Bibliography


Theory of Income Size Distribution


Index

Ability, distribution of earnings and, 231—232
Abolition, wealth distribution in 1860 and, 8n—9n
Age:
and auto ownership, 55—58
and composition of interest income, 140t—141t, 142t—143t
and home ownership, 53—55, 54t
and income, 61, 61t, 80t, 101—106, 112—113, 146t, 196t—197t, 248
and inheritance, 64t, 65t, 65t
Median income by, 59—61, 60r
and money income of two-person nonfarm families, 183r
and savings, 47
and source of income, 122t—123t, 124t—125t, 126t—127t, 128t, 129t—130t
and sources of business income, 131t—132t, 133t, 134t
and sources of property income, 135t—136t, 137t—138t
of spending units by cohort in 1950, 35
and stability of income estimates, 170—171
and total assets, 46—47
and variance of logarithms of income, 74t, 90t
and wages and salaries as share of income, 108—109
and year-round, full-time employment, 100r, 102t, 103t
Aged:
income of, 160—164
and family status and living arrangements, 178t—179t, 181t
See also Aged and disabled; Married aged; Nonmarried aged.
Aged and disabled, studies of, 157, 158
See also Disabled.
Aggregate income, shares by sex and race of, 104t
Alimony, as share of total income, 110
Annuities, see Pensions and annuities.
Antipoverty programs, 199
Art buyers, 216—217, 217n
Artists, see Painters.
Assets:
for constant cohorts, 43t—44t
Intangible value of, between 1860—1900, 10—11
Measurement of, 41
National estimates of value of, 13—14
Per cent held by richest families of, 13t
and slavery, 25—26
Value between 1860—1900 of, 10—11
Summary of changes in
and car ownership, 69t
and home ownership, 68t
Tangible, value between 1860—1900, 10—11
Total, 46—47
of Negroes compared with whites, 47
Athletes, income of, 217—218
Auto ownership, 55—58, 69t, 70
Average income:
by race and sex, 92t, 93t, 105t
by sex, 80t
Baltimore, Maryland:
Census data sources for, 17—21, 24
Occupations of wealthy in 1860 in, 4n
Wealth distribution in
in 1860, 4n, 22t—23t
and Civil War, 8n—9n
Bonds:
Corporate and foreign as source of interest income, 140t—141t, 142t—143t, 144t
State and local government as percentage of interest income received by income groups, 144t
As source of interest income, 140t—141t, 142t—143t
Boston, Massachusetts, data on wealthy of, 28
Index

Bureau of Labor Statistics, 168n
Business cycles
composition of labor demand and, 85
and distribution of personal income, 83–86
Business income, 111
composition of in 1962, 131t–132t, 134t
definition of, 109
distribution in 1962 of, 133t
percentage having income from, 129t–130t
as share of total income, 109
and property income
mean amount of income from, 126t–127t
percentage of total income received by income groups, 128t
as share of 1962 income distribution, 122t, 123t, 124t–125t
Census. See United States Census.
Chi-square test:
and income distribution data, 76n
on sample cities, 18
Cities:
Baltimore, Maryland, 4n, 8n–9n, 17–21, 22t–23t, 24
Boston, Massachusetts, 28
definition of “large,” 4–5
and distribution of wealth, 3–8
New Orleans, Louisiana, 4n, 8n–9n, 17–24, 22t–23t, 24
New York, New York, 14, 15
Philadelphia, Pennsylvania, 4n, 15
Richmond, Virginia, 28
St. Louis, Missouri, 4n, 8n–9n, 17–24, 22t–23t
slaves in, 9
Civil War, wealth distribution in 1860
and, 8n–9n
Cohort analysis:
advantages and disadvantages, 70–71
and changes in concentration of wealth, 47–55, 58, 67
and education, 47
and long-run consumption behavior theories, 70
and savings, 72–73
and total assets, 46–47
Cohort analysis: (cont.)
of wealth distribution, 67
and auto ownership, 55–58
data requirements for, 31–32
and home ownership, 55
and income by cohorts, 59–63
and inheritances, 64–67
method of, 31–32
and specification of cohorts, 33–40
and trends by cohorts, 43–47
See also Cohorts.
Cohorts:
classification by education of, 40
constant
income trends of, 59–63
means of balance sheet items for, 43t–44t, 45t, 46–47, 48t, 49t–50t, 51t
defining, 71
number of spending units, 34, 35t
sex, age and relative income status of, 95–96
used in analysis of income trends, 61, 61t
white, median income by year of, 62t, 62–63
Color, see Negro spending units; White spending units; Race.
Color/sex correlation ratio, 94–96
Common stock holdings, 47
Consumer behavior theories, 31
See also Consumption expenditures.
Consumer characteristics, see Survey of Financial Characteristics of Consumers.
Consumer Expenditure Survey, 157
Consumer Price Index, income calculations and, 61
Consumption expenditures:
current, see Current outlays.
distribution of nonfarm families and one-person units by amount of, 184t–189t
of low income population, 172
and value of slaves, 30
See also Spending units.
 Corporations, income from, 129t–130t
Cost of living, rate of change in, 99t
Cotton counties sample, 24–25
Couples, aged, see Aged.
CPS, see Current Population Survey.
Index

Current outlay, distribution of non-farm families and one-person units by amount of, 190–195r
Current Population Survey (CPS), 75, 158, 160, 165
Cyclical change, see Business cycles.

Demand:
and labor earnings, 214–223
for labor, output measures and, 84–85
and sex/age group income variance, 97t

Disabled, 165
income of, 165–166
by marital status, sex, and living arrangements, 182t

Discrimination, potential earnings and, 88–89
See also Race.

Dividends, 110
from closely held corporations
mean amount of income from, 137r–138t
as percentage of property income, 135t–136t, 139t
and nonrespondents, 116–117
from publicly traded stock
mean amount of income from, 137r–138t
as percentage of property income, 135t–136t, 139t

Economic theory:
and history of cohorts of households, 31
and income distribution theory, 207

Education:
and auto ownership, 55–58, 57r, 69t
of cohorts, 33
and home ownership, 54t, 55, 68t
and income, 61, 63, 88–89, 113, 148t
and life-earning cycles, 233–245
and mean net worth, 47, 48t
and race, 36r–37t, 38, 39t, 45t, 48t
and savings, 47
of spending units by cohort in 1950, 35t
and survival rates, 38
See also Training.

Elasticity of substitution, income and, 223–224

Europe, income inequality in, 82, 87–88, 98
Executives, income determinants for, 220–221
Expenditures, see Consumption expenditures; Spending units.

Factor ownership:
and distribution of income, 88–89
redistribution of, 83, 83n

Families:
census definitions of, 18–19, 158–159
coalescence of, 246
composition of, 78
distribution of gross wealth in 1860 among, 221–23t
economic, 160
in multifamily dwellings, 18–19
part-year members of, 169
reconstruction of, 167–170
of two or more persons, size distribution of income for, 176r–177r

Family income, 59–61
"annual," 198
and family and household composition, 159–160
and per capita income, 211–214
size distribution of, 245–250
and substitution of wife's earnings for husband's, 248
See also Income; Income composition.

Family Income Distribution Statistics Published by Federal Agencies, 157

Family-share incomes, life cycles in, 249–250

Farm operators in 1860 census, 24–25
Farm properties, 5n, 24
Farm residents, poverty among, 171

Federal Reserve Board, 41–42
Survey of Financial Characteristics of Consumers, 164

Foreign born, wealth of in 1860, 26–27
Foundation fellowships, 213n

Gini coefficients:
of average income, 100t, 102t–103t
of changes in wealth concentration, 47, 50, 55
Index

Income (cont.): position; Income distribution; Income distribution theory; Income inequality; Median income; Nonearneed income; Wages and salaries.

Income analysis: and family definitions, 167-170

Income composition: before adjustment for nonresponse, 149t

income: business income, 109

and characteristics of consumer units, 112-113
data sources for, 108

estimated standard errors and variances in, 156t

interest, pensions and annuities, and other income, 110-111

in 1962, 122t, 123t, 124-125t

and assignment of values for missing items, 150t

effect of sample design on, 153t

from specified source, 126t-127t, 129t-130t

property income, 110

wages and salaries, 108-109

Income distribution: aggregate change in and aggregate empirical results, 87-88

conceptual model of secular and cyclical change in, 78-86

and empirical model, 86-87
data sources and measures of income inequality, 75-78
time series and secular change, 78-83

disaggregate change in analysis of variance, 89-96

noncompeting groups, 88-89

secular and cyclical change within sex/age groups, 96-98

errors in interpreting changes in, 159

for families and unrelated individuals compared, 176t-177t

and hiring process, 234-235

Keynesian or widow’s cruse theory of, 208

in 1962, 128t

of nonfarm families and one-person units, 196t-197t

Income: (cont.)

of aged, 160-164, 178t-179t

by cohort, 70

components of, 108

and consumption expenditures, 184t-189t

and current outlay, 190t-195t

of disabled, 182t

labor’s share of national, 85n

and net worth, 67

nonmoney, 173

per capita, family income and, 211-214

of professional athletes, 217-218

of professionals, 218-219

and property income, 139t

and rate of return on investments, 210-211

and saving propensity, 208

of sex/age groups relative to average for population, 95t, 90-96

on spending unit basis, 61

of young people, 248

See also Aggregate income; Average income; Family income; Income analysis; Income com-

Gini coefficients: (cont.)
correlation with income level, 100-106

and income inequality, 101

of net worth, 73-74

for several forms of income, 111-112

of slaveholders, slaveholders plus nonslaveholders, and all adult males, 26

Great Britain, income distribution in, 161t

Gross National Product: rate of change in, 99:

United States and the Netherlands compared, 82-83

"Hidden" poor, 163-164, 165

Hiring practices, 234-236

See also Promotion.

Home ownership, 55, 67, 68t, 70

Households, see Families.

Human capital formation: and employer’s opinion of individual, 241-242

and training, 234-235

Income:

of aged, 160-164, 178t-179t

by cohort, 70

components of, 108

and consumption expenditures, 184t-189t

and current outlay, 190t-195t

of disabled, 182t

labor’s share of national, 85n

and net worth, 67

nonmoney, 173

per capita, family income and, 211-214

of professional athletes, 217-218

of professionals, 218-219

and property income, 139t

and rate of return on investments, 210-211

and saving propensity, 208

of sex/age groups relative to average for population, 95t, 90-96

on spending unit basis, 61

of young people, 248

See also Aggregate income; Average income; Family income; Income analysis; Income com-
Index

Income distribution: (cont.)
in Norway, 239
and sex, race, and age, 101-106
and skewed distribution, 232
See also Labor earnings; Low-income population; Poor; Wealth distribution.

Income Distribution in the United States, 167

Income distribution theory:
definition of terms for, 206-210
and distribution of human capital, 229-232
and distribution of total income, 210-211
and general equilibrium theory, 227-229
and inheritance, 211-214
and life-earning patterns and social stratification, 233
relevant parameters for, 206
and size distribution of family income, 245-250
status of, 205-210
and supply, 223-227

Income inequality:
estimating, 78n
for females by color, 93t
intrafamilial, 211-214
for males by color, 92t
for persons 14 years of age and over
with income, by sex, 80t
and professionals, 222-223
by sex/age group, 97t
in the United States, 79t
Income groups, see Income recipient units.

Income recipient units:
age of head of, 146t
definition of, 206-207
education of head of, 148t
employment status of head of, 147t
number of persons in, 145t
under 65, 165-167

Inheritance, 70
age at, 64t, 65, 65t, 66t
amount of, 65-67
and income distribution, 211-214
and wealth distribution, 64-67

Interest income:
distribution of, 144t
mean amount of income from, 137t-138t

Interest income: (cont.)
1962 composition of
effect of sample design, 155t
by mean amount from specified source, 142t-143t
percentage of group having income from specified source, 140t-141t
as percentage of property income, 135t-136t, 139t
and property income, 112
as share of total income, 110, 111
Interfamily transfers of income, 110
Investment:
in human capital, 229-232
in training, 224
Israel, income inequalities in, 243

Job characteristics, wages and, 228
Job evaluation, 218-220
Job sensitivity, 221-222
Joint payments, income estimates and, 159n

Korean war, 106
Kuznets' hypothesis of secular equalization of personal income, 82

Labor:
demand for, output measures and, 84-85
productivity, cyclical pattern of, 84n
supply, income distribution and, 223-227
turnover costs of, 84-85

Labor earnings:
demand and, 214-223
and Ricardian theory, 209
secular growth of, 83
as share of national earnings during recessions, 85n
See also Wages and salaries.

Labor force:
determination of composition of, 98, 100
18-24 year-olds in, 248
permanent and temporary, 236-240
and annual earnings, 242-244
unskilled, 238
year-round, full-time, 101-102, 100t, 102t, 103t
young persons and married women in, 98
Labor's share, see Labor earnings.

Lawyers, 218, 238n

Liabilities, 46—47
  for constant cohorts, 43t—44t
  measurement of, 41

Life-earning cycles:
  and education, 233—245
  estimates by cohorts, 63

Logarithms of income:
  proportion accounted for by
  weighted variance between group
  means, 76
  size distribution of, 76
  variance in, 79t, 80t—81t
  for females by age, 91t
  for males by age, 90t

Lorenz curve, 27, 47, 50, 111

Low-income population:
  and aged, 160—164
  children of, 224n
  data sources on, 157—158
  definitions of, 157—158, 202
  measurement of
  and definition of low income, 198—204
  new data for, 173
  and reconstruction of families, 167—170
  and temporary poverty, 171—172
  and time-reference period, 170—173
  and nonmoney income, 173
  quality of response of, 174—175
  recipient unit definition, 158—160
  units under 65, 164—167
  See also Poor; Poverty.

Married aged, money income in 1959
  of, 181t
  Maryland:
  census data sources for, 17—21, 24
  choice of sample from, 5
  gross wealth distribution in 1860 in,
  See also Baltimore.

Mean net worth:
  and education, 47, 48t
  and inheritance, 67
  total increase in, 68t
  See also Net worth.

Median income:
  by age, 59, 60r, 61
  average annual increase in, 68t

Median income: (cont.)
  in 1947—1965, 200t
  and poverty level, 199—204
  of white cohorts, 62t
  Military personnel, 167
  Millionaire families, 11—12, 14, 15
  Minimum subsistence, 208—209
  Mobility of poor and nonpoor, 173
  Mortgages and loans, as source of in-
  terest income, 140t—141t, 142t—143t, 144t
  Mother-child units, 165, 171
  Multifamily dwellings, 18—19
  Models of changes in income distribu-
  tion, 83—86, 86—87

National assets, see Assets, national.

Native born, wealth in 1860 of, 26—27

Necessities, definition of, 201

Negro:
  spending units
  and cohort analysis, 67
  means of balance sheet items for,
  in 1947—1965, 200t, 51t
  workers in World War II, 238n

Netherlands, the:
  growth of economically active popu-
  lation in, 96
  income distribution in, 82
  rates of growth in real GNP in, 82—83
  secular trends in income inequality
  in, 87—88
  unemployment in, 82

Net worth:
  estimates of, 73—74
  and income, 67
  See also Mean net worth.

New Orleans, Louisiana:
  census data sources for, 17—21, 24
  occupations of wealthy in 1860 in,
  See also Baltimore.

New York City, 14, 15

Nonearned income, 159n, 175

Nonmarried:
  aged
    income of, 161—162
    money income in 1959 by family
    status of, 180t
  living arrangements of, 162, 162t
Index

Nonrespondents in income surveys, 113–117, 149r
Norway, decline of income concentration in, 239
Old Age, Survivors and Dependents Insurance (OASDI) benefits, 167
Occupation:
  of cohorts, 33
  and productive capacity and age, 233
  in U.S. Census, 18
Occupied dwelling units in 1950, 34n
Office of Business Economics (OBE), 157–158
On-the-job-training, selection for, 240–241
Output:
  and labor supply, 84–85
  of foodstuffs, minimum subsistence and, 208–209
  and national income, 87–88
  of painters, musicians, craftsmen, etc., 216–217
Painters, 216–217, 217n
Panels versus cohort analysis, 32
Pareto estimates of average income, 77
  and business income, 131r, 132r, 133r
  income from, 129r–130r
Pensions and annuities
  income from, 126r–127r
  and 1962 income distribution, 122r, 123r, 124r–125r
  and total income, 110, 111
"Peripheral" adults, 248
Personal income, see Income distribution.
Personal property, value of, 16–17
Philadelphia, Pennsylvania, wealth distribution in, 4n, 15
Physicians, income dispersion among, 221–223
Poverty:
  definition of, 172–173
  income criterion for, 198–204
  and household size, 164
  studies of, 158
See also Low-income population; Poor.
Price movements, distribution of income and, 84n, 85
Professionals, income dispersion among, 221–223
Profits from incorporated businesses, 109
Promotion:
  and hiring cost bias, 236–237
  from within, 234–235
Property:
  business income from, 131r–132r, 133r
  held by richest families, 14–15
  owned by convents, 19
  owned by millionaire families in 1890, 12
  sole proprietorship of, 129r–130r, 131r–132r, 133r
See also Property income; Personal property.
Property income, 206
  and foundation fellowships, 213n
  and interest income, 112
  1962 composition of, 135r–136r, 137r–138r
  effect of sample design, 154r
  percentage of specified types received by income groups, 159r
  as share of total income, 110, 111
Psychiatrists, income dispersion among, 221–223
Public sector, expenditures of, 207
Race:
  and education, 36t–37r, 38, 39r, 44t–45r
  and employment opportunities, 241
  and income, 89, 90–96, 101–106, 105r
  and sex, 92r, 93r, 90–96
  and median income, 62r, 62–63
  and "passing," 33
  and quartile shares of aggregate income, 104r
  and sex, variance of income and, 74r
Race: (cont.)
of spending units by cohort in 1950, 35
and year-round, full-time employment, 100t, 102t, 103t
Real estate, nonfarm, 24—25
Recipient unit, definitions of, 158—164
Redistribution of income, 207
Rents and royalties, income from, 135t—136t, 137t—138t, 139t
Retirement benefits, 161, 164
Richmond, Virginia, wealth distribution data from, 28
Rural areas:
definition of, 1n
distribution of wealth in, 3—8
St. Louis, Missouri:
census data sources for, 17—21, 24
wealth distribution in, 21—23
and Civil War, 8n—9n
in 1860, 4n, 22t—23t
Salaries, see Wages and salaries.
Sale proprietorships, income from, 109
Salesmen, income determinants for, 218
Savings, 47
cohort analysis of, 72—73
family’s per capita, 212
as percentage of interest income, 144t
propensity for, income and, 208
as source of interest income, 140t—141t, 142t—143t
“Scale of operations” effect, 219—220
Securities, see United States Government Securities.
Self-employed, income of, 113, 147t
“Separation propensity,” 246, 246n, 247—248
Sex:
and average income, 105t
and income, 101—106
and income inequality, 80t
and race, 92t, 93t, 90—96
and shares of aggregate income, 104t
and variance of logarithms of income, 90t, 91t, 94t
and year-round full-time employment, 100t, 102t, 103t
Sex/age specific groups, secular trends in income variance with, 96—98
Sheppard’s correction, 76n
Slaves:
distribution of, 26
as potential property holders, 9, 28—30
as property owners, 15
in sample cities, 9n
value of, 7n, 9
in wealth distribution computations, 7n—8n, 8—9
Slaveholders, Gini concentration coefficient of, 26
Slavery:
definition of, 25—26
effect on wealth distribution, 25—26, 28—29
Social Security Administration (SSA),
157, 158, 160
Current Medicare Survey, 169
interview reports, 174—175
survey of disabled adults under age 65, 166
survey of institutional inmates, 164
variable poverty index, 163, 165, 172, 173
Social Security payments, 108
as share of total income, 110, 111
Southern states:
census returns for, 17
number of slave families in, 7n
wealth distribution in 1860 in, 3—4, 8—9, 22t—23t
wealth holdings in, 15
Spending units:
amount inherited by age of head of, 64t
characteristics of, 33—40
by cohort
in 1950, 35t
in 1962, 39t
in 1965, 36t—37t
in different cohorts in 1950, 34, 35t, 36t
income calculated by, 61
means of balance sheet items for constant cohorts, 43t—44t
median income in 1950 of, 62t, 62—63
per cent owning balance sheet items in 1962, 45t, 48t
in population by year, 40
See also Consumption expenditures.
Index

Star performers, dispersion of earnings of, 222–223
Stock holdings, see Common stock holdings.
Students:
classification of, 167
as part–time workers, 100
Surplus, distribution of, 208
Survey of the Aged (1963), 164, 174
Survey of Consumer Expenditures (CES), 158
Surveys of Consumer Finances, 40–41
Survey of Financial Characteristics of Consumers:
and composition of income, 108–113
and effect of sample design, 117–121
and nonrespondents, 108–113
questionnaires used for, 116–117
Survival rate of spending units by cohort, 36t–37t
and education, 38
Talent:
definition of, 223, 223n
returns to, 231n
and training, 223–226
Taxes:
and Civil War, 8n
in 1860, 17
and income distribution, 207
Teachers, income determinants for, 218–219
Temporary workers, 236–240
Time-reference period of income studies, 170–173
Time series studies:
of distribution of income, 78–83
of rate of change in wholesale prices, 88
of cost of living, gross national product, and unemployment, 99t
Training:
and income, 223–224
of lawyers, 238n
and talent, 224
specific and general, 234
See also Education.
Trusts and estates, 108
mean income from, 137t–138t
as percentage of property income, 135t–136t, 139t
Two-person units:
definitions of, 169n
income distribution of, 196t–197t
money income of, 183t
Unemployment:
and wages, 238–239
of whites and nonwhites, 240n
Unemployment compensation, 110
Unemployment rates, 98n, 99t
in the Netherlands, 82
in United States, 82
United States:
growth of economically active population in, 96n
income distribution in, see Income distribution.
postwar economic growth of, 98
rates of growth in real GNP in, 82–83
secular trends in income inequality in, 87–88
unemployment rates in, 82
United States Bureau of the Census, 160
census data, 16–25, 167–168
Census of 1860, 1ff
cotton counties data in, 24–25
data flaws, 18–19
Census of 1870, 8n
Census of Housing, 1960, 118
Current Population Surveys, 75–76
See also Survey of Financial Characteristics of Consumers (SFCC).
United States Government Securities:
as percentage of income, 144t
as source of interest income, 140t–141t, 142t–143t
Unrelated individuals:
census classification of, 167, 168
size distributions of incomes of, 176t–177t
Veteran's payments, as share of total income, 110
Wages and Salaries:
income from, 108–109, 126t–127t, 128t
as share of 1962 income distribution, 122t, 123t, 124t–125t
Wages and Salaries: (cont.)
and unemployment, 238–239

Wealth distribution:
cohort analysis of, see Cohort analysis, of wealth distribution.
compared with income distribution, 27
comparisons of SRC and FRB, 42t
data sources, 16–25
in 1860, 13t
choice of sample areas, 3–5
computation of data, 2–3
data on cotton counties, 24–25
data sources, 1
effect of population trends on, 9–11
effect of slave system on, 8–9
inequality of, 13, 25
methods of estimating, 11–15
and projections to 1810 and 1900, 67–8t
and slavery, 25–26
inequalities in, 13t, 26, 28–29
and population distribution, 15, 26–27
and race, 47
See also Income distribution.

Wealth per family:
cities and rural areas compared, 3, 10–11
in 1860
in plantation South, 3–4
in sample cities, 22t–23t
and share of wealth held by very rich, 16
Wealth weights, 2, 10
and slave system, 9
Welfare payments, as share of total income, 110
White spending units:
and auto ownership, 56t, 57t, 68t, 69t
and home ownership, 54t, 68t, 69t
Wholesale prices, rate of change in, 99t
Women:
aged, 161
and birth of first child, 248
and car ownership, 58
as family heads, 165
"hidden poor," 163–164
and income distribution changes, 159
nonmarried, median income of, 161n
World War II, Negro workers and, 238