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## APPENDIX D

### DIVIDEND DISBURSEMENTS, 1884-1919, AND TOTAL DIVIDEND PAYMENTS TO INDIVIDUALS, 1919-1950

THE series on dividend payments to individuals for 1919 to 1941 was computed by adjusting the level of a monthly sample series published by the *New York Journal of Commerce* to annual benchmark data. For 1919-1921 the annual data used are from an article by J. F. Ebersole, S. B. Burr, and G. M. Peterson, "Income Forecasting by the Use of Statistics of Income Data" (*Review of Economic Statistics*, November 1929), and for 1922 to 1941 from appropriate years of *Statistics of Income* (Bureau of Internal Revenue).

We used an adaptation of the method developed by V Lewis Bassie which least affects the relative monthly movement within each year and the December-January movement between consecutive years (see Frederick M. Cone, *Monthly Income Payments in the United States, 1929-40*, Dept. of Commerce, Economic Series No. 6, 1940, pp. 27-28).

The annual data used as control totals were computed by subtracting dividends received by corporations from dividends paid out by corporations. The result is a close approximation of dividend payments to individuals, although we have not been able to exclude from it receipts of (1) individuals residing abroad, (2) foreign corporations, and (3) eleemosynary and other nonprofit institutions.

The monthly series includes manufacturing, retailing, mining, shipping, railroad, and traction companies. In 1925 the sample is placed on a more inclusive basis. From May 1934 onward the data exclude semiprivate and closed corporations and include financial corporations. Neither the 1919-1924 nor the 1925-1941 segment is a continuous sample; the number of corporations included changes from year to year. For 1939-1950 the National Income Division of the Department of Commerce has compiled a monthly series on dividends received by individuals. Its procedure is very similar to ours; it adjusts its own sample of monthly dividend payments using annual control totals (dividends paid by corporations less dividends received) from *Statistics of Income*. The sample is a large one and is stratified by industry groups. The Bassie method is used in making the interpolation. This series has not been published but has been made available to us by the Department of Commerce. Table D-1 presents total dividend payments to individuals for 1919-1950. Data

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TABLE D-1  
Total Dividend Payments to Individuals, 1919-1941 and 1939-1950  
(millions of dollars)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1919	218.6	213.0	220.6	213.9	214.7	202.2	211.5	213.8	218.4	223.1	225.3	223.0
1920	231.9	235.5	235.7	239.0	254.1	244.0	248.0	245.3	249.0	244.4	243.5	236.5
1921	230.6	230.1	220.5	221.3	216.2	215.4	222.0	219.9	210.2	218.7	204.6	209.8
1922	212.7	218.4	209.8	212.3	204.4	211.0	215.1	221.8	223.6	232.8	228.9	243.9
1923	244.6	260.0	257.0	260.3	279.2	278.7	269.3	294.4	300.0	283.3	295.5	301.2
1924	283.9	281.7	283.2	277.6	265.9	273.3	281.8	300.9	279.2	301.4	289.9	299.2
1925	309.3	312.3	331.4	314.5	347.4	355.8	340.2	338.5	377.6	327.3	380.9	307.4
1926	346.3	363.8	354.6	366.5	401.5	388.7	370.8	376.5	386.0	377.2	389.4	338.1
1927	390.7	384.4	392.0	407.8	371.8	392.5	393.2	404.3	384.7	411.0	411.5	421.3
1928	391.5	423.6	405.2	425.3	413.4	399.7	473.8	450.2	434.7	463.9	438.1	455.9
1929	496.0	477.8	473.9	452.4	505.2	479.6	503.0	500.1	520.4	514.6	503.9	511.0
1930	539.5	486.5	510.4	478.3	478.2	496.7	454.1	442.1	438.2	405.1	405.9	408.1
1931	391.9	502.3	387.9	369.1	325.1	346.3	310.6	323.1	306.8	292.1	291.7	283.6
1932	255.1	224.3	240.1	245.9	236.1	240.1	199.0	200.4	196.2	194.4	177.9	172.9
1933	183.6	172.4	166.1	152.2	192.1	166.5	177.4	190.4	155.6	190.4	170.6	173.7
1934	213.8	261.9	190.4	149.7	245.8	224.9	237.8	228.7	220.5	247.8	229.2	221.3
1935	249.6	197.7	223.6	271.4	228.0	188.2	253.3	255.3	236.9	257.3	292.4	259.8
1936	275.1	315.1	323.9	329.6	369.4	349.1	336.2	414.8	405.1	375.7	463.4	613.0
1937	336.4	334.1	376.2	387.1	364.6	501.0	389.3	366.5	456.9	374.2	312.0	453.6
1938	367.5	301.1	298.2	301.3	248.1	245.5	284.4	248.0	234.4	280.8	261.1	212.8
1939	299.2	319.8	310.1	308.4	333.6	289.4	317.2	348.4	331.6	313.7	374.1	334.4
1940	328.3	324.8	331.5	341.3	284.0	360.1	332.1	315.9	387.7	341.0	296.5	342.4
1941	298.2	310.5	408.0	340.9	335.4	417.2	359.0	368.1	435.7	364.2	384.3	380.5

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TABLE D-1 (continued)  
(millions of dollars)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1939	362	335	274	314	321	268	317	310	299	317	335	342
1940	359	349	305	338	336	335	332	342	355	351	335	331
1941	346	341	369	351	364	380	365	362	387	381	376	389
1942	376	359	371	381	357	351	369	358	342	354	368	342
1943	369	396	363	376	390	368	381	383	377	387	395	363
1944	361	369	385	389	373	398	397	370	407	384	384	405
1945	370	371	388	376	354	422	388	375	388	408	395	398
1946	454	426	424	464	468	447	490	526	491	489	563	545
1947	529	546	513	530	568	527	556	605	552	589	566	549
1948	611	596	604	612	551	586	624	669	638	651	672	643
1949	610	614	692	643	595	650	633	600	674	632	630	685
1950	636	643	752	655	671	639						

Source: See Appendix D.

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for earlier years are not presented because they do not give us a reliable picture of the amplitude of their specific cycles.

A test was made in which the turning points in the specific cycles of the interpolation series were compared with those of the series adjusted to annual control totals for 1919-1941. There were seven turning points in each series, all comparable. Of the seven, there were four coincidences, and no difference greater than three months. We therefore decided that the *Journal of Commerce* data available for years before 1919, unadjusted to annual control totals, would be reliable in determining cyclical turning points in dividend disbursements; however, *the sample series cannot be used in measuring cyclical amplitude.*

LEVEL	Journal of Commerce Series	DATE OF TURNING POINTS IN: Journal of Commerce Series Adjusted to Annual Control Totals
T	Sept. 1919	June 1919
P	July 1920	May 1920
T	May 1922	May 1922
P	Dec. 1929	Jan. 1930
T	Apr. 1933	Apr. 1933
P	June 1937	June 1937
T	Dec. 1938	Dec. 1938

P = peak; T = trough.

The *Journal of Commerce* series extends back to 1906. For the years 1904 and 1905, no record of monthly dividend payments was published. For the years 1884-1903, monthly data are available in the *Daily Stockholder*. It should be noted again that in compiling these series the payments of a constant sample of corporations were not added, but only those of corporations whose reports happened to be seen by the *Journal of Commerce* and *Daily Stockholder* compilers. For 1884-1908, banks and trust companies are included in the data; from 1909 to April 1934 they are excluded.

The entire series from 1884 to 1950 has been corrected for seasonal variation by the National Bureau of Economic Research, using a moving seasonal index.