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*STOCK OWNERSHIP AND INCOME:
SMALL MANUFACTURERS*

WHILE THE PATTERN of employer-company equity investment by the top management of large industrial and retailing firms displays considerable consistency, it is appropriate to inquire whether, and to what extent, that pattern has a counterpart in the context of rather smaller corporations before generalizing too readily about the evidence uncovered. Accordingly, a group of fifteen small to medium-size manufacturing companies comprises the final sample to which attention will be directed. This sample should serve to round out the empirical effort sufficiently to permit some reasonable confidence that any common findings will have broader applicability within the economy.

Stockholdings

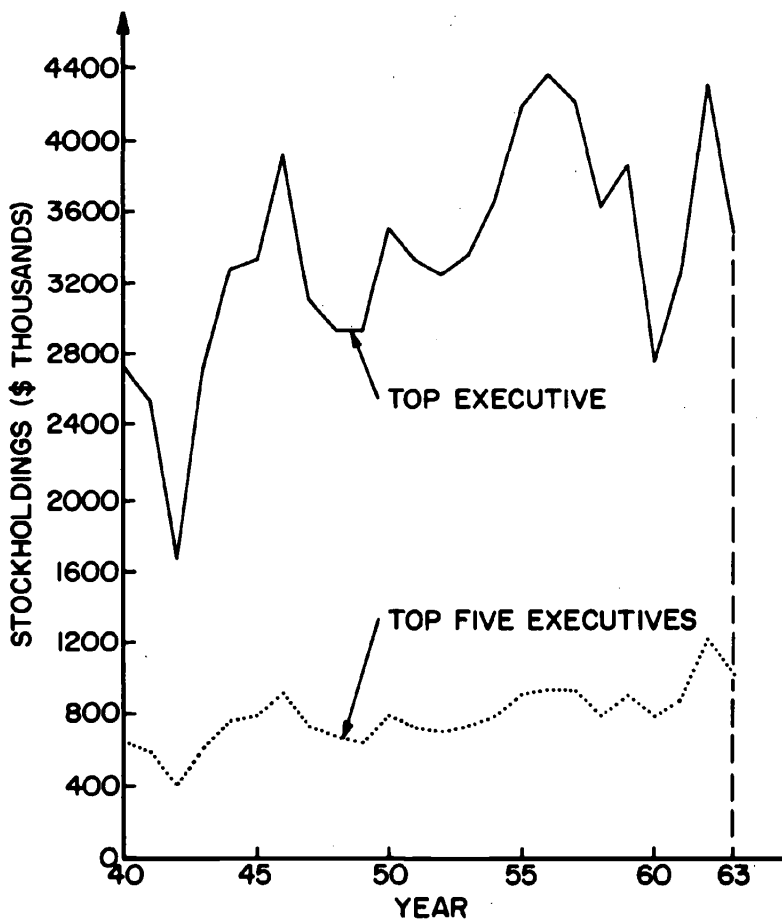
The foremost executives of these smaller industrial enterprises owned, as of the start of each calendar year from 1940 to 1963, shares of their firms' common stock having the mean market values listed in Table 37 and portrayed in Chart 15. The data are, in many respects, even more striking than those associated with the two previous samples. The average holdings of the highest-paid men in each of the 15 companies exceeded \$2 million in 1940 and had increased to the \$3 to \$4 million range by the late 1950's and early 1960's. The concomitant rise for the five-highest-paid category was from approximately \$600,000 in 1940 to better than \$1 million in 1963. Both sets of figures thereby imply a level of personal commitment to ownership by executives which is not only impressive but persistent.

TABLE 37

Average Market Value of Executive Stockholdings:
Small Manufacturing Sample, 1940-63
(amounts in dollars)

Year	Top Executive	Top Five Executives
1940	2,732,158	637,434
1941	2,546,068	586,958
1942	1,668,224	424,421
1943	2,716,235	621,457
1944	3,290,842	764,796
1945	3,328,328	782,801
1946	3,918,000	909,648
1947	3,107,535	717,761
1948	2,930,140	657,939
1949	2,928,507	653,021
1950	3,534,511	778,534
1951	3,327,211	743,096
1952	3,253,108	719,054
1953	3,358,447	737,915
1954	3,678,493	780,235
1955	4,193,870	895,258
1956	4,371,845	932,840
1957	4,228,979	934,437
1958	3,650,918	785,483
1959	3,882,826	913,304
1960	2,749,830	786,115
1961	3,265,710	872,480
1962	4,322,911	1,239,810
1963	3,489,437	1,033,769

CHART 15
MARKET VALUE OF EXECUTIVE STOCKHOLDINGS:
SMALL MANUFACTURING SAMPLE, 1940-63



Dividends

Equally impressive is the dividend income which that commitment produces. Table 38 records the relevant mean annual receipts. We observe that the top officer group in small manufacturing corporations enjoyed dividends from employer-company shares amounting generally to between \$150,000 and \$250,000 before taxes per year during the period studied, while the top-five average was typically in the neighborhood of \$40,000 to \$50,000. Those payments loom especially large when compared with the other major source of direct cash income—salary and bonus earnings. Table 39 indicates that dividends have surpassed salaries and bonuses by ratios of two-to-one or three-to-one quite consistently at the top executive rank, and have either matched or fallen just short of such compensation in most years for all five senior men combined.¹ Neither the large manufacturing nor the retail trade sample experience suggested anything even approaching a role for dividends of equivalent dimensions.

Capital Gains

The concurrent capital gains—both realized and accrued—are shown in Table 40 and Chart 16. Because of the very sizeable underlying stockholdings, the annual increments to wealth which result from fluctuations in share prices are, of course, substantial. On the average, the highest-paid individuals in the firms at issue were subjected to after-tax capital gains and losses which ran from a low of \$150,000 to a peak of almost \$1 million per calendar year after 1960. The parallel means for the five-highest-paid men together were in the \$30,000 to \$300,000 bracket. Sharp reversals in the annual figures from positive to negative are apparent in a number of instances, documenting the same high degree of executive exposure to market contingencies which featured the data for the other two samples.

¹ Any concern that payments on this scale may render invalid the taxable income assumption utilized throughout the analysis in estimating tax liabilities on cash income is somewhat premature. As will become evident below, a few extreme stockholding figures strongly influence the means presented and, when those extreme values are set aside, the dividend averages drop precipitously.

TABLE 38

Average Dividend Receipts: Small Manufacturing Sample, 1940-63
(amounts in dollars)

Year	Top Executive		Top Five Executives	
	Before Taxes	After Taxes	Before Taxes	After Taxes
1940	149,203	108,912	34,430	25,547
1941	148,203	87,094	34,423	20,600
1942	113,085	56,251	28,834	14,869
1943	155,536	69,619	36,036	16,519
1944	147,137	65,950	34,511	15,877
1945	139,850	62,705	32,657	14,950
1946	142,139	71,083	33,365	16,913
1947	144,681	71,484	33,899	17,038
1948	183,266	116,389	41,201	26,401
1949	219,131	131,805	48,635	29,644
1950	225,506	140,300	49,601	31,216
1951	205,956	124,329	46,493	28,337
1952	189,680	101,868	42,259	22,921
1953	186,053	99,555	42,161	22,845
1954	183,205	105,606	40,242	23,362
1955	225,397	129,316	48,722	28,172
1956	236,866	134,296	50,793	29,031
1957	210,693	122,143	46,672	27,196
1958	216,684	125,668	46,579	27,181
1959	175,742	102,503	43,027	25,044
1960	147,751	87,510	40,733	24,435
1961	157,367	99,536	42,277	26,492
1962	148,778	96,397	42,620	26,849
1963	146,952	95,154	43,476	27,170

TABLE 39

Mean Before-Tax Dividend Receipts as a Per Cent of Mean Before-Tax Salary Plus Bonus: Small Manufacturing Sample, 1940-63

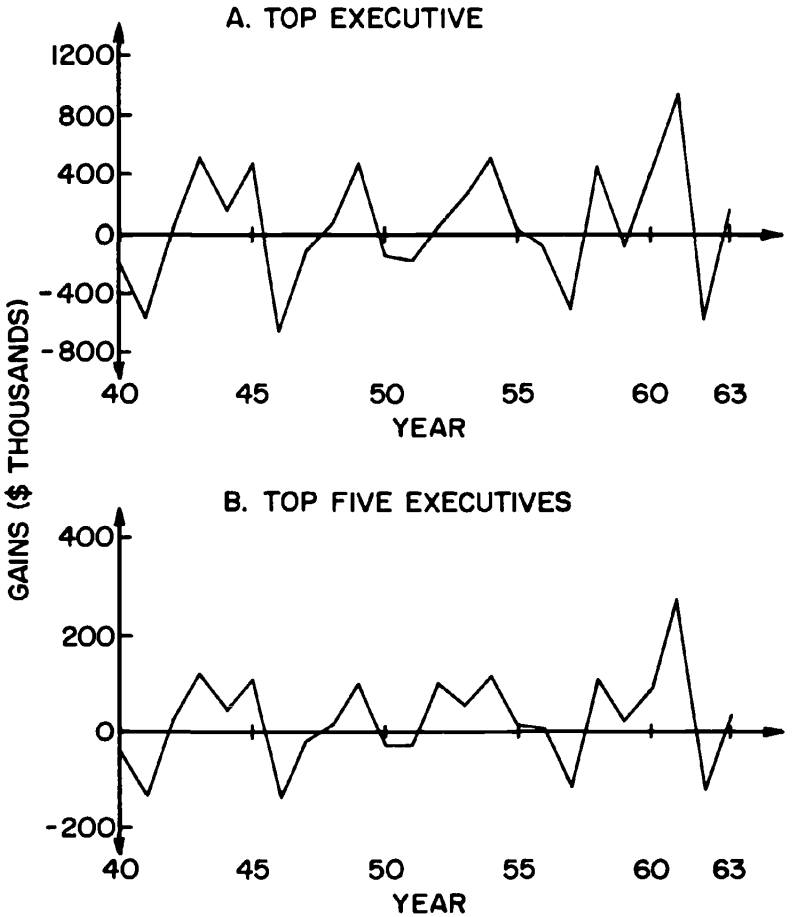
Year	Top Executive	Top Five Executives
1940	289	113
1941	275	106
1942	205	85
1943	292	111
1944	272	105
1945	258	97
1946	251	88
1947	237	82
1948	275	96
1949	364	117
1950	329	116
1951	298	100
1952	256	86
1953	262	88
1954	261	84
1955	312	98
1956	294	95
1957	280	87
1958	285	87
1959	217	75
1960	188	70
1961	208	74
1962	204	69
1963	180	69

TABLE 40

Average Capital Gains: Small Manufacturing Sample, 1940-63
(amounts in dollars)

Year	Top Executive		Top Five Executives	
	Before Taxes	After Taxes	Before Taxes	After Taxes
1940	-225,023	-191,269	-53,750	-45,688
1941	-689,225	-585,841	-157,041	-133,484
1942	55,392	47,083	21,166	17,991
1943	612,010	520,208	138,635	117,839
1944	171,012	145,360	52,684	44,781
1945	552,911	469,974	140,409	119,347
1946	-754,721	-641,513	-171,281	-145,589
1947	-121,495	-103,271	-23,900	-20,315
1948	90,210	76,679	14,573	12,387
1949	573,331	487,331	123,491	104,967
1950	-186,058	-158,149	-38,229	-32,495
1951	-202,901	-172,465	-37,771	-32,106
1952	53,549	45,517	11,557	9,823
1953	302,282	256,940	58,138	49,418
1954	588,515	500,237	135,505	115,179
1955	40,196	34,166	16,594	14,104
1956	-95,749	-81,387	2,511	2,134
1957	-593,907	-504,821	-141,543	-120,311
1958	538,764	457,949	133,194	113,215
1959	-94,525	-80,346	27,459	23,340
1960	487,714	414,557	100,777	85,660
1961	1,101,600	936,360	320,546	272,464
1962	-680,945	-578,803	-150,847	-128,219
1963	-183,890	-156,307	35,052	29,793

CHART 16
 AVERAGE ANNUAL AFTER-TAX CAPITAL GAINS:
 SMALL MANUFACTURING SAMPLE, 1940-63



An appreciation for the average absolute changes in wealth generated by these contingencies is provided in Table 41. We see again that the share prices of the fifteen corporations ordinarily moved in similar directions within given intervals, but that there *were* some offsetting interfirm movements which acted to dampen the net gains calculations. Thus, the smallest mean after-tax wealth increment from employer-company shares after 1960 becomes \$232,000 for the pertinent top executives and \$115,000 for the top five, according to the absolute gains record.²

Ownership Income and Compensation

The juxtaposition of those gains, the tabulated after-tax dividends, and the managerial compensation evidence from Chapter 3, produces the comparisons summarized in Tables 42 and 43. Annual capital gains and dividends combined turn out to have been roughly thirteen times as great as aggregate employee remuneration for the chief executives of small industrial enterprises during the early 1940's, and nine times as great during the early 1960's. The corresponding ratios for the five highest-paid men were approximately four and one-half to one and four-to-one, respectively. Since the amounts of stock-based earnings included in the typical pay package among such firms have been rather modest, the relationship of dividends plus gains plus stock compensation to fixed-dollar rewards, as listed in column 6 of the tables, differs little in any year from its counterpart in column 5. Both sets of figures, however, comfortably exceed those applicable to the two preceding samples³ and, as presented, clearly imply that the ownership component of senior management's annual income is dominant.

Dispersion of the Holdings

On the other hand, the averages for the current sample also happen to be affected much more significantly by a handful of extraordinary

² The reference is to Tables 16, 17, 29, and 30 for the large manufacturing and retail trade data.

³ Tables 18, 19, 31, and 32.

TABLE 41

Average Absolute Capital Gains:
Small Manufacturing Sample, 1940-63
(amounts in dollars)

Year	Top Executive		Top Five Executives	
	Before Taxes	After Taxes	Before Taxes	After Taxes
1940	292,799	248,879	67,893	57,708
1941	701,954	596,661	161,171	136,995
1942	75,524	64,195	26,626	22,632
1943	612,010	520,208	138,635	117,839
1944	171,139	145,468	52,761	44,846
1945	552,911	469,974	140,409	119,347
1946	763,663	649,113	174,887	148,654
1947	134,482	114,309	30,036	25,530
1948	190,661	162,061	45,856	38,978
1949	589,533	501,103	128,579	109,292
1950	256,872	218,341	58,067	49,357
1951	215,285	182,991	53,332	45,332
1952	54,994	46,744	13,337	11,336
1953	343,496	291,971	76,543	65,061
1954	588,515	500,237	135,505	115,179
1955	70,966	60,320	25,498	21,673
1956	220,214	187,181	68,472	58,201
1957	597,176	507,599	142,411	121,049
1958	538,764	457,949	133,194	113,215
1959	158,490	134,716	79,414	67,501
1960	527,445	448,328	145,790	123,921
1961	1,106,174	940,247	323,716	275,158
1962	690,132	586,612	196,504	167,028
1963	273,155	232,182	136,137	115,716

TABLE 42

Compensation and Ownership Income:
 Small Manufacturing Sample, 1940-63;
 Average for the Top Executive in Each Firm

Year	Compensation		Ownership Income		Comparison	
	(1) After- Tax Fixed- Dollar Remu- neration	(2) After- Tax Stock- Based Remu- neration	(3) After- Tax Dividend Income	(4) Absolute After- Tax Capital Gains	(5) $\frac{[(3)+(4)]}{[(1)+(2)]}$	(6) $\frac{[(2)+(3)+(4)]}{(1)}$
1940	\$37,682	\$ —	\$108,912	\$248,879	9.495	9.495
1941	32,168	1,033	87,094	596,661	20.594	21.287
1942	28,746	735	56,251	64,195	4.085	4.215
1943	26,030	561	69,619	520,208	22.181	22.681
1944	28,001	—	65,950	145,468	7.550	7.550
1945	26,870	—	62,705	469,974	19.824	19.824
1946	30,877	—	71,083	649,113	23.324	23.324
1947	38,616	—	71,484	114,309	4.811	4.811
1948	46,595	—	116,389	162,061	5.975	5.975
1949	56,915	—	131,805	501,103	11.120	11.120
1950	51,872	—	140,300	218,341	6.913	6.913
1951	49,361	—	124,329	182,991	6.225	6.225
1952	49,323	37	101,868	46,744	3.010	3.013
1953	59,910	441	99,555	291,971	6.487	6.542
1954	65,309	163	105,606	500,237	9.253	9.279
1955	60,972	3,272	129,316	60,320	2.951	3.163
1956	81,355	3,771	134,296	187,181	3.776	3.997
1957	70,581	7,067	122,143	507,599	8.110	9.022
1958	64,311	5,202	125,668	457,949	8.395	9.155
1959	59,800	7,089	102,503	134,716	3.546	4.085
1960	59,258	10,907	87,510	448,328	7.636	9.226
1961	59,905	6,517	99,536	940,247	15.654	17.465
1962	74,496	19,990	96,397	586,612	6.270	8.220
1963	62,017	3,533	95,154	232,182	4.994	5.335
Average:						
1940-44	\$30,525	\$ 466	\$ 77,565	\$315,082	12.670	12.878
1960-63	63,919	10,237	94,649	551,842	8.718	10.274

TABLE 43

Compensation and Ownership Income:
 Small Manufacturing Sample, 1940-63;
 Average for the Top Five Executives in Each Firm

Year	Compensation		Ownership Income		Comparison	
	(1) After- Tax Fixed- Dollar Remu- neration	(2) After- Tax Stock- Based Remu- neration	(3) After- Tax Dividend Income	(4) Absolute After- Tax Capital Gains	(5) $\frac{[(3)+(4)]}{[(1)+(2)]}$	(6) $\frac{[(2)+(3)+(4)]}{(1)}$
1940	\$24,502	\$ —	\$25,547	\$ 57,708	3.397	3.397
1941	21,854	234	20,600	136,995	7.134	7.221
1942	20,055	171	14,869	22,632	1.854	1.878
1943	17,896	134	16,519	117,839	7.451	7.515
1944	18,991	—	15,877	44,846	3.197	3.197
1945	19,617	—	14,950	119,347	6.845	6.845
1946	22,886	—	16,913	148,654	7.234	7.234
1947	27,161	—	17,038	25,530	1.567	1.567
1948	32,606	—	26,401	38,978	2.005	2.005
1949	34,607	—	29,644	109,292	4.014	4.014
1950	33,728	—	31,216	49,357	2.388	2.388
1951	34,588	—	28,337	45,332	2.129	2.129
1952	34,041	65	22,921	11,336	1.004	1.008
1953	38,057	267	22,845	65,061	2.293	2.316
1954	40,174	50	23,362	115,179	3.444	3.449
1955	40,310	1,544	28,172	21,673	1.190	1.274
1956	47,647	2,087	29,031	58,201	1.753	1.874
1957	44,235	2,026	27,196	121,049	3.204	3.397
1958	43,048	1,409	27,181	113,215	3.157	3.294
1959	43,329	4,588	25,044	67,501	1.931	2.241
1960	44,734	6,517	24,435	123,921	2.894	3.462
1961	44,133	4,959	26,492	275,158	6.144	6.947
1962	49,094	8,364	26,849	167,028	3.374	4.119
1963	45,937	2,476	27,170	115,716	2.951	3.164
Average:						
1940-44	\$20,660	\$ 108	\$18,682	\$ 76,004	4.559	4.588
1960-63	45,975	5,579	26,237	170,456	3.815	4.400

individual portfolios within the group. When extreme stockholdings—defined, as before, to be those of a magnitude greater than two standard deviations distant from the original means for each of the five executive positions each year—are removed from consideration, the revised January 1 mean market values compiled in Table 44 emerge.⁴ The per capita equity investments defined therein come to about only 20 per cent of the initial values specified in Table 37 in the early years shown, and drop to as little as 5 per cent of those values after 1960. This finding, and the similarly recalculated dividend and capital gains averages in Appendix F, unquestionably cast a somewhat different light on the executive ownership role.

The degree of difference is highlighted by the relationships recorded in Tables 45 and 46, where the modified after-tax dividend and absolute capital gains figures are compared with the new fixed-dollar and stock-based compensation means which result from eliminating extreme values of the latter as well.⁵ The data indicate that income from ownership items was some four and one-half times as important as non-stock-related inflows from employment for the top men in the fifteen companies during the early 1940's, but had diminished to only 80 per cent as important by the 1960's. For the top-five executive category, the decline was from 175 per cent of fixed-dollar pay to just about matching yearly amounts over the same interval. A noticeable secular reduction in the intensity of the management-shareholder income link is therefore apparent, although annual increments to wealth roughly equal to those enjoyed from salary, bonus, pension benefits, and other fixed-sum rewards combined, still suggest a respectable level of ownership involvement. By that standard, the evidence for the small-manufacturing sample does follow—in its general character, at least—the patterns previously displayed by the two large-company groups.

⁴ The new data matrix contains 1,655 observations, down 7 per cent from the original 1,781.

⁵ The revised compensation averages are also contained in Appendix F. A 5 per cent reduction in sample size is embodied in those figures.

TABLE 44

Average Market Value of Executive Stockholdings: Small Manufacturing Sample, 1940-63; Extreme Values Deleted (amounts in dollars)

Year	Top Executive	Top Five Executives
1940	557,178	157,923
1941	583,843	146,918
1942	202,964	85,461
1943	357,364	98,302
1944	475,013	151,093
1945	471,531	157,127
1946	638,171	189,089
1947	484,145	135,465
1948	294,079	88,535
1949	142,643	52,674
1950	173,579	55,573
1951	184,953	73,619
1952	185,306	78,063
1953	168,740	58,325
1954	166,305	59,207
1955	228,245	80,778
1956	389,994	112,622
1957	395,988	121,762
1958	352,601	103,923
1959	199,571	105,223
1960	183,608	156,429
1961	186,085	108,825
1962	121,695	235,541
1963	150,368	220,335

TABLE 45

Compensation and Ownership Income:
 Small Manufacturing Sample, 1940-63;
 Average for the Top Executive in Each Firm,
 Extreme Values Deleted

Year	Compensation		Ownership Income		Comparison	
	(1) After-Tax Fixed-Dollar Remuneration	(2) After-Tax Stock-Based Remuneration	(3) After-Tax Dividend Income	(4) Absolute After-Tax Capital Gains	(5) $\frac{[(3)+(4)]}{[(1)+(2)]}$	(6) $\frac{[(2)+(3)+(4)]}{(1)}$
1940	\$33,290	\$ —	\$38,321	\$ 75,093	3.406	3.406
1941	32,168	1,033	30,355	163,309	5.833	6.052
1942	27,249	788	7,000	61,181	2.431	2.531
1943	23,935	601	10,942	134,600	5.931	6.105
1944	25,588	—	11,941	118,279	5.089	5.089
1945	25,746	—	8,401	113,155	4.721	4.721
1946	30,877	—	10,262	88,336	3.193	3.193
1947	33,287	—	11,274	122,474	4.018	4.018
1948	41,788	—	12,159	46,404	1.401	1.401
1949	49,589	—	8,264	23,119	0.632	0.632
1950	46,927	—	11,607	35,478	1.003	1.003
1951	44,195	—	9,702	12,779	0.508	0.508
1952	44,433	39	8,411	20,136	0.641	0.643
1953	49,772	12	4,779	19,286	0.483	0.483
1954	53,998	175	4,443	49,784	1.000	1.007
1955	55,282	3,506	4,658	40,031	0.760	0.871
1956	72,024	4,040	11,394	61,620	0.959	1.069
1957	55,726	4,391	9,183	68,291	1.288	1.469
1958	55,668	4,485	12,864	149,382	2.697	2.995
1959	59,800	7,089	4,339	37,633	0.627	0.820
1960	59,258	10,907	3,627	21,381	0.356	0.606
1961	58,287	4,649	3,540	63,125	1.059	1.223
1962	56,068	21,418	2,546	21,370	0.308	0.808
1963	60,010	1,110	3,444	41,706	0.738	0.770
Average:						
1940-44	\$28,446	\$ 484	\$19,712	\$110,492	4.501	4.594
1960-63	58,406	9,521	3,289	36,896	0.592	0.851

TABLE 46

Compensation and Ownership Income:
Small Manufacturing Sample, 1940-63;
Averages for the Top Five Executives in Each Firm,
Extreme Values Deleted

Year	Compensation		Ownership Income		Comparison	
	(1) After-Tax Fixed-Dollar Remu- neration	(2) After-Tax Stock- Based Remu- neration	(3) After- Tax Dividend Income	(4) Absolute After- Tax Capital Gains	(5) [(3)+(4)] [(1)+(2)]	(6) [(2)+(3)+(4)] (1)
1940	\$23,299	\$ —	\$9,820	\$19,190	1.245	1.245
1941	21,620	235	7,514	40,327	2.188	2.223
1942	19,653	182	3,439	18,850	1.123	1.143
1943	17,290	143	3,384	33,109	2.093	2.118
1944	17,749	—	3,828	34,512	2.160	2.160
1945	19,163	—	3,234	36,312	2.063	2.063
1946	22,092	—	3,411	27,693	1.407	1.407
1947	25,449	—	3,482	27,065	1.200	1.200
1948	30,714	—	3,835	14,039	0.581	0.581
1949	32,245	—	2,893	7,348	0.317	0.317
1950	32,279	—	3,431	10,073	0.418	0.418
1951	32,674	—	3,712	6,774	0.320	0.320
1952	32,301	69	3,062	5,789	0.273	0.276
1953	36,956	193	2,037	6,359	0.226	0.232
1954	36,929	52	2,080	17,134	0.519	0.521
1955	38,055	1,610	2,214	15,543	0.447	0.508
1956	42,481	2,186	3,526	23,402	0.602	0.685
1957	39,929	1,499	3,112	20,587	0.572	0.631
1958	40,218	1,276	3,867	43,656	1.145	1.213
1959	42,552	4,668	2,806	16,346	0.405	0.559
1960	44,734	6,517	3,877	23,630	0.536	0.760
1961	43,809	4,585	2,830	35,600	0.794	0.981
1962	44,934	8,232	5,500	37,257	0.804	1.134
1963	44,572	1,232	5,449	46,409	1.132	1.191
Average:						
1940-44	\$19,922	\$ 112	\$5,597	\$29,197	1.737	1.752
1960-63	44,512	5,142	4,414	35,724	0.808	1.017

Proportionate Holdings

One substantial departure from those patterns can, however, be discerned. The top officers of the smaller corporations have consistently owned much larger *fractions* of their firms' outstanding common shares than was the case for either of the other two samples. Table 47 summarizes the findings, and may be contrasted with the large-industrial and retail-trade data in Tables 25 and 36. According to the full-sample averages, in 1940 the highest-paid individuals in the fifteen small manufacturing companies held in their portfolios more than 12 per cent of their firm's equity securities. The five highest-paid executives together held nearly 15 per cent. Both of these figures conjure up visions of the kind of classic entrepreneur-administrator which the usual discussion of the small-firm operation implies. While the two ownership proportions at issue fell to 4.7 and 6.9 per cent, respectively, by 1963, they continued to denote significant minority interests. The reduced-sample means scale down that interpretation to some extent, but do portray holdings which are anywhere from three to sixteen times greater in comparison with company size than are those observed among larger enterprises.

Market Activity

To complete the parallel, we may inquire as to the volume of trading in their own firm's securities which the relevant senior executives have undertaken. As it turns out, a transaction of any sort which altered the number of common shares held occurred during just 523 of the 1,781 man-years of compensation and ownership experience that comprise the full-sample data matrix (i.e., within only 29 per cent of the set of possible intervals). Fully 348 of the changes, moreover, involved *increases* in holdings, leaving a mere 175 transactions—less than one in every 10 man-years investigated—which resulted in a net sale of shares by top management. Both rates are well below the retail trade and large manufacturing portfolio turnover figures, evincing not only a heavier relative commitment to employer-com-

TABLE 47

Trends in Proportionate Ownership:
Small Manufacturing Sample, 1940-63

	1940	1963
<i>Full Sample</i>		
Mean per capita stockholdings:		
Top executives	\$2,732,158	\$3,489,437
Top five executives	\$637,434	\$1,033,769
Implied total holdings:		
15 top executives	\$40,982,370	\$52,341,555
75 top five executives	\$47,807,550	\$77,532,675
Total market value of the 15 sample corporations	\$325,089,000	\$1,123,627,000
Fraction of total owned by executives:		
Top executives	12.607%	4.658%
Top five executives	14.706%	6.900%
<i>Reduced Sample with Extreme Values Deleted</i>		
Mean per capita stockholdings:		
Top executives	\$557,178	\$150,368
Top five executives	\$157,923	\$220,335
Implied total holdings:		
15 top executives	\$8,357,670	\$2,255,520
75 top five executives	\$11,844,225	\$16,525,125
Total market value of the 15 sample corporations	\$325,089,000	\$1,123,627,000
Fraction of total owned by executives:		
Top executives	2.571%	0.201%
Top five executives	3.643%	1.471%

pany stock by the present sample but a more permanent individual attachment to those investments.

Summary

The top administrative officers of a representative group of small to medium-size American manufacturing corporations have maintained equity holdings in their respective firms ranging between \$1 million and \$4 million per capita during the early 1960's, up from figures approximately half as great prior to World War II. The dividends and capital gains associated with these holdings have amounted to as much as \$1 million per executive within a given calendar year, and have averaged some \$200,000 to \$500,000 annually from 1960 through 1963. At such levels, the indicated returns far surpassed, in the aggregate, the concurrent cash receipts and deferred income values which executives commanded as remuneration in their capacity as employees. The removal from the data of extraordinary stockholding and compensation experiences has a marked impact on the historical record, but it does no more than reduce mean ownership income flows to about the volume of mean total managerial earnings. Even given this adjustment, therefore, a strong interdependence of executive and shareholder economic well-being appears to prevail.