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Who are the Rich? A Demographic Profile of High-Income and High-Wealth Americans

by

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Two issues are addressed in this paper: First, how do the characteristics of the rich differ from those of the general population? Second, have there been any notable changes in these characteristics over the period from 1983 to 1992?

In many ways, this paper follows up the work of Slemrod (1993), which explored these questions for the period from 1962 to 1983. However, his analysis was confined to the characteristics of the high-income population whereas this paper will investigate both the high-income and high-wealth groups.

Several questions are of particular interest. First, with the substantial increase of inequality over this period and especially with the record-high salaries recorded on Wall Street and among professional workers in general, has there been a shift in the composition of the rich away from the classic "coupon-clippers" toward entrepreneurs? Second, along with this trend, has there been a shift toward finance and professional services as the main sources of employment of the rich? Third, a related issue is whether there has been a corresponding change in the composition of the rich toward younger families and away from middle-aged and older groups? Fourth, with the large incomes recorded in the entertainment and sports industries, do we find an increasing proportion of black Americans in the ranks of the rich? Fifth, given the rising premium to education observed over the decade of the 1980s, has there been a notable shift in the composition of the rich toward college-educated workers? Sixth, with the strong correlation observed between health and wealth, are the rich healthier in 1992 in comparison to 1983?

The paper is organized as follows: Section 1 provides a short discussion on data sources and methods. Section 2 looks at broad trends in household wealth over the period 1983 to 1992. Section 3 analyzes the characteristics of high-wealth households in the two years, and Section 4 performs a similar analysis for high-income households. Concluding remarks are made in the last section of the paper.

1. Data Sources and Methods

The data sources used for this study are the 1983 and 1992 Survey of Consumer Finances (SCF) conducted by the Federal Reserve Board. Both surveys consist of a core representative sample combined with a high-income supplement. The supplement is drawn from the Internal Revenue Service's Statistics of Income data file. For the 1983 SCF, for example, an income cut-off of $100,000 of adjusted gross income is used as the criterion for inclusion in the supplemental sample. Individuals were randomly selected for the sample within pre-designated income strata. The advantage of the high-income supplement is that it provides a much "richer" sample of high income and therefore potentially very wealthy families. However, the presence of a high-income supplement creates some complications, because weights must be constructed to meld the high-income supplement with the core representative sample.[1]

The SCF also supplies alternative sets of weights. For the 1983 SCF, I have used the so-called "Full Sample 1983 Composite Weights" because this set of weights provides the closest correspondence between the national balance sheet totals derived from the sample and the those in the Federal Reserve Board Flow of Funds. For the 1992 SCF, I chose the "Designed-Base Weights", for the same reason. However, this set produced major anomalies in the size distribution of income for 1991. As a result, I have modified the weights somewhat to conform to the size distribution of income as reported in the Internal Revenue Service's Statistics of Income.[2]

The Federal Reserve Board imputes information for missing items in the SCF. However, despite this procedure, there still remains a notable discrepancy for several assets between the total balance sheet value computed from the survey sample and the Flow of Funds data. As a result, the results presented below are based on my adjustments to the original asset and liability values in the surveys. This takes the form of the alignment of asset and liability totals from the survey data to the corresponding national balance sheet totals. In most cases, this entails a proportional adjustment of reported values of balance sheet items in the survey data (see Wolff, 1987, 1994, and 1996 for details).[3] It should be noted that the alignment has very little effect on the measurement of wealth inequality -- both the Gini coefficient and the quantile shares. However, it is important to make these adjustments when comparing changes in mean wealth both overall and by asset type.

In this study, I use marketable wealth (or net worth), which is defined as the current value of all marketable or fungible assets less the current value of debts. Net worth is thus the difference in value between total assets and total liabilities or debt. Total assets are defined as the sum of: (1) the gross value of owner-occupied housing; (2) other real estate owned by the household; (3) the gross value of vehicles; (4) cash and demand deposits; (5) time and savings deposits, certificates of deposit, and money market accounts; (6) government bonds, corporate bonds, foreign bonds, and other financial securities; (7) the cash surrender value of life insurance plans; (8) the cash surrender value of pension plans, including IRAs and Keogh plans; (9) corporate stock, including mutual funds; (10) net equity in unincorporated businesses; and (11) equity in trust funds. Total liabilities are the sum of: (1) mortgage debt, (2) consumer debt, including auto loans, and (3) other debt.[4]

I also introduce the concept of "financial wealth". This is defined as net worth minus net equity in owner-occupied housing and automobiles. Financial wealth is a more "liquid" concept than marketable wealth, since one's home and automobile(s) are difficult to convert into cash in the short term. It thus reflects the resources that may be immediately available for consumption or various forms of investments.

2. **Trends in Household Wealth and Income, 1983-1992**

I begin the analysis by examining overall trends in wealth and income from 1983 to 1992. Table 1 shows changes in median and mean net worth. Mean wealth is much higher than the median -- $212 versus $51 thousand in 1992. This means that the vast bulk of household wealth was concentrated in the richest families. Median wealth fell by 5 percent between 1983 and 1992, from $53.7 to $50.9 thousand (all figures are in 1992 dollars). In contrast, mean wealth grew by 12 percent, from $190 thousand in 1983 to $212 thousand in 1992. Median wealth thus declined while mean wealth holdings rose. Median financial wealth was a bare $10 thousand in 1992, in comparison to a mean value of $155.4 thousand, and in fact fell by 1 percent from 1983 to 1992. In contrast, mean financial wealth increased by 17 percent over the same period, from $132.8 to $155.4 thousand.

According to the SCF data, median household income increased slightly between 1982 and 1992, from $28.5 to $29.0 thousand. Mean household income grew by 6 percent over the same period, from $40.4 to $42.8 thousand. A comparison is also shown with household income data from the Current Population Survey (CPS). The CPS data show higher median values for income and lower mean values. The latter result is likely due to the fact that the SCF has a high income supplement and, as a result, provides better coverage of property income. The higher medians in the CPS might be attributable to the difference in sampling frame and to better coverage of transfer income. It is interesting that the CPS data show higher growth in both median and mean income between 1982 and 1991.

The finding that mean wealth and income increased faster than the corresponding medians between 1983 and 1992 is an indicator of rising inequality over the period. This is confirmed in Table 2. The share of net worth held by the top 1 percent rose by 3.3 percentage points between 1983 and 1992, from 32.6 to 35.9 percent. The share of the next four percent also increased somewhat, while the shares of all other groups, particularly the second decile and the second quintile, fell. The Gini coefficient increased from 0.78 to 0.80.

Inequality of financial wealth also grew. The share of the top one percent rose by 3.3 percentage points, from 42.9 to 45.6 percent, the share of the next four percent remained unchanged, while the shares of all other groups, particularly the second decile and the second quintile again, fell. The Gini coefficient also showed an increase, from 0.893 to 0.903.

Income inequality showed an even more substantial rise. The share of the top one percent went up by 2.9 percentage points, from 12.8 to 15.7 percent, the share of the next four percent gained by 1.5 percentage points, and that of the second decile by 0.3 percentage points, while the bottom four quintiles, particularly the middle, all lost. The Gini coefficient showed a large increase, from 0.480 to 0.528.

These calculations show an extreme concentration of wealth in 1992. The top 1 percent of families (as ranked by marketable wealth) owned 36 percent of total household wealth, and the top 20 percent of households held 84 percent. Financial wealth was even more concentrated, with the richest 1 percent (as ranked by financial wealth) owning 46 percent of total household financial wealth and the top 20 percent owing 92 percent. The top 1 percent of families (as ranked by income) earned 16 percent of total household income in 1991 and the top 20 percent accounted for 58 percent -- large figures but still considerably lower than the corresponding net worth and financial wealth shares.

Panel II of Table 2 shows average wealth in 1992 dollars by wealth quantile for 1983 and 1992. Over the period from 1983 to 1992, the largest gains in relative terms were made by the wealthiest households. The top one percent saw their average wealth (in 1992 dollars) rise by 1.4 million dollars or by 23.0 percent, the next four percent by 14.6 percent, and the next five percent by 8.2 percent. The mean wealth of the second decile increased by only 2.7 percent and that of the second quintile by 2.8 percent, while the average wealth of the third quintile fell by 3.8 percent and that of the bottom two quintiles by, collectively, 19.3 percent

The pattern of results are quite similar for financial wealth. The largest gains were made by the top percentile, 24.4 percent, followed by the next four percent, 16.4 percent, the next five percent, 9.8 percent, and the second decile, 8.0 percent, and the second quintile, 8.7 percent. The third quintile held its own, while the bottom two saw their net financial wealth decline.

A similar calculation using income data reveals that the only groups to enjoy positive gains in real income over the period from 1983 to 1992 were households in the top 20 percent of the income distribution. Within this group, gains were greatest for the top one percent of households (29.5 percent), followed sequentially by the next 4 percent (18.1 percent), the next five percent (9.0 percent), and the next 10 percent (4.8 percent). The greatest losses were sustained by the bottom two quintiles, followed by the third quintile and then the second quintile. Indeed, while the top percentile saw its average income increase by 30 percent over this period, the average income of the remaining households grew by only 2.4 percent.

3. Characteristics of the Richest One Percent of Households, as Ranked by Wealth

Are the rich really different from the rest of us? Table 3 provides some information on the demographic characteristics of the top one percent of households as ranked by net worth, in comparison to that of all households in both 1983 and 1992. Panel A (as well as Figure 1) shows the age distribution in both years. In 1983, the rich were considerably older, on average, than other households. Whereas the mean age of household heads in the top one percent was 57.3 and their median age 56, the mean age of all household heads in that year was 46.8 and the median was 44. While 8 percent of all households were under the age of 25, 23 percent in the age range 25-34, and 20 percent in ages 35-44, none of the rich were under 25, only 0.7 percent were in the age group 25-34, and only 9 percent in the range 35-44. In contrast, while 43 percent of all households were in the age range 45-74, 84 percent of the rich were in this age group. The fraction of the rich that were aged 75 and older was slightly lower than for all households -- 5.9 versus 7.1 percent.

Between 1983 and 1992, the general population aged somewhat, with the mean age of household heads rising from 46.8 to 48.4 and the median age from 44 to 45. However, despite this trend, the proportion of the top one percent under age 35 increased from 0.7 percent in 1983 to 2.2 percent in 1992 and the proportion in the age range 35 to 44 from 9.2 to 12.8 percent. This result is consistent with the observation that the huge salaries generated on Wall Street, in the entertainment business, and in other professions created a whole new class of young wealthy individuals.

The proportion of the top one percent in age group 45-54 fell sharply, from 33 to 25 percent, and the percentage aged 65-74 declined substantially relative to the overall demographic trends. However, interestingly the percentage of the rich in age range 55-64 increased somewhat, from 29.4 to 31.3, though this seems to be a cohort effect since that group was highly represented in the top one percent in 1983 (then in age range 45-54). This group consists of individuals born during the Great Depression (years 1928 to 1937). Moreover, the age group 75 and older also gained as a share of the very rich, from 5.9 to 9.8 percent, and also relative to overall demographic trends.

The rich are also much more highly educated than the overall population (Panel B and Figure 2). In 1983, while 21 percent of household heads were college graduates (or had advanced degrees), 76 percent of the top one percent had graduated college (or attended graduate school). While 29 percent of household heads overall had failed to graduate high school in 1983, less than 3 percent of the very rich fell into this category.

Between 1983 and 1992, overall educational attainment increased in the general population. The percent of household heads who had graduated high school increased from 71 to 79, the percent who had graduated college from 21 to 29, mean educational attainment rose from 12.2 to 12.9 years, and median education from 12 to 13 years. However, somewhat surprisingly, the proportion of the rich who had graduated college actually fell from 76 to 73 percent, though of this group the proportion who had done some graduate work increased. There was a particularly large increase in the percentage of college "drop-outs" (one to three years of college) among the rich, from 11.6 in 1983 to 15.6 percent in 1992 -- perhaps, the "Bill Gates" phenomenon. In any case, there is no clear evidence that more education paid off in terms of entry into the ranks of the top one percent of wealthholders over the period 1983 to 1992.

The racial composition of the very rich also differs significantly from that of the general population (Panel C and Figure 3). Whereas 81 percent of households in 1983 were non-Hispanic whites, 98 percent of the rich fell into this category. While 16.2 percent of households classified themselves as black or Hispanic, only 0.5 percent of the top one percent were in this group.

Between 1983 and 1992, the overall racial composition of households shifted rather significantly, with non-Hispanic whites falling from 81 to 75 percent, non-Hispanic blacks remaining at about 12 and a half percent, Hispanics increasing from 3.5 to 7.6 percent, and Asians and others from 2.8

to 4.6 percent. The proportion of white household among the top one percent did fall somewhat over this period, from 97.9 to 94.2 percent. However, the proportion of non-Hispanic blacks also fell from 0.5 to 0.1 percent, while the proportion of Hispanics increased somewhat from 0.0 to 0.9 percent. The largest growth was in the share of Asians and other races among the top one percent of wealthholders, from 1.6 to 4.6 percent.

Panel D shows the marital status of the two groups. In 1983, the very wealthy were much more apt to be married than the general population (88 versus 61 percent). Unmarried males made up 4.5 percent of the very rich (in contrast to a population share of 13.1 percent); formerly married women (separated, divorced, or widowed) constituted 7.4 percent of the wealthy (in comparison to a population share of 19.9 percent); and there were no women who had never married in the ranks of the top one percent (compared to an overall proportion of 6.2 percent).

Between 1983 and 1992, the proportion of married families in the top one percent of wealthholders fell from 88 to 83 percent and this change was almost exactly offset by the increase in the percentage of unmarried males in this group, from 4.5 to 9.3 percent. The share of formerly married women in the top percentile remained almost unchanged, and there were again no women who had not married among the rich.

The next three panels provide employment statistics for the very wealthy. As shown in Panel E, the percentage of non-elderly households whose head worked full-time in 1983 was much higher among the rich than in the general population (86 versus 76). In contrast, none of the wealthy reported that they were unemployed or on temporary lay off, compared to 8.8 percent of all non-elderly households. Only 3.6 percent of the (non-elderly) wealthy reported that they were retired in 1983, in contrast to 7.3 percent of the general population.

Between 1983 and 1992, the proportion of full-time workers in the ranks of the non-elderly wealth fell precipitously, from 86 to 77 percent. This change was offset by big increases in the share of part-time workers in this group, from 4.6 to 8.6 percent, and in the share of retirees, from 3.6 to 9.6 percent. These results indicate that the very rich, defined in terms of wealth, cut back rather dramatically on their work effort over this period.

In 1983, 22 percent of rich families reported working in finance, insurance, or real estate, compared to only 5 percent of all workers (Panel F). Farmers and mining employees were also over-represented in the ranks of the rich (14.3 compared to 5.3 percent of all workers), and those providing business and professional services slightly over-represented (24.9 versus 23.1 percent). In contrast, workers in manufacturing; transportation, communications, and utilities; wholesale and retail trade; and personal services were under-represented. Moreover, there were no government employees in the ranks of the very rich in 1983 (compared to 7.2 percent of all workers).

The most notable change between 1983 and 1992 was, as speculated, a huge gain in the share of finance, insurance, and real estate employees in the ranks of the rich, from 22 to 36 percent (and also a large increase relative to the employment share of all workers, from a difference of 16.6 to 22.0 percent). The proportion of farmers in the ranks of the very rich fell precipitously, from 9.2 to 1.4 percent, as did the proportion employed in mining and construction, from 11.5 to 4.7 percent. Interestingly, the proportion of the rich working in business and professional or personal services also declined in both absolute terms (from 25.9 to 22.5 percent) and in relative terms (from a difference of -0.5 to -3.0 percent).

In terms of occupational composition, as shown in Panel G, the results show that the self-employed were substantially over-represented in the ranks of the rich in 1983 -- 38 percent versus 15 percent of all workers. The same was true for managers and administrators -- 55 percent compared to 15 percent of all persons in the labor force. In contrast, only 6.4 percent of the rich classified themselves as professional workers, compared to a 15.0 percent share of all workers. Moreover, there were virtually no sales, clerical, craft, or other blue-collar workers found among the top one percent of wealthholders in 1983.

Between 1983 and 1992, the most notable change was a huge increase in the share of the self-employed among the top one percent -- almost doubling from 38 to 69 percent -- in contrast to a modest gain among all workers, from 15.4 to 17.2 percent.[5] This result tends to confirm our speculation about increased entrepreneurial activity among the ranks of the rich. Corresponding, the proportion of professional, managerial, and administrative workers declined sharply, from 62 to 29 percent.[6] There were modest gains among sales, clerical, and craft workers, from 1.0 to 4.6 percent of the top one percent.

Panel H shows statistics on health. This is a self-reported category, so that there is a large subjective element involved in the classification. However, the results suggest rather strongly that the rich are healthier than the average population. In 1983, 61 percent of the rich classified themselves as having excellent health, compared to 38 percent of the overall population. Only 6.5 percent of the top one percent indicated that there health was fair or poor, in comparison to 22.5 percent of all respondents.

Between 1983 and 1992 there appears to be a slight deterioration in the health of the rich and the overall population. In the general population, the proportion reporting excellent health fell from 37.9 to 34.6 percent, while the percentage reporting fair or poor health increased from 22.5 to 24.5 percent. Among the very wealthy, the share with excellent health fell from 61 to 56 percent whereas the share with fair health grew from 5.9 to 7.8 percent and the share with poor health from 0.8 to 4.5 percent.

The last panel shows some statistics on inheritances received in 1992. These results are based on respondent recall -- the individual is asked to indicate both the amount and the date that any bequests were received. Despite the difficulties with "recall" variables, the results clearly indicate that the very rich were more apt to receive inheritances than the general population (49 versus 21 percent), and the present value (in 1992) of the inheritances received (among inheritors only) was much greater -- more than eight times as great among the very wealthy than in the general population.

Table 4 shows the composition of the gross assets of the top one percent of households as ranked by net worth, in comparison to that of all other households in 1983 (also see Figure 4). It as at once apparent that the rich hold their wealth in very different forms than that of other households. Compared to the average portfolio of the bottom 99 percent of households, the top percentile had a higher proportion of their gross assets in the form of non-home real estate (19.5 versus 12.3 percent), stocks and mutual funds (17.0 versus 5.3 percent), business equity (32.1 versus 12.4 percent), and trust funds (6.9 versus 0.7 percent); and lower proportions in their principal residence (8.1 versus 38.0 percent), savings and time deposits, CDs, and money market funds (6.3 versus 14.8 percent), and vehicles (0.3 versus 4.4 percent).

The richest one percent also had a lower debt/equity ratio -- 5.7 versus 18.9 percent. Moreover, whereas the top percentile accounted for 32.6 percent of total net worth, they held 40.0 percent of non-home real estate, 57.5 percent of stocks and mutual funds, 41.9 percent of financial securities, 52.1 percent of business equity, and 80.0 percent of trust fund equity.

Table 5 shows the corresponding statistics for 1992. The most notable shift in the overall household portfolio between 1983 and 1992 has been a sharp drop in the share of gross assets held in the form of savings and time deposits, CDs, and money market funds (from 12.3 to 7.7 percent) and a corresponding rise in the share held in the form of pension accounts (from 1.4 to 7.0 percent). This is a clear indication of the substitution of non-taxable for taxable assets. The debt/equity ratio also rose substantially, from 14.6 to 17.9 percent.

Among the richest one percent of households (who may be different in the two years), the major change has been a fall in the share of gross assets held in stocks and mutual funds (from 17.0 to 12.1 percent) and in trust funds (from 6.9 to 4.6 percent) and corresponding increases in the share held in financial securities (from 5.7 to 9.9 percent) and pension accounts (0.9 to 3.0 percent). The substitution of financial securities for stocks is a bit of a surprise, given the robust performance of the stock market over these years, while the switch to pension accounts is likely due to their preferred tax status. Interestingly, the share of total assets held in both investment real estate and business equity remained virtually unchanged over this period, suggesting very little burst of entrepreneurship among the very rich, at least according to this dimension. While the share of total net worth held by the top one percent increased from 32.6 to 35.9 percent between 1983 and 1992, their share of non-home real estate increased from 40.0 to 45.7 percent, their share of financial securities from 41.9 to 65.5 percent, and their share of net business equity from 52.1 to 62.0 percent. In contrast, their share of total stocks and mutual funds fell from 57.5 to 50.1 percent and their share of trust fund equity from 80.0 to 56.5 percent.

Table 6 shows the composition of total household income in 1983 of all households and of the richest one percent of households ranked in terms of *net worth* (also see Figure 5). Among all households, the primary source of income was wages and salaries, which made up 63 percent of total income. Self-employment or proprietary income, including partnership and net profit from unincorporated businesses, ranked second, constituting 12 percent of all income. Together, labor income constituted three-quarters of all income. Retirement income, including social security and pension benefits, comprised 8.2 percent of total personal income. The only other significant entry is interest income, 5.3 percent of total income.

Among the richest one percent of households, the primary source of income was proprietary income, which amounted to 27.4 percent of their total income. This was followed by wages and salaries, at 23.6 percent. Interest income made up 12.7 percent of their income, dividends another 12 percent, capital gains 13.2 percent, and rental, royalty, and trust income 7.8 percent. The other components were all very small. All told, the top one percent of households earned over half of all dividends and capital gains, 22 percent of proprietary income, 25 percent of all interest, and 31 percent of rental, royalty, and trust income.

Between 1983 and 1992, the biggest change in the overall composition of personal income was that the share of wages and salaries fell from 62.9 to

58.5 percent. This was compensated to some extent by self-employment income, which rose from 12.4 to 13.8 percent. However, retirement income also appears to have fallen as a share of total income, from 8.2 to 6.6 percent, though this was offset by a huge increase the "other income" category, from 0.3 to 8.0 percent. (I suspect that this results from a misclassification of a large portion of retirement income such as proceeds from defined contribution benefit plans like 401(k) plans.) The changes in the other components of personal income were relatively small.

Among the richest one percent of households, the most significant development is that proprietary income rose from 27.4 percent of their total income in 1983 to 39.5 percent in 1992. This accords with the results of Table 3 which show a huge increase of self-employed household heads in the rank of the top wealth percentile. Moreover, wages and salaries increased from 23.6 to 29.6 percent (see Table 7). Altogether, labor earnings rose from 51 to 69 percent. Property forms of income -- particularly interest, dividends, and capital gains -- all declined as a proportion of their total proceeds -- together, from 46 percent to 27 percent. In 1992, the richest one percent earned 6.4 percent of all wage and salary income (up from 3.8 percent in 1983), 36.2 percent of all self-employment income (up from 22.4 percent), and 26 percent of all interest income (about the same share as in 1983). However, their share of total dividends and capital gains both fell sharply, and their share of total rental, royalty, and trust income was also down. On the surface, at least, the evidence does seem to support the presumption that the rich in 1992 were more entrepreneurial and less apt to depend on property wealth for their support.[7] Moreover, they were also more apt to depend on wage and salary earnings.

4. **Characteristics of the Richest One Percent of Households, as Ranked by Income**

The next group of tables show a similar set of statistics, except that the rich here are defined as households in the top one percent of the income distribution. One important difference with the preceding tables based on wealth holdings as the definition of being rich is that there are fewer elderly in this grouping, since the vast majority of the elderly are retired and therefore have little or no labor income. However, the elderly, as we saw above, have amassed a considerable amount of wealth holdings.

Table 8 illustrates these differences by presenting the joint distribution of income and wealth in the two years, 1983 and 1992. The joint distribution is surprisingly diffuse. For example, households in the sixth decile of the income distribution (centiles 50-60) are found in all wealth centiles except the top wealth percentile, and the distribution appears almost uniform from wealth deciles one through nine. There is a concentration of households at the top of both distributions. For example, households in the top percentile of the income distribution are found exclusively in the top five percentiles of the wealth distribution in both 1983 and 1992, and households in the top percentile of the wealth distribution are found only in the top decile of the income distribution in 1983 and the top two deciles in 1992. However, the overall correlation between household income and wealth (computed from the original sample microdata) is surprisingly low -- 0.61 in 1983 and 0.64 in 1992.

Despite this low correlation, the new results based on the top income recipients are qualitatively very similar to those based on the top one percent of wealthholders. Table 9 shows the demographic characteristics of the richest one percent of households as ranked by income. As shown in Panel A, only 1.6 percent of all households ranked in the top one percent by income in 1983 had a head under the age of 35, compared to 30.6 percent of all households in that age range (see Figure 6 also). Moreover, while 19.5 percent of all households fell in the age range 35-44, only 16.3 percent of the top one percent were in that age group. In contrast, age groups 45-54, 65-74, and especially 55-64 were over-represented in the ranks of the very rich.

However, between 1983 and 1992, the share of all rich households in the top one percent under the age of 35 increased from 1.6 to 5.7 percent, even as their share of the total population fell. The proportion in age group 35-44 also increased very sharply, from 16.3 to 25.5 percent (and increased relative to the size of their overall population share). The percentage of the top one percent in the next three older age groups all fell, both as a fraction of all households in the top one percent and relative to changes in overall population shares by age group. On net, the mean age of the very rich declined by 3.4 years, as the overall population aged, and their median age declined by 5 years. This "youthening" of the rich continues a trend noted by Slemrod (1993) for the 1977-83 period.

A comparison of Tables 3 and 9 indicate that the households who were rich in terms of income tend to be younger than those rich in terms of wealth. This was true in 1983 and 1992, though especially in the later year. For example, in 1992, whereas 15 percent of the top percentile in terms of wealth were under the age of 45, 31 percent of the top income percentile were in this age group. Conversely, while 29 percent of households in the top wealth percentile were age 65 and over, only 14 percent of the top income percentile were in this age bracket.

In 1983, over half of the top one percent of income earners had engaged in graduate work and 86 percent of this group were college graduates or better, compared to 21 percent of the general population (see Panel B and Figure 7). Indeed, only 4 percent of this group had not attended college, compared to 59 percent of all household heads. However, here too, despite the general rise in educational attainment in population between 1983 and 1992, there was a slight decline in the educational attainment of the top one percent. The fraction with some graduate school fell from 52.1 to 50.5 percent, the fraction who were college graduates or better fell from 86 to 83 percent, and the fraction who had never attended college rose from 3.9 to 5.3 percent. There was also a moderate increase in the fraction of the rich who were college drop-outs. The "income rich" were also somewhat better educated than the rich in terms of wealth. For example, whereas over half the top income percentile had attended graduate school in both 1983 and 1992, the corresponding percentages for the top wealth percentile were 36 and 41 percent, respectively.

In 1983, 97 percent of the households in the top one percent according to income were non-Hispanic whites, compared to a population share of 81 percent (see Panel C and Figure 8). Non-Hispanic blacks made up only 1.2 percent of the top one percent of households (compared to a 12.7 percent population share), Hispanics zero percent (compared to a 3.5 percent population share), and Asians and other races 1.8 percent. Between 1983 and 1992, while the share of non-Hispanic white households in the general population fell by 5.6 percentage points, their proportion of the top one percent fell by only 2.9 percentage points. Non-Hispanic black families constituted only 0.1 percent of the top one percent, down from 1.2 percent in 1983, while Hispanic families remained at zero percent of the top one percent, despite the fact that their population share more than doubled. However, Asians and other races increased as a share of the top one percent from 1.8 to 5.8 percent. The racial composition of the top income percentile was almost identical to that of the top wealth percentile in each of the two years.

As shown in Panel D, in 1983, 92 percent of the very rich in terms of income were found in households with a married couple (compared to 61 percent of the general population), 8.1 percent were headed by unmarried men, and virtually none by unmarried women (compared to 26.1 percent of the overall population). Between 1983 and 1992, while the proportion of married families among the top one percent of income earners fell from 92 to 88 percent, the proportion of households headed by an unmarried women increased from 0.1 to 4.2 percent and the share of households headed by an unmarried male remained almost unchanged. The major difference between the top percentile of income earners and wealth holders was the greater presence of separated, divorced, or widowed women in the ranks of the latter.

In 1983, 92 percent of non-elderly rich households were headed by a full-time worker (compared to 76 percent of all non-elderly households), 3 percent by a part-time worker, and 5 percent by a retiree (see Panel E). The most striking change between 1983 and 1992 is that the proportion of very rich households headed by a full-time worker declined from 92 to 87 percent, and this was almost exactly offset by a corresponding rise in the percentage headed by a part-time worker, from 3.1 to 7.4 percent. The share of retirees in the ranks of the top percentile also fell, from 4.8 to 1.8 percent, but this was compensated by a corresponding rise in the proportion who were either unemployed, from 0.0 to 2.2 percent, or not in the labor force, from 0.0 to

1.3 percent. These results also seem to suggest a reduction in work effort among the non-elderly rich, in this case as defined in terms of income. However, not surprisingly, there was a greater percentage of full-time workers in the ranks of the top income percentile than the top wealth percentile (even for household heads under age 65) and a smaller percentage of retirees, at least in 1992.

In 1983, 26 percent of the top percentile headed by someone at work reported working in finance, insurance, or real estate, compared to only 5 percent of all workers, and 33 percent reported working in business and professional services, in contrast to 23 percent of all workers (Panel F). The most dramatic change between 1983 and 1992 was a huge increase in the share of workers employed in business, professional, and personal services in the ranks of the very rich, from 35 to 47 percent (and also a large increase relative to the employment share of all workers, from a difference of 8.3 to 21.9 percent). The share of finance, insurance, and real estate workers in the ranks of the very rich remained almost unchanged over this period, despite a large increase in the percentage of all workers employed in this sector. However, together, these two sectors accounted for almost three-quarters of all rich households headed by someone at work in 1992. In contrast, the shares of workers in the top percentile employed in goods-producing industries; transportation, communications, and utilities; and wholesale and retail trade all fell in both absolute and relative terms.

The major differences between the industry composition of the top income and wealth percentiles were the much larger proportion of the former who were employed in business and professional services, particularly in 1992 (47 versus 23 percent), and the correspondingly smaller share employed in the financial sector (27 versus 36 percent in 1992) and in manufacturing, transportation, communications, and utilities and trade (19 versus 35 percent). One potential explanation for these differences rests on the fact that current wealth reflects, to a large extent, incomes in the past. Thus, the results suggest that manufacturing, transportation, communications, and utilities and trade have diminished over time (probably since the 1950s) as major sources of large incomes, whereas finance and business and professional services have increased in importance. Moreover, the greater importance of business and professional services than finance as a source of very high earnings in 1992 (in comparison to high wealth holdings) probably reflects the stock market downturn of 1989, the 1991-92 recession, and the ensuing shrinkage of the finance sector. It is likely that by 1997 finance has overtaken business and professional services as the major source of very large earnings.

Self-employed workers were substantially over-represented in the ranks of the top percentile of households in terms of income in 1983 -- 27 percent versus 15 percent of all workers -- as were managers and administrators -- 58 versus 15 percent (see Panel G). However, only 12 percent of the very rich classified themselves as professionals, in contrast to 15 percent of all workers. These results are very similar to those of Table 3, wherein the rich are classified according to wealth. Moreover, as we saw before, there was a striking growth in the share of the self-employed among the top one percent -- in this case, from 27 to 64 percent. In contrast, the proportion of professional, managerial, and administrative workers who were not self-employed fell precipitously, from 70 to 34 percent.

As we also saw in Table 3, the rich (in terms of income here) appear to be much healthier than the average population. In 1983, 63 percent of the rich said that their health was excellent, compared to 38 percent of the overall population (see Panel H). Only 3.7 percent of the top one percent indicated that there health was fair or poor, in comparison to 22.5 percent of all respondents. Between 1983 and 1992, while the overall health of the population appears to have deteriorated somewhat, the health of the very rich, as defined by income, seems to have improved slightly, with the proportion reporting excellent health rising by 1.2 percentage points and the proportion reporting fair or poor health falling by 0.6 percentage points.

The very rich in terms of income were more apt to receive a bequest than the general population in 1992 -- 36 versus 21 percent (see Panel I). Moreover, the value of these inheritances were much greater among households in the top percentile than in the general population (a seven-fold difference). However, as to be expected, the proportion of the top income percentile who had received bequests was smaller than the share of the top wealth percentile (36 versus 49 percent).

As shown in Table 10 and Figure 9, in 1983 the top one percent of households as ranked in terms of income had a higher share of their wealth in the form of non-home real estate than other households in the population (19.1 versus 12.8 percent for the bottom 99 percent of households), stocks and mutual funds (17.9 versus 5.6 percent), business equity (27.8 versus 14.9 percent), and trust funds (7.8 versus 0.7 percent); and lower proportions in their principal residence (8.9 versus 36.2 percent), savings and time deposits, CDs, and money market funds (7.0 versus 14.1 percent), and vehicles (0.4 versus 4.2 percent). The richest one percent in terms of income also had a lower debt/equity ratio -- 6.8 versus 17.5 percent. Moreover, whereas the top income percentile accounted for 27.6 percent of total net worth, they owned 33.9 percent of non-home real estate, 52.6 percent of stocks and mutual funds, 38.7 percent of financial securities, 39.2 percent of business equity, and 78.2 percent of trust fund equity. These results closely resemble those of Table 4, which are based on the top wealth percentile.

Among the richest one percent of households, the major change between 1983 and 1992 (see Table 11) has been a fall in the share of gross assets held in stocks and mutual funds (from 17.9 to 12.6 percent), in investment real estate (from 19.1 to 16.3 percent), and in trust funds (from 7.8 to 4.4 percent) and corresponding increases in the share held in business equity (27.8 to 32.2 percent), financial securities (from 6.1 to 10.3 percent) and pension accounts (1.3 to 4.5 percent). While the share of total net worth held by the top one percent of income recipients remained unchanged at 27.6 percent between 1983 and 1992, their share of business equity increased sharply from 39.2 to 48.0 percent and their share of financial securities from 38.7 to 53.4 percent. In contrast, their share of non-home real estate fell from 33.9 to 29.2 percent, their share of total stocks and mutual funds from 52.6 to 40.8 percent, their share of trust fund equity from 78.2 to 42.8 percent, and their share of pension assets from 23.2 to 16.2 percent.

These results do suggest increased entrepreneurial activity among the very rich, at least as classified by income. However, the results are mixed when the rich are classified by wealth. The share of total wealth held in the form of business assets by the top wealth percentile remained virtually unchanged between 1983 and 1992, but the share of total business equity held by the top one percent of wealthholders increased from 52 to 62 percent.

In 1983, the primary source of income among the richest one percent of households ranked in terms of income was wages and salaries, at 34.5 percent of their total income (see Table 12 and Figure 10). Proprietary income was second, at 25.9 percent, followed by capital gains at 11.7 percent, interest at 10.2 percent, and dividends at 9.4 percent. The top one percent of households accounted for over half of all dividends and capital gains, about one quarter of proprietary income, interest, and rental, royalty, and trust income. They also accounted for 11.5 percent of all alimony payments!

Between 1983 and 1992, the most substantial change is that wages and salaries increased from 34.5 to 44.1 percent of the total income of the top one percent (see Table 13). However, proprietary income fell somewhat, from 25.9 to 23.5 percent in 1992, though, altogether, labor earnings rose from 60 to 68 percent. Property income, including interest, dividends, capital gains, rents, royalties, and trust income declined as a proportion of their total proceeds, from 36 to 30 percent.

In 1992, the richest one percent earned 11.8 percent of all wage and salary income (up from 7.0 percent in 1983), 26.7 percent of all self-employment income (the same as in 1983), and 32 percent of all interest income (up from 25 percent in 1983). However, while their share of total dividends fell sharply, their share of capital gains actually increased somewhat and their share of total rental, royalty, and trust income was also up sharply.

When classified by wealth holdings, the rich also show a substitution of earned income for property income over the same period. Among the top percentile of wealthholders, the share of total income received in the form of labor earnings grew from 51 percent in 1983 to 69 percent in 1992, though this was primarily a result of a sharp increase in self-employment income, whereas property income declined from 46 percent of their total income to 27 percent. Moreover, whereas the share of total wage and salary income and of proprietary income received by the top wealth percentile both increased, their share of total property income fell.

5. **Concluding Remarks**

The results do show some striking differences between the characteristics of the very rich and those of the general population but some important changes in the composition of the very rich over the period from 1983 to 1992. First, the rich are, on average, older than the population at large. However, there were notable increases in the number of young families in the ranks of the very rich. Between 1983 and 1992, the fraction of household heads in the top one percent of wealthholders under the age of 45 rose from 10 to 15 percent. Moreover, the percentage of the top one percent of income earners under the age of 35 increased from 2 to 6, the percentage in age group 35-44 went up very sharply, from 16 to 26, and their median age dropped from 56 to 51.

Second, the very rich are much better educated than the overall population. However, despite significant growth in the overall educational attainment of the population between 1983 and 1992, there was no corresponding increase in the educational attainment of the top percentile as ranked by both wealth and income -- indeed, the fraction of these two groups that had graduated college actually declined.

Third, the very rich remain almost exclusively non-Hispanic whites. The proportion of non-Hispanic black households and Hispanic households among the very rich, as defined by both wealth and income, stayed largely unchanged between 1983 and 1992. However, Asian-Americans (and other races) did show large gains relative to their population share into the ranks of the rich over this period.

The very rich, both in terms of income and wealth, were composed predominantly of married couples, particularly in comparison to the population at large. Moreover, in 1983, 99.9 percent of households in the top percentile of income earners were headed by men (either married or unmarried). However, there were some modest inroads made by unmarried women (both never and formerly married) into the ranks of the top income percentile between 1983 and 1992.

The household heads of both the top income and wealth percentiles also appear to be much healthier than the general population. However, while the (self-reported) health of the heads of households in the top income percentile improved somewhat between 1983 and 1992, a slight deterioration occurred in the health of the top wealth percentile.

There were some interesting changes in both the labor force participation and employment patterns of the very rich. First, in both 1983 and 1992, the vast majority of household heads under 65 years of age in both the top wealth and the top income percentile were full-time workers. However, in both cases, the share of full-time workers in the ranks of the very rich declined over this period. In the case of the high income earners, this shift was almost completely offset by a corresponding rise in the proportion of part-time workers. Among the high wealthholders, this change was made up for by increases in both the share of part-time workers and retirees in their ranks.

Yet, despite this apparent reduction in labor force effort among the very rich, the income statistics show a greater reliance on labor income than other forms of income among the very rich. Between 1983 and 1992, labor earnings (both wages and salary and self-employment income) as share of the total income of the top wealth percentile jumped from 51 to 69 percent and that of the top income percentile from 60 to 68 percent. This apparent contradiction can be explained by two factors. First, the number of non-elderly households as a fraction of all households increased from 73 to 81 percent among the top wealth percentile and from 80 to 86 percent among the top income percentile. Second, there was a substantial increase in the number of working wives among very rich households. Indeed, the number of two-earner families as a share of all non-elderly married families grew from 36 to 40 percent among the top wealth percentile and from 40 to 48 percent among the top income percentile.

Second, there is also evidence that entrepreneurial activity played much more of a role in gaining entry to the ranks of the very rich. There was a huge increase recorded in the number of self-employed persons in the ranks of the very rich, both in terms of income and wealth, and a corresponding decline in the number of salaried managers and professionals. (There are almost no sales, clerical, or blue-collar workers found among the top wealth or income percentile.) The number of self-employed household heads as a share of the total number of employed household heads in the top wealth percentile almost doubled between 1983 and 1992, from 38 to 69 percent, and the corresponding proportion in the top income percentile more than doubled, from 27 to 64 percent.

There is also some corroborating evidence from the household income statements and balance sheets. Among the richest one percent of households ranked in terms of wealth, the share of proprietary income, from self-employment, partnerships, and unincorporated business ownership, in their total income rose sharply, from 27 to 40 percent. Moreover, while the proportion of the total wealth of the top wealth percentile held in the form of business equity remained unchanged between 1983 and 1992, their share of the total value of business equity among all households increased substantially, from 52 to 62 percent. Among the richest one percent of households as ranked by income, the proportion of their wealth held in the form of business equity increased from 28 to 32 percent and their share of the total value of business equity surged from 39 to 48 percent. However, proprietary income fell somewhat as a share of their total income, from 26 to 24 percent.

These results have to be interpreted with some caution, since as Slemrod (1995) argues that because of changes in the tax laws from the 1986 Tax Reform Act, there was a strong incentive for regular corporations to convert to Sub-Chapter S corporations and partnerships, which are categorized as unincorporated business enterprises (and the corresponding income as self-employment income). These conversions might also be responsible for the rising importance of business equity in the portfolios of the very rich and the corresponding declines in corporate stock holdings.

Third, whatever the rationale behind the increased importance of self-employment income and unincorporated business equity among the rich, they appear to be relying less and less on property income. In particular, property income of all forms, such as interest, dividends, capital gains, rental, royalty, and trust income declined sharply, from 46 to 27 percent of the total income of the top wealth percentile, and from 36 to 30 percent for the top income percentile. Moreover, the percent of the total wealth of the rich, classified by both dimensions, held in the form of stocks and mutual funds and trust funds fell sharply over this period, as did their share of the total outstanding value of these assets. However, this was in part compensated by sharply increased holdings of financial securities, both as a percent of the total assets of the top one percent and as a share of the total amount of financial securities held by all households.

Fourth, the traditional sources of large fortunes in this country -- notably, agriculture, mining, construction, manufacturing, transportation, communications, utilities, and trade -- appear to have diminished in importance over time and to have been supplanted by the financial sectors, as well as business and professional services. The former group of industries accounted for 52 percent of the employment of heads of households in the top wealth percentile in 1983 and only 41 percent in 1992, whereas the share employed in finance and business and professional services rose from 47 to 58 percent. The results are even more dramatic for the top income percentile, among whom the share of total employment in these traditional industries fell from 39 to 26 percent and correspondingly rose from 59 to 74 percent in the latter group of industries.

In sum, this study indicates that the wealthy are apt to be healthier and wiser (at least, better educated) and older than the general population but do not appear to have become healthier or wiser over the years 1983-1992 though they have become younger. Moreover, the rich are more apt to be self-employed and to work in finance and business and prófessional services than the overall population, and over this period have relied more on labor income and less on property income as sources of their fortunes.

Footnotes

[1] The construction of the weights is further complicated by differential response rates among families in the high-income supplement and the cross-section sample. According to Curtin, Juster, and Morgan (1989), only 9 percent of the families chosen for the high-income supplement for the 1983 SCF agreed to be interviewed. However, of this group, the response rate was 95 percent, compared to 71 percent for the families in the cross-section sample. Two major studies conducted by the Federal Reserve Board -- Kennickell and Woodburn (1992) for the 1989 SCF and Kennickell, McManus, and Woodburn (1996) for the 1992 SCF -- discuss the problems associated with developing these weights and propose alternative sets of weights as solutions.

[2] It should be noted at the outset that there appears to be a substantial change in the sampling frame used in the new 1992 Survey in comparison to the 1989 Survey. For consistency with the earlier results, I have adjusted the weights used in the 1992 Survey of Consumer Finances.

The problem can be seen most easily in the following table:

Comparison of SOI and SCF Size Distributions

Adjusted Gross Income or Household Income [Current $]	SCF Distribution: Percentage of All Households[a]		SOI Distribution: Percentage of All Tax Returns[b]	
	1989	1992	1989	1992
Under $100,000	95.7	94.9	97.4	96.7
100,000-199,999	3.107	3.948	1.864	2.474
200,000-499,999	0.895	0.892	0.546	0.657
500,000-999,999	0.187	0.182	0.103	0.124
1,000,000 or more	0.073	0.040	0.051	0.059
Of Which:				
1,000,000-3,999,999	0.0550	0.0293		
4,000,000-6,999,999	0.0128	0.0021		
7,000,000 or more	0.0049	0.0002		
Total	100.0	100.0	100.0	100.0

a. Source: own computations from the 1989 and 1992 SCF.

b. Sources: "Selected Historical and Other Data," Statistics of Income Bulletin, Winter 1993-94, Vol. 13, No. 4, pp. 179-80; "Selected Historical and Other Data," Statistics of Income Bulletin, Winter 1994-95, Vol. 15, No. 3, pp. 180-81.

A comparison of weights used in the 1989 and 1992 SCF shows a very sharp attenuation in the weights at the top of the income distribution. According to these figures, the percentage of households with incomes between $1,000,000 and $4,000,000 declined from 0.055 to 0.029, or by almost half; the percentage in the income range $4,000,000 to $7,000,000 fell from 0.013 to 0.002, or by over 80 percent; and the percentage with incomes of $7,000,000 or more decreased from 0.0049 to 0.0002, or by over 95 percent. These changes are highly implausible -- particularly in light of results from the Current Population Survey, or CPS (available on the Internet), which show a slightly rising degree of income inequality over this period (the Gini coefficient increases from 0.427 to 0.428).

The table also compares the size distribution of income computed from the Internal Revenue Service Statistics of Income (SOI) in 1989 and 1992 with that from the two SCF files. The SOI figures are based on actual tax returns filed in the two years. There are three major differences between the two data sources. First, the SOI data use the tax return as the unit of observation, whereas the SCF figures are based on the household unit. Second, individuals who do not file tax returns are excluded from the SOI tabulations. Third, the size distribution for the SOI data is based on adjusted gross income (AGI), whereas the SCF distributions are based on total household income.

Despite the differences in concept and measurement, trends in the size distribution of AGI can give a rough approximation to actual changes in the size distribution of household (Census) income. What is most striking is that the SOI figures show a slight increase in the percent of units in income class

$1,000,000 and more, from 0.051 in 1989 to 0.059 percent in 1992, whereas the SCF figures show a sharp decline, from 0.073 to 0.040 percent.

Results from the SOI data fail to provide any independent corroboration for the sharp decline in the number of households with incomes of $1,000,000 or more between 1989 and 1992. Accordingly, I adjusted the 1992 weights to conform to the 1989 weighting scheme. The adjustment factors for the 1992 weights are given by the inverse of the normalized ratio of weights between 1992 and 1989, shown in the last column of the preceding table:

Income in 1989 Dollars	Adjustment Factors for 1992 Weights
Under 200,000	0.992
200,000-999,999	1.459
1,000,000-3,999,999	1.877
4,000,000-6,999,999	4.844
7,000,000 or more	12.258

The resulting size distribution of income for 1989 and 1992 is as follows:

Income Shares (in Percent)	1989 SCF Using Original Weights	1992 SCF Using Adjusted Weights
Share of the Top 1%	16.4	15.7
Share of the Top 5%	29.7	30.5
Share of the Top 10%	40.1	41.1
Share of the Top 20%	55.3	56.4
Gini Coefficient:	0.521	0.528

The calculations show a slight increase in overall income inequality, as measured by the Gini coefficient, a result that is consistent with both the SOI and the CPS data.

[3] The adjustment factors by asset type and year are as follows:

	1983 SCF	1992 SCF
Checking Accounts	1.68	
Savings and Time Deposits	1.50	
All Deposits		1.32
Financial Securities	1.20	
Stocks and Mutual Funds	1.06	
Trusts		1.41
Non-Mortgage Debt	1.16	

Other asset and debt components required no adjustment.

[4] it should be noted that my definition of net worth here includes the value of vehicles. As a consequence, these results differ from those reported in Wolff (1987, 1994, 1996), which exclude vehicles in the definition of net worth.

[5] Though there are some problems with the "self-employed" category in the 1992 SCF data, I have tried to make the definition as consistent as possible with the 1983 SCF concept. The fact that the overall share of self-employed shows only a modest increase between the two years suggests that the definitions are roughly comparable in the two years.

[6] There was no separate category for professional workers in the 1992 SCF.

[7] On the other hand, Slemrod (1995) argues that a large part of the increase in reported self-employment income over this period was due to the conversion of corporations to Subchapter S corporations and partnerships for tax reasons. In particular, the 1986 Tax Reform Act caused the top marginal tax rate on personal income to fall below that on corporate earnings. Since income from S corporations and partnerships are treated as personal rather than corporate income, many corporations converted to S corporations. In this case, the purported rise in entrepreneurship might simply be due to a reclassification of income. I shall return to this issue in the conclusion of the paper.

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Table 1

Mean and Median Wealth and Income, 1983 and 1992[a]
(1992 Dollars)

	1983	1992	Percentage Change 1989-1992
Net Worth			
1. Median	53,680	50,895	-5.2
2. Mean	189,938	212,488	11.9
Financial Wealth			
1. Median	10,151	10,051	-1.0
2. Mean	132,793	155,370	17.0
Income[b]			
1. Median	28,521	28,952	1.5
2. Mean	40,405	42,793	5.9
Number of Households (1,000s)	83,893	95,463	13.8
Sample Size	4,263	3,906	
<u>Memo</u>			
CPS Household Income[c]			
1. Median	29,602	31,033	4.8
2. Mean	35,675	39,064	9.5

a. Sources: own computations from the 1983 and 1992 Survey of Consumer Finances. The 1983 and 1992 asset and liability entries are aligned to national balance sheet totals. See Wolff (1994, 1996) for details on the alignment.

b. The figures are for 1982 and 1991, respectively.

c. The figures are for 1982 and 1991, respectively. Source: U.S. Bureau of the Census (1993), Table B-2.

Table 2

Size Distribution of Wealth and Income, 1983 and 1992[a]

Year	Gini Coeff	Top 1.0%	Next 4.0%	Next 5.0%	Next 10.0%	2nd Quint	3rd Quint	4th Quint	5th Quint	All	All but Top. 1.0%
I. Percentage Share of Wealth or Income Held by Each Quantile											
A. Net Worth											
1983	0.779	32.6	21.8	12.0	13.1	13.0	5.7	1.7	0.0	100.0	67.4
1992	0.802	35.9	22.4	11.6	12.1	11.9	4.9	1.4	-0.2	100.0	64.1
B. Financial Wealth											
1983	0.893	42.9	25.1	12.3	11.0	7.9	1.7	0.2	-1.0	100.0	57.1
1992	0.903	45.6	25.0	11.5	10.2	7.3	1.5	0.1	-1.1	100.0	54.4
C. Income											
1982	0.480	12.8	13.3	10.3	15.5	21.6	14.1	8.6	3.7	100.0	87.2
1991	0.528	15.7	14.8	10.6	15.3	20.4	12.8	7.5	3.0	100.0	84.3
II. Mean Wealth and Income by Quantile (in 1,000s, 1992 Dollars)											
A. Net Worth											
1983		6,198	1,036	457.4	249.8	123.4	54.3	[7.8]		189.9	129.3
1992		7,624	1,187	495.1	256.5	126.9	52.3	[6.3]		212.5	137.6
Percent Change		23.0	14.6	8.2	2.7	2.8	-3.8	[-19.3]		11.9	6.5
B. Financial Wealth											
1983		5,695	833.9	325.9	146.1	52.5	11.3	[-2.9]		132.8	76.6
1992		7,085	970.7	357.7	157.7	57.0	11.3	[-4.1]		155.4	85.4
Percent Change		24.4	16.4	9.8	8.0	8.7	0.5	[--]		17.0	11.4
C. Income											
1982		518.8	134.0	83.2	62.5	43.7	28.6	[12.5]		40.4	35.6
1991		671.8	158.3	90.7	65.5	43.6	27.4	[11.2]		42.8	36.4
Percent Change		29.5	18.1	9.0	4.8	-0.2	-4.2	[-9.9]		5.9	2.4

a. Source: own computations from the 1983, and 1992 Surveys of Consumer Finances. The 1983 and 1992 asset and liability entries are aligned to national balance sheet totals.

For the computation of percentile shares of net worth, households are ranked according to their net worth; for the computation of percentile shares of financial wealth, households are ranked according to their financial wealth; and for the computation of percentile shares of income, households are ranked according to their income.

Table 3
Demographic and Work-Related Characteristics of
The Top 1 Percent of Wealthholders and All Households, 1983 and 1992[a]

(All figures are in percent except for mean and median values)

	1983			1992		
	Top 1%	All	Difference	Top 1%	All	Difference
A. Age of head						
Less than 25	0.0	8.0	-8.0	0.2	5.2	-5.0
25-34	0.7	22.6	-21.8	2.0	20.4	-18.4
35-44	9.2	19.5	-10.3	12.8	22.7	-9.9
45-54	32.9	15.6	17.2	24.6	16.4	8.2
55-64	29.4	15.1	14.4	31.3	13.4	17.9
65-74	21.8	12.1	9.7	19.3	12.7	6.6
75 and over	5.9	7.1	-1.2	9.8	9.2	0.6
All age groups	100.0	100.0	0.0	100.0	100.0	-0.0
Mean age	57.3	46.8	10.5	58.1	48.4	9.8
Median age	56.0	44.0	12.0	58.0	45.0	13.0
B. Education of head						
0-11 years	2.7	29.0	-26.3	1.8	21.1	-19.3
High school graduate	10.0	30.2	-20.1	9.2	28.9	-19.7
College 1-3	11.6	19.6	-8.1	15.6	21.0	-5.4
College graduate	40.0	10.6	29.4	32.9	16.5	16.3
Some graduate school	35.7	10.6	25.1	40.6	12.5	28.1
All educational groups	100.0	100.0	0.0	100.0	100.0	-0.0
Mean education	15.5	12.2	3.3	15.6	12.9	2.7
Median education	16.0	12.0	4.0	16.0	13.0	3.0
C. Race						
White (non-Hispanic)	97.9	80.9	17.0	94.2	75.3	18.9
Black (non-Hispanic)	0.5	12.7	-12.2	0.1	12.6	-12.5
Hispanic	0.0	3.5	-3.5	0.9	7.6	-6.6
Asian and others	1.6	2.8	-1.2	4.8	4.6	0.2
All racial groups	100.0	100.0	0.0	100.0	100.0	-0.0
D. Marital status						
Married, spouse present[b]	88.1	60.8	27.3	83.4	57.6	25.7
Male, separated, divorced, or widowed	3.2	6.8	-3.6	7.0	8.6	-1.5
Male, never married	1.3	6.3	-5.0	2.3	6.5	-4.2
Female, separated, divorced, or widowed	7.4	19.9	-12.5	7.3	19.4	-12.1
Female, never married	0.0	6.2	-6.2	0.0	7.9	-7.9
All marital groups	100.0	100.0	0.0	100.0	100.0	0.0

Table 3 (continued)

	1983			1992		
	Top 1%	All	Difference	Top 1%	All	Difference
E. Employment status of head (age < 65 only)						
Full-time	86.4	75.8	10.6	76.7	74.9	1.9
Part-time	4.6	4.0	0.6	8.6	4.5	4.1
Unemployed or temporarily laid off	0.0	8.8	-8.8	1.4	7.1	-5.7
Retired	3.6	7.3	-3.7	9.7	3.8	5.9
Not in labor force	5.4	4.1	1.3	3.6	9.8	-6.1
All under age 65	100.0	100.0	0.0	100.0	100.0	0.0
F. Industry of employment of head (employed persons only)						
Agriculture	9.2	3.9	5.3	1.4	2.7	-1.3
Mining	5.1	1.4	3.7	4.7	7.4	-2.7
Construction	6.4	7.5	-1.1			
Manufacturing	19.5	23.7	-4.2	21.8	28.3	-6.5
Transportation, communications and utilities	0.6	8.9	-8.4			
Trade (wholesale and retail)	11.3	15.5	-4.2	13.3	14.9	-1.5
Finance, insurance and real estate	21.9	5.3	16.6	35.8	13.8	22.0
Business and professional services	24.9	23.1	1.8	22.5	25.5	-3.0
Personal services	1.0	3.4	-2.3			
Public administration	0.0	7.2	-7.2	0.4	7.4	-7.0
All employed persons	100.0	100.0	0.0	100.0	100.0	0.0
G. Occupation of head (employed persons only)						
Self-Employed[c]	37.5	15.4	22.1	68.9	17.2	51.7
Professionals[d]	6.4	15.0	-8.6	26.5	25.5	0.9
Managers & administrators	55.2	13.9	41.3			
Sales & clerical workers[e]	1.0	13.0	-12.1	2.8	22.4	-19.6
Craft workers[f]	0.0	16.9	-16.9	1.8	10.6	-8.8
Other blue-collar workers[g]	0.0	25.8	-25.8	0.0	24.3	-24.3
All employed persons	100.0	100.0	0.0	100.0	100.0	0.0
H. Health of head of household						
Excellent	61.2	37.9	23.3	55.9	34.6	21.3
Good	32.1	39.6	-7.5	31.8	40.9	-9.1
Fair	5.9	15.4	-9.6	7.8	17.5	-9.7
Poor	0.8	7.1	-6.2	4.5	7.0	-2.5
All	100.0	100.0	0.0	100.0	100.0	0.0

Table 3 (continued)

	1983			1992		
	Top 1%	All	Difference	Top 1%	All	Difference
I. Inheritances received						
Percent receiving inheritances				48.8	20.6	28.2
Average value of inheritances[h]				$782,056	$96,140	$685,916

a. Own computations from the 1983 and 1992 Surveys of Consumer Finances. The asset and liability entries are aligned to national balance sheet totals. Top one percent is defined as households with net worth in excess of 1.55 million in 1983 and in excess of 2.42 million dollars in 1992. All computations are for heads of household, unless otherwise indicated. Please note that geographical information is not available for the high-income supplement in 1983.

b. Includes "partners" in 1992.

c. Self-employed of any occupation are classified separately in this category.

d. Includes technical workers in 1983.

e. Includes technical workers in 1992.

f. Includes protective service workers in 1983.

g. Includes operatives (both machine and transportation equipment), laborers, service workers (except protective services in 1983), and farm workers.

h. Inheritance recipients only. Present value as of 1992, using a three percent real interest rate.

Table 4

Composition of Gross Assets of the Top 1 Percent and Bottom 99 Percent of Wealthholders and All Households, 1983[a]

(Billions of Current, 1983, Dollars)

	Top One Percent		All Households		Bottom 99 Percent	Holdings Of Top1% As a Percent Of Total Value
	Total Value	Percent Of Gross Assets	Total Value	Percent Of Gross Assets	Percent of Gross Assets	
Net worth	3,691.1		11,312.1			32.6
Gross asset values	3,838.4	100.0	12,958.8	100.0	100.0	29.6
Principal residence	311.3	8.1	3,777.8	29.2	38.0	8.2
Other real estate	747.9	19.5	1,871.1	14.4	12.3	40.0
Stocks & mutual funds	651.9	17.0	1,134.4	8.8	5.3	57.5
Financial securities[b]	220.4	5.7	525.8	4.1	3.3	41.9
Checking accounts	55.1	1.4	327.0	2.5	3.0	16.8
Savings & time deposits CDs, & money market funds	242.4	6.3	1,590.4	12.3	14.8	15.2
Net business equity[c]	1,232.0	32.1	2,364.1	18.2	12.4	52.1
Life insurance cash surrender value	29.2	0.8	270.5	2.1	2.6	10.8
Pension accounts[d]	32.9	0.9	184.2	1.4	1.7	17.9
Net equity in personal trusts	264.8	6.9	331.2	2.6	0.7	80.0
Vehicles	12.5	0.3	413.9	3.2	4.4	3.0
Miscellaneous assets[e]	38.2	1.0	168.0	1.3	1.4	22.7
Liabilities	208.5	5.4	1,646.7	12.7	15.8	12.7
Debt on principal residence	25.5	0.7	789.2	6.1	8.4	3.2
Debt on other real estate	8.9	0.2	93.8	0.7	0.9	9.5
All other debt[f]	174.2	4.5	763.7	5.9	6.5	22.8
<u>Memo</u>:						
Net home equity[g]	285.8	7.4	2,988.6	23.1	29.6	9.6
Debt/Equity ratio		5.7		14.6	18.9	

a. Own computations from the 1983 Survey of Consumer Finances. The 1983 asset and liability entries are aligned to national balance sheet totals. The top one percent is defined as households with net worth in excess of 1.55 million.

b. Corporate bonds, government bonds, including U.S. savings bonds, open-market paper, and notes.

c. Net equity in unincorporated farm and non-farm businesses and closely-held corporations.

d. IRAs, Keogh plans, 401(k) plans, the accumulated value of defined contribution pension plans, and other retirement accounts.

e. Gold and other precious metals, royalties, jewelry, antiques, furs, loans to friends and relatives, future contracts, and miscellaneous assets.

f. Mortgage, installment, consumer, and other debt.

g. Gross value of principal residence less mortgage on principal residence.

Table 5

Composition of Gross Assets of the Top 1 Percent and Bottom 99 Percent of Wealthholders and All Households, 1992[a]

(Billions of Current, 1992, Dollars)

	Top One Percent		All Households		Bottom 99 Percent	Holdings Of Top1% As a Percent Of Total Value
	Total Value	Percent Of Gross Assets	Total Value	Percent Of Gross Assets	Percent of Gross Assets	
Net worth	7,278.2		20,284.8		35.9	
Gross asset values	7,770.6	100.0	23,903.5	100.0	100.0	32.5
Principal residence	581.2	7.5	6,885.7	28.8	39.0	8.4
Other real estate	1,550.2	19.9	3,388.7	14.2	11.4	45.7
Stocks & mutual funds	939.7	12.1	1,874.0	7.8	5.8	50.1
Financial securities	770.0	9.9	1,174.7	4.9	2.5	65.5
Checking accounts	137.9	1.8	563.7	2.4	2.6	24.5
Savings & time deposits CDs, & money market funds	353.8	4.6	1,835.2	7.7	9.2	19.3
Net business equity	2,533.2	32.6	4,083.8	17.1	9.6	62.0
Life insurance cash surrender value	41.7	0.5	417.1	1.7	2.3	10.0
Pension accounts	235.6	3.0	1,671.9	7.0	8.9	14.1
Net equity in personal trusts	355.6	4.6	629.6	2.6	1.7	56.5
Vehicles	54.6	0.7	832.8	3.5	4.8	6.6
Miscellaneous assets	217.1	2.8	569.8	2.4	2.2	38.1
Liabilities	492.4	6.3	3,629.2	15.2	19.4	13.6
Debt on principal residence	95.9	1.2	2,249.7	9.4	13.3	4.3
Debt on other real estate	305.5	3.9	785.3	3.3	3.0	38.9
All other debt	90.9	1.2	594.2	2.5	3.1	15.3
<u>Memo</u>:						
Net home equity	485.3	6.2	4,636.0	19.4	25.7	10.5
Debt/Equity ratio		6.8		17.9	24.1	

a. Own computations from the 1992 Survey of Consumer Finances. The 1992 asset and liability entries are aligned to national balance sheet totals. The top one percent is defined as households with net worth in excess of 2.42 million dollars. See footnotes to Table 4 for technical details.

Table 6

Composition of Total Household Income of Top 1 Percent of Wealthholders And All Households, 1983[a]

(Billions of Current, 1983, Dollars)

	Top One Percent		All Households		Holdings Of Top 1% As Percent Of Total Income Type
	Total Value	Percent Of Total Income	Total Value	Percent Of Total Income	
Total income[b]	235.8	100.0	2,326.5	100.0	10.1
Wages and salaries	55.7	23.6	1,464.4	62.9	3.8
Self-employment income[c]	64.7	27.4	288.8	12.4	22.4
Total interest	30.0	12.7	122.4	5.3	24.5
Dividends	28.3	12.0	52.5	2.3	53.9
Capital gains	31.1	13.2	61.1	2.6	50.9
Rental, royalty and trust income	18.5	7.8	60.1	2.6	30.8
Unemployment and worker compensation	0.0	0.0	20.9	0.9	0.0
Alimony payments[d]	0.7	0.3	35.4	1.5	1.9
Public assistance[e]	0.0	0.0	23.1	1.0	0.0
Retirement income[f]	5.8	2.5	191.2	8.2	3.0
Other income	1.0	0.4	6.7	0.3	15.0

a. Own computations from the 1983 Survey of Consumer Finances. The top one percent is defined as households with net worth in excess of 1.55 million.

b. Defined as the sum of income components.

c. Includes partnership and net profit from unincorporated businesses.

d. Includes child support payments.

e. Includes AFDC, Food stamps, SSI, and other welfare benefits.

f. Includes social security and pension benefits, annuities, disability payments, and other forms of retirement income.

Table 7

Composition of Total Household Income of Top 1 Percent of Wealthholders And All Households, 1992[a]

(Billions of Current, 1992, Dollars)

	Top One Percent		All Households		Holdings Of Top 1% As Percent Of Total Income Type
	Total Value	Percent Of Total Income	Total Value	Percent Of Total Income	
Total income	524.4	100.0	4,145.8	100.0	12.6
Wages and salaries	155.4	29.6	2,424.7	58.5	6.4
Self-employment income	206.9	39.5	571.1	13.8	36.2
Total interest	43.1	8.2	168.0	4.1	25.6
Dividends	22.7	4.3	71.7	1.7	31.7
Capital gains	38.6	7.4	99.8	2.4	38.7
Rental, royalty and trust income	36.8	7.0	141.3	3.4	26.0
Unemployment and worker compensation	0.0	0.0	19.2	0.5	0.0
Alimony payments	0.0	0.0	16.4	0.4	0.0
Public assistance	0.0	0.0	25.6	0.6	0.1
Retirement income	6.0	1.1	275.5	6.6	2.2
Other income	14.9	2.8	332.4	8.0	4.5

a. Own computations from the 1992 Survey of Consumer Finances. The top one percent is defined as households with net worth in excess of 2.42 million. See footnotes to Table 6 for technical details.

Table 8
The Joint Distribution of Income and Wealth by Centile, 1983 and 1992

(figures are in percentage points)

Income Centile	Wealth Centile 0-10	10-20	20-30	30-40	40-50	50-60	60-70	70-80	80-90	90-95	95-99	99-100	Total
A.1983													
0-10	3.2	2.0	1.3	1.2	0.8	0.7	0.3	0.3	0.1	0.1	0.0	0.0	10.0
10-20	2.3	1.8	1.4	1.2	0.8	0.8	0.8	0.5	0.2	0.1	0.0	0.0	10.0
20-30	1.4	1.9	1.3	1.0	1.0	0.9	1.1	0.6	0.6	0.1	0.1	0.0	10.0
30-40	1.3	1.3	1.2	1.2	0.9	1.0	1.1	0.9	0.8	0.3	0.1	0.0	10.0
40-50	0.7	1.0	1.5	1.4	1.3	1.3	0.9	0.8	0.7	0.3	0.1	0.0	10.0
50-60	0.6	1.1	1.1	1.2	1.1	1.5	1.1	0.7	1.0	0.4	0.2	0.0	10.0
60-70	0.2	0.5	1.1	1.2	1.4	1.2	1.4	1.2	1.0	0.5	0.3	0.0	10.0
70-80	0.2	0.2	0.6	1.1	1.4	1.5	1.3	1.5	1.5	0.5	0.4	0.0	10.0
80-90	0.0	0.2	0.4	0.3	1.1	0.8	1.4	2.2	1.9	1.2	0.6	0.0	10.0
90-95	0.1	0.0	0.0	0.1	0.2	0.3	0.6	0.8	1.2	0.9	0.7	0.1	5.0
95-99	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.5	1.1	0.6	1.2	0.2	4.0
99-100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.6	1.0
Total	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	5.0	4.0	1.0	100.0
Overall Correlation Coefficient:						0.610							
B.1992													
0-10	3.1	2.3	1.1	1.1	1.2	0.7	0.3	0.2	0.1	0.1	0.0	0.0	10.0
10-20	2.2	2.0	1.3	1.0	1.0	0.9	0.7	0.6	0.3	0.1	0.0	0.0	10.0
20-30	1.2	1.7	1.3	1.0	1.1	1.1	0.9	0.9	0.6	0.1	0.0	0.0	10.0
30-40	0.8	1.4	1.4	1.1	1.0	1.1	1.3	0.8	0.8	0.2	0.0	0.0	10.0
40-50	0.9	1.2	1.7	1.0	1.2	1.0	0.9	0.7	1.1	0.3	0.1	0.0	10.0
50-60	0.6	0.6	1.3	1.3	1.0	1.1	1.1	1.1	1.2	0.4	0.2	0.0	10.0
60-70	0.7	0.4	0.9	1.5	1.2	1.2	1.4	0.8	1.1	0.6	0.2	0.0	10.0
70-80	0.3	0.2	0.5	1.1	1.2	1.6	1.4	1.6	1.4	0.6	0.2	0.0	10.0
80-90	0.1	0.1	0.3	0.7	1.0	1.0	1.5	2.1	1.5	1.0	0.6	0.1	10.0
90-95	0.1	0.0	0.1	0.0	0.2	0.4	0.5	0.9	1.0	0.9	0.8	0.1	5.0
95-99	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.2	0.9	0.8	1.5	0.3	4.0
99-100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.4	0.5	1.0
Total	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	5.0	4.0	1.0	100.0
Overall Correlation Coefficient:						0.639							

a. Own computations from the 1983 and 1992 Surveys of Consumer Finances.

Table 9
Demographic and Work-Related Characteristics of the Top 1 Percent of Households as Ranked by Income and All Households, 1983 and 1992[a]

(All figures are in percent except for mean and median values)

	1983			1992		
	Top 1%	All	Difference	Top 1%	All	Difference
<u>A. Age of head</u>						
Less than 25	0.0	8.0	-8.0	0.5	5.2	-4.7
25-34	1.6	22.6	-21.0	5.2	20.4	-15.2
35-44	16.3	19.5	-3.2	25.5	22.7	2.8
45-54	28.6	15.6	13.0	25.8	16.4	9.4
55-64	33.8	15.1	18.8	29.1	13.4	15.7
65-74	16.8	12.1	4.6	10.1	12.7	-2.5
75 and over	2.9	7.1	-4.3	3.7	9.2	-5.5
All age groups	100.0	100.0	0.0	100.0	100.0	-0.0
Mean age	55.3	46.8	8.5	51.9	48.4	3.5
Median age	56.0	44.0	12.0	51.0	45.0	6.0
<u>B. Education of head</u>						
0-11 years	0.1	29.0	-28.9	0.7	21.1	-20.4
High school graduate	3.8	30.2	-26.4	4.6	28.9	-24.3
College 1-3	10.4	19.6	-9.3	11.5	21.0	-9.5
College graduate	33.6	10.6	22.9	32.7	16.5	16.2
Some graduate school	52.1	10.6	41.5	50.5	12.5	38.0
All educational groups	100.0	100.0	0.0	100.0	100.0	-0.0
Mean education	16.1	12.2	3.9	16.0	12.9	3.1
Median education	16.0	12.0	4.0	16.0	13.0	3.0
<u>C. Race</u>						
White (non-Hispanic)	97.0	80.9	16.1	94.1	75.3	18.8
Black (non-Hispanic)	1.2	12.7	-11.5	0.1	12.6	-12.5
Hispanic	0.0	3.5	-3.5	0.0	7.6	-7.6
Asian and others	1.8	2.8	-1.0	5.8	4.6	1.2
All racial groups	100.0	100.0	0.0	100.0	100.0	-0.0
<u>D. Marital status</u>						
Married, spouse present[b]	91.9	60.8	31.1	87.6	57.6	30.0
Male, separated, divorced, or widowed	6.1	6.8	-0.7	6.7	8.6	-1.9
Male, never married	2.0	6.3	-4.3	1.5	6.5	-5.0
Female, separated, divorced, or widowed	0.1	19.9	-19.8	2.1	19.4	-17.3
Female, never married	0.0	6.2	-6.2	2.1	7.9	-5.8
All marital groups	100.0	100.0	0.0	100.0	100.0	-0.0

Table 9 (continued)

	1983			1992		
	Top 1%	All	Difference	Top 1%	All	Difference
E. Employment status of head (age < 65 only)						
Full-time	92.1	75.8	16.3	87.4	74.9	12.6
Part-time	3.1	4.0	-1.0	7.4	4.5	2.9
Unemployed or temporarily laid off	0.0	8.8	-8.8	2.2	7.1	-5.0
Retired	4.8	7.3	-2.4	1.8	3.8	-2.0
Not in labor force	0.0	4.1	-4.1	1.3	9.8	-8.4
All under age 65	100.0	100.0	0.0	100.0	100.0	0.0
F. Industry of employment of head (employed persons only)						
Agriculture	0.6	3.9	-3.3	1.1	2.7	-1.7
Mining	5.3	1.4	3.9	5.8	7.4	-1.5
Construction	3.8	7.5	-3.7			
Manufacturing	20.0	23.7	-3.8	13.3	28.3	-15.1
Transportation, communications and utilities	1.1	8.9	-7.8			
Trade (wholesale and retail)	8.3	15.5	-7.2	5.3	14.9	-9.6
Finance, insurance and real estate	26.1	5.3	20.8	26.5	13.8	12.7
Business and professional services	32.9	23.1	9.8	47.4	25.5	21.9
Personal services	1.8	3.4	-1.5			
Public administration	0.0	7.2	-7.2	0.6	7.4	-6.8
All employed persons	100.0	100.0	0.0	100.0	100.0	0.0
G. Occupation of head (employed persons only)						
Self-Employed[c]	26.6	15.4	11.3	63.7	17.2	46.5
Professionals[d]	12.0	15.0	-3.0	34.1	25.5	8.6
Managers & administrators	58.1	13.9	44.1			
Sales & clerical workers[e]	3.2	13.0	-9.8	2.2	22.4	-20.1
Craft workers[f]	0.0	16.9	-16.9	0.0	10.6	-10.6
Other blue-collar workers[g]	0.0	25.8	-25.8	0.0	24.3	-24.3
All employed persons	100.0	100.0	0.0	100.0	100.0	0.0
H. Health of head of household						
Excellent	63.1	37.9	25.2	64.3	34.6	29.7
Good	33.1	39.6	-6.5	32.5	40.9	-8.4
Fair	2.9	15.4	-12.5	3.1	17.5	-14.4
Poor	0.8	7.1	-6.3	0.1	7.0	-6.9
Total	100.0	100.0	0.0	100.0	100.0	0.0

Table 9 (continued)

	1983			1992		
	Top 1%	All	Difference	Top 1%	All	Difference
<u>I. Inheritances received</u>						
Percent receiving inheritances				35.9	20.6	15.3
Average value of inheritances[h]				$696,651	$96,140	$600,511
Inheritances Received and mean value, 1992						

a. Own computations from the 1983 and 1992 Surveys of Consumer Finances. Top one percent is defined as households with income in excess of 170 thousand dollars in 1983 and in excess of 285 thousand dollars in 1992. All computations are for heads of household, unless otherwise indicated. Please note that geographical information is not available for the high-income supplement in 1983.

b. Includes "partners" in 1992.

c. Self-employed of any occupation are classified separately in this category.

d. Includes technical workers in 1983.

e. Includes technical workers in 1992.

f. Includes protective service workers in 1983.

g. Includes operatives (both machine and transportation equipment), laborers, service workers (except protective services in 1983), and farm workers.

h. Inheritance recipients only. Present value as of 1992, using a three percent real interest rate.

Table 10

Composition of Net Worth of the Top 1 Percent of Households As Ranked by Income and All Households, 1983[a]

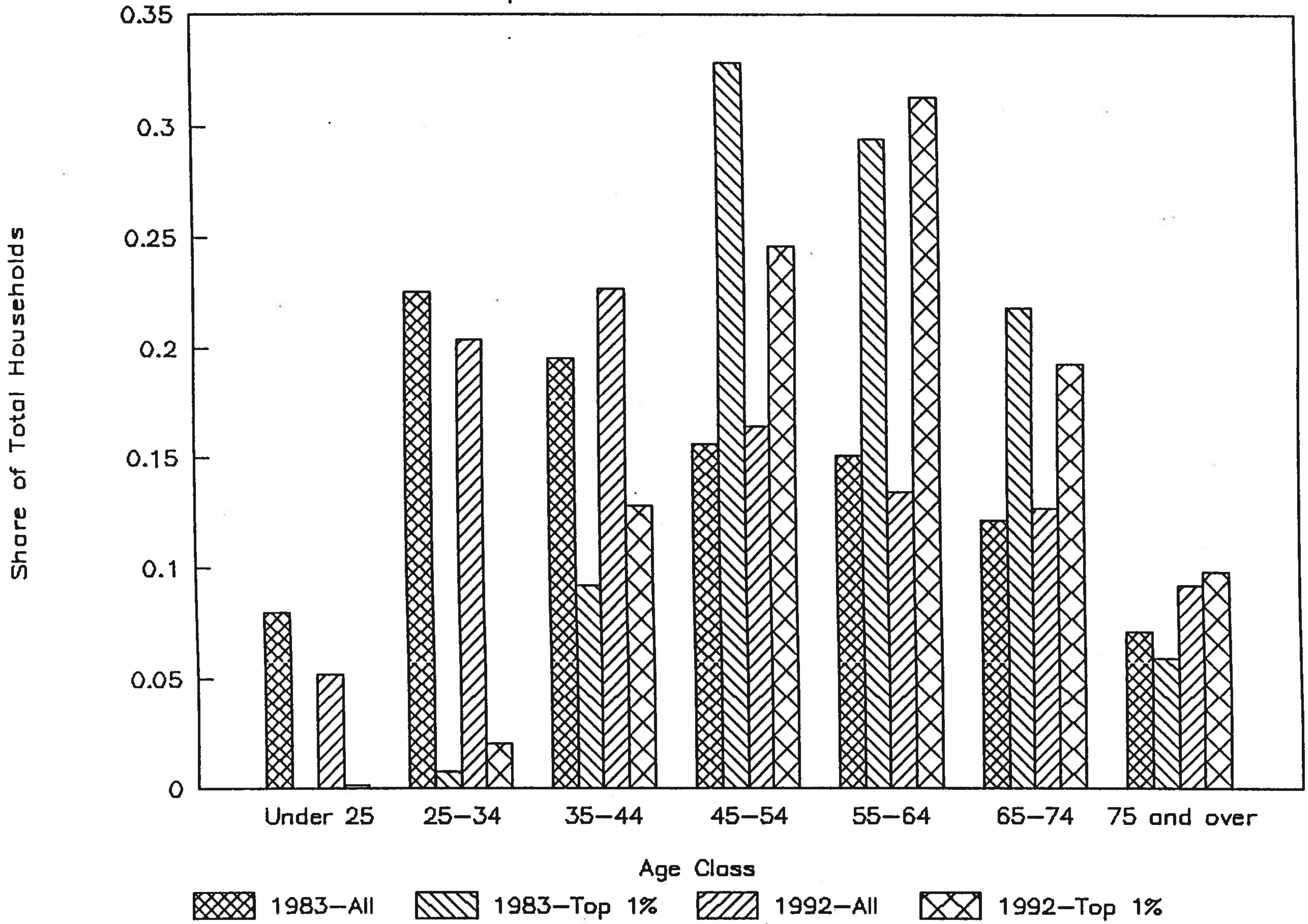
(Billions of Current, 1983, Dollars)

	Top One Percent		All Households		Bottom 99 Percent	Holdings Of Top1% As a Percent Of Total Value
	Total Value	Percent Of Gross Assets	Total Value	Percent Of Gross Assets	Percent of Gross Assets	
Net worth	3,117.4		11,312.1			27.6
Gross asset values	3,330.6	100.0	12,958.8	100.0	100.0	25.7
Principal residence	296.8	8.9	3,777.8	29.2	36.2	7.9
Other real estate	634.7	19.1	1,871.1	14.4	12.8	33.9
Stocks & mutual funds	597.2	17.9	1,134.4	8.8	5.6	52.6
Financial securities[b]	203.4	6.1	525.8	4.1	3.3	38.7
Checking accounts	51.7	1.6	327.0	2.5	2.9	15.8
Savings & time deposits CDs, & money market funds	233.0	7.0	1,590.4	12.3	14.1	14.7
Net business equity[c]	926.8	27.8	2,364.1	18.2	14.9	39.2
Life insurance cash surrender value	27.7	0.8	270.5	2.1	2.5	10.2
Pension accounts[d]	42.7	1.3	184.2	1.4	1.5	23.2
Net equity in personal trusts	259.1	7.8	331.2	2.6	0.7	78.2
Vehicles	13.2	0.4	413.9	3.2	4.2	3.2
Miscellaneous assets[e]	44.2	1.3	168.0	1.3	1.3	26.3
Liabilities	213.2	6.4	1,646.7	12.7	14.9	12.9
Debt on principal residence	36.3	1.1	789.2	6.1	7.8	4.6
Debt on other real estate	11.6	0.3	93.8	0.7	0.9	12.4
All other debt[f]	165.3	5.0	763.7	5.9	6.2	21.6
<u>Memo</u>:						
Net home equity[g]	260.5	7.8	2,988.6	23.1	28.3	8.7
Debt/Equity ratio		6.8		14.6	17.5	

a. Own computations from the 1983 Survey of Consumer Finances. The 1983 asset and liability entries are aligned to national balance sheet totals. The top one percent is defined as households with income in excess of 170 thousand dollars. See footnotes to Table 4 for technical details.

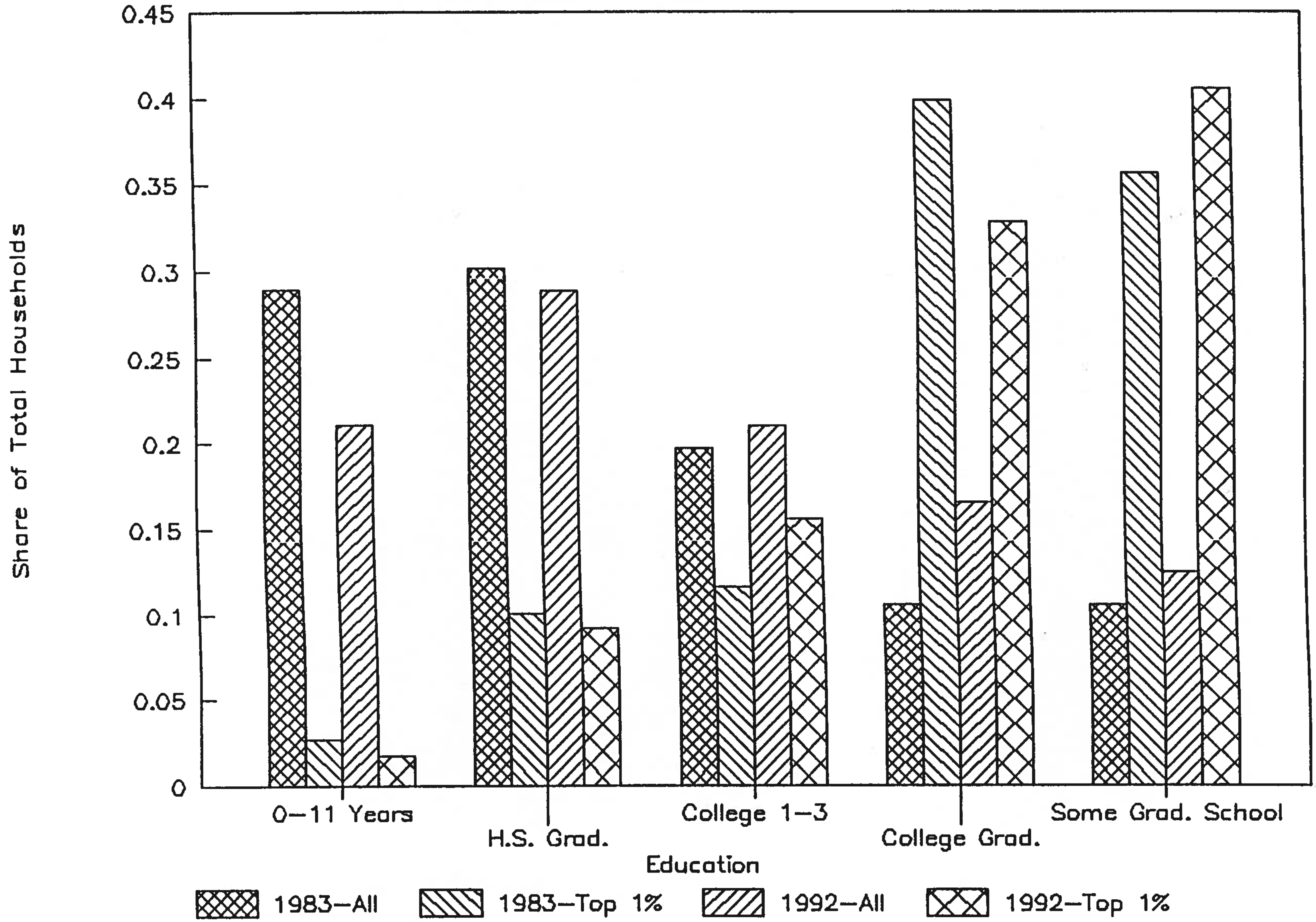
Fg 1 Age Distribution of All Households

And Top 1% of Wealthholders,1983 & 1992



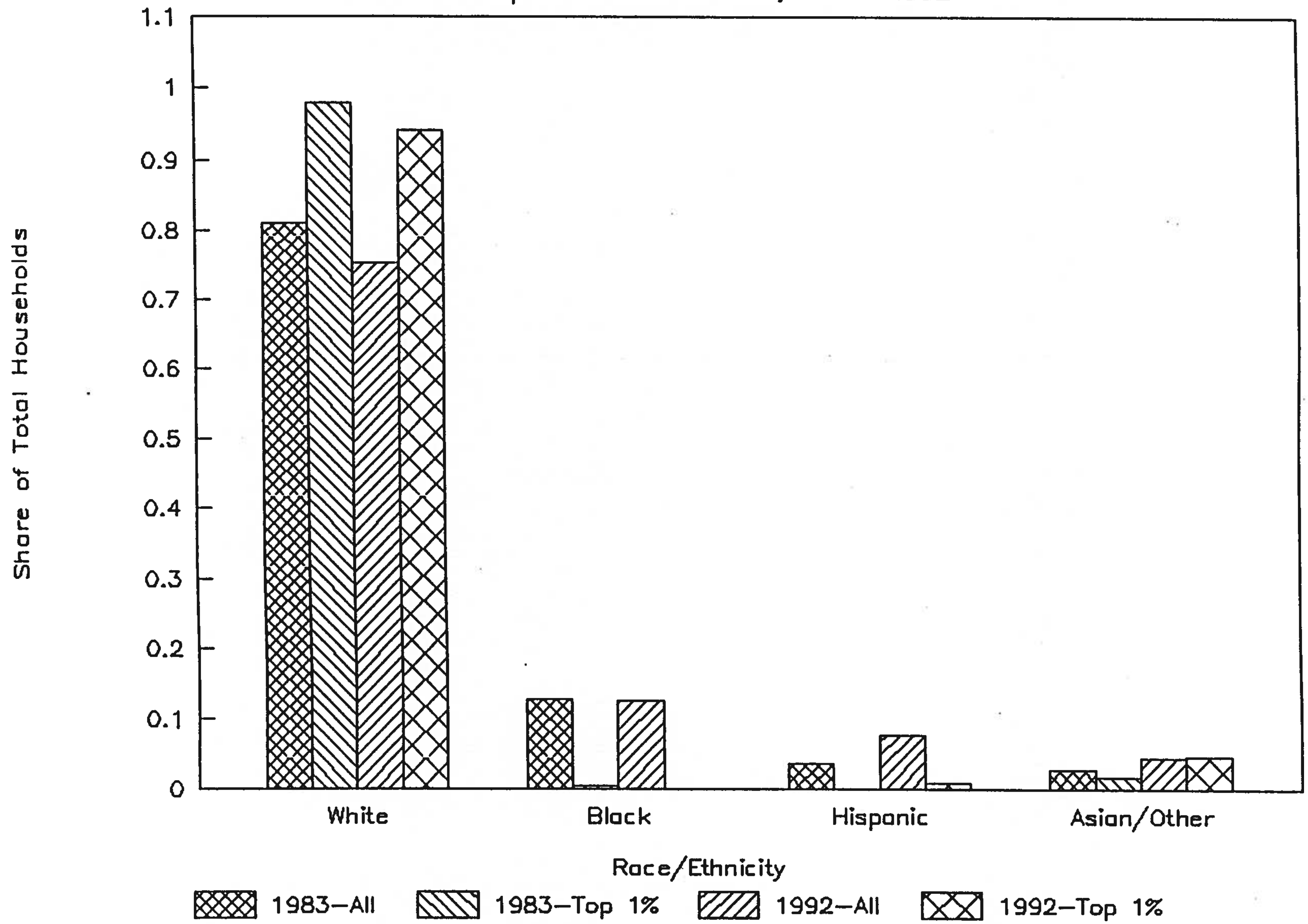
Fg 2 Education Dist. of All Households

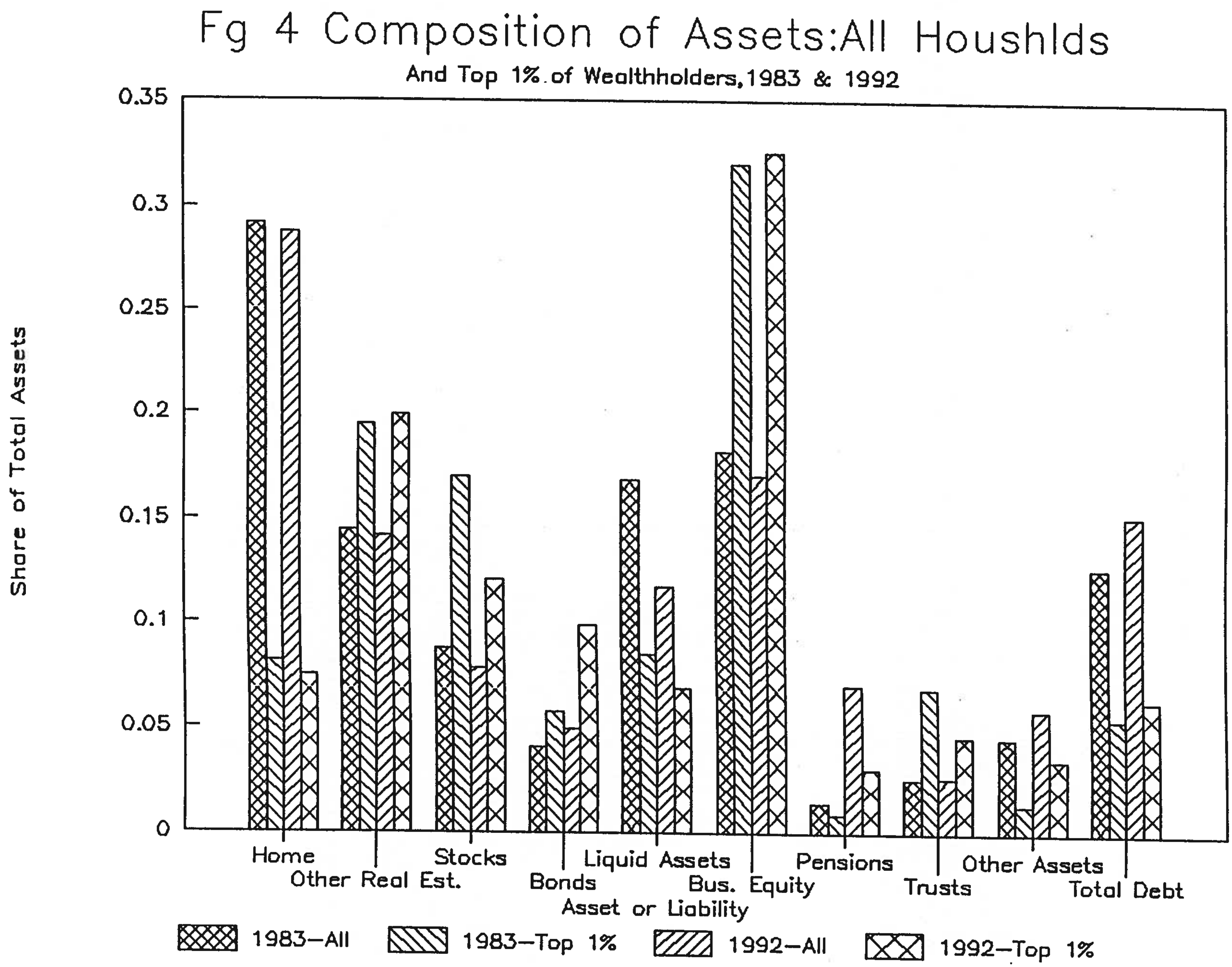
And Top 1% of Wealthholders, 1983 & 1992



Fg 3 Racial Composition:All Households

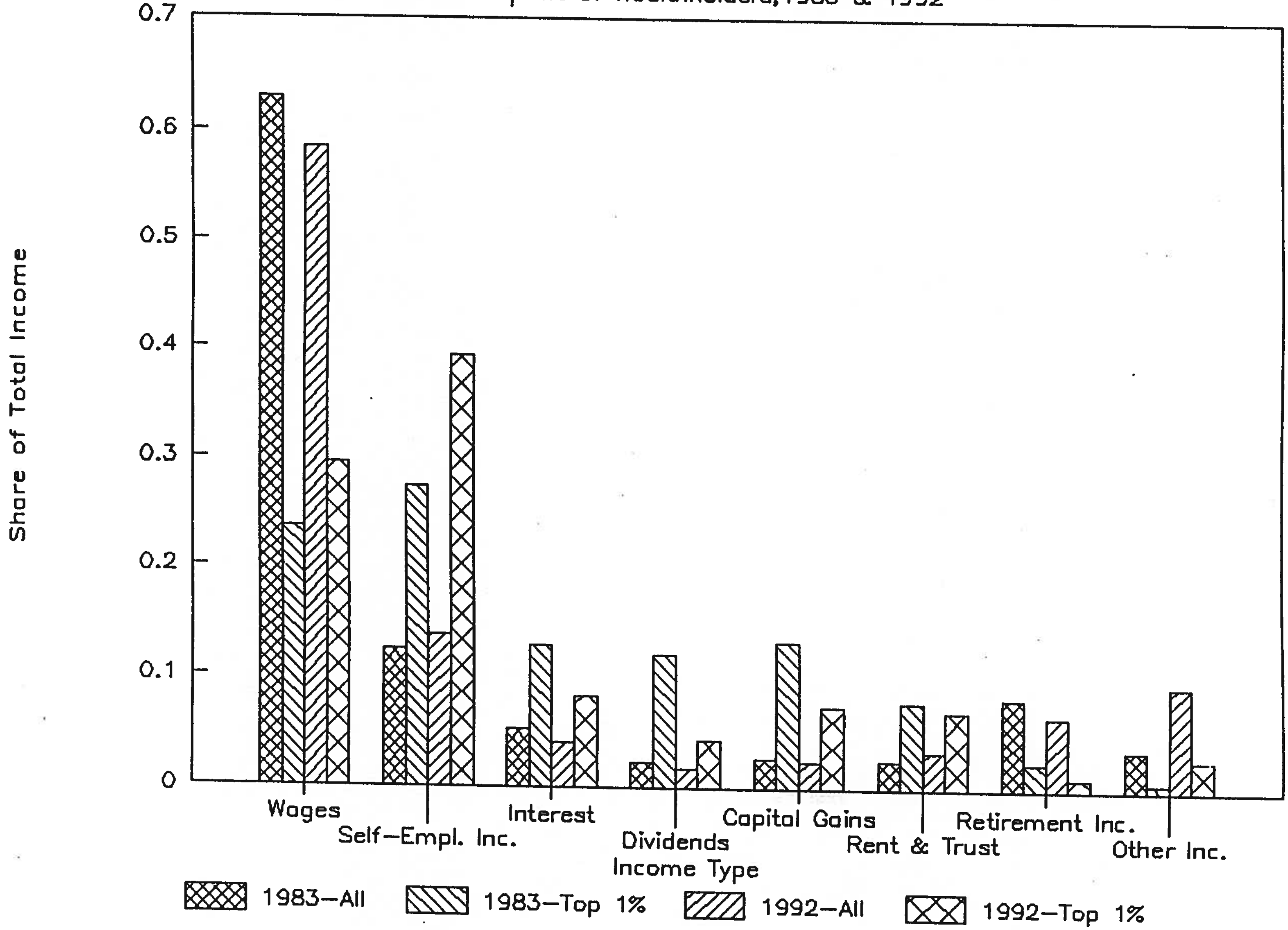
And Top 1% of Wealthholders,1983 & 1992




Fg 4 Composition of Assets:All Houshlds
And Top 1% of Wealthholders,1983 & 1992
Share of Total Assets
0.35
0.3
0.25
0.2
0.15
0.1
0.05
0
Home
Other Real Est.
Stocks
Bonds
Liquid Assets
Bus. Equity
Pensions
Trusts
Other Assets
Total Debt
Asset or Liability
1983–All
1983–Top 1%
1992–All
1992–Top 1%

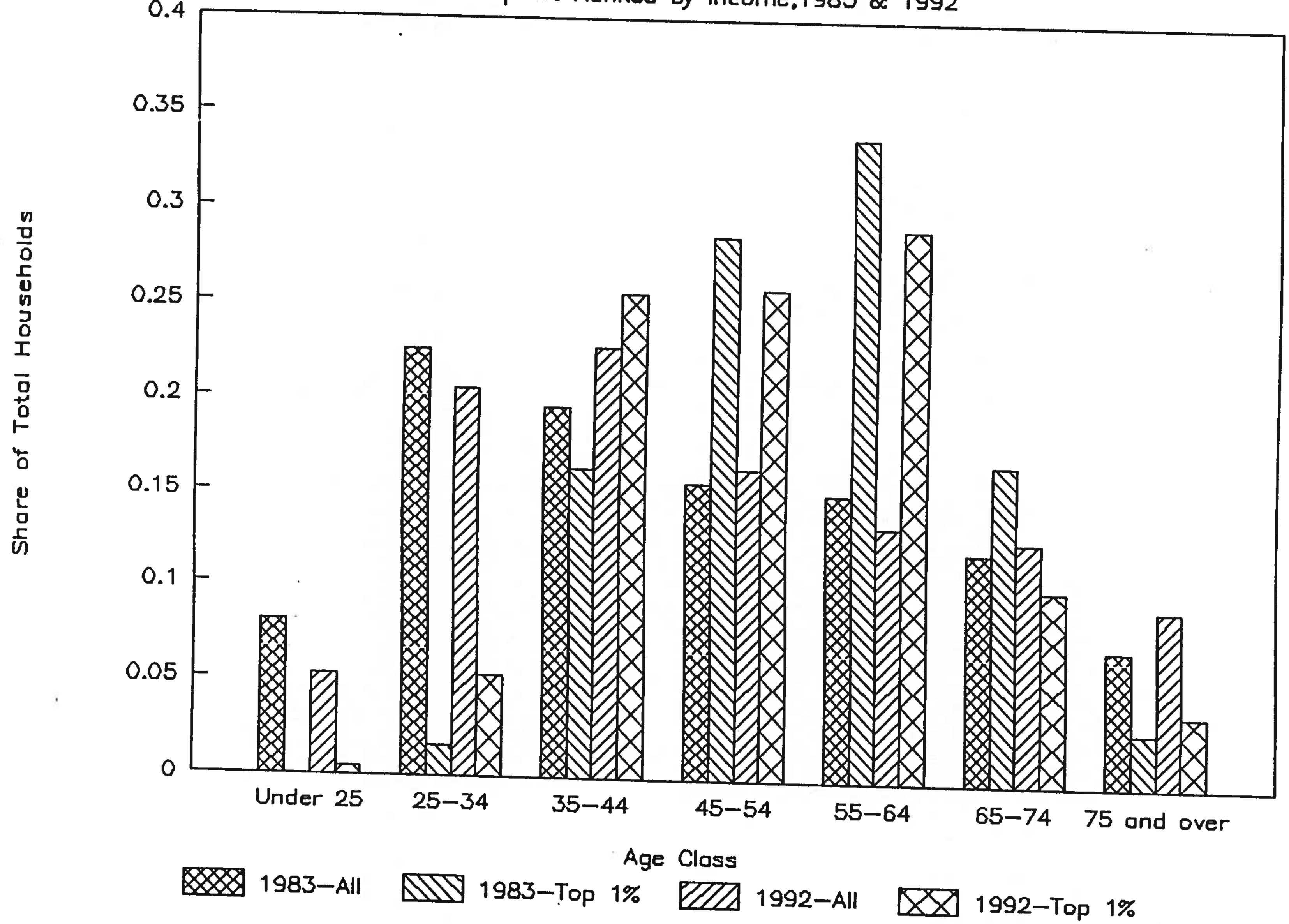
Fg 5 Composition of Income:All Houshlds

And Top 1% of Wealthholders,1983 & 1992



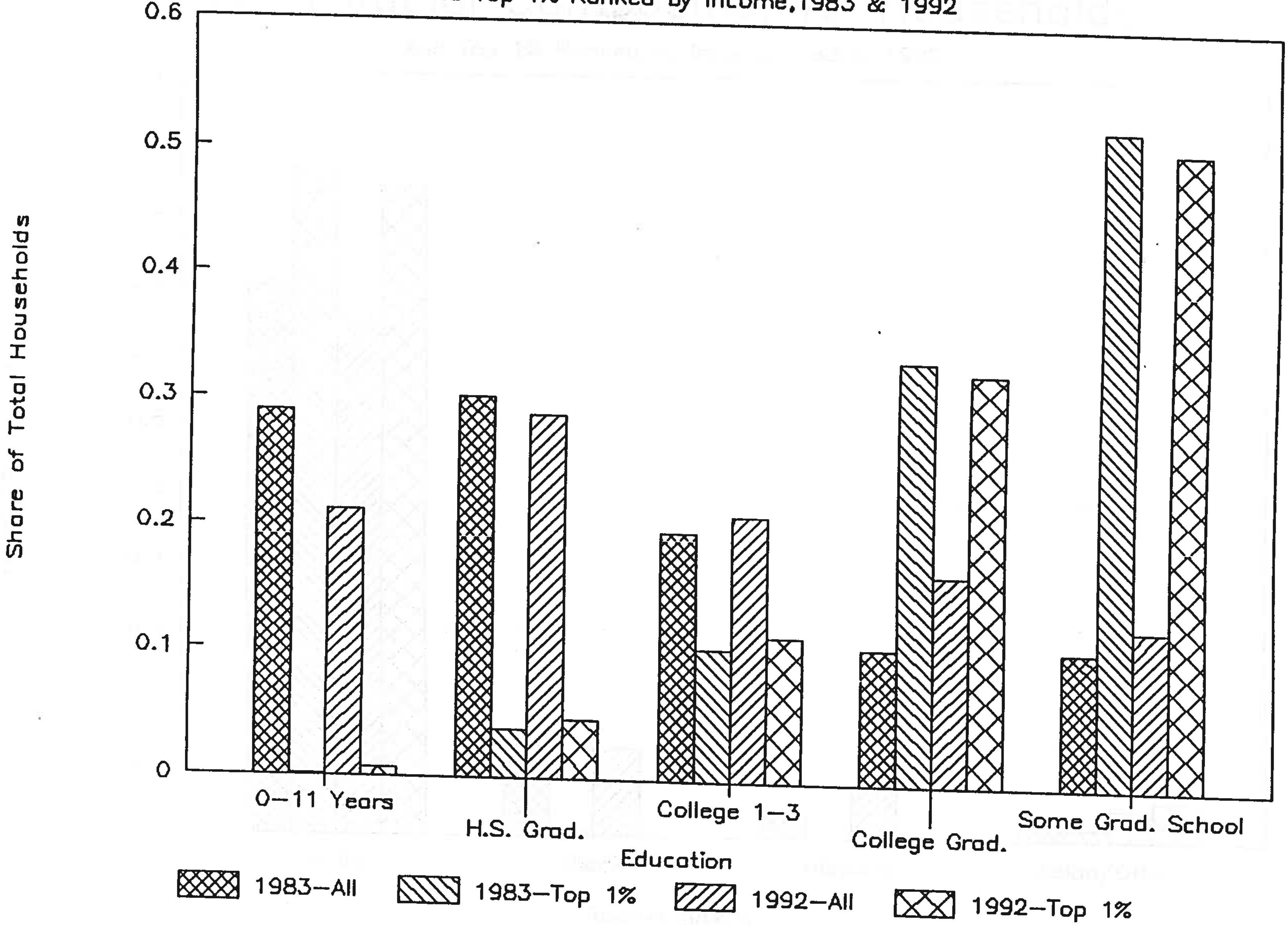
Fg 6 Age Distribution of All Households

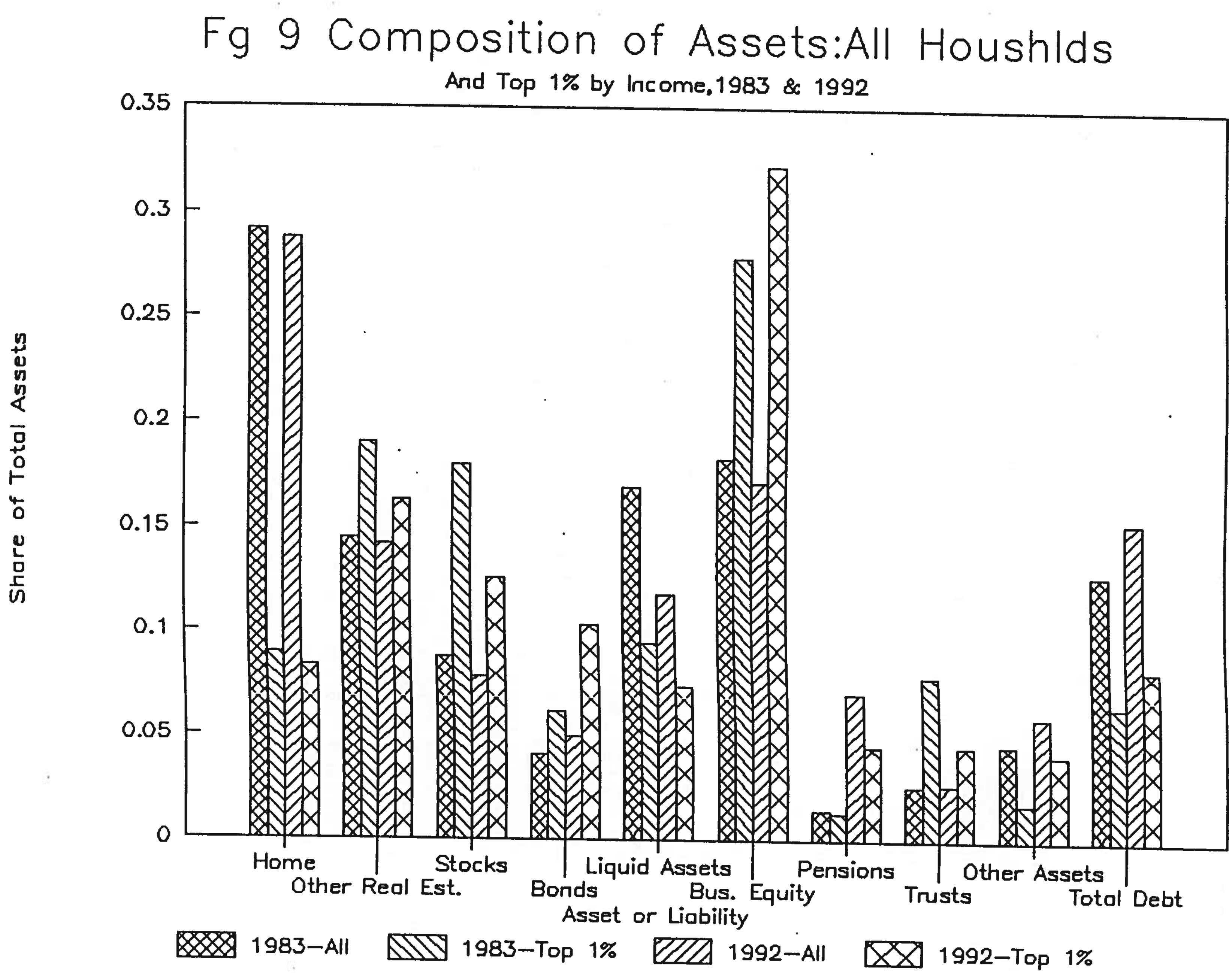
And Top 1% Ranked by Income,1983 & 1992

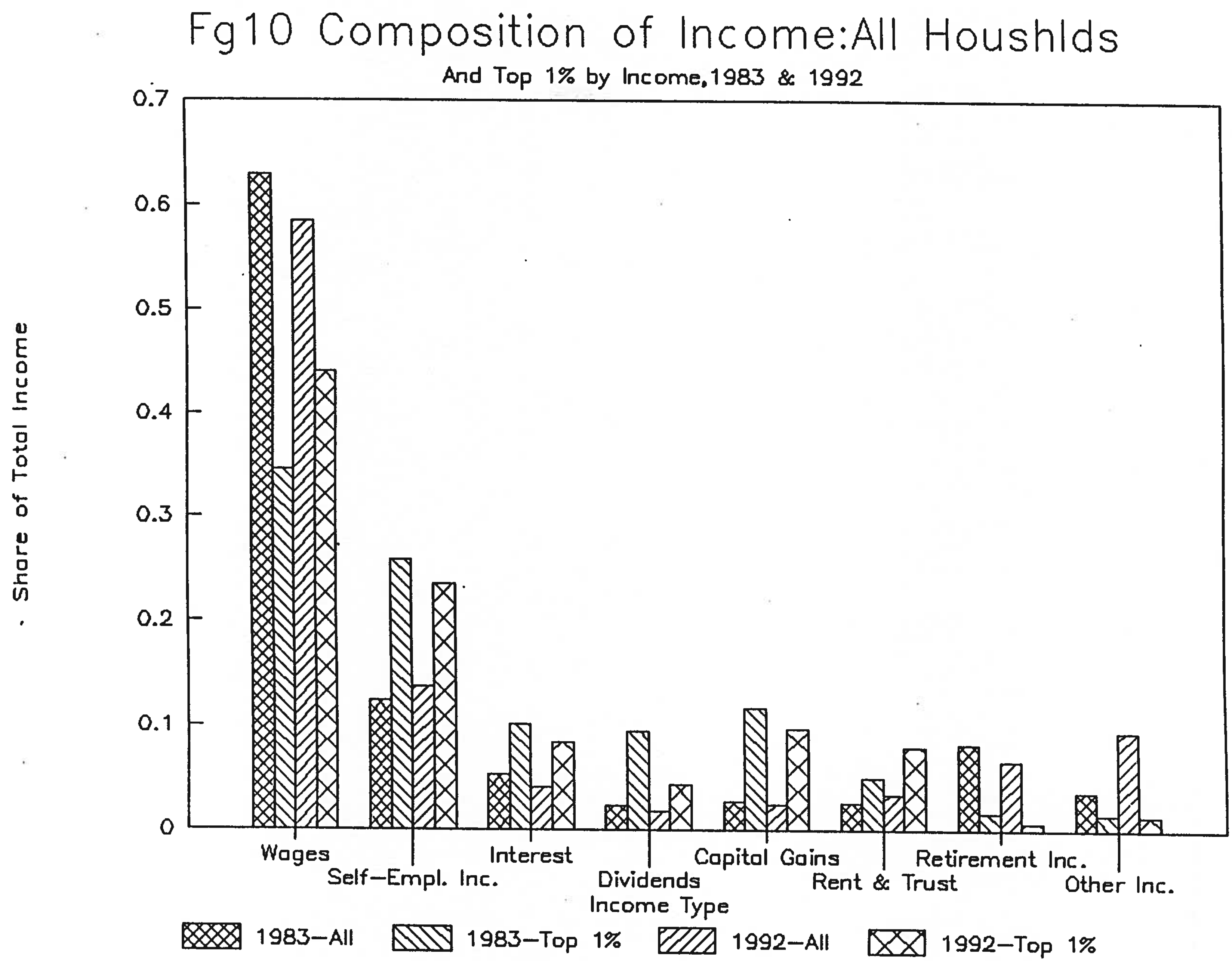


Fg 7 Education Dist. of All Households

And Top 1% Ranked by Income, 1983 & 1992




Fg 9 Composition of Assets:All Houshlds
And Top 1% by Income,1983 & 1992
Share of Total Assets
0.35
0.3
0.25
0.2
0.15
0.1
0.05
0
Home
Other Real Est.
Stocks
Bonds
Liquid Assets
Bus. Equity
Pensions
Trusts
Other Assets
Total Debt
Asset or Liability
1983—All
1983—Top 1%
1992—All
1992—Top 1%



Fg10 Composition of Income:All Houshlds
And Top 1% by Income,1983 & 1992
Share of Total Income
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
Wages
Self—Empl. Inc.
Interest
Dividends
Capital Gains
Rent & Trust
Retirement Inc.
Other Inc.
Income Type
1983—All
1983—Top 1%
1992—All
1992—Top 1%