

# Sickness Insurance and California Farm Workers

by PHILIP BOOTH\*

FARM WORKERS, a declining sector of the work force for fifty years or more, are excluded from the protection of most Federal and State labor protective legislation and are covered only in part by the basic social security system. Few have workmen's compensation protection (except in about a dozen States, including California)<sup>1</sup> and fewer than 25,000 are protected by unemployment insurance.<sup>2</sup> Besides their low wages and underemployment—reflecting the fact that there are more jobseekers than year-round jobs—farm workers and their families do not have the same access as nonfarm workers to local community health, welfare, and educational services. In addition, the housing available to seasonal harvest workers has been generally substandard.

Only California—one of the four states with temporary disability insurance programs established by law—has extended the program to farm workers. The extension to services in agricultural employment (including wages paid to foreign nationals, since Jan. 1, 1965) is almost universal. In October 1961, California workers began to accrue rights to benefits (first payable in May 1962) under disability insurance on the basis of their earnings in agriculture. These benefits had already been paid to workers in commerce and

industry since 1946. The records accumulated as a byproduct of the program's contribution and benefit operations throw light on farm workers' employment and earnings history, on their morbidity experience, and more important, on how they utilized this program to compensate for wages lost when they were incapacitated by illness or injury.

A recent study of the benefit experience of agricultural workers in 1964 under California's disability insurance program indicates that farm workers, contrary to earlier expectations, used the system only half as often as nonfarm workers. Those who did claim benefits, however, remained disabled longer than nonfarm workers and more often exhausted their benefit rights before they could return to work. Engaged chiefly in manual outdoor work, they were more often incapacitated by injuries. In addition, such poverty-related ailments as pulmonary tuberculosis disable farm workers more often than their nonfarm counterparts. Farm workers' earnings, employment, and claims and sickness patterns resemble those of other low-income groups, in general. Yet close examination of the data for farm and nonfarm beneficiaries with similar earnings indicates that their claims and sickness patterns are different.

These and other findings, elaborated below, are drawn from an analysis of the claims and benefit experience of both farm workers and nonfarm workers who received cash disability benefits under the program in 1964 during spells of disability terminating in that year.<sup>3</sup>

## SOURCE OF STUDY DATA

The terms "agricultural workers" and "agricultural beneficiaries" (used interchangeably here with "farm workers" and "farm beneficiaries") refer to workers who were paid any wages for

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<sup>1</sup> In 1964, some 18 States' workmen's compensation laws protected some or all farm workers, and 10 of them cover most farm employment. Twelve States, accounting for nearly half of all seasonal farm labor in the United States, had adopted none of 10 major types of protective labor legislation. See U.S. Dept. of Labor, Bureau of Labor Statistics, *Coverage of Agricultural Workers Under State and Federal Labor Laws* (Bulletin No. 264, 1964), pages 26-27.

<sup>2</sup> Agricultural workers are protected by unemployment insurance only in the District of Columbia (primarily in greenhouses and nurseries, etc.), Hawaii, and Puerto Rico. See U.S. Dept. of Labor, Bureau of Employment Security, *Comparison of State Unemployment Insurance Laws* (BES No. U-141), 1965.

<sup>3</sup> A more complete presentation of the data, tabulations, and text and a fuller explanation of the methodology employed are included in the complete report, *California Farm Workers and Disability Insurance*. Copies may be obtained by request to the author as long as the limited supply permits.

agricultural employment during their base periods (in most cases, calendar year 1963), whether or not their nonfarm employment was a small or major part of the total. "Nonfarm workers," however, had no wages reported for agricultural employment during 1963. The "cross-section" sample (described below) necessarily included few beneficiaries with any agricultural wages in their base period since 97 percent had none at all. Consequently, the cross-section sample can be referred to when compared with the agricultural sample as essentially nonfarm.

Employment and earnings data for a 1-percent random sample of the base population of some 6 million wage earners in 1963 were made available by the California Department of Employment and tabulated under the auspices of the Institute of Social Research of the University of Michigan. Disability claims and payment data and employment and earnings data were obtained for a random sample comprising 20 percent of all 500,000 who were disability beneficiaries in 1964 and 50 percent of all 15,000 agricultural beneficiaries—the latter defined here as including all beneficiaries who had any farm earnings in the reference period upon which their benefit rights accrued.

After subsampling and matching benefit and earnings records for individual claimants, two study samples were developed: (1) a "cross-section" sample (3,997 cases) comprising 0.85 percent of all beneficiaries and (2) an "agricultural" sample (4,129 cases) comprising 27.4 percent of those beneficiaries with some earnings in agriculture.

## IMPACT UPON BENEFIT RIGHTS

Extension of coverage to farm workers meant in effect, that for many workers who had both nonfarm and farm employment benefit rights based on wages in the former sector could now be supplemented by rights acquired from employment in the latter. Thus, as table 1 indicates, one-fifth of all 1964 agricultural beneficiaries were in this category. Some (type V) would not have been able to qualify for benefits on the basis of their nonfarm employment alone and others (type D) received higher benefits because of their agricultural wages.

TABLE 1.—Employment status of farm beneficiaries who filed State plan claims terminating in 1964: Percentage distribution, by base-period wage type

Base-period wage type <sup>1</sup>	Total	Employment status <sup>2</sup>		
		Farm	Non-farm	Dis-abled unem-ployed
Number.....	15,078	6,897	4,836	3,345
Total percent.....	100	100	100	100
A. Farm wages only.....	47	78	11	32
V. Claim validated because of farm wages...	8	9	6	12
D. Benefits increased because of farm wages...	13	6	21	17
N. No change in benefit rights.....	32	7	62	39

<sup>1</sup> All V, D, and N beneficiaries had wages in both farm and nonfarm employment during the base period.

<sup>2</sup> Status at onset of disability.

Source: California Department of Employment, Research and Statistics, Report 1031A (No. 16), table 20, Apr. 5, 1965.

Virtually one-half of all beneficiaries with any farm wages had no earnings from other than agricultural employment (type A); they would have had no benefit rights except for the statutory coverage extension. The benefits of the remaining one-third (type N) were not increased because of farm earnings. Thus, type A and type V beneficiaries were primarily farm workers; those in type N were largely nonfarm workers, though they depended on earnings in the farm sector to qualify for any benefits or for a higher weekly benefit amount.

## INDUSTRY OF LAST EMPLOYER

Classification of the agricultural beneficiaries by industrial employment status at onset of the disability—as well as by the presence of any nonfarm base-period earnings—serves to mark their attachment to the industry in which they worked for a living. More often than not, the industrial sector (farm or nonfarm) or the beneficiary's last employer turns out to be the sector where he got most of his year's earnings. Thus, nearly 9 out of every 10 beneficiaries with agricultural employment status at the onset of their disability either got all their wages in agriculture or would not have qualified for benefits except for their agricultural earnings. Such great dependence on agriculture was true for only 1 out of 10 beneficiaries with nonfarm employment status, even though all of them had *some* agricultural earnings. Those last employed for a nonfarm employer acquired the bulk of their earnings outside agriculture; for

3 out of 4, their agricultural earnings had no impact on their benefit rights. Those who were out of work or in noncovered employment when they became disabled were fairly evenly divided between primarily farm and primarily nonfarm earners.

## PURPOSE OF THE STUDY

It was anticipated that analysis of data on disability benefits—not available heretofore for so large a base population as a half-million workers who engaged in agricultural work during the year—would serve to:

- (1) fill gaps in the statistical intelligence on the employment and earnings characteristics of the population at risk;
- (2) utilize the experience of farm and nonfarm workers to provide guidance for shaping social insurance legislative policy;
- (3) measure the impact of the coverage extension on farm workers' entitlement to benefits;
- (4) measure the effectiveness of the disability insurance program in compensating for wage loss; and
- (5) throw light on farm workers' participation in the various public and private systems that protect workers against the cost of medical care.

## PURPOSE OF THE PROGRAM

It is useful to recall the purposes of the disability benefit program and the major features of the law and its operation. Like short-term sickness benefit protection available as a fringe benefit in many American industries and to workers generally in other countries,<sup>4</sup> the program is intended to tide workers over periods of incapacity for work. Weekly benefits, roughly proportional to previous weekly wages, provide continuing income and protect workers' living standards from being reduced—a result that could impair recovery of their health and earning capacity.

For weeks of disability beginning in or after January 1964, benefits ranging from \$25 to \$76 per week, were paid for a maximum of 26 weeks. To be eligible, the worker had to have earned

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<sup>4</sup> See Alfred M. Skolnik, "Ten Years of Employee-Benefit Plans," *Social Security Bulletin*, April 1966, and Social Security Administration, Office of Research and Statistics, *Social Security Programs Throughout the World*, 1967.

\$300 or more in covered employment during the base (or reference) year, which extended from about 16–18 to 4–6 months before the onset of his disability. The first week of disability is not compensable; if the worker was hospitalized during that week, his benefits began with the date of hospital admission. For the first 20 days of his hospital stay, he was paid a hospital benefit of \$12 per day. Benefits were not payable except for wage loss due to disability; thus, if the worker continued to receive any wages during his disability, the benefit could not be large enough to bring the total of his benefit and wages above the amount of his normal full-time weekly wages. If he had a work injury and his temporary disability insurance benefit would be greater than the temporary total benefit payable under workmen's compensation, the temporary disability insurance benefit paid only the difference.

A second purpose is to assure that the worker receives the medical care needed to facilitate his recovery; thus the requirement that his attending physician must certify to the existence of incapacitating disability. The certification, in practice, may serve more effectively as an administrative control against claimant misrepresentation and malingering by assuring that benefits are paid only to persons who are genuinely incapacitated. Assurance that necessary medical treatment (and hospital care when indicated) is provided is not regarded as the responsibility of the Department of Employment;<sup>5</sup> this matter is left to the claimant and the attending physician. In State workmen's compensation, as well as in sickness insurance of other countries, by contrast, medical care services accompany cash wage-loss compensation benefits.<sup>6</sup> The absence of medical care benefits, then, leaves a substantial gap in workers' protection, even though the cash benefits may approach 50 percent or more of their former wages.

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<sup>5</sup> The Department of Employment does provide counseling, testing, referral, and placement services for work applicants.

<sup>6</sup> Workmen's compensation, in principle, recognizes that the administrative agency should supervise medical care of injured workers, sharing responsibility with appropriate advisory bodies. A minority of State agencies actually are empowered to, or do in fact, exercise such supervision. See E. F. Cheit, *Medical Care Under Workmen's Compensation*, U.S. Department of Labor, Bureau of Labor Standards (Bulletin No. 244), 1962, pages 86–88.

## FARM WORKERS' EMPLOYMENT AND EARNINGS

In California, as in other States, farm work is man's work. Men outnumbered women 2 to 1 among the 6.3 million wage and salary workers, 3 to 1 among farm workers, 5 to 1 among those who earned at least \$300 (the minimum needed to qualify for disability benefits), and 7 to 1 among benefit recipients. Men also outnumbered women 5 to 1 among persons employed in both farm and nonfarm work during the year—a reflection of their wider skills and experience, greater mobility, and heavier responsibilities as the breadwinner to supplement family income with work in more than one sector.

Farm workers are among the lowest paid of all workers. A recent discussion of the earnings of all hired farm workers in the Nation notes that not only were their wage rates (\$1.17 an hour in 1964) less than half those of production workers in manufacturing (\$2.50 an hour) but that their position, in relation to other workers, has actually deteriorated since the end of World War II and that this situation was closely related to their underemployment. The 2 million noncasual farm workers averaged 129 days of work and earned \$933 in 1964; the highest earners were the 1.3 million with both farm and nonfarm work who worked 147 days and earned \$1,379.<sup>7</sup>

In California, farm workers outnumber other workers generally by 2 to 1 in the lowest earnings brackets. Among higher-paid wage earners they are far less numerous than those in nonfarm employment. As table 2 indicates, 5 out of 10 of the men who were farm workers earned less than \$1,000 in 1963, but only 6 in 100 earned \$5,000 or more. Among all industries, by contrast, only 2 in 10 of the men failed to earn as much as \$1,000, but nearly 5 in 10 earned \$5,000 or more (about the same proportion as those in the farm group who earned \$1,000). Among women farm workers, the contrast is even sharper—only 1 in 5 earned as much as \$1,000 and 1 in 100 earned \$5,000 or more (table 2).

Since the study is concerned specifically with California farm workers who received disability benefits in 1964, attention is directed first to the

TABLE 2.—All workers and workers with any farm wages: Percentage distribution, by total annual wages and by sex, 1963

Annual wages	All workers		Workers with farm wages	
	Men	Women	Men	Women
Number (in thousands).....	3,756	2,021	383	118
Total percent.....	100	100	100	100
Under \$1,000.....	22	39	48	81
Under \$300.....	(11)	(20)	(26)	(53)
\$1,000-\$4,999.....	31	50	46	18
\$5,000 and over.....	47	11	6	1

Source: California Department of Employment, Research and Statistics, Report No. 1115 (No. 6), tables 4, 6, and 8 and data from unpublished tabulations based on 1-percent work-history sample.

farm workers who had enough wages (\$300) to qualify for these benefits—about 3 out of 4 of the men with any farm earnings and about half the women. Though by this elimination the remainder constitute “higher earners,” they still fall far short of the moderately well-paid among wage earners generally. Among insured male farm workers, those earning \$1,000 or more constitute 70 percent, compared with 50 percent for all male farm workers (table 3). Earnings of \$5,000 or more are harder to achieve, and only 8 percent of the insured workers reached that level.

Though median wages of all farm workers with some nonfarm wages were twice as high as for those who worked only in agriculture, the difference between the two groups tended to vanish among the great majority (283,000) who earned enough to qualify for benefits.

As might be expected, higher annual earnings are associated with greater continuity of employment. Farm workers who earned at least \$300 (or

TABLE 3.—Male farm workers, with farm wages only and with some nonfarm wages, percentage distribution by total annual wages, 1963

Annual wages	All male farm workers			Male workers with qualifying wages		
	Total	Farm wages only	Some non-farm wages	Total	Farm wages only	Some non-farm wages
Number (in thousands)...	383	245	138	283	162	121
Total percent.....	100	100	100	100	100	100
Under \$300.....	26	34	12	29	31	26
\$300-\$999.....	22	21	23	63	62	64
\$1,000-\$4,999.....	46	41	56	8	7	10
\$5,000 and over.....	6	4	9			
Median amount.....	\$1,114	\$773	\$1,567	\$1,824	\$1,844	\$1,814

Source: California Department of Employment, Research and Statistics, Report 830, No. 2, tables 12-15.

<sup>7</sup> See G. K. Bowles, “The Current Situation of the Hired Farm Labor Force,” in C. E. Bishop (editor), *Farm Labor in the United States*, Columbia University Press, 1967, pages 29-31.

TABLE 4.—Workers with earnings in 1, 2, 3, or 4 quarters, by type of base period earnings, 1963

Number of quarters	All workers	All farm workers			
		Total	Farm wages only	Some non-farm wages	With qualifying earnings
Number of workers (in thousands)	6,300	545	376	169	338
Percent with earnings reported in:					
Any quarter	100	100	100	100	100
1 quarter	16	29	40	5	5
2 quarters	13	19	18	19	16
3 quarters	12	17	14	25	24
4 quarters	59	35	28	51	55

Source: California Department of Employment, unpublished data from 1963 1-percent work-history sample and Report 830, No. 2, tables 12-15.

who also worked in nonfarm employment) were twice as likely as those with farm earnings only to have had some earnings in all 4 quarters of the year (table 4). The substantially smaller number of "qualified" farm workers with only 1 or 2 quarters of employment, compared with the number among all farm workers, suggests that, although the qualifying requirement is not a rigorous test of labor-force attachment, it tends to limit the group from which beneficiaries are drawn. "Insured" workers tend to have had employment in 3 or 4 quarters, covering perhaps 6-9 months of the year. It may be noted that most agricultural workers with nonfarm wages tended to attain insured status and thus to bear many points of resemblance to the insured agricultural worker group.

A factor that contributed to the low earnings of farm workers as a whole, was the disproportionately large number of younger workers with very low earnings. Men under age 25, for example, represented one-third of all male farm workers but only one-fifth of all insured workers (table 5).

Beneficiaries were an even older group: men under age 25 constituted only 1 in 7 male beneficiaries. Among insured workers the median annual earnings of workers in this age group were only two-thirds as high as those of all workers, and only the oldest workers had lower earnings.

## BENEFICIARIES

As already noted, the statutory and procedural requirements involved in claiming disability benefits leads to substantial differences between the

TABLE 5.—Median annual earnings of insured agricultural workers<sup>1</sup> by age and sex, 1963

Age	Total	Men	Women
Number with age known (in thousands)	338	283	55
All ages	\$1,595	\$1,824	\$841
Under 25	1,604	1,226	747
25-34	2,051	2,366	894
35-44	1,919	2,349	854
45-54	2,049	2,405	976
55-64	1,726	1,847	824
65 and over	885	906	

<sup>1</sup> With qualifying wages.

Source: See table 4.

characteristics of all farm workers and those of the disability beneficiaries. It should be remembered that, besides meeting the qualifying earnings requirement, the worker must have been incapacitated for work for more than 1 week, and his doctor must have certified to his disabling condition.

The medical certification element means in practice that only the better-paid, more regularly employed individuals with better-established community contacts are likely to be able to overcome the barriers of social distance from white-coated physicians and other formal-appearing clinic personnel that keep hired farm workers from using the "medical care system."<sup>8</sup>

Further illustrating their lesser contact with the "medical care system," farm beneficiaries consulted doctors in private practice less often than nonfarm beneficiaries, and they consulted those in a tax-supported clinic dispensary or hospital far more often. Agricultural beneficiaries who received basic benefits only or both basic and hospital benefits were treated at tax-supported State and local facilities more than five times as often as beneficiaries in the cross-section sample; those who received hospital benefits only, ten times as often.

These program requirements produced a beneficiary population that was older, higher paid, more regularly employed, and more likely to have had some nonfarm work than farm workers as a whole. The differences are attributable only in part to the \$300-qualifying requirement, since only 1

<sup>8</sup> Lola M. Irelan (editor), *Low Income Life Styles*, U.S. Department of Health, Education, and Welfare, Welfare Administration, 1966, pages 58-59. See also Lyle Saunders, *Cultural Differences and Medical Care*, Russell Sage Foundation, New York, 1954, pages 7-8, 148, 164-168.

in every 5 qualified workers has earnings reported in no more than 2 quarters.

Thus, though insured agricultural workers' median earnings were about one-third as great as those of all insured workers (\$1,829 to \$5,209), the differential was reduced to two-fifths (\$2,376 to \$5,918) when the wages of beneficiaries are compared (table 6). The men who were agricultural beneficiaries earned, typically, about 25 percent more in wages than all insured farm workers did—an indication that, in general, beneficiaries are drawn from a stratum of steadier workers and higher earners than that of insured agricultural workers. As evidence of the steadier work pattern, 9 in every 10 beneficiaries, compared with 8 in 10 insured workers, were employed during at least 3 calendar quarters.

Even more important in this connection is the similarity between the two beneficiary groups, as the following tabulation indicates. Among agricultural claimants as among nonagricultural insured claimants, beneficiary status was attained by few who had been employed in no more than 2 calendar quarters, and the number with 1 quarter's employment was negligible.

[Percent]

Number of quarters in base year with reported wages	Beneficiaries		Insured agricultural workers
	Agricultural sample	Cross-section sample	
1.....	2	3	5
2.....	9	6	16
3.....	22	13	24
4.....	67	78	55

### INCIDENCE OF CLAIMS

When a comparison is made of the frequency with which farm and cross-section sample beneficiaries become disabled and file claims for benefits, the record indicates that agricultural workers are compensated only half as often, in proportion to their numbers, as workers from the nonfarm sector. There were 94 beneficiaries per 1,000 insured California workers as a whole but only 45 agricultural beneficiaries per 1,000 insured workers with some agricultural earnings.

The analysis was designed to help ascertain the factors contributing to the markedly lower propensity of farm workers to obtain disability bene-

TABLE 6.—Median annual earnings<sup>1</sup> of all workers and agricultural workers with qualifying earnings (insured workers), and of beneficiaries in agricultural and cross-section samples, by sex, 1963

Sex	Insured workers (in thousands)		Beneficiaries	
	Total	Agricultural	Cross-section sample	Agricultural sample
Number.....	4,981	334	3,997	4,129
Earnings:				
Men.....	\$5,209	\$1,829	\$5,918	\$2,376
Women.....	2,409	846	3,095	1,371

<sup>1</sup> Computed from 1963 earnings for insured workers, and from base-period earnings for beneficiaries.

Source: Insured-worker data, same source as table 4; beneficiary data from study tabulations.

fits. Being younger, were they less often ill or injured? If they were sick as frequently as nonfarm workers, were they sick for shorter periods of time or were they less prone to file claims for short-duration illnesses? Did they avoid or delay consulting doctors because they were ill at ease with formal English, instead of Spanish, medical terms? Did they resort to pharmacies or folk healers where they would not, of course, be able to obtain the medical certification required for a valid claim? Did lower earnings, smaller financial reserves, less medical-and hospital-expense insurance coverage deter the sick from being absent from work and from filing claims?<sup>9</sup> Or did the social organization of the work place itself lead to a higher claim rate for office or factory workers, where the foreman or supervisor might, to protect his coworkers, dissuade a worker with cold or "flu" symptoms from remaining at work (yet harvest hands working in the open air would not be under comparable social pressure to stay away from work if they were able to carry on, even though at a slower pace)?

If low-wage earners, younger men, workers under unrelieved economic pressure to remain at work, people with language handicaps who were ill at ease in impersonal medical-care surroundings were all more heavily represented among farm workers, was it this combination of deterrent factors that together produced a claim rate only half as high as that of the nonfarm workers?

The difference in claim rates did not signify that disabling illnesses and injuries, as usually defined, were only half as common among farm workers as among nonfarm workers. On the con-

<sup>9</sup> Lyle Saunders, *op. cit.*

trary, the men who were farm laborers and foremen stood third in ranking of occupational groups by injury rates in 1961-63, according to National Health Survey data. Only operatives and laborers other than farm laborers experienced higher injury rates.<sup>10</sup>

Men and women farm workers, as a whole, have claim rates only half as high as nonfarm workers. For both groups, the rates are higher for older beneficiaries, those with higher earnings, and those with more nearly year-round employment (table 7). It should be observed, moreover, that the difference between the two groups in the rates for men is smaller than the difference in the rates for all workers—a reflection of the exclusion of the women who become ill or otherwise incapacitated and claim benefits more often than men.<sup>11</sup> In addition, though women in agricultural

TABLE 7.—Claim rates<sup>1</sup> for men beneficiaries in the agricultural and cross-section samples, by age, amount of earnings, and quarters with reported wages

Characteristic	Men beneficiaries	
	Agricultural sample	Cross-section sample
Total.....	46	83
Age:		
Under 25.....	21	38
25-34.....	36	63
35-44.....	87	136
45 and over.....	75	149
Annual earnings:		
\$300-599.....	26	32
\$600-999.....	30	35
\$1,000-1,999.....	46	57
\$2,000-2,999.....	54	79
\$3,000-3,999.....	67	109
\$4,000-4,999.....	67	114
\$5,000 and over.....	58	85
Quarters with reported wages:		
1.....	22	(?)
2.....	27	(?)
3.....	41	(?)
4.....	54	.....

<sup>1</sup> Number of beneficiaries per 1,000 insured workers claiming benefits.  
<sup>2</sup> Data not available.

Sex of worker	Claims rate (number per 1,000)	
	Agricultural sample	Cross-section sample
All workers.....	45	94
Men.....	46	83
Women.....	38	118

work had somewhat lower claim rates than the men, the opposite was true of the beneficiaries in the cross-section sample where women filed claims far more frequently. Agricultural beneficiaries employed the year round (in all 4 quarters) received benefits more than two and one-half times as often as those with less regular employment—22 per 1,000 compared with 54 per 1,000.

Agricultural beneficiaries are, preponderantly,

<sup>10</sup> National Center for Health Statistics, Public Health Service, Department of Health, Education, and Welfare, *Selected Health Characteristics by Occupation, 1961-63* (Series 10, No. 21) August 1965, table 25.

<sup>11</sup> Women represented 41 percent of the cross-section sample—an even greater proportion than among all insured workers (33 percent). Among agricultural beneficiaries, by contrast, only 14 percent were women, almost the same percentage as among insured farm workers. Women in clerical, trade, and manufacturing employments typically have more absences because of illness than men do, and their absences are frequently of short duration. Women farm workers whose average annual earnings were under \$900 (table 5), like other low earners, are more likely to use folk remedies and are less likely users of medical services, if for no other reason than to conserve funds needed to pay for medical services for the man who is head of the household. See Lola Irelan, *op. cit.*, pages 57-58.

lower earners and younger than those in the cross-section group. Comparison of the two sets of claims rates tends, however, to support the hypothesis that it is the cumulative differences between such characteristics as age, earnings, and the sociocultural factors, referred to above, in themselves that account for the differing claim rates rather than any intrinsic difference between farm and nonfarm beneficiaries.

## HOSPITALIZATION BENEFITS

Agricultural beneficiaries were hospitalized less frequently than their nonfarm counterparts (58 percent compared with 66 percent),<sup>12</sup> but more of them (48 percent compared with 38 percent of the cross-section beneficiaries) received hospital benefits for more than 1 week. White-collar workers, like other higher-income workers, are hospitalized more frequently than low-income and farm workers. Other experience points to lower hospitalization rates for farm laborers, as data from the National Health Interview Survey of the U.S. Public Health Service show.<sup>13</sup> In that survey hospital discharge rates for farm workers were about 55 per 1,000 in the labor force, compared with 84 per 1,000 for all occupations, 75 per 1,000

<sup>12</sup> California Department of Employment, Research and Statistics, Report 1,000 (No. 7), table C, 1966.

<sup>13</sup> *Selected Health Characteristics by Occupation*, *op. cit.*, tables 27 and 30.

for professional and technical workers, and more than 90 per 1,000 for clerical workers. The report draws attention to the fact that no occupational group was as incompletely covered for hospital insurance and surgical expense insurance as farm laborers—27 percent and 24 percent respectively, compared with 76 percent and 71 percent for all occupations.

## WEEKLY BENEFITS

As noted earlier, agricultural beneficiaries received annual wages that were only half as large as those for beneficiaries in the cross-section sample (table 6). Weekly benefits of the agricultural beneficiaries, however, were two-thirds as high—a \$40 median benefit, compared with \$62 for the cross-section group. Since benefits are directly related to weekly wages, one may ask why the difference in farm and nonfarm workers' weekly benefits is so much less than the difference in their wages. One could inquire, more specifically, how effectively the disability insurance mechanism replaces lost wages for farm beneficiaries in comparison with other beneficiaries. When the ratio of each group's average weekly benefits is related to the comparable weekly wage figure, the farm workers' benefits turn out to be a slightly higher percentage of their former wages (58 percent, compared with 54 percent). This result might have been expected, since the benefit formula is weighted to return a higher proportion of previous wages to low wage earners (hired farm workers, for example) than to high wage earners. The data demonstrate this effect of the formula in two significant respects: (1) the greater proportion of beneficiaries in the cross section whose weekly benefit, calculated as a proportion of wages, was cut off by the statutory \$77 maximum and (2) the greater proportion of agricultural beneficiaries whose benefits came to more than half their former wages.

First, among all disability beneficiaries, men were awarded the maximum weekly benefit amount (\$77) about six times as often as men in the agricultural group. Since, in general, the maximum benefit was payable to workers who averaged \$150 a week in wages or salaries in their high quarter, those who earned \$200, \$250, or more a week but were getting the same benefit would

be receiving progressively lower proportions of their former wages. Second, three times as many agricultural beneficiaries were awarded benefits that came to 60 percent or more of their weekly wages.

Benefit/wage ratios (table 8), so heavily concentrated in the 50–69 percent categories, are far higher than those encountered under unemployment insurance and workmen's compensation systems. Yet, even these comparatively generous benefits that replace two-thirds to three-fourths of previous wages are not likely to enable disabled workers to cover their usual living expenses plus medical, pharmaceutical, and hospital costs.

It should be noted, of course, that the benefit formula's greater effectiveness in replacing low weekly wages operates similarly for farm and nonfarm workers with similar wages. Nor do marked differences in the benefit-wage ratios of the two groups appear when farm and nonfarm beneficiaries are compared with respect to age and annual earnings, except as these data reflect the higher proportion of low-paid agricultural beneficiaries of all ages.

## DURATION OF BENEFITS

Though the agricultural group claimed benefits less frequently and got lower weekly benefits than nonfarm workers, they were paid benefits over longer periods of time. Yet beneficiaries in the farm sample and in the cross-section sample with the same earnings got the same weekly benefits and for about the same number of weeks. Dura-

TABLE 8.—Percentage distribution of beneficiaries in agricultural and cross-section samples by ratio of weekly benefit to average weekly wage, 1963

Ratio (percent) of weekly benefit to average weekly wage	Beneficiaries			
	Agricultural sample		Cross-section sample	
	Total	Men	Total	Men
Number of beneficiaries.....	4,129	3,553	3,997	2,366
Total percent.....	100	100	100	100
Under 30.....	2	2	5	7
30-39.....	2	2	9	14
40-49.....	5	5	14	20
50-59.....	48	52	51	46
60-69.....	24	22	14	8
70-94.....	5	4	2	1
95 and over.....	9	9	3	2
Median ratio.....	58	57	54	52



TABLE 9.—Hospital benefits: Summary data for beneficiaries in the agricultural and cross-section samples, by age and amount of annual earnings

Age and earnings	Percent receiving hospital benefits		Median duration of benefits (days) <sup>1</sup>		Exhaustion ratio (percent) <sup>1</sup>	
	Agricultural sample	Cross-section sample	Agricultural sample	Cross-section sample	Agricultural sample	Cross-section sample
Total.....	58	56	<sup>2</sup> 7.6	<sup>2</sup> 6.4	20	11
Age:						
Under 25.....	60	63	5.0	4.7	12	4
25-34.....	61	67	6.3	5.5	14	8
35-44.....	62	67	7.8	6.5	21	12
45-54.....	61	66	9.0	6.4	23	11
55-64.....	51	65	10.6	7.8	27	16
65 and over.....	54	70	10.9	10.4	24	20
Annual earnings:						
Less than \$1,000.....	61	60	9.3	7.8	29	18
\$1,000-1,999.....	56	56	8.8	7.0	23	14
\$2,000-2,999.....	52	59	7.4	6.4	19	13
\$3,000-4,999.....	58	67	7.2	6.2	16	11
\$5,000 or more.....	70	72	5.5	5.9	8	9

<sup>1</sup> Data relate to beneficiaries who received hospital benefits.

<sup>2</sup> Arithmetic mean was 9.4 days for the agricultural sample and 7.7 days for the cross-section sample.

tion of benefits was inversely related to annual earnings, the low earners remaining disabled for 3 weeks longer than those with the highest wages. As a whole, then, since most farm workers were low earners, their median duration of benefits was longer. In addition, the conditions causing the disability of the agricultural beneficiaries led to longer periods of benefits than for their nonfarm counterparts.

Agricultural beneficiaries also claimed hospital benefits less often than members of the nonfarm group—58 per 1,000 insured workers compared with 66 per 1,000. Like their basic benefits, their hospital benefits covered longer periods; they were hospitalized longer (within the limits of the 20 days of hospital benefits available)—7.6 days for farm beneficiaries and 6.4 for the nonfarm (table 9).

For farm workers, particularly, the combination of cause of disability and working environment affects duration of basic and hospital benefits more directly than it does the weekly benefit rate. By definition, disability benefits are paid for weeks when the claimant is incapable of working. Such variables as the beneficiary's age—and how promptly he received necessary medical treatment, among other factors, directly affect the duration of his incapacity for work. Administrative factors, such as the statutory maximum duration of benefits, limit the depth and scope of the comparison of beneficiary experience from the two employment sectors. Factors not taken into ac-

TABLE 10.—Basic benefits: Summary data for beneficiaries in the agricultural and cross-section samples, by amount of annual earnings

Annual earnings	Total		Men beneficiaries		Median duration (weeks) <sup>1</sup>	Exhaustion ratio (percent) <sup>1</sup>
	Number	Percentage distribution	Number	Percentage distribution		
Agricultural sample						
Total.....	4,129	100	3,553	100	6.0	11
Less than \$1,000.....	847	21	637	18	7.5	14
\$1,000-1,999.....	1,083	26	873	25	6.7	12
\$2,000-2,999.....	792	19	709	20	5.8	8
\$3,000-4,999.....	1,000	24	936	26	5.0	10
\$5,000 or more.....	407	10	398	11	4.3	4
Cross-section sample						
Total.....	3,997	100	2,366	100	5.4	8
Less than \$1,000.....	302	7	119	5	7.3	12
\$1,000-1,999.....	476	12	185	8	6.6	11
\$2,000-2,999.....	499	13	185	8	6.5	8
\$3,000-4,999.....	966	24	426	18	5.8	9
\$5,000 or more.....	1,754	44	1,451	61	4.4	6

<sup>1</sup> Data relate to beneficiaries who received 1 or more weeks of benefits.

count include utilization of specific kinds of health service and facilities. To have obtained information on such points would have called for personal interview methods, outside the scope of the present study.

As already suggested, then, the men among agricultural beneficiaries received basic benefits for 1 week longer than those in the cross-section group—8.4 weeks compared with 7.4 weeks. These figures represent the average duration only for beneficiaries who received 1 or more weeks of basic benefits. Among nonfarm beneficiaries, a substantial proportion (10 percent) of the men received hospitalization benefits but no basic benefits; since their employers continued to pay wages during disability, or for other reasons, their wages were not reduced to the point where disability benefits became payable. The few farm beneficiaries (3 percent) protected in this way were most often the higher-paid, year-round employees.

For all beneficiaries, when those with no benefit weeks are included, median duration was lower; the median duration continued, however, to be longer (6.0 weeks) for the farm beneficiaries than for the cross-section beneficiaries (5.4 weeks) (table 10).

Age, as already noted, relates more directly to duration. The oldest workers in both sectors

TABLE 11.—Basic benefits: Summary data for beneficiaries in the agricultural and cross-section samples, by age

Age	Total		Men beneficiaries		Median benefit amount	Median benefit/wage ratio (percent)	Median duration (weeks) <sup>1</sup>	Men with disability due to injuries (percent)	Exhaustion ratio (percent) <sup>1</sup>
	Number	Percentage distribution	Number	Percentage distribution					
Agricultural sample									
Total.....	4,129	100	3,553	100	\$42	58	<sup>2</sup> 60	20	11
Under 25.....	526	13	474	13	37	59	4.4	38	6
25-34.....	724	18	617	17	43	57	4.9	28	6
35-44.....	863	21	691	19	41	58	5.8	21	8
45-54.....	880	21	736	21	41	58	6.7	13	11
55-64.....	924	22	836	24	39	59	7.6	12	17
65 and over.....	212	5	199	6	34	63	9.6	10	21
Cross-section sample									
Total.....	3,997	100	2,366	100	\$62	54	<sup>2</sup> 5.4	18	8
Under 25.....	329	8	210	9	42	57	4.0	32	4
25-34.....	774	19	445	19	59	54	4.8	21	4
35-44.....	981	25	551	23	64	53	5.4	19	5
45-54.....	1,063	27	607	26	66	53	5.4	13	8
55-64.....	659	16	430	18	66	54	6.6	7	14
65 and over.....	191	5	123	5	61	55	9.7	7	30

<sup>1</sup> Data related to beneficiaries who received 1 or more weeks of benefits.  
<sup>2</sup> Arithmetic mean was 8.4 weeks for the agricultural sample and 7.7 weeks

for the cross-section sample.

received both basic and hospital benefits for twice as many weeks as the youths (tables 9 and 11). Farm workers aged 45-64, nearly half the entire group, had substantially more days of hospital benefits and higher exhaustion ratios for both basic and hospital benefits than their cross-section counterparts. Duration of both basic and hospital benefits declined with higher earnings for beneficiaries in both sectors.

### CAUSE OF DISABILITY

The occurrence of typical disabling conditions among farm and nonfarm beneficiaries reflects the extent to which similar (or differing) disabilities are associated with given occupations, work environments, and workers of different ages. Injuries (fractures, sprains, and lacerations) are more often incurred by men than by women and by younger (than older) workers. Yet, for the same age or earnings category about the same proportion of men have been disabled because of injuries, regardless of whether they are in the farm group or the cross-section group. Exposure to such injuries, among men, would appear to be related to occupations or to tools, work materials, or environments and are associated with broad age groupings. Although more farm beneficiaries than nonfarm beneficiaries are disabled by injuries in the older and younger groups, it should be observed that between age 35 and age 54, the per-

centages are approximately the same (table 11). This similarity holds also for beneficiaries with earnings under \$3,000 who comprise more than one-half of all farm beneficiaries.

### DISCUSSION AND CONCLUSIONS

1. The expectation that farm workers, when given disability insurance protection, would file claims for benefits more often than nonfarm workers in proportion to their numbers has not been borne out. There is no evidence that the liberal scale of benefits in proportion to employed farm workers' low earnings has weakened work incentives and fostered a greater-than-normal tendency to file benefit claims. Just as low earners do not file claims as often as those with higher earnings, farm workers do not file as often as nonfarm workers with the same earnings—a suggestion that it is not entirely their low earnings that accounts for their failure to file a claim. The explanation must be sought as well in their less frequent contact and familiarity with the prevailing medical care system and a greater reliance on home and folk remedies. Farm workers are no less exposed to illness and other disabling conditions than other workers. Improved accessibility of medical care facilities, improved job security, and the development and utilization of more points of contact with the whole range of com-

munity educational, cultural, and related facilities, will probably precede any substantially increased utilization of the program.

2. The expectation has not been fulfilled that there would be greater benefit expenditures to farm workers because they would utilize the system more than nonfarm workers. The contributions of farm workers have, in fact, far exceeded the benefits received.

It may appear anomalous that this sector of the work force—near the bottom of the income and job security ladder, lacking skills and education that would facilitate upward occupational mobility—should in effect be helping to subsidize the protection afforded their counterparts in the nonfarm sector. As suggested above, to the extent that such lower utilization may be due to less ready access to providers of medical services, it underlines the urgency of wider extension of health personnel and facilities in rural areas, as well as of medical and hospital expense insurance, whether public or private.

3. It may be questioned whether the disability benefit system, primarily a cash wage-loss benefit program, is serving, or can serve, the broader purposes that such systems are capable of carrying out, since it provides no insurance against medical care costs and for only token hospital expense coverage. The worker's medical and hospital expenses, then, are not covered by disability insurance. Certainly, the adequacy of a workmen's compensation system would be questioned if it did not assure that injured workers would get physician, hospital, and rehabilitation services, in addition to wage-loss benefits. Every work-injury compensation plan does provide such services, just as unemployment insurance systems provide work applicants with counseling and placement services as well as the cash payments for wage loss. In these programs the noncash benefits are designed to aid the worker's return to employment either by facilitating recovery from his illness or disability or by bringing the job-seeker and the employer together.

These deficiencies of the disability program affect farm and nonfarm workers equally—George Orwell in his book *Animal Farm* reminds us of the limitations of equal protection and equal status—yet the absence of such legal protection affects farm workers far more severely. Their

counterparts in commerce and industry often obtain this type of protection as a fringe benefit connected with the employment relationship. Thus, as hired farm workers are less well-protected against the increasing costs of physicians, and health services and treatment, they may find it difficult to obtain attention and treatment promptly. Where this happens, the underlying aim of the program—to facilitate the disabled worker's recovery and return to work—is thwarted.

A secondary effect of this inadequacy of protection brings us back to the lower claim filing rate of farm workers, compared with that of nonfarm workers. To the extent that the lack of protection against medical care costs keeps farm workers and other low wage earners from consulting doctors, it may also be responsible for their failure to obtain medical certification of their benefit claims and thus contribute to their failure to file claims.

4. Many beneficiaries who worked both within agriculture and outside it would not have qualified for disability benefits or for as high a weekly benefit except for their farm earnings. Since unemployment insurance rights cannot be acquired through farm employment, many workers who engage primarily in nonfarm with some farm employment fail to qualify for unemployment benefits or receive lower weekly amounts than if their farm earnings could have been taken into account. Extension of unemployment insurance protection to agriculture would increase the effectiveness of that system materially in compensating for wage loss experienced by workers employed in both sectors. More important, it would provide long overdue unemployment insurance protection to about one quarter of a million farm workers. California farm employers have become familiar with payroll record-keeping and reporting requirements for disability insurance purposes since 1961 and have had experience with requirements for other public programs.<sup>14</sup> The force of objections, formerly advanced on administrative grounds, to the extension of unemployment insurance to agriculture is thus reduced considerably.

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<sup>14</sup> The State workmen's compensation law, the Federal OASDHI program, and, since 1966, the Fair Labor Standards Act.