

Hired farmworkers earnings ranked near the bottom of major occupation groups in 1992

Hired Farmworkers Near the Bottom of Major Occupation Groups in 1992

Hired farmworkers provide necessary labor during critical agricultural production periods, such as planting and harvesting. Despite their importance to agriculture, hired farmworkers are one of the most economically disadvantaged occupational groups, experiencing seasonal employment, low earnings, and limited options.

The agricultural work force consists of farm operators, unpaid workers, and hired farmworkers. According to data from USDA's Farm Labor Survey, hired farmworkers (persons who do farmwork for cash wages or salary) accounted for 37 percent of annual average agricultural employment in 1992. Especially during critical agricultural production periods such as planting and harvesting, hired workers provide an important supply of labor when labor demand exceeds that which can be provided by farm operators and their families.

Number of Farmworkers

An average 104 million persons age 15 and older were employed per week at wage and salary jobs in the United States in 1992, according to data from the Current Population Survey (CPS) microdata earnings file. About 848,000 of these workers, or less than 1 percent of the total, were employed as hired farmworkers. However, since the CPS is based on a survey of households, it may undercount workers who live in unconventional living quarters. Studies suggest that farmworkers, especially many Hispanics, may be more likely to live in nonstandard housing units than are other workers.

Hired Farmworkers More Likely to Reside in Nonmetro Areas

Hired farmworkers were significantly more likely to reside in nonmetro areas than were other wage and salary workers. About 54 percent of all hired farmworkers lived in nonmetro areas compared with only 20 percent of all other wage and salary workers. Although farmwork is usually considered to be a predominantly rural occupation, many farms are located in what are defined as metro areas, explaining why almost half of hired farmworkers reside in metro areas. For example, data from the 1987 Census of Agriculture indicates that the eight counties with the largest expenditures for hired farm labor in the United States were all located in metro areas. These eight counties accounted for 16 percent of total U.S. hired farm labor expenditures. Seven of the eight counties were in California: Fresno, Kern, Monterey, Tulare, Ventura, San Joaquin, and Riverside. The eighth county was Palm Beach, Florida.

Demographic Characteristics of Workers

Hired farmworkers are more likely than other wage and salary workers to be young, male, Hispanic, and have completed only limited education. Although some hired farmwork jobs such as farm manager may require higher levels of education, most are low skill and do not require formal education or previous work experience. Unlike many other occupations, lack of education does not hinder entry to farmwork. Over half (57 percent) of all hired farmworkers had not completed high school compared with only 14 percent of all wage and salary workers. In fact, 14 percent of hired farmworkers were functionally illiterate; that is, they had completed less than 5 years of schooling, compared with only 1 percent of all other wage and salary workers.

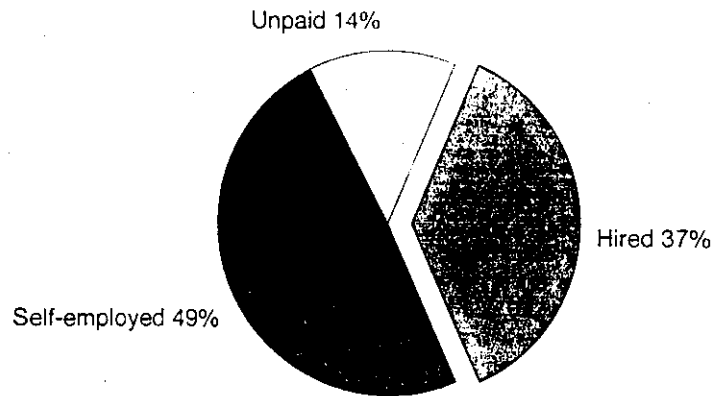
Among hired farmworkers, years of schooling varied significantly by racial/ethnic group. Only 11 percent of Hispanics completed high school versus 60 percent of Whites and 39 percent of Blacks and others.

Farmworker Earnings

Hired farmworkers earned significantly less than most other workers. Among full-time workers (working 35 hours or more per week), hired farmworkers had median weekly earnings of \$240, or only 54 percent of the average \$446 earned by other U.S. wage and salary workers. The weekly earnings of hired farmworkers varied by education level, ranging from a median \$193 for workers who did not complete high school to \$300 for workers with some college.

Because of the seasonal nature of agriculture, much hired farmwork is short-term and unsteady. The seasonality of employment, and low earnings for employed workers make hired farmwork one of the lowest paying occupational groups in the United States. Many hired farmworkers also work at nonfarm jobs to increase their income. However, because they have low education levels and few labor market skills, hired farmworkers are generally unable to compete for higher wage jobs in the nonfarm labor market. [Victor Oliveira, 202-219-0032]

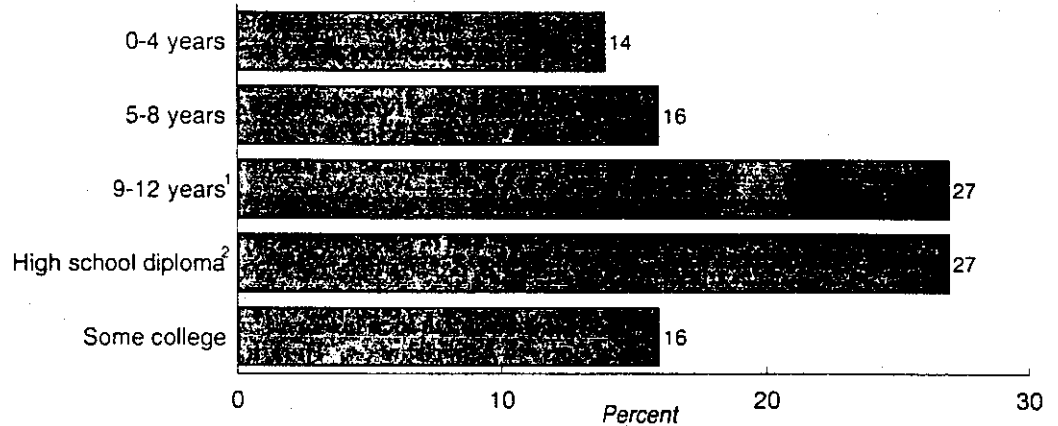
Workers on farms, 1992 annual average
Over a third of workers on farms are hired



Source: USDA, National Agricultural Statistics Service, Farm Labor Survey.

Schooling completed by hired farmworkers, 1992

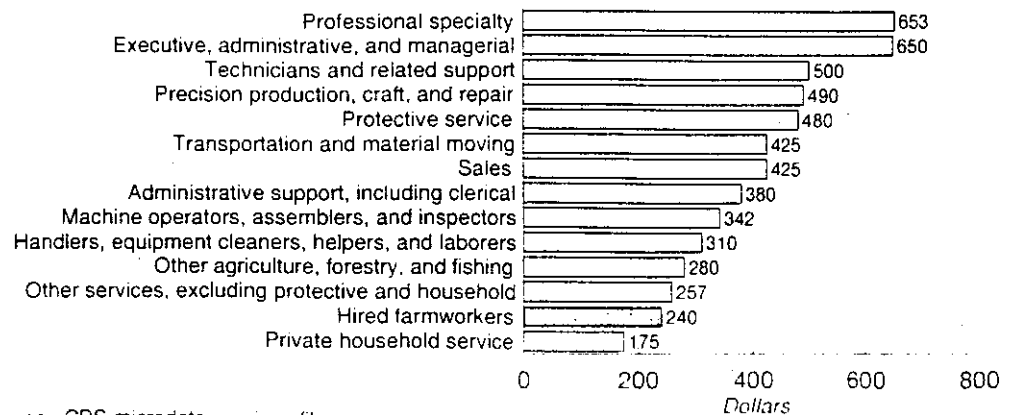
More than half of hired farmworkers have not graduated from high school



¹But did not graduate. ²Or received general educational development (GED) diploma.
 Source: CPS microdata earnings file.

Median weekly earnings of full-time wage and salary workers, 1992

Hired farmworkers rank near bottom of major occupational groups



Source: CPS microdata earnings file.

Appendix: Data Sources and Definitions

Data Sources

Macroeconomic conditions: The economic indicators used to monitor macroeconomic change in the U.S. economy are derived from Federal sources. Measures of inflation, including the Consumer and Producer Price Indexes, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). National income and product account information on capital investment, gross domestic product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy, including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board of Governors.

Nonmetro conditions: The nonmetro employment, unemployment, farm entrepreneur, and farmworkers data presented in this issue come primarily from various Current Population Survey (CPS) files. The monthly CPS, conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro populations. CPS derives estimates based on a national sample of about 60,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month. Second half 1993 employment and unemployment numbers presented in this issue are averages of the July through December CPS monthly surveys, and fourth quarter numbers are averages of the October through December surveys.

The 1992 income of farm entrepreneurs reported in this issue was calculated from the March 1993 CPS. Every year the March CPS includes supplemental questions on sources and amounts of income received during the previous calendar year. Each person 15 years of age and older is asked these questions.

The hired farmworker data presented in this issue were calculated from the CPS earnings microdata file for 1992. Each month workers in about a quarter of the CPS households are asked additional questions on hours worked and earnings for the week including the 12th of the month. The microdata file consists of all records from the 12 monthly quarter-samples conducted in 1992. This sample of records was expanded to represent the entire work force. Annual averages were computed by summing the estimates for each month and dividing by 12.

Data on employment by industry in 1991, shown in the "National Links to the Rural Economy" article, are from the Bureau of Economic Analysis. BEA employment data, unlike the household data collected by the CPS, provide establishment data on the number of jobs rather than the number of workers. The BEA data are taken primarily from administrative reports filed by employers covered under unemployment insurance laws and from information from the Internal Revenue Service and the Social Security Administration. Thus, these jobs are counted at the place of work and are based on a virtual universal count rather than a sample. The BEA data provide detailed information on the number of jobs by industry at the county level. A shortcoming of the BEA data is the 2-year lag between when they are collected and when they are available for analysis.