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Chapter Title: Changes in Income Shares of Upper Income Groups

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percent more per capita than families; families in urban communities 11-69 percent more than families in farm communities; and families in large cities 4-87 percent more than families in small cities. Finally, in Chicago, per capita expenditures at identical income levels by families in business and professional occupations were 4-11 percent more than those in 'lower income' type occupations. All these figures are of illustrative rather than descriptive value. Yet, the general differences they suggest are real and lasting: at identical levels of per capita income, individuals tend to spend more per capita than families; small more than large families (according to our report, though Table 12 does not show it); urban more than rural families; large city more than small city families; higher income occupation more than lower income occupation families. Some part of these differentials may be due to differences in prices of identical goods and to the higher 'cost' of identical levels of living. These parts of the expenditure differentials reduce the purchasing power of upper as compared with lower income groups; and our measures of inequality in the distribution of income should be adjusted accordingly, if they are to reflect differences in spending units' command over consumer goods. Unfortunately, we cannot tell how large this interclass difference in purchasing power of money is, and how large is the consequent reduction in income inequality viewed as inequality in command over consumer goods.

## B CHANGES IN INCOME SHARES OF UPPER INCOME GROUPS

The chart portrays annual movements in income shares of upper income groups for all three variants. The most conspicuous movement is the decline after 1939. During the two decades between the wars the shares of the various top percentage bands shifted somewhat from the first to the second decade. There were also shorter term changes which can be studied most effectively within a reference frame of cycles in general economic activity. The changes in income shares of upper income groups are, therefore, described for recent years, the two interwar decades, and business cycles.

### 1 *Movement after 1939*

Measures of the movement since 1939 in shares of upper income groups, summarized in Table 13, end with 1945 because detailed data from federal income tax returns needed for calculating all three

# Income Shares of Upper Income Groups, Total Population Three Variants, 1913-1945

- Basic variant
- - - Economic income variant
- Disposable income variant

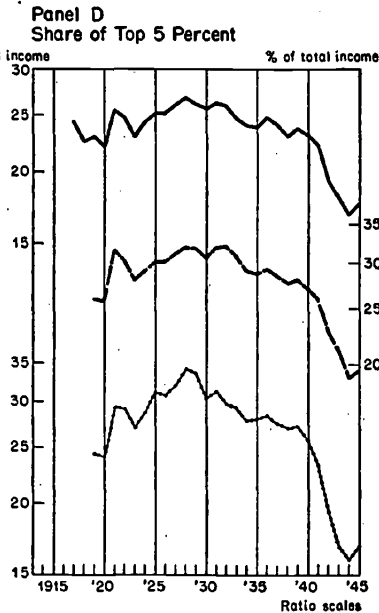
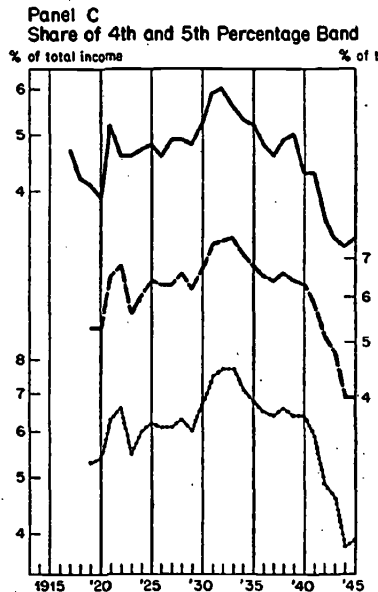
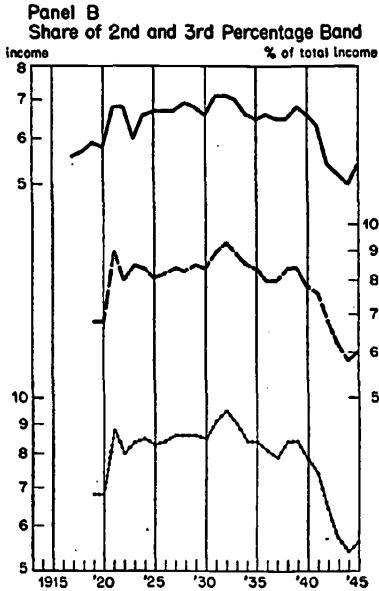
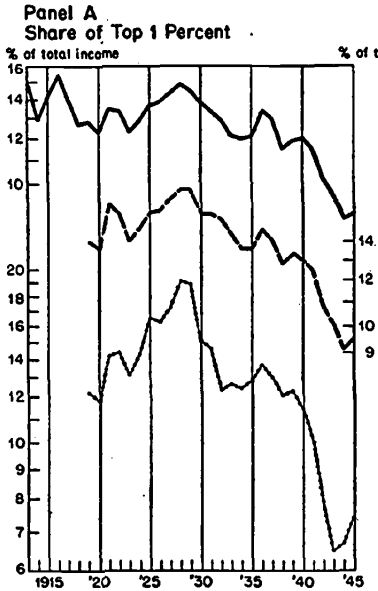


Table 13

Changes since 1939 in Percentage Shares of Upper Income Groups in Total Income and in Countrywide Aggregates of Various Types of Income

	Top 1 Percent (1)	2nd & 3rd Per- centage Band (2)	4th & 5th Per- centage Band (3)	Top 5 Percent (4)	Lower 95 Percent (5)
I CHANGE FROM 1939 TO 1945					
<i>Basic Variant</i>					
1 Level, 1939	11.9	6.8	5.0	23.7	76.3
2 Change, 1939-45	-3.0	-1.4	-1.7	-6.1	+6.1
<i>Economic Income Variant</i>					
3 Level, 1939	13.3	8.4	6.4	28.1	71.9
4 Change, 1939-45	-3.8	-2.4	-2.4	-8.6	+8.6
<i>Disposable Income Variant</i>					
5 Level, 1939	12.3	8.4	6.4	27.1	72.9
6 Change, 1939-45	-4.9	-2.8	-2.5	-10.3	+10.3
II CHANGE FROM 1939 TO 1947					
7 Change in share, basic variant	-3.3	-1.2	-1.5	-6.0	+6.0
<i>Change in Shares in Countrywide Aggregates of Various Types of Income</i>					
8 Employee compensation	-2.5	-2.6	-2.1	-7.2	+7.2
9 Entrep. income & rent	+0.8	+2.3	+0.3	+3.4	-3.4
10 Dividends & interest	-6.8	+1.7	-0.8	-5.9	+5.9
<i>Change in Percentage Proportions of Various Types of Income in Total Income</i>					
11 Employee compensation	-5.4	-18.7	-11.0	-10.3	+1.0
12 Entrep. income & rent	+17.7	+20.4	+14.0	+17.9	+1.3
13 Dividends & interest	-12.3	-1.8	-3.0	-7.5	-2.3

variants are not available for later years. However, for the basic variant we can extend the measures another two years on the basis of preliminary releases.

The shares declined markedly from 1939 to 1945 in all three variants (lines 1-6). The relative decline was large for the top 1 percent: about a fourth of the 1939 level in the basic variant; almost three-tenths in the economic income variant; and almost four-tenths in the disposable income variant, where the heavier impact of federal income taxes is reflected. And the decline in the shares of the 2nd and 3rd, and 4th and 5th percentage bands, relatively to their 1939 levels, was equally large, ranging from about a fifth to four-tenths in the different variants. For the top 5 percent group, the decline was about a fourth for the basic variant; slightly over three-tenths for the economic income variant; and almost four-tenths for the disposable income variant.

With the lapse of another two years the decline of the shares in the basic variant remained about as large as in 1939-45 (line 7). That

in the share of the top 1 percent became somewhat larger, and that in the shares of the 2nd and 3rd, and 4th and 5th percentage bands somewhat smaller; that in the share of the top 5 percent group was about the same as in 1939-45. Recent sample studies suggest a decline, rather than a rise, in the shares of upper income groups from 1947 to 1948.<sup>9</sup>

Was this decline offset by the increase in undistributed profits of corporations, most of which should be charged to these upper income groups in view of their preponderant holdings of dividend-bearing stock of business enterprises? The question can be answered crudely and approximately by imputing corporate savings to the upper income groups in the proportion their receipts constitute of the countrywide total of dividends paid to individuals. This procedure exaggerates their share in such undistributed incomes, since some net corporate savings must be charged to stock held by insurance companies, banks, nonprofit corporations, etc.

In 1939-45, when shares in the disposable income variant declined absolutely 4.9, 2.8, and 2.5 percentage points for the top 1, 2nd and 3rd, and 4th and 5th percentage bands respectively (Table 13, line 6), inclusion of corporate savings reduced the decline in the shares of the top 1 percent and the 2nd and 3rd percentage band only slightly (to 4.5, and 2.7 percentage points respectively), and did not affect the decline in the share of the 4th and 5th percentage band. When the series are extended through 1946, on the basis of the change in the basic variant adjusted to include corporate savings, the sharp rise in corporate savings reduces the decline in the shares to 3.5, 2.1, and 2.2 percentage points respectively. Data are not yet available to extend these calculations but the appreciably bigger rise in corporate savings in 1947 suggests still further reductions in this decline. However, even allowing for these reductions, which exaggerate the significance of corporate savings to upper income groups, the decline from 1939 remains substantial, both absolutely and relatively.

This decline was obviously not due to an absolute drop in

<sup>9</sup> See the 1949 Survey of Consumer Finances, *Federal Reserve Bulletin*, July 1949, p. 786. For the upper tenth, the share in money incomes declined from 33 percent in 1947 to 32 percent in 1948. However, figures from the Surveys are not fully consistent with our estimates. Like ours, they show a rise in the share of the upper tenth from 1945 to 1946; but unlike ours, they show a rise also from 1946 to 1947.

income. The incomes of both lower and upper groups have increased since 1939; but the relative rise in the former must have been appreciably larger than in the latter. In the disposable income variant the rise in income taxes fell more heavily on the upper income groups, accentuating the decline beyond that shown in variants based on income before taxes.

There is evidence that the changes during the years associated with World War I were similar. The share of the top 1 percent in the basic variant, the only one for which we have estimates, declined from a peak of 15.4 percent in 1916 to a low of 12.3 in 1920. In 1928 it recovered, temporarily, to 14.9—close to its peak level; and in 1924, eight years after the peak, it was 12.9, about a sixth below the peak. During the recent period the share of the top 1 percent reached a trough in 1944, 8.7 percent, or 26.9 percent below its 1939 level, 11.9; and after a temporary recovery to 9.1 in 1946, dropped to 8.6 in 1947, or 27.7 percent below its 1939 level. Thus the recent decline was longer and larger than in the period associated with World War I. The income shares of the 2nd and 3rd, and 4th and 5th percentage bands (basic variant), which reached lows of 5.0 and 3.2 percent respectively in 1944, recovered to levels of 5.5 percent and 3.5 percent in 1947, but were still from a fifth to three-tenths below their 1939 levels.

In which income types did the shares of upper income groups decline during 1939-47? The question is answered in lines 8-10. For all three upper income groups the share in the countrywide total of employee compensation dropped (line 8): the relative decline is evident if it is remembered that the average share (1919-38) of the top 1 percent in employee compensation was 6.5 percent and that of the top 5 percent group, 17 percent. The decline was thus almost four-tenths for the top 1 percent and somewhat over four-tenths for the top 5 percent. The shares of upper income groups, except the 2nd and 3rd percentage band, in the countrywide total of dividends and interest also declined substantially but much less relatively (line 10). The shares in the combined total of entrepreneurial income and rent, in contrast, rose consistently (line 9) although the changes are not large either absolutely or relatively, except for the 2nd and 3rd percentage band.

Since the upper percentage bands are classified by size of current income, their personal composition is not completely continuous

from year to year. Hence, the rise in the shares of some income types and the decline in the shares of others are not necessarily changes in the relative shares of a given group of individuals: the changes may represent a movement into the upper income groups of individuals whose incomes are largely from a given income type, say entrepreneurial income, and the movement out of the upper levels of units whose incomes are largely from another source, say employee compensation or dividends. The actual situation is probably a mixture of the movement of units into and out of the upper income groups and of changes in the proportion of countrywide aggregates of income of various types received by units who remain in the upper income levels in both years of the comparison.

The changes in lines 8-10 spell shifts in the income structure of the various income groups (lines 11-13). The share of employee compensation in the total income of upper income groups declined appreciably from 1939 to 1947, whereas its share in the total income of the lower 95 percent of the population rose. The share of the combined total of dividends and interest in the total income of both the upper and lower groups declined. The share of the combined total of entrepreneurial income and rent, dominated by the former, in the total income of upper groups increased substantially; in that of the lower 95 percent, only slightly.

## *2 Changes from 1919-28 to 1929-38*

Twenty years are too short a period to establish secular trends. Nevertheless, it may be of interest to see whether there were any drifts during 1919-38 in the income shares of upper income groups. We compared two decennial averages in the expectation that any major trends could be observed in even such a simple calculation (Table 14).

The share of the top 1 percent declined from the average level of the first decade to that of the second in each variant. The decline was small both absolutely and relatively, except for the disposable income variant where the shift from capital gains in the 1920's to capital losses in the 1930's naturally produced a much bigger decline. If the period since 1939 is treated as a continuation of the two decades 1919-38 the share of the top 1 percent in total income has declined substantially over the period as a whole, i.e., since 1919-28 and through 1947-48.

Table 14

Changes from 1919-28 to 1929-38 in Percentage Shares of Upper Income Groups in Total Income and in Countrywide Aggregates of Various Types of Income

	Top 1 Percent (1)	2nd & 3rd Per- centage Band (2)	4th & 5th Per- centage Band (3)	Top 5 Percent (4)	Lower 95 Percent (5)
<i>Basic Variant</i>					
1 Av. level, 1919-28	13.4	6.5	4.6	24.6	75.4
2 Av. level, 1929-38	12.9	6.7	5.2	24.8	75.2
3 Change	-0.6	+0.2	+0.6	+0.3	-0.3
<i>Economic Income Variant</i>					
4 Av. level, 1919-28	15.3	8.0	6.1	29.5	70.5
5 Av. level, 1929-38	14.7	8.5	6.9	30.1	69.9
6 Change	-0.7	+0.5	+0.8	+0.6	-0.6
<i>Disposable Income Variant</i>					
7 Av. level, 1919-28	14.9	8.1	6.0	29.0	71.0
8 Av. level, 1929-38	13.7	8.6	6.9	29.2	70.8
9 Change	-1.2	+0.5	+0.9	+0.2	-0.2
<i>Change in Shares in Countrywide Aggregates of Various Types of Income</i>					
10 Employee compensation	+0.6	+1.4	+1.2	+3.2	-3.2
11 Entrep. income	-2.3	-1.8	-0.6	-4.6	+4.6
12 Rent	+4.3	+1.6	+2.7	+8.6	-8.6
13 Dividends	-11.0	-1.5	-0.0*	-12.5	+12.5
14 Interest	-7.1	-2.6	-1.3	-11.0	+11.0
<i>Change in Percentage Proportions of Various Types of Income in Total Income</i>					
15 Employee compensation	+6.4	+14.3	+11.4	+10.3	+0.9
16 Entrep. income	-6.0	-10.2	-8.2	-7.5	-2.5
17 Rent	-1.5	-2.8	-2.5	-2.0	-1.9
18 Dividends	+1.0	-0.2	+0.2	-0.2	+1.3
19 Interest	+0.1	-1.0	-0.9	-0.6	+2.1

\* Less than -0.05

The shares of the 2nd and 3rd, and 4th and 5th percentage bands, in contrast, rose from the first to the second decade. While absolutely small, these rises are a substantial proportion of the average level of the shares, particularly in the economic and disposable income variants. As far as change since 1939 may be viewed as part of that for the entire, almost thirty year, period, the decline in the shares of these bands during recent years is a reversal of the movement during 1919-38.

Because of the opposite movements in the shares of the top 1 percent and of the other upper percentage bands, the drift in the share of the 5 percent group was rather small, so small that it is perhaps safest to conclude that there was no significant trend either upward or downward during the two interwar decades.

Changes in the shares *within* each income type were fairly consistent for all upper percentage bands (lines 10-14). Their shares in



the countrywide totals of employee compensation and rent were larger in the second than in the first decade—and these increases are fairly substantial when viewed as proportions of the average shares for the period. The shares in entrepreneurial income, dividends, and interest were smaller in the second than in the first decade. Movements in the shares of upper income groups in the countrywide aggregates of income of various types since 1939 represent partly a continuation of the trends in Table 14, partly a reversal. The recent decline in the shares of upper percentage groups in the countrywide aggregate of employee compensation is a reversal of the drift during 1919-38; likewise, the recent increase in the shares of upper income groups in the countrywide aggregate of entrepreneurial income and rent is a reversal of the downward drift that would be shown in the combined total from 1919-28 to 1929-38. But the recent decline in the shares of upper income groups, except the 2nd and 3rd percentage band, in the countrywide aggregate of dividends and interest may be viewed as a continuation of the downward drift in Table 14.

Changes in the shares in the countrywide aggregates of income of various types (lines 10-14) mean shifts in the income structure of total income (lines 15-19). On the whole, the upper income groups derived in the second decade a larger proportion of their income from employee compensation and a smaller proportion from entrepreneurial income, rent, dividends, and interest, the most consistent shifts being the rise in the former and the decline in the shares of entrepreneurial income and rent. The lower 95 percent too derived a larger proportion of its income from employee compensation and a smaller proportion from entrepreneurial income and rent but the relative magnitude of these changes was markedly different from that in the income structure of the top 5 percent. Changes in the proportions of dividends and interest were in the opposite direction to and appreciably bigger than those for the top 5 percent.

### 3 *Changes during Business Cycles*

With annual rather than monthly data and for a period as short as that covered here, cyclical variations in the shares of upper income groups cannot be analyzed adequately. But we can observe now these shares changed during cycles in general business conditions,

and learn enough to form at least reasonable hypotheses subject to further check.

From 1919 through 1938 the reference chronology of the National Bureau traces five cycles in general business activity. For each we can study the change per year in the income shares during expansion, contraction, and the 'differential movement' per year, i.e., the amount by which the per year change during the contraction falls short of or exceeds the per year change during the preceding expansion. We measured these movements in percentage shares of income received by upper income groups as absolute changes, without reducing them to the base of the average for each cycle, as is customary in NBER procedure. The measures summarized in Table 15 tell us how much, on the average, the upper income shares changed during reference phases or cycles. These absolute changes in shares can be compared with the average levels by referring to lines 1, 8, and 15.

With qualifications to be noted below, the income shares of the upper groups moved, on the whole, counter to business cycles, i.e., declined during expansions and rose during contractions. The statement applies to *percentage* shares of total income received by upper income groups, not to their absolute incomes, which rose during expansions and declined, or were retarded in their rise, as is the case in mild recessions, during contractions. What happens, obviously, is that when incomes rise during cyclical expansions, the relative rise in incomes of upper groups is not as large as in incomes of lower groups; and when incomes decline during cyclical contractions, or are retarded in their rise, the relative decline in upper level incomes is not as large, or the retardation in their rise is not as large, as in incomes of lower groups.<sup>10</sup>

While the income shares of upper groups in all three variants run, on the whole, counter to business cycles, the shares for the several upper percentage bands differ significantly in their patterns and in the amplitude of their average change. The share of the top 1 percent almost never moved consistently either with or counter to business cycles; the number of cycles having the sign of the average change never exceeds 3 out of 5 (col. 1). Other evidence of incon-

<sup>10</sup> Using entirely different data, Horst Mendershausen also found that from 1929 to 1933 the share of total income received by the 'upper' group increased. See his *Changes in Income Distribution during the Great Depression* (NBER, 1946).

Table 15

Average Change per Year during Business Cycles in Percentage Shares of Upper Income Groups, 1919-1938

	Top 1 Percent (1)	2nd and 3rd Percent- age Band (2)	4th and 5th Percent- age Band (3)	Top 5 Percent (4)	Lower 95 Percent (5)
BASIC VARIANT					
1 Average share, 1919-38	13.1	6.6	4.9	24.7	75.3
2 <i>Av. Change, Expansions</i>					
3 Value	-0.10	-0.11	-0.18	-0.40	+0.40
4 No. of cycles with same sign as line 2	2	3	5	3	3
5 <i>Av. Change, Contractions</i>					
6 Value	+0.05	+0.34	+0.48	+0.87	-0.87
7 No. of cycles with same sign as line 4	3	4	5	3	3
8 <i>Differential Movement</i>					
9 Value	+0.16	+0.46	+0.66	+1.27	-1.27
10 No. of cycles with same sign as line 6	2	4	5	3	3
ECONOMIC INCOME VARIANT					
11 Average share, 1919-38	15.0	8.3	6.5	29.8	70.2
12 <i>Av. Change, Expansions</i>					
13 Value	-0.16	-0.12	-0.11	-0.39	+0.39
14 No. of cycles with same sign as line 9	3	3	3	3	3
15 <i>Av. Change, Contractions</i>					
16 Value	+0.39	+0.62	+0.44	+1.46	-1.46
17 No. of cycles with same sign as line 11	3	4	5	4	4
18 <i>Differential Movement</i>					
19 Value	+0.55	+0.74	+0.56	+1.84	-1.84
20 No. of cycles with same sign as line 13	3	5	4	4	4
DISPOSABLE INCOME VARIANT					
21 Average share, 1919-38	14.3	8.4	6.4	29.1	70.9
22 <i>Av. Change, Expansions</i>					
23 Value	+0.20	-0.10	-0.11	-0.01	+0.01
24 No. of cycles with same sign as line 16	3	3	3	3	3
25 <i>Av. Change, Contractions</i>					
26 Value	+0.30	+0.59	+0.42	+1.31	-1.31
27 No. of cycles with same sign as line 18	3	5	4.5	3	3
28 <i>Differential Movement</i>					
29 Value	+0.10	+0.69	+0.54	+1.32	-1.32
30 No. of cycles with same sign as line 20	2	5	4	4	4

Differential movement is calculated by subtracting the change per year during the expansion from the change per year during the following contraction. A *minus* sign, therefore, signifies positive conformity, in that the rate of change declines from expansion to contraction; a *plus* sign signifies inverted conformity, in that the rate of change increases from expansion to contraction.

sistency is the much smaller amplitude of the average change in the top 1 percent than in the 2nd and 3rd or 4th and 5th percentage

band (relative to the average level of the shares): the cyclical movements of the share of the top 1 percent are so diverse that some cancel and the average change is small. The inconsistency is apparent in the chart: the share of the top 1 percent tended to run counter to business cycles during 1919-24, with them during 1929-38 (also during 1913-14 for the basic variant). One is forced to conclude that there seems little consistent relation between changes in the income share of the top 1 percent and business cycles. The shares of the 2nd and 3rd, and 4th and 5th percentage bands, on the contrary, moved fairly consistently counter to business cycles, and it is this behavior that lends consistency to the movement of the share of the top 5 percent group as a whole, at least in the economic and disposable income variants which are of most interest for our analysis.<sup>11</sup>

How do shares of the upper income groups in countrywide aggregates of income of various types move during business cycles? If we adopt as our criterion of consistent behavior that for at least 4 out of the 5 cycles in the period change be in the same direction, we find that the shares of all upper percentage bands in the countrywide total of employee compensation rose *consistently* during contractions; and showed a rise from the rate of change (usually a decline) during expansions to the rate of change (uniformly a rise) during contractions (Table 16, lines 1-7). The shares of upper income groups in the countrywide total of rent also ran counter to business cycles: here too there was a rise fairly uniformly during contractions and in the differential movement from expansion to contraction (lines 15-21).

<sup>11</sup> The inverted pattern is more prominent in the share of the 4th and 5th percentage band than in that of the 2nd and 3rd; and one could reasonably surmise that it might characterize the 6th and 7th and lower percentage bands as long as we stay in the income distribution above the cyclically sensitive wages, salaries, and entrepreneurial income which are reached at somewhat lower income levels. Were it possible to extend the upper income groups to cover the top 10 rather than the top 5 percent, the inverted pattern might well be more prominent and more consistent than it is for the top 5 percent group.

Estimates for the basic variant, available through the 10 percent line from 1919 through 1924, confirm the surmise in some degree. During the two cycles covered in this period the shares of both the top 5 and 10 percent groups ran counter to business cycles without exception. But for the 5 percent group the average differential movement per year was +3.47, relative to an average level of the share of 23.7 percent; that for the 10 percent group was +5.18, for an average level of the share of 33.2 percent. The relative amplitude of the counter-cyclical movement for the 10 percent group was thus slightly wider.

Table 16

Average Change per Year during Business Cycles in Percentage Shares of Upper Income Groups in Countrywide Aggregates of Various Types of Income, Basic Variant, 1919-1938

	Top 1 Percent (1)	2nd and 3rd Percent- age Band (2)	4th and 5th Percent- age Band (3)	Top 5 Percent (4)	Lower 95 Percent (5)	
EMPLOYEE COMPENSATION						
1	Average share, 1919-38	6.5	5.6	4.8	16.9	83.1
	<i>Av. Change, Expansions</i>					
2	Value	-0.21	-0.13	-0.19	-0.52	+0.52
3	No. of cycles with same sign as line 2	4	3	3	3	3
	<i>Av. Change, Contractions</i>					
4	Value	+0.39	+0.46	+0.49	+1.34	-1.34
5	No. of cycles with same sign as line 4	5	5	5	5	5
	<i>Differential Movement</i>					
6	Value	+0.60	+0.59	+0.68	+1.86	-1.86
7	No. of cycles with same sign as line 6	5	5	5	5	5
ENTREPRENEURIAL INCOME						
8	Average share, 1919-38	13.7	8.1	5.2	26.9	73.1
	<i>Av. Change, Expansions</i>					
9	Value	+0.12	+0.23	-0.18	+0.17	-0.17
10	No. of cycles with same sign as line 9	4	4	4	2	2
	<i>Av. Change, Contractions</i>					
11	Value	+0.34	-0.20	+0.47	+0.61	-0.61
12	No. of cycles with same sign as line 11	3	3	4	3	3
	<i>Differential Movement</i>					
13	Value	+0.23	-0.44	+0.66	+0.45	-0.45
14	No. of cycles with same sign as line 13	3	4	4	3	3
RENT						
15	Average share, 1919-38	17.9	11.4	8.9	38.3	61.7
	<i>Av. Change, Expansions</i>					
16	Value	+0.32	-0.31	-0.16	-0.16	+0.16
17	No. of cycles with same sign as line 16	4	4	2	3	3
	<i>Av. Change, Contractions</i>					
18	Value	+0.75	+1.11	+0.76	+2.62	-2.62
19	No. of cycles with same sign as line 18	4	4	4	4	4
	<i>Differential Movement</i>					
20	Value	+0.43	+1.42	+0.92	+2.77	-2.77
21	No. of cycles with same sign as line 20	4	4	4	4	4
DIVIDENDS						
22	Average share, 1919-38	64.7	8.2	3.6	76.6	23.4
	<i>Av. Change, Expansions</i>					
23	Value	-0.40	-0.18	-0.23	-0.80	+0.80
24	No. of cycles with same sign as line 23	3	2	5	3	3
	<i>Av. Change, Contractions</i>					
25	Value	-2.75	+0.38	+0.55	-1.82	+1.82

Table 16 (concl.)

		DIVIDENDS (CONCL.)				
		(1)	(2)	(3)	(4)	(5)
26	No. of cycles with same sign as line 25	4	2	4	4	4
	<i>Differential Movement</i>					
27	Value	-2.36	+0.55	+0.78	-1.02	+1.02
28	No. of cycles with same sign as line 27	3	2	4	3	3
		INTEREST				
29	Average share, 1919-38	27.5	8.5	5.5	41.5	58.5
	<i>Av. Change, Expansions</i>					
30	Value	-0.70	-0.25	-0.04	-0.98	+0.98
31	No. of cycles with same sign as line 30	3	5	4	2	2
	<i>Av. Change, Contractions</i>					
32	Value	-1.72	+0.28	+0.24	-1.20	+1.20
33	No. of cycles with same sign as line 32	4	2	4	4	4
	<i>Differential Movement</i>					
34	Value	-1.03	+0.53	+0.28	-0.22	+0.22
35	No. of cycles with same sign as line 34	4	3	3	4	4

Employee compensation and rent are the only two income types in which the shares of all upper percentage bands moved consistently during business cycles. The shares in total entrepreneurial income changed, on the whole, counter to business cycles, but the movement was consistent for only the 4th and 5th percentage band. Those in total dividends and interest moved, on the whole, with business cycles, but the movement was consistent for only the top 1 percent (and the 5 percent group as a whole, whose holdings of dividends and interest are dominated by those of the top 1 percent); the shares of the 2nd and 3rd, and 4th and 5th percentage bands moved counter to business cycles.

These differences in pattern explain in part the lack of consistency in the business cycle behavior of the share of the top 1 percent in total income, in contrast to the consistency of the inverted pattern in the shares of the 2nd and 3rd, and 4th and 5th percentage bands. Looking down the columns in Table 16, one observes that for the top 1 percent the shares in some income types (employee compensation and rent consistently, and entrepreneurial income inconsistently) ran counter to business cycles, whereas those in dividends and in interest moved with business cycles. In contrast, the share of the 4th and 5th percentage band in all types of income changed counter to business cycles.