

*Urban Negroes advance, rural Negroes lag, but both are far behind whites*

# Negroes Gain In Family Income

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**I**T is hardly news any longer that the South's economy is mushrooming. In the last two decades, personal income in the region has tripled, manufacturing payrolls have increased five-fold, and retail and wholesale payrolls have grown four-and-a-half times. The Southern Association of Science and Industry is authority for the breath-taking statement that every working day of 1951-52 saw a new multi-million-dollar industry launched in the South.

What is the Southern Negro's share in this mounting prosperity?

Until recently, there was little evidence on which to base an answer. Now, however, the Bureau of the Census is issuing the most complete information on Negro income ever available. Preliminary reports of the 1950 Census findings give income by race of families and unrelated individuals for all the Southern states, as well as for counties and selected cities. Final reports give the same information on personal income.

The Census findings have several shortcomings. Income, as defined by the Census, is limited to money received from wages, salaries, self-employment, and such other conventional sources as pensions and government assistance. Income "in kind"—food, clothing, shelter, and the like—is not included. So, particularly for farm families, Census income suggests a lower standard of living than actually exists. Moreover, the 1950 Census lumps family income with income of "unrelated individuals"—that is, persons who live independently, not as part of a family group.\* This also serves to bring the average down.

It might also be remembered that these figures, though newly published, were collected in 1949. Since then, the Southern economy, and presumably Southern incomes, have continued to grow.

Keeping these limitations in mind, what does the 1950 Census tell us about Negro income in the South?

First of all, it shows plainly that the gap between white and Negro family income, though gradually diminishing, is still wide, particularly in rural areas. In 1949, the income of the typical Negro family ranged from one-third to three-fifths of typical white family income in the various Southern states. In dollars, the figure for Negroes was from \$746 to \$1,600 less than that for whites.

This disparity was greatest in the "Deep South," relatively less in the border states. The median, or typical, Negro income was lowest in Mississippi, Arkan-

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*\*For the sake of convenience, the combined income of families and unrelated individuals will be termed simply "family income" throughout this article. Similarly, the Census term "non-white" will be converted to "Negro," since Negroes comprise all but a negligible part of the non-white population of the Southern states.*

sas and South Carolina, and highest in Virginia, Texas, Florida and Kentucky.

The Census also found a large number of Negro families at the bare subsistence level, and only a small proportion in the high-income bracket. Three out of every ten Southern Negro families lived on \$500 a year or less in 1949. Slightly over half had a yearly income of \$1,000 or less, and four-fifths were below the \$2,000.01 mark. Only one out of every sixteen Negro families in the South had an income of more than \$3,000 a year.

Southern white families fared substantially better. Only one out of seven white families made \$500 or less in 1949, and only one out of four made \$1,000 or less. Over one-third exceeded the \$3,000-a-year level.

These overall figures do not tell the whole story. A closer examination shows that the gains in Negro income have come almost wholly in the cities. In the rural areas, Negroes as a group earned in cash only a little more in 1949 than they did fifteen years earlier. Comparison with earlier years reveals the extent of urban over rural gains in Negro income. In 1935-36, a National Resources Committee study found that the median income of Negro families in urban areas of the South was \$525. By 1949, the figure was more than twice as high, ranging from \$920 in Arkansas to \$1,489 in Virginia. During the same period, the proportion of urban Negro families with incomes of \$500 a year or less was reduced from one-half to one-fifth.

By contrast, the median cash income of rural farm Negroes rose from \$480 in 1935-36 to roughly \$780 in 1949, with the proportion of families at the lowest level changing little. In 1935-36, the National Resources Committee reported that slightly more than fifty per cent of all Negro farm families in the South had incomes of \$500 or less. In 1949, 44 per cent were still at this level.

The typical differential between Negro farm and non-farm income in the South in 1949 shows up in the following contrasts in several sample states:

<i>Negro Income</i>	<i>Urban Families</i>	<i>Rural Farm Families</i>
Alabama -----	\$1,267	\$446
Florida -----	1,245	814
Mississippi -----	984	449
North Carolina -----	1,314	805
Virginia -----	1,489	898

Urban Negro income is not only gaining beyond rural farm Negro income; it has also caught up with white farm income in areas of the South where farm gains are low or non-agricultural job opportunities are increasing. In Georgia, for example, the median income of urban Negro families in 1949 (\$1,207) exceeded the median income of white farm families (\$1,113) by nearly \$100. Urban Negro family income was also higher than white rural farm income in Alabama, Kentucky, Oklahoma and Tennessee.

Negro income in the cities has by no means caught up with white city income. At best, urban Negro income is not quite half of urban white income. Census reports on Southern metropolitan areas reveal that in Birmingham and Richmond, Negro family income is 47 and 43 per cent, respectively, of white income. In New Orleans, Memphis, and Atlanta, it amounts to 48, 44, and 42 per cent of white income.

**MEDIAN MONEY INCOME OF FARM AND NON-FARM  
FAMILIES IN THE UNITED STATES, BY RACE, 1949**

(Source: U. S. Department of Labor)

Residence	White	Negro	Negro as a Per cent of White
Urban .....	\$3,619	\$2,084	58%
Rural non-farm .....	\$2,851	\$1,240	44%
Rural farm .....	\$1,757	\$ 691	39%
All families .....	\$3,232	\$1,650	51%

The effects on income of farm-to-city shifts in the Negro population of the South are paralleled in other parts of the country. In 1949, the median family income of urban Negroes throughout the United States was three times as high as that of rural farm Negroes. In such states as Michigan, New York, Wisconsin, Illinois, Ohio, and Pennsylvania, the typical Negro worker in the cities earned slightly more than the typical white farm laborer, though considerably less than the typical white urban worker.

In terms of consumer buying power, the increasing Negro income is of major importance to the economy of the nation and the South. Recent estimates of total purchasing power of the U. S. Negro population range from \$8 to \$10 billion. But though this estimated purchasing power is high in comparison with earlier years, Negro consumption of goods and services is still far below its full potential. If median Negro family income had been equal to white in 1949, for example, Negro purchasing power would have been up more than \$5 billion. Over \$3 billion of this amount would have flowed into the Southern economy.

An additional \$3 billion in Negro income in the South in 1949, if spread evenly, would have added \$1,200 to the income of each of the 2,574,475 Negro families in the thirteen Southern states. Converting this amount into terms of goods and services, each of the two and a half million Negro families could have purchased three winter coats, five pairs of shoes, an automatic washing machine, an electric stove, and a refrigerator, with enough left over to pay \$50 in doctor and dentist bills.

Increased Negro family income, in addition to expanding purchasing power and relieving public agencies of the many needs which low-income families cannot meet, would also serve to reduce the number of families with several wage-earners. Negro family income, to a much greater extent than white, is largely the product of both husband and wife, and often several children. Higher earnings would diminish the need for the mother and adolescents to work.

As farm mechanization and conversion to cattle reduce the demand for cheap hand labor in the rural South, Negro farm hands, like their white counterparts, must turn to industrial employment for a living. A higher wage rate and more unskilled jobs in construction, lumbering, and industry have helped bring Negro non-farm income up to twice its pre-war average. But most non-agricultural jobs open to Negro workers are "dead-ends," for Negro opportunity usually ends at the skilled level, where large wage increases begin. This ceiling on job opportunity is reflected in the wide gap between white and Negro income in urban areas.

Full use of Negro workers in industry is the challenge that now faces the South.