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AMERICAN CHILDREN: ECONOMIC CHARACTERISTICS OF THEIR FAMILIES

About 7 million of the Nation's children lived in families with annual incomes of $5,000 or more in 1949, according to estimates based on the Current Population Survey, issued today by Roy V. Peel, Director, Bureau of the Census, Department of Commerce. In contrast, about 11 million children were in families with incomes under $2,000. The distribution of American children under 18 years old according to the amount of family income is shown below:[1]

Table 1.--FAMILIES, AND CHILDREN UNDER 18 YEARS OF AGE, BY FAMILY INCOME, FOR THE UNITED STATES: 1949

Family income	Number of families	Number of children
Total	39,193,000	42,253,000
Under $1,000	4,748,000	4,524,000
$1,000 to $1,999	5,848,000	6,414,000
$2,000 to $2,999	8,100,000	9,405,000
$3,000 to $3,999	7,819,000	9,781,000
$4,000 to $4,999	4,722,000	5,075,000
$5,000 to $5,999	3,078,000	3,004,000
$6,000 and over	4,879,000	4,051,000

One-fourth of the children in the United States lived in families with annual incomes of less than $2,000 in 1949. About 5 million, or less than one-half, of the 11 million children in these lower-income families lived on farms, where cash incomes were frequently supplemented by food and other necessities produced and consumed on the family farm. The remaining 6 million children in these families lived in nonfarm areas where the income of less than $40 a week more closely approximated all that was available for family living.

Lower-income families tend to have more young children than wealthier families, according to data from other Census Bureau reports.[2] However, when older children as well as younger children are included, as they are in this report, there is little evidence of a disproportionate concentration of children at the lower income levels.[3] Approximately 12 percent of all families received incomes under $1,000 in 1949. These families had 11 percent of the children. One-fourth of all families received incomes under $2,000 in 1949, and these families had one-fourth of the children. It is important to note, however, that about three-fifths of the children at the lower-income levels were in families having three or more children. In these families, a greater-than-average number of people had to share lower-than-average incomes.

The data presented in this report were obtained from the Census Bureau's Current Population Survey of March 1950. The income data collected in this survey covered the civilian noninstitutional population of the United States and members of the armed forces living off post or with their families on post. Since the estimates are based on a sample, they are subject to sampling variability. Figures based on relatively small numbers of cases, as well as small differences between figures, should be used

[1] This report presents the family characteristics of the 42.3 million children in the United States whose parents were family heads in March 1950. Excluded are 5.5 million children most of whom were in families in which they were not the family head's own children, or lived in institutions.

[2] U. S. Bureau of the Census, Current Population Reports--Population Characteristics, Series P-20, No. 27, "Marital Fertility: April 1949," February 3, 1950. Additional data showing the relationship between family income and number of children may be found in the following Current Population Reports of the Census Bureau: Series P-60, No. 7, "Income of Families and Persons in the United States: 1949," February 18, 1951; and Series P-20, No. 32, "Children and Youth: 1950," December 4, 1950.

[3] The differences in the evidence from these reports on the relationship between family income and number of children are due to several factors. First, the data in the fertility report, which show that lower-income families tend to have more children than wealthier families, are standardized for age of wife, whereas the data in this report are not standardized for age of wife. In addition, the data in the fertility report are restricted to younger families, whereas the data in this report include longer-established families having older children. The fertility data reflect the tendency of younger families with low incomes to have a greater number of children, on the average, than wealthier families. However, as these children grow older and enter the labor market these families tend to move up the income scale relative to other families and thereby obscure the fertility pattern. Partly for this reason the income distribution of families by number of children under 18 years old differs from the income distribution of families by number of children under 5 years old.

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Table 3.--CHILDREN UNDER 18 YEARS OF AGE LIVING WITH BOTH PARENTS, BY EMPLOYMENT STATUS AND MAJOR OCCUPATION GROUP OF FATHER IN MARCH 1950, BY FAMILY INCOME IN 1949, FOR THE UNITED STATES

(Figures are for families in which the father was 25 to 64 years of age)

Employment status and major occupation group of father in March 1950	Number of children (thousands)	Percent distribution of children by family income			
		Total	Under $2,000	$2,000 to $3,999	$4,000 and over
Total	37,612	100.0	22.6	46.[illegible]	31.0
Total employed	35,316	100.0	20.7	46.9	32.4
Professional and technical workers, and proprietors, managers, and officials (except farm)	7,116	100.0	9.9	35.8	54.3
Farmers and farm managers	4,947	100.0	58.9	27.0	14.1
Clerical, sales, and kindred workers	3,556	100.0	7.5	51.9	40.6
Craftsmen, foremen, operatives and kindred workers	15,036	100.0	10.8	57.3	31.8
Service workers and laborers	4,661	100.0	38.4	47.8	13.8
Unemployed or not in civilian labor force	2,296	100.0	52.6	37.3	10.1

Within most occupation groups, there appeared to be little difference by income level in the average number of children per family (table 4). It should be noted, however, that for service workers and laborers, typically low-paying occupations, there was an inverse relationship between family income and number of children per family; families in these occupations with incomes under $2,000 had twice as many children on the average as families with incomes over $4,000.

Table 4.--AVERAGE NUMBER OF CHILDREN UNDER 18 YEARS OF AGE PER FAMILY, BY MAJOR OCCUPATION GROUP OF EMPLOYED FATHER IN MARCH 1950, BY FAMILY INCOME IN 1949, FOR THE UNITED STATES

(Figures are for husband-and-wife families in which the husband was 25 to 64 years of age)

Major occupation group of employed father in March 1950	Average number of children by family income		
	Under $2,000	$2,000 to $3,999	$4,000 or more
Professional and technical workers, and proprietors, managers, and officials (except farm)	1.2	1.3	1.1
Farmers and farm managers	1.7	1.6	1.8
Clerical, sales, and kindred workers	1.3	1.3	1.0
Craftsmen, foremen, operatives, and kindred workers	1.4	1.6	1.2
Service workers and laborers	1.9	1.4	1.0

Another characteristic which is often correlated with income statistics is race or color. Other reports of the Bureau of the Census have noted that on the average the income of nonwhite families is only about one-half that of whites. It is, therefore, not surprising to find a concentration of nonwhite children at the lower income levels. More than half of the nonwhite children who were living with both parents as compared with only one-fifth of the white children were in families with incomes of less than $2,000. At the other end of the income scale, about one-third of the white children and only about one-twelfth of the nonwhite children were in families with incomes of $4,000 or more (table 5).

Table 5.--PERCENT DISTRIBUTION OF CHILDREN UNDER 18 YEARS OF AGE LIVING WITH BOTH PARENTS, BY FAMILY INCOME AND COLOR, FOR THE UNITED STATES: 1949

Family income	All classes	White	Nonwhite
Total	100.0	100.0	100.0
Under $2,000	23.4	20.4	56.8
$2,000 to $3,999	46.5	47.5	35.3
$4,000 and over	30.1	32.1	7.9

There has been a relatively large increase in the number of working wives during the past decade. In 1949, 23 percent of married women who were living with their husbands were in the labor force as compared with only 15 percent in 1940. Other data of the Bureau of the Census indicate that the income of families in which the wife was a paid worker was considerably higher, on the average, than that of families in which the wife did not work or did only unpaid work on the family farm or in the family business. The importance of the working wife's contribution to family income is indicated by the fact that about one-half of the families with working wives had incomes of $4,000 or more in 1949. In contrast, less than one-third of the families in which the wife did not work had this much income.

About 6 million children were in homes in which both parents were in the labor force. (See table 6.) Although the family incomes of these children were higher, on the average, than those of children whose fathers worked but whose mothers stayed at home, relatively large numbers were in lower-income families despite the labor force participation of both parents. Over 1 million children whose parents were both in the labor force were in families with incomes of less than $2,000. About one-half of these children lived on farms where the mothers probably worked as unpaid family workers; the others lived in nonfarm areas where the mothers worked away from home.

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DEFINITIONS OF TERMS AND EXPLANATIONS

Family.--The term "family," as used in this report, refers to a group of two or more persons related by blood, marriage, or adoption and residing together; all such persons are considered as members of the same family. Thus, if the son of the head of the household and the son's wife are in the household, they are treated as part of the head's family. On the other hand, a lodger and his wife not related to the head of the household or an unrelated servant and his wife are considered as additional families, and not as part of the household head's family.

Head of family.--One person in each family was designated as the head. The head of a family is usually the person regarded as the head by members of the family. Females are not classified as heads if their husbands are resident members of the family at the time of the survey. Married couples related to the head of a family are included in the head's family and are not classified as separate families.

Age.--The age classification is based on the age of the person at his last birthday.

Own children under 18 years of age.--The term "own children" includes all children (including stepchildren and adopted children) of the family head who were under 18 years old. Children who were living with relatives or whose parents were not family heads were excluded from this report.

Color.--Families are classified as white or nonwhite in accordance with the color of the head. Persons of Mexican birth or ancestry not definitely Indian or of other nonwhite race are counted as white.

Urban and rural classification.--The definition of urban and rural areas used in the March 1950 survey was very similar to that used in the 1950 Census; this definition differs from that used in earlier surveys and censuses. Urban population as defined for the 1950 Census is that residing in incorporated and unincorporated places of 2,500 inhabitants or more and in the densely settled territory in the suburbs of cities of 50,000 or more, which is called the "urban fringe." (This urban fringe territory may include both incorporated and unincorporated territory. The main difference between the definition used in the survey and that used in the 1950 Census is that, in the former, unincorporated places of 2,500 or more outside the urban fringe were counted as rural.) The remainder of the population is classified as rural.

Farm and nonfarm residence.--The rural population is subdivided into the rural-farm population, which comprises all rural residents living on farms, and the rural-nonfarm population, which comprises the remaining rural population. The method of determining farm and nonfarm residence in the March 1950 survey is the same as that used in the 1950 Census but differs from that used in earlier surveys and censuses. Persons on "farms" who were paying cash rent for their house and yard only were classified as nonfarm; furthermore, persons in institutions, summer camps, and tourist courts were classified as nonfarm.

Family income.--The total money income of a family is the sum of the income received, less losses, by all members of the family from the following sources: money wages or salary; net income (or loss) from the operation of a farm, ranch, business, or profession; net income (or loss) from rents or receipts from roomers or boarders; royalties; interest, dividends, and periodic income from estates and trust funds; pensions; veterans' payments, armed forces allotments for dependents, and other governmental payments or assistance; and other income such as contributions for support from persons who are not members of the household, alimony, and periodic receipts from insurance policies or annuities. The figures represent the amount of income received before deductions for personal income taxes, social security, bonds, union dues, etc.

Receipts from the following sources were not included as income: money received from the sale of property, such as stocks, bonds, a house, or a car, unless the person was engaged in the business of selling such property; the value of income "in kind," such as food produced and consumed in the home, free living quarters, etc.; withdrawals of bank deposits; money borrowed; tax refunds; gifts; and lump-sum inheritances or insurance payments.

Income refers to receipts during the calendar year 1949. However, the characteristics of the families or children refer to the date of interview, March 1950.

Earned income.--Earned income is defined as the sum of income received from wages or salary and from farm or nonfarm self-employment.

Income other than earnings.--This income includes net income from rents, royalties, or receipts from roomers or boarders; interest, dividends, and periodic income from estates and trust funds; pensions; veterans' payments, armed forces allotments for dependents, and other governmental payments or assistance; and other income such as contributions for support from persons who are not members of the household, alimony, and periodic receipts from insurance policies or annuities.

Employment status concepts

Employed.--Employed persons comprise those who, during the survey week, were either (a) "At work"--those who did any work for pay or profit, or worked without pay for 15 hours or more on a family

sampling variability. The sampling variability of an estimated percentage depends upon both the size of the percentage and the size of the total on which it is based. The following table presents the approximate sampling variability of estimated percentages based on totals of selected sizes for the United States in 1949:

Table 9.--SAMPLING VARIABILITY OF ESTIMATED PERCENTAGES BASED ON TOTALS OF SELECTED SIZES

If the estimated percentage is:	And if the size of the base is:							
	40,000,000	20,000,000	10,000,000	5,000,000	3,000,000	2,000,000	1,000,000	500,000
	Then the chances are about 19 out of 20 that the difference between the estimated percentage and the percentage which would have been obtained from a complete census is less than:							
2 or 98	0.3	0.5	0.7	1.0	1.3	1.5	2.2	3.1
5 or 95	0.5	0.8	1.1	1.5	2.0	2.4	3.4	4.8
10 or 90	0.7	1.0	1.5	2.1	2.7	3.3	4.7	6.6
25 or 75	1.1	1.5	2.1	3.0	3.9	4.8	6.7	9.5
50	1.2	1.7	2.5	3.5	4.5	5.5	7.8	11.0

Estimated percentages based on urban and rural residence and nonwhite distributions are subject to somewhat greater sampling variability than that shown in the above table.

The reliability of an estimated median depends upon both the form and the size of the distribution on which it is based. The table below indicates the approximate sampling variability of selected estimated medians for the United States in 1949.

The sampling variability of a difference between two estimates depends upon the sampling variability of each of the estimates and the correlation between them.

In addition to sampling variation, the figures are subject to errors of response and nonreporting, but the possible effect of such errors is not included in the above measures of reliability. In most cases the schedule entries for income are based on memory rather than on records, and in the majority of instances on the memory or knowledge of some one person, usually the wife of the family head. The memory factor in data derived from field surveys of income probably produces underestimates, because the tendency is to forget minor or irregular sources of income. Other errors of reporting are due to misrepresentation or to misunderstanding as to the scope of the income concept.

Table 10.--SAMPLING VARIABILITY OF SELECTED MEDIANS

Residence and type of family	Estimated median family income	The chances are about 19 out of 20 that the median which would have been obtained from a complete census would fall within the estimated range
UNITED STATES		
Total.....	$3,080	$2,975-$3,184
Living with both parents.....	3,174	3,075- 3,272
Living with mother, no father	1,489	1,170- 1,808
URBAN		
Total.....	$3,503	$3,392-$3,614
Living with both parents.....	3,603	3,493- 3,713
Living with mother, no father	1,632	1,257- 2,008
RURAL NONFARM		
Total.....	$2,888	$2,714-$3,070
Living with both parents.....	2,948	2,783- 3,142
RURAL FARM		
Total.....	$1,697	$1,506-$1,888
Living with both parents.....	1,736	1,544- 1,928

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