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## **Addendum: Corrections and Revisions**

In a protracted statistical study of the type reported here, the completion of analysis is almost inevitably followed by the unearthing of slips that occurred in making the computations and by revisions in the source material. When such errors and revisions are major, either in magnitude or in their effect on the analysis, there is no recourse except to recalculate and revise. Fortunately, some errors are so minor that laborious recalculation is unwarranted; and some current revisions of recent data may affect only so short an interval or so small a component that it is permissible not to incorporate them into the analysis. We can then merely indicate the errors and revisions in an addendum, tacked on like the present one to the body of the report, for technically minded readers who might wish to use them in any recalculations of their own.

Addendum Table 1

Correction of Nonfarm Population and of Percentage Shares of Upper Income Groups in Income of Nonfarm Population  
Basic Variant, Nonfarm Population, 1913-1947\*

	NONFARM POPULATION, MIDYEAR ESTIMATE (000) (1)	SHARES OF GIVEN PERCENTAGE BAND					
		Top 1 (2)	2nd & 3rd (3)	4th & 5th (4)	Top 5 (5)	6th & 7th (6)	Top 7 (7)
1913	64,903	16.13					
1914	66,722	14.12					
1915	68,094	15.50					
1916	69,586	16.93					
1917	71,412	15.60	5.74	4.28	25.61	3.90	29.51
1918	73,245	14.08	6.03	4.17	24.28	3.66	27.94
1919	73,887	14.01	6.49	4.22	24.72	3.47	28.19
1919	73,887	13.85	6.42	4.17	24.44	3.43	27.86
1920	74,953	12.87	5.92	3.84	22.62	3.14	25.76
1921	76,960	13.49	6.68	4.46	24.63	3.98	28.61
1922	78,789	13.43	6.53	4.49	24.45	3.58	28.02
1923	81,135	12.37	5.90	4.09	22.37	3.60	25.97
1924	83,426	13.04	6.55	4.44	24.03	3.76	27.79
1925	85,229	14.00	6.82	4.44	25.25	3.95	29.20
1926	87,113	14.08	6.94	4.15	25.17	3.89	29.06
1927	88,946	14.66	6.90	4.28	25.84	4.07	29.91
1928	90,353	15.19	7.06	4.42	26.68	4.12	30.80
1929	91,638	14.76	6.94	4.36	26.05	4.00	30.05
1930	92,750	13.82	6.65	4.44	24.91	4.24	29.15
1931	93,283	13.05	6.67	5.12	24.84	4.58	29.42
1932	93,310	12.60	6.49	5.22	24.30	4.67	28.98
1933	93,589	12.01	6.32	5.20	23.54	4.40	27.94
1934	94,500	12.07	6.48	4.78	23.34	4.29	27.63
1935	95,660	12.27	6.51	4.63	23.41	4.23	27.65
1936	96,910	13.66	6.70	4.24	24.61	4.14	28.74
1937	98,060	13.28	6.63	4.22	24.12	3.92	28.04
1938	99,273	11.64	6.53	5.11	23.27	4.13	27.40
1929	91,638	14.89	7.00	4.39	26.28	4.04	30.32
1930	92,750	14.09	6.77	4.52	25.39	4.32	29.71
1931	93,283	13.10	6.70	5.14	24.95	4.61	29.55
1932	93,310	12.93	6.66	5.36	24.95	4.80	29.74
1933	93,589	12.28	6.47	5.31	24.07	4.50	28.57
1934	94,500	12.19	6.55	4.82	23.56	4.33	27.89
1935	95,660	12.35	6.55	4.66	23.55	4.26	27.81
1936	96,910	13.16	6.46	4.09	23.70	3.98	27.68
1937	98,060	13.19	6.58	4.19	23.95	3.89	27.84
1938	99,273	11.54	6.47	5.07	23.08	4.10	27.18
1939	100,506	11.89	6.74	4.33	22.95	4.23	27.18
1940	101,842	12.01	6.53	4.30	22.84	3.48	26.32
1941	103,685	11.60	6.36	4.23	22.19	3.39	25.58
1942	106,811	10.49	5.63	3.58	19.70	2.96	22.65
1943	110,407	9.73	5.41	3.30	18.44	2.72	21.15
1944	112,727	8.84	5.16	3.22	17.23	2.68	19.91
1945	113,601	9.00	5.56	3.38	17.94	2.70	20.64
1946	114,035	9.19	5.98	3.66	18.83	2.90	21.73
1947	116,529	8.70	5.70	3.60	17.99	2.86	20.86

*Addendum Table 1: Correction of Nonfarm Population, 1913-1947*

Because of inadequate labeling in the original source, the figures for farm population used in our basic calculations and interpreted as applying to the *middle* of the calendar year were in fact for the *beginning*. Our calculations for 1913-47 are, therefore, in error in that we derived nonfarm population for each year by subtracting from *midyear* figures for total population *beginning-of-year* figures for farm population.

Column 1 of Addendum Table 1 presents the correct figures, which can be compared with the series used in our calculations and given in column 1 of Table 115. The differences are naturally minor. But the question of most importance to us is not the error in the population figures but in the income shares of the upper percentage bands of the nonfarm population. We therefore recalculated the shares, using the corrected nonfarm population figures (col. 2-7); these can be compared with those for 1913-47 used throughout the analysis (Table 116, col. 4 and 5, successive sections; also Tables 119 and 121).

The difference between the corrected and the originally calculated shares is so minor as to be of little analytical significance. For example, in comparing the two series on the share of the top 1 percent, we find (using the series based on National Bureau of Economic Research income totals through 1938, and that based on Department of Commerce income totals beginning with 1939) that in fifteen years the entries are identical through the second decimal place, and that in almost all the remaining twenty years, the difference is either 0.01 or 0.02 percentage points. In only two years, 1942 and 1945, is it larger — 0.05 and 0.03 percentage points respectively. Obviously, substitution of the corrected series would have made no difference in our conclusions, and the laborious recomputations would have been useless.

*Notes to Addendum Table 1*

\* The estimates for 1948 are not subject to this correction.

*Column*

- 1 Correction of column 1 of Table 115 through 1947: total population, Table 69, column 5, minus midyear estimates of the farm population calculated by averaging pairs of January 1 figures shown in the *Farm Income Situation*, August 1950, Table 3, p. 26.
- 2-7 Shares in the basic variant in Tables 116, 119, and 121 recomputed to take account of the corrected population series in column 1.

*Addendum Tables 2 and 3: Revision of Population and Income Series, 1940-1947*

After the basic calculations for the report had been completed, minor revisions of the total population series for the years beginning with 1940, and somewhat larger revisions of the Department of Commerce income estimates for the years beginning with 1942, were published. (A revision of the Department of Commerce income estimates for 1948 was disregarded as too slight to warrant the necessary recomputations.) These new series are presented in Addendum Table 2, and the notes to it provide references to the tables in the report that contain the corresponding old series.

Here again our interest is exclusively in the effect of the revisions on the estimates of income shares of upper percentage bands and we therefore recalculated them. The results are given in Addendum Table 3, together with the shares computed from the unrevised series and used throughout the analysis.

A glance at the entries for 1940 and 1941 in Part A shows that the effects of the revision of population alone are quite minor. The revised shares differ from the unrevised by just a few points in the second decimal place; and the differences are, to all intents and purposes, so small that they can be safely disregarded.

The revisions of the income series beginning in 1942 have a more perceptible effect. But even these are negligible for the shares in total income (Part A). The only change worth noting is in 1947: the revision increases slightly the shares of upper income groups — from 8.49 percent to 8.63 for the top 1 percent of total population, and from 17.41 to 17.70 for its top 5 percent. In comparison with the major decline in the shares from 1940 to 1947, these changes are so small that they can hardly affect any of our conclusions.

This is true also of the effects of revisions by income type even though the changes in the shares in some types are more marked (Part B). The largest changes are in the shares in entrepreneurial income and in rent. For most years beginning with 1942 the revision raised the level of entrepreneurial income, and hence lowered the shares received by upper income groups. For most years the revision of the level of rent was downward, which increased the upper group shares in it. But even for these two income types, the revisions are not so large that either the level of the upper group shares or their movement over time is significantly affected. And this is all the more true of the revisions of the shares in the other income types (employee compensation, dividends, and interest) which are quite insignificant.

Addendum Table 2

Population and Income Aggregates Revised to Take Account of Latest Published Estimates, 1940-1947\*

	Population		Employee Compensation		Entrepreneurial Net Income		Service Incomes			Dividends and Interest		Property Incomes		Total Income	
	Total, July 1 Estimate (thousands)	Non-farm, Midyear Estimate	Total	Nonfarm	Total	Nonfarm	Total (col. 5) - (col. 7)	Nonfarm (col. 13) - (col. 15)	Dividends of (col. 9) - (col. 10)	Interest (col. 11) - (col. 12)	Rent (col. 11) - (col. 12)	Property Incomes (col. 11) - (col. 12)	Total (col. 7) - (col. 13)	Total farm (col. 11) - (col. 13)	Non-farm (col. 14) - (col. 15)
1940	132,114	101,986	†	†	†	†	†	56,866	†	†	†	†	†	†	66,531
1941	133,377	103,859	†	†	†	†	92,380	†	†	†	†	†	†	†	†
1942	134,831	106,977	83,939	79,435	23,236	12,945	107,175	4,297	3,097	3,466	10,860	118,035	103,240	103,240	
1943	136,719	110,629	105,921	100,669	26,699	15,117	132,620	4,493	3,088	3,877	11,438	144,078	127,244	127,244	
1944	138,390	113,034	116,731	111,172	28,862	17,226	145,595	4,680	3,240	3,972	11,892	157,485	140,290	140,290	
1945	139,934	113,914	119,594	113,926	31,123	18,832	150,717	4,699	3,707	3,860	12,266	162,983	145,024	145,024	
1946	141,398	114,198	121,273	114,997	36,919	22,404	158,192	5,808	4,154	4,318	14,280	172,472	151,681	151,681	
1947	144,129	116,634	133,111	125,983	36,602	21,323	169,713	6,561	4,584	4,712	15,857	185,570	163,163	163,163	

\* The series for 1948 in the body of the report are comparable with those for preceding years in this table. The revision of the underlying Department of Commerce income estimates for this year in the *Survey of Current Business, 1951 National Income Supplement*, was disregarded as too slight to warrant the necessary recomputations.

† Same as unrevised series.

Column

37, and 39, pp. 9-27, and an unpublished estimate of net rent on owner-occupied farm dwellings supplied by the Department of Commerce, National Income Division. The procedure is that indicated in the notes to the unrevised series.

4 Revision of column 2 of Table 114; column 8 minus column 6.

7, 8, 11, 13 Revision of columns 5, 6, 9, and 11 of Table 114.

14 Revision of column 12 of Table 114 and column 2 of Table 72.

15 Revision of column 13 of Table 114 and column 2 of Table 115; column 14, minus the income of the farm population calculated by the procedure indicated in the notes to Appendix 3, Section 3, column 8, from the series in the *Farm Income Situation*, August 1950, and from a revised estimate of agricultural income received by the farm population supplied by the Department of Commerce, National Income Division.

Column

1 Revision of column 5 of Table 69; Bureau of Census release P-25, No. 48.

2 Revision of column 1 of Addendum Table 1; column 1 minus mid-year estimates of the farm population calculated by averaging pairs of January 1 figures shown in the *Farm Income Situation*, August 1950, Table 3, p. 26. See also notes to Addendum Table 1, column 1.

3, 5, 6, 9, 10, 12 Revision of columns 1, 3, 4, 7, 8, and 10 of Table 114; derived from the *Survey of Current Business*, July 1950, Tables 1, 3, 36,

Addendum Table 3

Percentage Shares of Upper Income Groups Revised to Take Account of Latest Published Estimates of Population and Income 1940-1947\*

	A SHARES OF GIVEN PERCENTAGE BAND IN TOTAL INCOME, BASIC VARIANT											
	Top 1 Revised (1)	Top 1 Un- revised (2)	2nd & 3rd Revised (3)	2nd & 3rd Un- revised (4)	4th & 5th Revised (5)	4th & 5th Un- revised (6)	Top 5 Revised (7)	Top 5 Un- revised (8)	6th & 7th Revised (9)	6th & 7th Un- revised (10)	Top 7 Revised (11)	Top 7 Un- revised (12)
1940	11.89	11.89	6.55	6.54	4.28	4.28	22.72	22.71				
1941	11.39	11.39	6.26	6.25	4.25	4.24	21.90	21.89				
1942	10.03	10.06	5.31	5.33	3.54	3.55	18.87	18.94				
1943	9.34	9.38	5.09	5.12	3.23	3.25	17.66	17.75				
1944	8.53	8.58	4.87	4.89	3.14	3.16	16.54	16.62				
1945	8.72	8.81	5.24	5.30	3.24	3.28	17.20	17.39				
1946	8.96	8.98	5.67	5.69	3.52	3.53	18.16	18.20				
1947	8.63	8.49	5.54	5.45	3.54	3.48	17.70	17.41				
	TOTAL POPULATION											
1940	12.02	12.01	6.54	6.53	4.30	4.29	22.85	22.83	3.49	3.48	26.34	26.30
1941	11.61	11.58	6.37	6.35	4.24	4.22	22.21	22.15	3.39	3.38	25.60	25.53
1942	10.44	10.44	5.60	5.61	3.56	3.56	19.60	19.60	2.94	2.94	22.54	22.55
1943	9.68	9.71	5.38	5.40	3.28	3.29	18.34	18.40	2.70	2.71	21.04	21.11
1944	8.76	8.84	5.11	5.16	3.20	3.22	17.07	17.22	2.65	2.67	19.72	19.89
1945	8.91	9.03	5.51	5.58	3.35	3.39	17.77	17.99	2.67	2.71	20.44	20.70
1946	9.20	9.20	5.98	5.98	3.67	3.67	18.85	18.85	2.91	2.91	21.76	21.76
1947	8.88	8.70	5.81	5.69	3.67	3.60	18.36	17.99	2.92	2.86	21.28	20.85
	NONFARM POPULATION											

For notes see page 706.

Addendum Table 3 (cont.)

## B. SHARES OF GIVEN PERCENTAGE BAND OF TOTAL POPULATION IN VARIOUS TYPES OF INCOME

	Top 1		2nd & 3rd		4th & 5th		Top 5	
	Re- vised (1)	Unre- vised (2)	Re- vised (3)	Unre- vised (4)	Re- vised (5)	Unre- vised (6)	Re- vised (7)	Unre- vised (8)
EMPLOYEE COMPENSATION								
1942	4.89	4.89	4.37	4.37	3.80	3.81	13.06	13.07
1943	3.75	3.75	3.70	3.70	3.42	3.42	10.87	10.86
1944	3.33	3.33	3.38	3.37	3.23	3.22	9.94	9.92
1945	3.33	3.33	3.33	3.32	3.08	3.08	9.74	9.73
1946	3.76	3.76	3.54	3.54	3.07	3.07	10.37	10.37
1947	3.89	3.90	3.59	3.60	3.10	3.11	10.58	10.61
ENTREPRENEURIAL INCOME								
1942	18.57	18.84	7.49	7.61	2.78	2.83	28.84	29.27
1943	22.65	23.35	9.20	9.50	2.74	2.83	34.60	35.68
1944	20.99	22.00	9.32	9.78	2.91	3.06	33.22	34.83
1945	21.34	23.00	10.92	11.78	3.86	4.16	36.12	38.94
1946	18.16	18.28	11.17	11.26	4.82	4.86	34.15	34.39
1947	16.51	15.16	11.12	10.22	5.07	4.66	32.71	30.04
SERVICE INCOMES								
1942	7.85	7.88	5.05	5.07	3.60	3.61	16.50	16.57
1943	7.56	7.60	4.81	4.84	3.30	3.32	15.67	15.76
1944	6.83	6.89	4.56	4.60	3.16	3.19	14.56	14.67
1945	7.05	7.16	4.90	4.98	3.24	3.29	15.19	15.42
1946	7.12	7.13	5.32	5.33	3.50	3.50	15.94	15.97
1947	6.62	6.50	5.22	5.13	3.53	3.47	15.37	15.11
DIVIDENDS								
1942	52.74	52.72	9.54	9.56	2.98	2.98	65.27	65.26
1943	52.13	52.30	10.59	10.64	2.59	2.60	65.31	65.54
1944	†	†	†	†	†	†	†	†
1945	†	†	†	†	†	†	†	†
1946	50.91	50.90	12.81	12.81	4.22	4.23	67.95	67.94
1947	53.74	50.23	12.14	11.35	4.12	3.86	69.99	65.43
INTEREST								
1942	25.86	25.98	8.06	8.11	2.94	2.95	36.85	37.04
1943	22.80	22.70	7.90	7.87	2.47	2.46	33.17	33.03
1944	†	†	†	†	†	†	†	†
1945	†	†	†	†	†	†	†	†
1946	19.39	19.17	8.78	8.68	4.13	4.08	32.30	31.94
1947	16.60	17.20	7.22	7.48	3.16	3.27	26.97	27.95
DIVIDENDS AND INTEREST								
1942	41.48	41.55	8.92	8.95	2.96	2.97	53.36	53.47
1943	40.19	40.19	9.49	9.51	2.54	2.54	52.22	52.24
1944	39.27	38.88	10.22	10.13	3.31	3.28	52.81	52.30
1945	37.90	37.80	10.90	10.87	3.58	3.57	52.37	52.24
1946	37.77	37.59	11.13	11.08	4.19	4.17	53.09	52.83
1947	38.46	37.46	10.11	9.85	3.72	3.63	52.30	50.94

For notes see page 706.



Addendum Table 3 (concl.)

## B SHARES OF GIVEN PERCENTAGE BAND OF TOTAL POPULATION IN VARIOUS TYPES OF INCOME (concl.)

	Top 1		2nd & 3rd		4th & 5th		Top 5	
	<i>Re-vised</i>	<i>Unre-vised</i>	<i>Re-vised</i>	<i>Unre-vised</i>	<i>Re-vised</i>	<i>Unre-vised</i>	<i>Re-vised</i>	<i>Unre-vised</i>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
R E N T								
1942	10.11	9.96	5.68	5.61	2.71	2.67	18.50	18.24
1943	10.00	9.76	5.94	5.81	1.94	1.90	17.88	17.47
1944	9.41	8.94	5.21	4.96	1.99	1.90	16.61	15.79
1945	10.29	9.11	6.12	5.43	2.57	2.28	18.98	16.82
1946	9.84	10.15	6.04	6.23	2.72	2.81	18.60	19.20
1947	10.71	10.98	6.17	6.32	3.01	3.09	19.88	20.39
P R O P E R T Y I N C O M E S								
1942	31.47	31.36	7.89	7.87	2.88	2.88	42.24	42.11
1943	29.97	29.73	8.29	8.24	2.34	2.32	40.60	40.29
1944	29.30	28.60	8.55	8.36	2.87	2.81	40.72	39.77
1945	29.21	28.02	9.39	9.02	3.26	3.13	41.87	40.17
1946	29.32	29.50	9.59	9.65	3.75	3.77	42.66	42.93
1947	30.22	29.87	8.94	8.84	3.51	3.48	42.67	42.19

*Notes to Addendum Table 3*

\* See Addendum Table 2, asterisk note, regarding series for 1948.

† Basic data are not available for separate estimates of dividends and interest.

*Column*

## PART A

- 1, 3, 5, Shares in columns 2, 4, 6, 8, 10, and 12 recomputed to take account of 7, 9, 11 revised countrywide series in Addendum Table 2, columns 1, 2, 14, and 15.  
 2, 4, 6, Total population: column 1 of Tables 106, 107, 108, 116, 118, and 120.  
 8, 10, 12 Nonfarm population: Table 116, columns 4 and 5; Table 119, column 1; Table 121, column 1.

## PART B

- 1, 3, 5, 7 Shares in columns 2, 4, 6, and 8 recomputed to take account of revised countrywide series in Addendum Table 2, columns 1, 3, 5, 7, and 9-14. Since the revised shares for 1940 and 1941 differ only slightly from the unrevised they are not repeated here. We have not recomputed the shares of the upper income groups of nonfarm population in Table 124.  
 2, 4, 6, 8 Tables 109 and 123.