

Table 4. Measures of Pre-Fisc Income Inequality in the United States, 1913 - 1995

Year	Kuznets	Kuznets	Year	OBE-Goldsmith		
	Top 1% basic variant	Top 5% economic var.		consumer units		
				Top 5%	Top 20%	Gini
1913	15.0		1929	30.0	54.4	0.49
1914	13.1		1935-36	26.5	51.7	0.47
1915	14.3		1941	24.0	48.8	0.44
1916	15.6		1944	20.7	45.8	0.39
1917	14.2		1946	21.3	46.1	
1918	12.7		1947	20.9	46.0	0.40
1919	12.8	26.1	1950	21.4	46.1	0.40
1920	12.3	25.8	1951	20.7	44.9	
1921	13.5	31.7	1952	20.5	44.7	
1922	13.4	30.4	1953	19.9	44.7	
1923	12.3	28.1	1954	20.3	45.2	0.39
1924	12.9	29.1	1955	20.3	45.2	
1925	13.7	30.2	1956	20.2	45.3	0.39
1926	13.9	30.2	1957	20.2	45.5	
1927	14.4	31.2	1958	20.0	45.5	
1928	14.9	32.1	1959	20.0	45.6	
1929	14.5	31.9	1960	19.6	45.4	
1930	13.8	30.7	1961	19.6	45.5	
1931	13.3	32.0	1962	19.6	45.5	0.40
1932	12.9	32.1	1964	20.0	45.5	
1933	12.1	30.8	1970	19.2	44.9	
1934	12.0	29.1	1971	19.1	44.6	
1935	12.1	28.8				
1936	13.4	29.3				
1937	13.0	28.5				
1938	11.5	27.8				
1939	11.8	27.8				
1940	11.9	26.8				
1941	11.4	25.7				
1942	10.1	22.5				
1943	9.4	20.9				
1944	8.6	18.7				

Table 4, conti

Current Populatio		
<u>families plus unri</u>		
CPS original		
	Top 5%	Top 20%
1947	18.7	45.6
1950	18.2	45.0
1955	18.8	44.3
1959	17.1	43.9
1960	17.0	44.0
1961	17.7	44.9
1962	16.8	43.9
1963	16.9	43.9
1964	17.2	44.1
1965	16.6	43.6
1966	16.7	43.4
1967	16.5	43.4
1968	16.8	43.5
1969	16.8	43.7
1970	16.9	44.1

preferred, for reasons given in his introduction. He presented his basic series in order to reach back to 1913.

Both series refer to income before taxes and to taxpaying units.

Unlike the other series, the Kuznets series rank recipient units according to income per person.

The OBE-Goldsmith series start from estimates by Selma Goldsmith (1967, p. xiii) and the Office of Business Economics. These estimates mix different sets of primary data. For 1929 they combine tax returns with an independent Brookings Institution estimation of the entire income distribution. For 1935/36 and 1941, Goldsmith adjusted the results of two household surveys.

For later years the Census Bureau's CPS series were adjusted to the OBE-Goldsmith NIPA-related definitions of income and recipient unit.

The Census Bureau's CPS P-60 series refer to money incomes including cash transfers (but not in-kind transfers) from government.

Up to 1993, the series is reported in CPS Series P60-184 ("Money Income of Households" etc.), superceded by 1993 by P60-189 and in 1995 by P60-193.

Revised CPS top-5% and top-20% shares:

These adjust the CPS series for the problem of top-income-capping in the original CPS estimates. The procedure is to replace the top 5% share with the product of two ratios: (top-5% average income/income at the 95th-percentile border) from the OBE-Goldsmith NIPA-related estimates, time (income at the 95%-percentile border / grand mean income) in the CPS estimates. Up through 1971, the two ratios are from the same year. After 1971 the first ratio has to be frozen at its 1971 level, for want of further NIPA-related estimates. The resulting estimates succeed in adjusting for top-income-capping in the CPS series, but after 1971 they probably understate the rise in the top 5% share (and therefore in the top 20% share).

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CAUTION: These CPS series have the "top-coding" problem, as no

For Graphing figure 5:

on Survey (CPS)			Current Population Survey (CPS)				Year	Kuznets top	
<u>related individuals</u>			<u>households</u>						
Revised (see notes)			CPS original		Revised (see notes)				
Top 5%	Top 20%		Top 5%	Top 20%	Gini	Top 5%	Top 20%		
21.8	48.7		1967	17.5	43.8	0.399		1913	15.0
22.1	48.9		1968	16.6	42.8	0.388		1914	13.1
19.9	46.2		1969	16.6	43.0	0.391		1915	14.3
19.2	46.0		1970	16.6	43.3	0.394		1916	15.6
19.1	46.1		1971	16.7	43.5	0.396		1917	14.2
19.7	46.9		1972	17.0	43.9	0.401		1918	12.7
19.5	46.7		1973	16.6	43.6	0.397		1919	12.8
19.8	46.8		1974	16.5	43.5	0.395		1920	12.3
20.1	47.0		1975	16.6	43.6	0.397		1921	13.5
20.2	47.2		1976	16.6	43.7	0.398		1922	13.4
19.8	46.4		1977	16.8	44.0	0.402		1923	12.3
19.9	46.8		1978	16.8	44.1	0.402		1924	12.9
19.5	46.2		1979	16.9	44.2	0.404		1925	13.7
19.6	46.4		1980	16.5	44.1	0.403		1926	13.9
19.9	47.0		1981	16.5	44.4	0.406		1927	14.4
			1982	17.0	45.0	0.412		1928	14.9
			1983	17.1	45.1	0.414		1929	14.5
			1984	17.1	45.2	0.415		1930	13.8
			1985	17.6	45.6	0.419		1931	13.3
			1986	18.0	46.1	0.425		1932	12.9
			1987	18.2	46.2	0.426		1933	12.1
			1988	18.3	46.3	0.427		1934	12.0
			1989	18.9	46.8	0.431		1935	12.1
			1990	18.6	46.6	0.428		1936	13.4
			1991	18.1	46.5	0.428		1937	13.0
			1992	18.6	46.9	0.434		1938	11.5
			1993	21.0	48.9	0.454		1939	11.8
			1994	21.2	49.1	0.456		1940	11.9
			1995	21.0	48.7	0.450		1941	11.4
								1942	10.1
								1943	9.4
								1944	8.6

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Kuznets top 5% OBE-Goldsm CPS top 5%

OBE-Goldsm CPS top 20% Gini x 100

		1913	
		1914	
		1915	
		1916	
		1917	
		1918	
26.1		1919	
25.8		1920	
31.7		1921	
30.4		1922	
28.1		1923	
29.1		1924	
30.2		1925	
30.2		1926	
31.2		1927	
32.1		1928	
31.9	30.0	1929	54.4
30.7		1930	
32.0		1931	
32.1		1932	
30.8		1933	
29.1		1934	
28.8	26.5	1935	51.7
29.3		1936	
28.5		1937	
27.8		1938	
27.8		1939	
26.8		1940	
25.7	24.0	1941	48.8
22.5		1942	
20.9		1943	
18.7	20.7	1944	45.8

19.9		1953	44.7		
20.3		1954	45.2		
20.3	18.8	1955	45.2	44.3	
20.2		1956	45.3		
20.2		1957	45.5		
20.0		1958	45.5		
20.0	17.1	1959	45.6	43.9	
19.6	17.0	1960	45.4	44.0	
19.6	17.7	1961	45.5	44.9	
19.6	16.8	1962	45.5	43.9	
	16.9	1963		43.9	
20.0	17.2	1964	45.5	44.1	
	16.6	1965		43.6	
	16.7	1966		43.4	
	16.5	1967		43.4	39.9
	16.8	1968		43.5	38.8
	16.8	1969		43.7	39.1
19.2	16.9	1970	44.9	44.1	39.4
19.1	16.7	1971	44.6	43.5	39.6
	17.0	1972		43.9	40.1
	16.6	1973		43.6	39.7
	16.5	1974		43.5	39.5
	16.6	1975		43.6	39.7
	16.6	1976		43.7	39.8
	16.8	1977		44.0	40.2
	16.8	1978		44.1	40.2
	16.9	1979		44.2	40.4
	16.5	1980		44.1	40.3
	16.5	1981		44.4	40.6
	17.0	1982		45.0	41.2
	17.1	1983		45.1	41.4
	17.1	1984		45.2	41.5
	17.6	1985		45.6	41.9
	18.0	1986		46.1	42.5