Old-Age, Survivors, and Disability Insurance: Self-Employment Earnings Reported by Farmers, 1955-58

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RECOGNITION of the problems involved in providing the protection of old-age, survivors, and disability insurance to farm operators delayed coverage of this group to 1954, when legislation providing coverage for self-employed farmers was enacted. Amendments in 1956 made these coverage provisions both more flexible and more liberal. The first year that farm self-employment income could be credited for old-age, survivors, and disability insurance purposes was 1955.

The number of persons reporting farm self-employment income for old-age, survivors, and disability insurance credit has changed relatively little during the 5-year period 1955–59. The 2.2 million reports for 1959 were only 0.1 million less than the number filed for 1955 and 0.3 million less than the number for the peak year, 1956.

This article attempts a rough evaluation of the extent to which farmers who should or could file social security tax returns on their farm self-employment earnings did file returns during 1955–58. Special attention is given to the returns for 1958, the latest year for which detailed data were available at the time this analysis was being prepared. The recent publication of data from the 1959 U.S. Census of Agriculture giving current information for each State on the number of farms according to the gross sales of farm products (here assumed to be the gross income of the operator for old-age, survivors, and disability insurance purposes) makes such an evaluation feasible and timely.

WHY SOME FARMERS DON'T REPORT

Failure of farmers to report their earnings for purposes of old-age, survivors, and disability insurance in cases where they should or could report them stems from a variety of factors. Some farmers may not understand their rights and responsibilities under the program. Others are probably willful evaders who do not want to get on tax rolls of any type or feel that they do not have the money with which to pay the social security taxes. Some farmers with low farm incomes are not required to report their farm self-employment earnings and choose not to do so. A small number of farmers receive annual wages or salaries from employment that are equal to the maximum amount of covered annual earnings, and they are not required to report their farm or other self-employment earnings for old-age, survivors, and disability insurance purposes.

WHY NUMBER REPORTING IS RELATIVELY CONSTANT

The relative constancy in the number of tax returns and earnings reports filed annually has occurred despite the fact that during 1954–59, according to the 1959 Census of Agriculture, the number of farms declined from 4.7 million to 3.7 million. The combination of the relatively stable number of reports and the declining number of farmers indicates a substantial increase in the proportion of farmers reporting for purposes of old-age, survivors, and disability insurance.

Factors Tending To Reduce Number Reporting

The decline of 1 million in the number of farms during the 1954–59 period is, of course, reflected in the termination of some farm self-employment reports. A significant number of the individuals who stopped farming were low-income sharecroppers and nonwhite farm operators—two groups from whom the Government has had difficulty getting tax returns. (The decrease in the number of sharecroppers in the Southern States, for example, was from 267,000 in 1954 to 121,000 in 1959, a decline of 55 percent.)

Another important factor tending to reduce the number of farmers reporting was the retire-

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TABLE 1.—Farm self-employment tax returns, 1955–58, and number of farms, 1959, by region and State

Region and State	Number of tax returns [1] for—				Number of farms, 1959 [2]			Ratio (number per 100) of 1958 tax returns [5] to 1959 farms	
	1955	1956	1957	1958	Total	Commercial farms [3]	Farms with $600 as gross value of products [4]	Commercial farms [3]	Farms with $600 as gross value of products [4]
Total	2,350,000	2,570,000	2,430,000	2,400,000	3,710,249	2,415,261	3,777,200	99	72
Region I	36,000	34,100	34,500	31,800	56,866	35,967	51,600	88	62
Connecticut	5,700	5,900	5,700	5,200	8,292	5,381	7,500	97	69
Maine	10,400	8,800	9,100	8,400	17,360	9,791	15,500	86	54
Massachusetts	6,500	6,700	7,300	6,400	11,178	7,154	10,100	89	63
New Hampshire	4,000	3,200	3,000	3,100	6,542	3,418	5,800	91	53
Rhode Island	900	800	900	800	1,395	1,086	1,300	74	62
Vermont	8,600	8,800	8,400	8,000	12,099	9,137	11,400	88	70
Region II	130,200	134,300	128,700	123,800	203,071	131,168	184,800	94	67
Delaware	4,000	4,300	3,800	4,200	5,207	3,887	4,800	108	88
New Jersey	12,300	13,900	12,500	12,500	15,458	11,717	14,500	107	86
New York	58,800	60,300	57,600	52,900	82,355	56,728	75,900	93	70
Pennsylvania	55,200	55,800	54,900	54,100	100,051	58,836	89,600	92	60
Region III	245,200	302,600	280,700	283,690	508,306	284,776	441,000	[6] 96	[6] 62
Dist. of Col	200	200	200	300	(7)	(7)	(7)	----------	----------
Kentucky	79,000	91,900	87,700	88,900	150,984	86,655	130,400	103	68
Maryland	14,700	16,000	15,700	14,900	25,121	15,984	22,700	93	66
North Carolina	83,500	117,500	104,100	110,100	190,567	120,017	168,600	92	65
Virginia	47,400	53,000	47,500	47,200	97,623	49,511	83,500	95	57
West Virginia	13,100	13,800	12,100	12,300	44,011	12,609	35,800	98	34
Puerto Rico	7,400	10,200	13,500	10,200	(7)	(7)	(7)	----------	----------
Virgin Islands	(8)	(8)	(8)	(8)	(7)	(7)	(7)	----------	----------
Region IV	220,600	254,900	228,500	237,800	641,056	340,657	546,800	70	43
Alabama	33,600	39,000	32,700	34,200	115,610	57,745	97,200	59	35
Florida	16,400	18,200	18,200	18,900	45,098	22,729	39,200	83	48
Georgia	33,700	41,300	40,200	42,400	106,347	61,940	93,100	68	46
Mississippi	48,000	47,300	38,900	37,700	138,142	73,279	116,100	51	32
South Carolina	28,700	36,100	32,400	31,100	78,171	42,331	67,000	73	46
Tennessee	60,100	73,000	66,100	73,400	157,688	82,633	134,200	89	55
Region V-A	360,500	394,700	376,700	351,000	414,015	313,938	387,200	112	91
Illinois	141,100	160,900	153,700	146,200	154,640	123,305	146,200	119	100
Indiana	99,400	108,500	104,100	94,900	128,160	83,930	116,700	113	81
Wisconsin	120,000	125,300	118,800	109,900	131,215	106,703	124,300	103	88
Region V-B	173,000	181,900	167,700	156,400	252,170	150,074	225,900	104	69
Michigan	72,100	73,800	65,200	61,300	111,817	65,039	99,800	94	61
Ohio	101,000	108,000	102,500	95,100	140,353	85,035	126,100	112	75
Region VI	716,600	762,700	716,000	715,300	794,516	645,391	749,700	111	95
Iowa	177,000	191,600	183,000	178,800	174,707	154,330	168,800	116	106
Kansas	90,000	94,900	85,600	92,500	104,345	83,100	98,400	111	94
Minnesota	137,700	144,900	136,100	126,900	145,662	120,324	137,800	105	92
Missouri	106,900	119,400	108,700	107,500	168,673	106,685	151,400	101	71
Nebraska	86,600	88,700	85,500	92,900	90,475	80,850	87,300	115	106
North Dakota	61,600	46,400	62,500	59,500	54,928	50,415	52,800	118	113
South Dakota	56,900	58,700	54,800	57,200	55,726	49,687	53,200	115	108
Region VII	229,100	249,600	243,800	259,700	507,095	291,408	446,000	89	58
Arkansas	41,800	64,200	40,700	40,700	95,009	52,474	82,400	78	49
Louisiana	16,100	20,800	19,800	20,300	74,438	34,712	62,500	58	32
New Mexico	6,700	8,000	9,500	9,200	15,919	9,784	14,100	94	65
Oklahoma	44,400	53,900	47,400	53,400	94,675	56,939	84,300	94	63
Texas	119,900	120,800	126,300	136,000	227,054	137,499	202,700	99	67
Region VIII	97,000	104,800	107,300	105,700	123,568	94,279	115,200	112	92
Colorado	23,700	26,700	29,100	29,000	33,390	26,152	31,200	111	93
Idaho	27,700	29,400	28,500	28,400	33,667	25,575	31,500	111	90
Montana	26,600	27,000	27,800	27,000	28,957	23,524	27,300	115	99
Utah	12,900	13,400	12,900	11,800	17,811	10,944	16,000	108	74
Wyoming	6,000	8,300	9,000	9,500	9,743	8,084	9,200	118	103
Region IX	140,900	150,200	146,100	135,200	209,586	127,603	189,000	106	72
Alaska	100	100	200	100	367	186	300	54	31
Arizona	3,800	4,900	6,000	5,600	7,219	5,078	6,600	110	85
California	72,300	80,900	77,700	72,700	99,260	66,856	91,100	109	80
Hawaii	5,000	3,800	3,900	3,200	6,242	2,915	5,400	110	60
Nevada	1,200	1,400	1,700	1,700	2,350	1,621	2,100	105	81
Oregon	26,400	25,600	25,800	23,300	42,573	22,795	37,700	102	62
Washington	32,000	33,500	30,800	28,500	51,575	28,152	45,800	101	62

[1] Filed by individuals with net earnings (gross income minus deductible expenses) of at least $400 from farm self-employment or gross farm income of at least $800 for 1955 or at least $600 thereafter. Materially participating farm landlords meeting these financial requirements could file tax returns for 1956 and subsequent years.

[2] Data from the 1959 Census of Agriculture.

[3] In general, farms with gross sales of at least $2,500 and operated by a farmer who is under age 65, who works off the farm less than 100 days a year, and whose farm income exceeds his nonfarm income.

[4] Includes most commercial farms and about three-fourths of the noncommercial farms occupied by part-time and partially retired farmers.

[5] There may be two or more tax returns based on income from a single farm (see text, page 13); these ratios are rough approximations of the minimum and maximum number of returns to be expected in a year.

[6] Excludes the District of Columbia, Puerto Rico, and the Virgin Islands (see footnote 7).

[7] Data not available.

[8] Fewer than 50 operators.

ment of a large number of farmers during the period. Some persons who needed only a few quarters of coverage to become entitled to benefits continued to farm until eligibility for benefits was earned, and they then stopped. Coverage may have had the effect of increasing the number of persons who retired after 1954. Some of these individuals perhaps would have retired earlier but deferred their retirement until insured status under old-age, survivors, and disability insurance was established. About 500,000 claims for old-age insurance benefits, based in whole or in part on farm self-employment, were received in the district offices of the Bureau of Old-Age and Survivors Insurance in 1956 and 1957.

The fact that farmers are an older-than-average working group resulted in a third factor reducing the number of reports—the relatively large number of deaths in this group. One-sixth of all farmers were aged 65 or over in 1959. About 5 percent, or 1 in 20, of the entire civilian labor force were this old.

TABLE 2.—All farm operators aged 65 or over and partly retired operators [1] as percent of farm operators of all ages, by region and State, 1959

Region and State	All aged 65 or over	Partly retired	Region and State	All aged 65 or over	Partly retired
Total	16.7	10.9	Region V-B	18.0	11.8
			Michigan	17.2	11.2
Region I	20.3	10.2	Ohio	18.6	12.2
Connecticut	22.3	10.1	Region VI	13.6	7.2
Maine	20.3	12.8	Iowa	11.3	4.9
Massachusetts	22.4	8.2	Kansas	17.1	8.4
New Hampshire	21.6	13.8	Minnesota	11.0	5.6
Rhode Island	21.0	6.6	Missouri	19.2	13.3
Vermont	16.5	6.7	Nebraska	12.3	5.1
Region II	18.5	9.8	North Dakota	8.7	3.1
Delaware	17.9	9.1	South Dakota	11.0	5.0
New Jersey	18.4	7.1	Region VII	13.6	12.6
New York	18.0	8.2	Arkansas	17.1	13.8
Pennsylvania	18.1	11.1	Louisiana	15.8	13.6
Region III	19.4	15.1	New Mexico	17.6	10.8
Kentucky	20.2	15.7	Oklahoma	15.5	10.1
Maryland	18.8	10.7	Texas	19.8	13.1
North Carolina	15.7	12.1	Region VIII	13.5	5.9
Virginia	22.8	17.6	Colorado	12.8	5.6
West Virginia	25.4	22.5	Idaho	12.6	5.6
Region IV	17.8	14.4	Montana	14.7	5.5
Alabama	17.1	14.8	Utah	14.3	8.0
Florida	20.6	13.6	Wyoming	14.7	4.8
Georgia	16.3	12.0	Region IX	16.7	8.9
Mississippi	18.0	15.5	Alaska	8.2	6.8
South Carolina	16.5	13.4	Arizona	13.1	5.5
Tennessee	19.0	15.5	California	17.2	7.9
Region V-A	15.2	8.0	Hawaii	13.6	8.9
Illinois	14.7	7.3	Nevada	15.4	6.2
Indiana	18.0	11.0	Oregon	17.9	11.2
Wisconsin	13.0	6.1	Washington	15.6	9.6

[1] Farmers aged 65 or over on farms with gross sales of farm products of $50–$2,500.

Factors Tending To Increase Number Reporting

An important factor causing additional individuals to start filing tax returns was the change in the requirements for farm self-employment coverage. In 1955, only farm operators with both a gross income of $800 or more and net earnings (gross income minus deductible expenses) of $400 or more from farm-production activities were required to report their self-employment earnings for old-age, survivors, and disability insurance purposes. Those meeting only the gross-income requirements could report a specified proportion of their gross income as net earnings if they desired. In 1956 the gross-income requirement for use of this optional method was lowered from $800 to $600 and the number of farmers who could file social security tax returns was thus increased. Beginning in 1956, coverage was extended to farm landlords meeting the same earnings requirements if they also qualified as "materially participating" landlords under the provisions of the Social Security Act.

Factors and situations influencing other individuals to file social security tax returns for the first time were: (1) the rise in farm prices that brought the gross farm income of additional farmers above the $600 minimum;[1] (2) the entry of some persons into farm-production activities for the first time as farm operators or farm landlords; (3) the extensive informational and educational programs explaining the farmer's rights and responsibilities under old-age, survivors, and disability insurance; and (4) the compliance efforts of the Internal Revenue Service, which resulted in more persons filing social security tax returns.

REGIONAL AND STATE VARIATIONS

The number of tax returns on farm self-employment earnings for old-age, survivors, and disability insurance purposes for 1955–58 is shown in table 1, by region and State. The table also shows the relationship between the number of tax returns in 1958 and the number according to the 1959 Census of Agriculture of (1) commercial farms and (2) farms with a gross value of sales of farm products of $600 (roughly the same as gross cash income for old-age, survivors, and disability insurance purposes) in 1959.

[1] The proportion of farms with farm products that had a gross value of $600 or more increased from 74 percent in 1954 to 90 percent in 1959.

Operators of commercial farms generally have gross sales from their farms of $2,500 or more, work off the farm fewer than 100 days during the year, have income from the sale of farm products greater than income from other sources, and usually are under age 65. Most commercial farm operators meet the coverage requirements and can be expected to file social security tax returns. A few operators of commercial farms do not meet the minimum coverage requirements, but these instances are offset by others where the income from a single farm provides the basis for two or more tax returns in a year—that is, when a tenant and a "materially participating" landlord or members of a partnership share in the production activities and earnings from a single farm. In some areas a small proportion of the operators of noncommercial farms also file tax returns.[2]

It is not known how many farmers (commercial as well as noncommercial) reporting under the gross-income option use this method to obtain coverage under the program and how many merely report a higher amount of covered earnings through its use. Neither is it known how many use the option to remove themselves from coverage and how many use it to reduce the amount of covered earnings. (About 380,000 persons used the optional method in reporting their net earnings in 1958.) Every self-employed farmer with gross farm income of $600 or more, except those with maximum covered earnings from wages, could, however, file a social security tax return. It is therefore assumed that the number of farms with sales of $600 or more from farm products (gross income) in 1959 (which would be slightly less than the number of farm operators and materially participating landlords with that amount of gross income) would approximately equal the number of self-employed farmers who could file social security tax returns for 1959 (and presumably for 1958).

Nationally, the number of farm self-employment returns for 1958 was about the same as the number of commercial farms reported by the 1959 Census of Agriculture but slightly less than three-fourths of the total number of farms with gross sales of $600 or more from farm products. In six States[3] the number of farm self-employment tax returns equaled or exceeded not only the number of commercial farms but also the number of farms with $600 or more in sales from farm products. In an additional 18 States[4] the number of self-employment tax returns exceeded the number of commercial farms but was less than the number of farms with $600 or more from the sale of farm products. In six of these 18 States the number of self-employment tax returns was less than 80 percent of the number of farms with gross sales of $600 or more. In seven States[5] the number of self-employment tax returns was less than 75 percent of the number of commercial farms and, of course, a much smaller percentage—in one State only 32 percent—of the farms with sales of $600 or more.

RELATION OF FARMERS' AGE AND INCOME TO REPORTING

The age and income of farm operators in an area seem to be basic to any analysis of reporting for old-age, survivors, and disability insurance purposes. Farmers generally begin during their fifties to reduce the amount of hard physical work they perform on their farms and thus start the gradual process of retiring as farm operators. Many of the older farmers—particularly those in low-income areas—do not keep abreast of national social and economic developments, even those that might affect them personally, and they are generally less attentive to business affairs than younger men. (The average age of farm operators in 1959 was 50.5.) It is, therefore important to note the number and the income levels of the older farmers and their State of residence.

One-sixth of all farm operators were aged 65

[2] Noncommercial farm operators are classified as either part-retirement or part-time farmers. All of them have annual gross sales from farm products of $50–$2,500. If the operator is aged 65 years or over, the farm is a part-retirement noncommercial farm. If the operator is under age 65 and either (1) he works away from his farm 100 days or more during the year or (2) the income that he and members of his household receive from nonfarm sources is greater than the value of farm products sold, the farm is a part-time noncommercial farm.

[3] Illinois, Iowa, Nebraska, North Dakota, South Dakota, and Wyoming.

[4] Arizona, California, Colorado, Delaware, Idaho, Indiana, Kansas, Kentucky, Minnesota, Missouri, Montana, Nevada, New Jersey, Ohio, Oregon, Utah, Washington, and Wisconsin.

[5] Alabama, Arkansas, Georgia, Louisiana, Mississippi, Rhode Island, and South Carolina.

or older in 1959. Almost two-thirds of this group operated farms that had sales of farm products of $50–$2,500 and were classified in the Census data as living on part-retirement farms. The proportion of all farm operators within a State who were at least age 65 and the proportion living on part-retirement farms are shown in table 2.

At one extreme is West Virginia, with one-fourth of its farmers aged 65 or over; 7 out of 8 of these older farmers lived on farms with gross sales of less than $2,500. Almost a fourth of the farmers in Virginia also were in this age group, with almost 4 out of 5 having farm sales of less than $2,500. At the other extreme is North Dakota, with only about 9 percent of its farmers aged 65 or over and only 1 in 3 of them having farm sales of less than $2,500.

In general, in States where a small proportion (9–16 percent) of farm operators are aged 65 or over, the ratio of farm self-employment tax returns to the number of farms with a gross income of $600 or more is relatively high. Most of these States are in the Middle West and Mountain States and north of the Mason and Dixon line. In States where aged farmers constitute 19–25 percent of all farm operators, the ratio of tax returns to farms with gross sales of $600 or more is noticeably less. A large proportion of these States are in the South and East.

The age of covered farmers in an area also affects the number of benefit claims filed, which, in turn, is associated with retirement and death and therefore with reduction in the number of farm self-employment returns received. A large number of claims filed by farmers within a specific year (1957, for example) in proportion to the number of farm self-employment tax returns for the immediately preceding year indicates that the proportion of farmers of retirement age in the area was large.

The district offices of the Bureau of Old-Age and Survivors Insurance have observed that, generally, farmers retire after they qualify for benefits and no longer have farm self-employment earnings to be reported. As a result the number of farm self-employment tax returns filed might be expected to decline where a large proportion of farmers file for retirement benefits. In some areas, however, the number of farm tax returns has not declined despite an increase in claims loads. In these areas, several factors may be involved in maintaining the level in the number of reports: (1) Farmers receiving retirement benefits have continued to file returns because their net earnings have continued to be more than $400; (2) individuals who have not previously filed have begun to comply with the reporting requirements; and (3) new owners or operators have taken over the farms of retired farmers and the new reporters of farm self-employment earnings have replaced those who have retired.

RELATION OF CLAIMS FILED TO NUMBER OF TAX RETURNS

Nationally, one claim for benefits was filed by a retired farmer, his survivors, or dependents in 1956 for every 14 farm self-employment tax returns for 1955, with the ratio varying from approximately 1 in 20 in region IX to 1 in 11 in regions II, IV, and VII (table 3).

The number of these claims received in 1957 was about one-fifth the number of tax returns filed for 1956—a proportion almost three times the ratio of 1956 farm claims to 1955 tax returns. The fact that the highest ratio of benefit claims to tax returns was reached in 1957 reflects the length of time needed to acquire enough quarters of coverage to qualify for retirement benefits by most farmers who were already at or near retirement age when coverage was first extended to their earnings in 1955. Farmers who were already aged 65 or over in 1955 generally filed self-employment tax returns for 1955 and 1956 before filing claims for retirement benefits. Farmers aged 63 or 64 in 1955 would also qualify for benefits by 1957 if they filed returns for the 2 preceding years.

In region IV the 1957 claims were 30 percent of the number of self-employment tax returns for 1956—double the 15 percent found in region VIII. The 1957 claims in regions III and V–B were 26 percent and 23 percent, respectively, of the number of tax returns for 1956. The high percentages suggest that a large proportion of the 1956 tax returns in these regions, as in region IV, were filed by aged farmers who needed only the earnings from 2 crop years to be eligible for retirement benefits. At the other extreme were regions II and IX, with ratios of 15.5 percent and 15.6 percent.

On the basis of the average age of farmers in the different sections of the country, one would not expect to find such marked differences among the regions in the ratio of 1957 claims to 1956 tax returns. (In 1959 the average age of farmers in the 16 Southern States was 51.4; in the 11 Western States, 50.3, and in the 21 Northern States, 49.7. The United States average, as mentioned above, was 50.5.) Nor would the number of surviving children in deceased workers' families make a marked difference in the number of claims, since the survivors eligible for benefits on the basis of the worker's earnings generally are included in a single claim. Neither, presumably, would the number of dependents of aged farmers in the several regions differ markedly.

The ratio of 1958 claims to farm tax returns for 1957, nationally and in most of the regions, dropped to less than half the corresponding ratio for the preceding year. The ratios in regions IV and III, however, were still much higher than those for other regions. The ratio in region IV, for example, was more than twice the ratios in regions I, II, VI, and VIII.

The United States ratio of 1959 claims to tax returns for 1958 is about the same as the 1958 ratio when allowance is made for the exclusion (beginning July 1958) of claims for dependents' benefits from the total number of claims based on farm earnings. Marked interregional differences continued; the ratio in region IV, for example, was still approximately twice those in regions VIII and VI.

Survivor Claims

The data do not permit a separate analysis of each of the several types of claims based on farm earnings. The available data, however, seem to indicate that, in regions with a proportionately larger share of such claims than of farm self-employment tax returns, the difference generally came from claims for retirement benefits rather than those for survivor benefits or lump-sum death payments. The higher proportion of retirement claims is most noticeable in regions III and IV, where low farm income probably is a significant factor. Survivor claims, on the other hand, seem to account for a larger proportion of the total in the more prosperous farming areas than in the traditionally low-income areas.

TABLE 3.—Ratio of benefit claims [1] based on farm self-employment earnings to farm self-employment tax returns, by region, 1955–59

Region	Number of claims per 100 tax returns			
	1956 claims, 1955 returns	1957 claims, 1956 returns	1958 claims, 1957 returns	1959 claims, 1958 returns
Total	6.9	20.4	8.5	5.6
I	8.3	17.5	6.2	5.5
II	8.9	15.5	6.1	4.7
III	7.9	25.8	12.9	7.0
IV	9.4	29.6	14.1	8.8
V-A	6.6	18.8	7.7	4.9
V-B	6.4	23.0	8.3	5.6
VI	5.6	18.1	6.6	4.4
VII	8.8	19.8	8.1	6.0
VIII	5.4	15.0	6.4	4.2
IX	4.8	15.6	7.5	5.7

[1] Before July 1958 includes claims from retired farmers and their dependents and from the survivors of deceased insured farmers; beginning July 1958, excludes claims from dependents of retired farmers. Usually applications from an earner's survivors are counted as a single claim. It is estimated that the ratio of claims to tax returns might be increased 1 or 2 points for the half year in 1958 and 3 or 4 points in 1959 if the data on the number of dependent's claims based on farm self-employment earnings were available.

SUMMARY

About 2¼ to 2½ million farm self-employment tax returns for old-age, survivors, and disability insurance purposes have been filed annually throughout the 1955–59 period. The relative constancy in the number of tax returns seems to result primarily from a substantial increase in the proportion of farmers reporting self-employment earnings and a marked decline in the number of farms and of full-time farmers.

A reliable estimate of the number of farmers currently covered under the program is difficult to make because of the rapid changes in the number of full-time and part-time farms and the effect of the optional methods for determining the amount of farm earnings for old-age, survivors, and disability insurance purposes. Nevertheless, the number of commercial farms, as reported in the 1959 Census of Agriculture, may be used as a rough measure of the number of farm self-employment tax returns to be expected annually from an area during the next year or so.

Available data seem to indicate a high rate of reporting for old-age, survivors, and disability insurance purposes among farmers in the Northern and Western States. A considerably lower reporting rate, however, seems to occur in many Southern States, especially in States where aged and low-income farmers form a large proportion of the total. At the same time the number of claims for retirement benefits per 100 social security tax returns has been largest in the Southeastern States.