals rise of new purchasing classes and fall of old; separates farm and city populations, employees and entrepreneurs; indicates where rich, poor, and middle classes predominate; compares receipts from interest, dividends, businesses, and wages; presents numerous formulae, fully explained, and groups basic data that are available in no other single place.

### Helps to Solve Marketing Problems

Besides being an aid in measuring the economic status of the people in the various states, the geographic distribution of income may be made to serve an important function in problems pertaining to the marketing of goods.

Practical advertising and sales research experts who have followed the work of the National Bureau of Economic Research have volunteered the statement that information such as the Bureau is developing is of the greatest importance to them and to all who are concerned with the capacity of consumers in different sections of the country

- (a) to buy goods of various sorts;
- (b) to absorb securities;
- (c) to bear taxation;
- (d) to support community projects.

Numerous requests for just such data have been received by the Bureau from sales managers, national advertisers and advertising agencies, manufacturers, public utility operators, investigators of sociological problems; banking houses, insurance companies, educators, and representatives of various organizations appealing to the public.

### Contributors Receive Publications

Persons who wish to receive early copies of all the future publications of the Bureau may enroll as contributing subscribers, paying a minimum of \$25 a year. In addition to receiving the publications, the contributing subscribers will be kept in touch with the work of the Bureau as it progresses. Subscribers enrolling during December, 1925, will receive a complimentary copy of *Income in the Various States*, as well as all other reports issued during a full year from date of subscription.

## Publications of the National Bureau of Economic Research

### INCOME IN THE VARIOUS STATES ITS SOURCES AND DISTRIBUTION, 1919, 1920 and 1921

Latest estimates of the current and total incomes of the American people and an analysis of economic conditions in each State and District of Columbia. Size 9x6 inches, 306 pages, 17 maps and charts, 67 tables, indexed. Bound in cloth. \$5 postpaid.

### THE GROWTH OF AMERICAN TRADE UNIONS, 1880-1923.

Results of a comprehensive investigation of trade union membership year by year; its fluctuations with the business cycle; effects of World War conditions; women in trade unions. Contains also a detailed analysis of the total working population. Size 9x6 inches, 170 pages, illustrated with 27 tables, 16 charts, and indexed. Bound in cloth. \$3 postpaid.

### EMPLOYMENT, HOURS, AND EARNINGS IN PROSPERITY AND DEPRESSION

Results of an inquiry conducted by the National Bureau of Economic Research, with the help of the U. S. Bureau of Markets and Crop Estimates and the Bureau of the Census, for the President's Conference on Unemployment. Designed to meet the special needs of all persons interested in the study of labor conditions. Gives full details of investigation summarized in *Business Cycles and Unemployment* to which it is companion volume. Size 9x6 inches, 147 pages, illustrated with 75 tables, 11 charts, and indexed. Bound in cloth. (Second printing.) \$3.10 postpaid.

### BUSINESS CYCLES AND UNEMPLOYMENT

Results of an investigation made for the President's Conference on Unemployment. By the staff of the Bureau with 16 collaborators. Twenty-one topics covered. This report summarizes the known facts of unemployment and describes the various methods suggested to control the business cycle and alleviate cyclical unemployment. Size 9x6 inches, 405 pages, with 56 tables, 56 charts, and indexed. Bound in cloth. \$4.10 postpaid.

### INCOME IN THE UNITED STATES

*Volume I.* A Summary of an investigation of the Amount and Distribution of Income in the United States, 1909-1919, intended for readers who are primarily interested in the results. Size 7½x5¼ inches, 152 pages, with preface, 29 tables, 31 charts, and indexed. Bound in cloth. (Fourth printing.) \$1.58 postpaid.

*Volume II.* A report giving in full the methods and estimates on which the results shown in Volume I are based. Size 9½x6¼ inches, 440 pages, 222 tables, 35 charts, and indexed. Bound in cloth. \$5.15 postpaid.

### DISTRIBUTION OF INCOME BY STATES IN 1919

A study of the share of each state in the national income with a special analysis of the amount and relative importance of farmers' income. Size 9½x6¼ inches, 32 pages, with preface and 9 tables. Bound in cloth. (Third printing.) \$1.30 postpaid.

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NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.  
474 West 24th Street, New York

An Organization for Impartial Investigation

# NEWS-BULLETIN

of the

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December 14, 1925

## Incomes of Farmers and Non-Farmers Analyzed

### Per Capita Figures Vary Greatly in the Different States, New Report Shows

**T**HE population not residing on farms has a much more uniform income than the population depending on agriculture for its support, according to a summary of figures presented in detail in the latest report of the National Bureau of Economic Research, entitled *Income in the Various States, Its Sources and Distribution, 1919, 1920 and 1921*.

The highest per capita income of the non-farm population in 1919, it is shown, was \$956 in the District of Columbia, and this was about twice as great as the lowest—\$463 in Florida—while the highest per capita income of the farm population was \$1,064 in Nevada and the lowest \$192 in Tennessee.

How per capita current income of the non-farm population varies from year to year is shown in the case of seven units which headed the list in 1919 income as follows:

	1919	1920	1921
District of Columbia	\$956	\$1,095	\$1,176
New York	928	1,045	958
Delaware	861	778	667
California	825	977	926
Illinois	822	898	814
Nevada	820	972	850
Wyoming	811	923	874

In the case of the farm population, the variation in per capita income in the different States is very striking. In 1919 the highest per capita income was about 550 per cent of the lowest; in 1921 the highest was over 725 per cent of the lowest; in 1920 the variation was a little lower.

### Reasons for Wide Dispersion

The chief reason for such wide dispersion in the per capita income of the farm population is the difference in agricultural yield per individual, due to differences in fertility of soil cultivated, climatic conditions, and the use of capital.

Another reason, however, and not the least important, is the difference in per capita ownership by the farm population of farm property and working capital in the various States. The State with a great proportion of tenant farmers or mortgaged farms would naturally show a low per capita income for the farm population, because a considerable portion of the farm income would be distributed among non-farmers.

A characteristic feature is revealed in the figures of the States where dairying and the production of poultry products are of great importance. The per capita income in Wisconsin during the three years under review is remarkable for its steadiness, especially when compared with adjacent States in the Middle West.

### Serve Immediate Consumers

The variation in per capita income of the farm population of Wisconsin, like that of a few other States, such as New York, Pennsylvania and California, which supply a large proportion of agricultural products to immediate consumers,

### PER CAPITA CURRENT INCOME IN EACH STATE NON-FARM POPULATION 1919-1920-1921

STATES ARRANGED ACCORDING TO SIZE OF PER CAPITA CURRENT INCOME IN 1919

State	Per Capita Current Income 1919 and 1921	
	\$500	\$1,000
Dist. of Columbia	████████████████████	████████████████████
New York	████████████████████	████████████████████
Delaware	████████████████████	████████████████████
California	████████████████████	████████████████████
Illinois	████████████████████	████████████████████
Nevada	████████████████████	████████████████████
Wyoming	████████████████████	████████████████████
Massachusetts	████████████████████	████████████████████
Montana	████████████████████	████████████████████
Oregon	████████████████████	████████████████████
Michigan	████████████████████	████████████████████
Arizona	████████████████████	████████████████████
Washington	████████████████████	████████████████████
Maryland	████████████████████	████████████████████
Rhode Island	████████████████████	████████████████████
Ohio	████████████████████	████████████████████
New Jersey	████████████████████	████████████████████
Connecticut	████████████████████	████████████████████
South Dakota	████████████████████	████████████████████
Colorado	████████████████████	████████████████████
Pennsylvania	████████████████████	████████████████████
Nebraska	████████████████████	████████████████████
Oklahoma	████████████████████	████████████████████
Missouri	████████████████████	████████████████████
Minnesota	████████████████████	████████████████████
Texas	████████████████████	████████████████████
Kansas	████████████████████	████████████████████
Iowa	████████████████████	████████████████████
Idaho	████████████████████	████████████████████
New Hampshire	████████████████████	████████████████████
Indiana	████████████████████	████████████████████
Wisconsin	████████████████████	████████████████████
Vermont	████████████████████	████████████████████
Maine	████████████████████	████████████████████
Utah	████████████████████	████████████████████
Kentucky	████████████████████	████████████████████
Virginia	████████████████████	████████████████████
West Virginia	████████████████████	████████████████████
Arkansas	████████████████████	████████████████████
South Carolina	████████████████████	████████████████████
Georgia	████████████████████	████████████████████
Louisiana	████████████████████	████████████████████
Mississippi	████████████████████	████████████████████
New Mexico	████████████████████	████████████████████
Tennessee	████████████████████	████████████████████
North Dakota	████████████████████	████████████████████
North Carolina	████████████████████	████████████████████
Alabama	████████████████████	████████████████████
Florida	████████████████████	████████████████████

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reflects the changes in the general price level of consumers' goods rather than those of agricultural products.

Unlike most of the other States where 1919 was the highest year, the per capita income in the group of States typified by Wisconsin was higher in 1920 than in either of the other two years.

Please turn the page

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THE National Bureau of Economic Research, Incorporated, was organized in 1920 in response to a growing demand for exact and impartial determinations of the facts bearing upon economic, social, and industrial problems.

The Bureau seeks not merely to determine facts, but to determine them under such auspices as shall make its findings carry conviction to Liberals and Conservatives alike. It deals only with topics of national importance which are susceptible of quantitative treatment.

By issuing its findings in the form of fact reports, entirely divorced from propaganda, the Bureau hopes to aid all thoughtful men, however divergent their views of public policy, to base their discussions upon objective knowledge as distinguished from subjective opinion.

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## Report on Trade Unions Used in 31 Universities

Results of a recent questionnaire show that 31 American colleges and universities are using the report of the National Bureau of Economic Research on *The Growth of American Trade Unions* in connection with their labor courses.

Professor James E. LeRossignol writes from the University of Nebraska, "I am now using the book as lecture material and I intend to refer the students to it in the way of collateral reading. In fact, I use your publications continually. They are of the greatest value to all economists."

Professor Myron W. Watkins at the University of Missouri writes, "I have been using Wolman's *Growth of American Trade Unions* during this term as collateral reading for my course in labor problems. I am also having it reviewed as a special assignment to a graduate student."

Professor Edward McMahon at the University of Washington finds "It is good as collateral reading."

From the University of Pittsburgh comes the word through Francis Tyson, "We are using Dr. Wolman's significant volume as collateral reading in our industrial relations course and in personnel administration."

At Wellesley College, according to Professor Henry R. Mussey, this report is "Suggested as an important part of every student's work in course on labor."

Gordon S. Watkins, Associate Professor of Economics at the University of Illinois, who is spending this year at the University of California, Southern Branch, writes, "My students are just now engaged in reading Wolman's study."

At the University of Toronto, Professor R. M. MacIver writes, "We find it very useful as a work of reference."

Professor William Z. Ripley at Harvard advises, "I have found it extremely valuable as a source of information for notes and writing."

Professor Matthew B. Hammond at Ohio State University "gave the substance of it in two lectures to my class in Industrial Relations."

At the University of Michigan "this book is being used as collateral reading this semester in Labor Problems (large course) and Labor Movement (small advanced course). Possibly next semester as partial text in Trade Unionism (small course) and seminar in Trade Unionism."

Professor Selig Perlman at the University of Wisconsin writes, "I will use it for collateral reading in connection with my course in American Labor History which is given the second semester."

Others using this report either as collateral reading or for reference purposes are:

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## New England Farmers Prosper As West Slumps

### Easterners Better Situated As Regards Ownership of Land and Capital

THE total current agricultural income of farmers in the Continental United States dropped from \$9,589,000,000 in 1919 to \$3,965,000,000 in 1921, a decline of 59 per cent, according to figures compiled by the National Bureau of Economic Research in its study of the distribution of agricultural income.

An examination of the tables presented by the Bureau in its latest report *Income in the Various States*, shows that the bulk of the loss was suffered by farmers in a limited area.

While the current income of the farmers in the New England States was somewhat higher in 1921 than in 1919, that of farmers in the West North Central States was reduced in 1921 to a mere pittance. From \$1,946,000,000 in 1919, it fell to \$302,000,000, a drop of nearly 85 per cent. Some of the States in this division show an even greater reduction. In Nebraska, for instance, the net current agricultural income going to farmers was only about \$8,000,000 in 1921 as compared with \$225,000,000 in 1919.

The East North Central Division and most of the southern States also came in for more than their share of the total reduction in this part of agricultural income.

#### Why Farmers Suffer Heavily

The share of non-farmers in the form of rent and interest is to a certain extent a fixed charge on the total current agricultural income. Consequently, the farmers' share is subject to a greater proportional change than the total income of all agricultural entrepreneurs and property holders.

In other words, since changes in income affect primarily the share of the farmers, the larger the claim of non-farmers the greater the effect upon the farmers' income of a given change in the total. For instance, when the total current agricultural income of farmers and non-farmers, of which \$5,000,000 constitutes the yearly share of non-farmers, changes from \$20,000,000 to \$10,000,000, the farmers' share changes not 50 per cent, but 66 2/3 per cent. At the same time, the ratio of the portion received by the farmers to that received by non-farmers changes from 3:1 to 1:1—provided, of course, that the share of non-farmers is continually paid in full.

In 1921 the farmers of the United States received only 76.03 per cent of the total current agricultural income of entrepreneurs and property owners. In the same year, the farmers of New England received close to 95 per cent of such total current income in that section of the country.

#### New England Farmers Fare Best

This shows the New England farmers to be more favorably placed with respect to ownership of farm property and the capital necessary to carry on farm operations than the average farmer in the United States. The relatively high percentage of the total agricultural income of farmers and property owners in 1921 received by the farmers of New England is also partly due to the fact that, in that year, this class of income in this division was practically normal.

The relative share of farmers in the total of such current agricultural income in 1921 was lowest in the West North Central States, where it amounted to only 39.32 per cent. The total current agricultural income of farmers and property owners in Nebraska was so low in 1921 that there was very little left for the farmers after the non-farmers received their share in the form of rent and interest on mortgages. In that year, the Nebraska farmers received only 9.4 per cent of this part of the total net current agricultural income earned in the State. This, of course, is not the normal share of Nebraska farmers.

However, it is quite apparent from the estimates for the other years that the participation of non-farmers in the current agricultural income is probably greater in Nebraska than in most of the other States. Even in 1919, when the net farm income was high, the farmers seem to have received only 75 per cent of the State total.

#### Income in Iowa Dwindles

Iowa is another State in the West North Central division where the current agricultural income of the farmers dwindled down to almost nothing in 1921. From a total of \$454,000,000 in 1919, it dropped in 1921 to only about \$37,000,000, representing a reduction of nearly 88 per cent.

PER CAPITA CURRENT INCOME IN EACH STATE  
FARM POPULATION  
1919-1920-1921  
STATES ARRANGED ACCORDING TO SIZE OF  
PER CAPITA CURRENT INCOME IN 1919

State	Per Capita Current Income 1919 and 1921	
	\$500	\$1,000
Nevada	██████████	██████████
Wyoming	██████████	██████████
California	██████████	██████████
South Dakota	██████████	██████████
Oregon	██████████	██████████
Washington	██████████	██████████
Colorado	██████████	██████████
Idaho	██████████	██████████
New Jersey	██████████	██████████
Iowa	██████████	██████████
Illinois	██████████	██████████
New York	██████████	██████████
Dist. of Columbia	██████████	██████████
Arizona	██████████	██████████
Rhode Island	██████████	██████████
Massachusetts	██████████	██████████
North Dakota	██████████	██████████
Kansas	██████████	██████████
Nebraska	██████████	██████████
Connecticut	██████████	██████████
Wisconsin	██████████	██████████
Utah	██████████	██████████
Montana	██████████	██████████
Minnesota	██████████	██████████
Maine	██████████	██████████
Ohio	██████████	██████████
New Mexico	██████████	██████████
Indiana	██████████	██████████
Pennsylvania	██████████	██████████
Michigan	██████████	██████████
Texas	██████████	██████████
Oklahoma	██████████	██████████
Delaware	██████████	██████████
Vermont	██████████	██████████
Missouri	██████████	██████████
Maryland	██████████	██████████
South Carolina	██████████	██████████
New Hampshire	██████████	██████████
Florida	██████████	██████████
North Carolina	██████████	██████████
Georgia	██████████	██████████
Arkansas	██████████	██████████
Mississippi	██████████	██████████
Louisiana	██████████	██████████
Virginia	██████████	██████████
Kentucky	██████████	██████████
West Virginia	██████████	██████████
Alabama	██████████	██████████
Tennessee	██████████	██████████

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