

Size Distribution of Personal Income, 1956-59

REFLECTING the cyclical upswing in economic activity, the flow of personal income to families and unattached individuals reached a record total of \$362 billion in 1959. This was \$20 billion, or 6 percent, more than in 1958 and 8½ percent above 1957.

When distributed among the Nation's 56 million families and unattached individuals, personal income averaged \$6,520 in 1959. Income per family was about \$250 higher than the year before and \$300 above the average for 1957.

When allowance is made for increases in consumer prices, the 1958-59 advance in average real income per family and individual is found to have been 3 percent. Over the 4-year period since 1955, the increase has averaged 1¼ percent per year.

The distribution of personal income in 1959 among the Nation's 45 million families (units of two or more related persons living together) and 11 million unattached individuals (persons not living with relatives) is shown in the accompanying chart. The bars at the left of the chart show the percentage of families and individuals in each personal income range, and those at the right the percentage share of total income received by each group. In interpreting the chart it should be noted that the figures are preliminary, although they are believed to reflect the actual situation quite closely. Comprehensive data from tax returns are not yet available for 1958 or 1959 and the estimates of income distribution for those 2 years have been extended from 1957 tax-return-based figures by sample survey data on family incomes. All of the figures

This article brings up-to-date the estimates of the distribution of families and family income presented in the April 1959 issue of the *SURVEY OF CURRENT BUSINESS*. Included in the present article are revised family income distributions for 1956 and 1957, and preliminary estimates for 1958 and 1959. For a detailed discussion of sources and methods, the reader is referred to the Technical Note in the April 1958 issue of the *SURVEY* and to the supplement to the *SURVEY* in which the income size distributions were initiated, entitled "*Income Distribution in the United States, by Size, 1944-50*" (U.S. Government Printing Office, Washington 25, D.C., 1953, price 65 cents). A discussion of postwar and prewar changes in income distribution is included in the report of the Office of Business Economics on *U.S. Income and Output* (U.S. Government Printing Office, Washington 25, D.C., 1958, price \$1.50).

presented here have been adjusted to agree statistically with the family income totals included in the personal income series.

Family average income exceeds \$6,500

The largest concentration of families and unattached individuals in 1959 was in the income range between \$4,000 and \$6,000, in which were located 24 percent of the total number of consumer units. This bracket contained both the modal and median family incomes. The mode, estimated at about \$4,600 in 1959, represented the most frequent or usual family income; the median, at approximately \$5,300, was the average that divided the distribution into two parts of equal number—half the families and individuals had incomes below the median and half had incomes above it.

Another two-fifths of consumers were in the two income ranges adjoining the \$4,000 to \$6,000 bracket in the chart. Twenty-one percent had personal income between \$2,000 and \$4,000, and 18 percent received between \$6,000 and \$8,000. The latter range included the average (mean) income of \$6,520, obtained by dividing total income by the total number of families

and unattached individuals.

The per-family average, it may be noted, is considerably higher than the earnings average on a per-employee basis. In 1959, for example, the mean income of \$6,520 per family and unattached individual exceeded the average annual earnings per employee by almost \$2,000 (table 1). Part of the difference is explained by the fact that many families have more than one person working, and part by the inclusion in

family income of dividends, interest, earnings from self employment, and other types of personal income, in addition to the wages and salaries covered in the employee average.

In the range above the average income bracket, 10 percent of consumers received between \$8,000 and \$10,000, and 14 percent had more than \$10,000. At the lower end of the scale less than 14 percent received incomes under \$2,000, many of which were single consumers or farm families.

The distribution of income was pitched higher on the income scale than the distribution of families. As the chart indicates, about one-half of total family personal income accrued to the three-fourths of families and individuals with incomes below \$8,000. The other one-half was distributed among the upper income groups, with the top income ranges accounting, of course, for a much larger proportion of total income than of the total number of families and single consumers.

During 1959 there was a general shift of families and individuals up the income scale, continuing the trend that has prevailed during the postwar period. Interrupted only in the recession years of 1949, 1954, and 1958, the number of

families with incomes above \$4,000 increased in most years by about 1½ to 2½ million. In 1959, 37 million consumer units had personal incomes over \$4,000 as compared with 17 million in 1947 (table 2).

The upward shift of families and individuals into income brackets above \$4,000 appears also, though substantially dampened, in the income size distribution figures after they have been corrected for the rise in consumer prices. This correction has been made, in approximate fashion, in table 3, where the implicit price deflator for personal consumption expenditures (1959=100) has been applied uniformly to all income brackets.

Annual increases in the number of consumer units in upper income brackets, which had been arrested in 1958, appeared again last year. The number of families with more than \$4,000 of real income in terms of 1959 prices increased by 2 million between 1957 and 1959, and by a total of 12½ million since 1947.

Income before and after taxes

Federal individual income tax liabilities of families and single consumers averaged \$640 in 1959. This was moderately up from 1957 and 1958 reflecting the shift of families into higher tax-rate brackets that has accompanied the advance in incomes. The tax liability figures exclude capital gains taxes because the gains themselves are not counted in measuring family income. State and local income taxes, which are also excluded, added only about \$35 to the average family Federal tax bill last year.

After-tax average family incomes in 1929, 1947, and 1959 are compared in the second chart, which also shows before-tax incomes per family in the same 3 years. All of the income figures in the chart are expressed in terms of 1959 dollars, in order to eliminate the effect of price increases.

During the postwar period shown in the chart, average real family income advanced by almost one-fourth. On a before-tax income basis the family average (in terms of 1959 dollars) rose from \$5,300 in 1947 to the \$6,500 already noted for last year. The overall rate of increase in the 12 year period

Table 1.—Average Family Personal Income Before and After Federal Individual Income Tax Liability and Average Annual Earnings Per Full-Time Employee

	Number of families and unattached individuals (millions)	Average (mean) personal income per family and unattached individual				Average (mean) annual earnings per full-time employee (in current dollars)
		Before tax		After tax		
		In current dollars	In 1959 dollars ¹	In current dollars	In 1959 dollars ¹	
1929.....	36.1	\$2,340	\$4,100	\$2,320	\$4,070	\$1,405
1947.....	44.7	4,130	5,290	3,720	4,770	2,589
1948.....	46.3	4,350	5,260	4,010	4,850	2,795
1949.....	47.8	4,170	5,080	3,860	4,710	2,851
1950.....	48.9	4,440	5,340	4,070	4,890	3,008
1951.....	49.5	4,900	5,530	4,420	4,980	3,231
1952.....	50.2	5,120	5,650	4,570	5,040	3,414
1953.....	50.5	5,390	5,900	4,810	5,260	3,587
1954.....	51.2	5,360	5,800	4,840	5,240	3,670
1955.....	52.2	5,640	6,080	5,090	5,490	3,847
1956.....	52.8	6,010	6,370	5,400	5,730	4,036
1957.....	53.6	6,220	6,410	5,590	5,760	4,205
1958.....	54.6	6,260	6,330	5,650	5,710	4,344
1959.....	55.6	6,520	6,520	5,880	5,880	4,573

1. The price indexes used as deflators are those employed in deflating the personal consumption expenditure series in the national income accounts.

Source: U.S. Department of Commerce, Office of Business Economics.

was about the same on an after-income-tax basis, because reductions in Federal income tax rates were offset by the upward shift of families into higher tax brackets.

Before-tax income per family has grown at an annual rate that averaged 1½ percent over the past 30 years. Coupled with a similar rate of growth in the number of families and single consumers, this meant that the rate of advance in the total flow of real (before-tax) family income has averaged 3 percent per year since 1929.

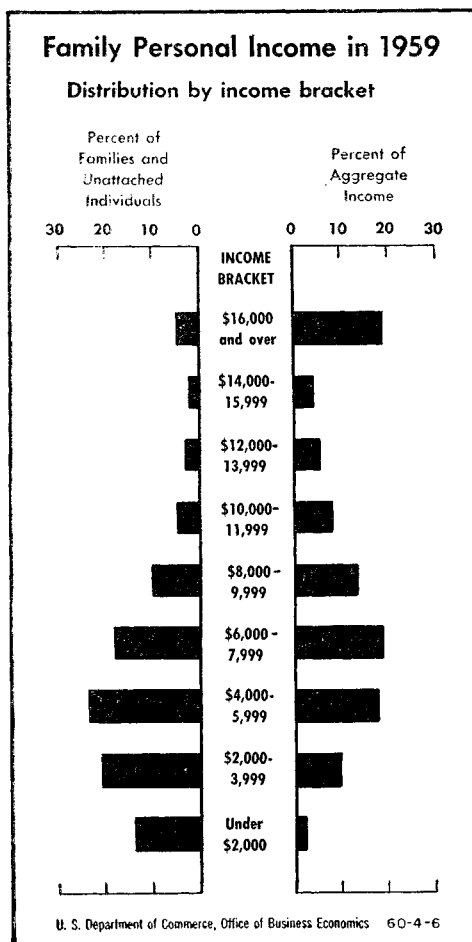
Reflecting the upswing in income tax liabilities introduced during World War II and the high level of taxes maintained in the postwar years, the 30-year rate of growth has been somewhat smaller in after-tax income. Since 1929, the flow of after-tax purchasing power to families and individuals has advanced at an annual rate that averaged 1¼ percent per year per family.

Sources of income

To provide information on the structure of family incomes, and of recent changes in that structure, estimates have been developed for selected years of the distribution of each major type of income among broad family income brackets. The distributions, available for nonfarm families only, are shown in table 4 for 1952, 1955, and 1957.

These estimates, which involve breakdowns by both type and size of family

income, are of a more approximate nature than the annual income distributions in which the only variable is income size. The breakdowns were developed by combining information from tax returns with data from sample

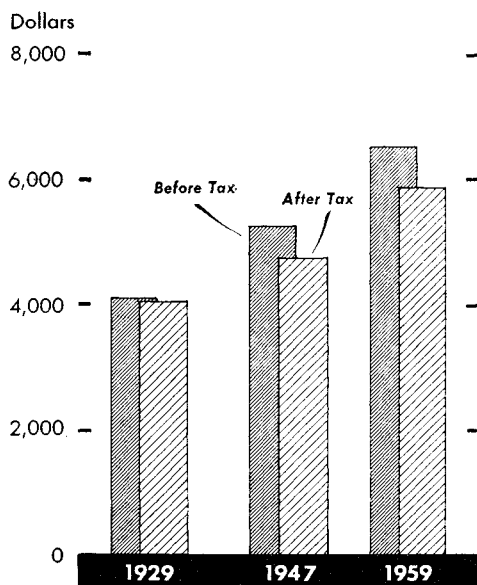


surveys and other sources, and integrating the results with totals for each of the various types of income which had been derived independently in constructing the personal income series. For certain types of income, particularly transfer payments, interest, and various items of nonmoney income, the available information on the distribution by family income brackets is incomplete.

Despite their limitations, the source-patterns of income are believed to provide a reliable approximation of variations in income structure among families in different broad income brackets, and of major changes in that structure in recent years. The accompanying chart summarizes these patterns in

Average Family Personal Income*

In constant (1959) dollars



* Includes unattached individuals

U. S. Department of Commerce, Office of Business Economics

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terms of three broad personal income brackets—under \$4,000, \$4,000 to \$10,000, and \$10,000 and over.

The 3 years were basically similar in certain respects but differed in others. A broad similarity existed in that wages and salaries comprised about four-fifths of total income for nonfarm families in the middle income range between \$4,000 and \$10,000 in all 3 years. Both below and above that range payrolls represented smaller proportions of the income total. Transfer payments were an important second source of

Table 2.—Distribution of Consumer Units and Their Income by Family Income Level, 1947 and 1955-59

Family personal income (before income taxes)	Number of families and unattached individuals (millions)						Aggregate family personal income (billions of dollars)					
	1947	1955	1956	1957	1958	1959	1947	1955	1956	1957	1958	1959
Under \$2,000.....	11.1	8.2	7.7	7.7	7.8	7.5	13.2	9.3	8.7	8.6	8.7	8.4
\$2,000-\$3,999.....	17.1	13.3	12.2	11.9	12.0	11.6	51.2	40.7	37.4	36.3	36.6	35.2
\$4,000-\$5,999.....	9.2	13.6	13.6	13.0	13.2	13.1	44.5	67.7	67.5	64.8	65.5	65.2
\$6,000-\$7,999.....	3.8	8.5	8.8	9.3	9.5	9.9	26.0	58.2	61.0	64.4	66.0	68.8
\$8,000-\$9,999.....	1.5	3.7	4.5	4.9	5.1	5.6	13.3	32.5	39.7	44.0	45.2	49.5
\$10,000-\$14,999.....	1.2	3.1	3.8	4.3	4.4	5.0	14.3	36.9	45.6	51.6	53.5	60.3
\$15,000 and over.....	.8	1.8	2.2	2.5	2.6	2.9	22.1	48.9	57.5	64.2	66.6	75.0
Total.....	44.7	52.2	52.8	53.6	54.6	55.6	184.6	294.2	317.4	333.9	342.1	362.4
Percent distribution												
Under \$2,000.....	25	16	15	14	14	14	7	3	3	3	3	2
\$2,000-\$3,999.....	38	25	23	22	22	21	28	14	12	11	11	10
\$4,000-\$5,999.....	20	26	26	24	24	23	24	23	21	20	19	18
\$6,000-\$7,999.....	9	16	17	18	18	18	14	20	19	19	19	19
\$8,000-\$9,999.....	3	7	8	9	9	10	7	11	13	13	13	14
\$10,000-\$14,999.....	3	6	7	8	8	9	8	12	14	15	16	16
\$15,000 and over.....	2	4	4	5	5	5	12	17	18	19	19	21
Total.....	100	100	100	100	100	100	100	100	100	100	100	100

Source: U.S. Department of Commerce, Office of Business Economics.

income in the range below \$4,000, although property and business incomes also accounted for far from negligible proportions. Above \$10,000, income from property and business (including professional income) represented a highly significant portion of total income; dividends, in particular, rose in relative importance from a few percentage points in the brackets below \$10,000 to one-tenth of total income.

As table 4 indicates, the category of interest and rental income resembled wages and salaries in that it showed relatively less variation among income brackets as a source of family income than did business income, dividends, and transfers.

The major change that took place between 1952 and 1957 was the growth in the importance of transfer payments, particularly old-age and survivors insurance benefits, in the income range under \$4,000. Transfer payments accounted for only one-eighth of total family income in this range in 1952 and

for one-fourth in 1957. This rise was offset by a decline in the relative importance of the wage and salary component.

A large part of this growth was explained by the changes that occurred in the nonfarm families with incomes less than \$4,000. Families in the upper part of this range, who characteristically receive a smaller proportion of their total income in the form of transfer payments than the group as a whole, shifted into higher income brackets, as the number of nonfarm families in this group decreased from 11½ million in 1952 to 8½ million in 1957. Older aged families who are typically recipients of transfer payments formed a larger proportion of the group than in 1952.

The broadened coverage of the social security programs, the rise in benefit rates, and the increased numbers of older aged persons, resulted in a tripling of total old-age and disability insurance payments under the Social Security Act over the 5-year period, and also con-

Table 3.—Distribution of Consumer Units by Real Income Level, 1947 and 1956-59

Family personal income in 1959 dollars (before income taxes)	Number of families and unattached individuals (millions)					Percent distribution				
	1947	1956	1957	1958	1959	1947	1956	1957	1958	1959
Under \$2,000.....	7.6	7.2	7.4	7.7	7.5	17	14	14	14	14
\$2,000-\$3,999.....	13.1	11.1	11.4	11.8	11.6	30	21	21	22	21
\$4,000-\$5,999.....	11.6	13.3	12.8	13.1	13.1	26	25	24	24	23
\$6,000-\$7,999.....	5.9	9.3	9.6	9.6	9.9	13	18	18	18	18
\$8,000-\$9,999.....	2.8	5.0	5.2	5.2	5.6	6	9	10	9	10
\$10,000-\$14,999.....	2.3	4.4	4.6	4.6	5.0	5	8	8	8	9
\$15,000 and over.....	1.4	2.5	2.6	2.6	2.9	3	5	5	5	5
Total.....	44.7	52.8	53.6	54.6	55.6	100	100	100	100	100

Source: U.S. Department of Commerce, Office of Business Economics.

tributed to the observed shift in family income composition.

In the family income range above \$10,000, the outstanding shift in income structure was the growth in relative importance of wages and salaries, accounting for about one-half of the total income in the range in 1952 and over six-tenths in 1957. The shift stemmed in part from the movement of families up the income scale that has accompanied the postwar rise in incomes. Families with incomes above \$10,000 comprised one-sixth of all nonfarm families in 1957, as compared with less than one-tenth in 1952. Part of the shift, however, represented an increase in the relative importance of wages and salaries in the income total received by the top tenth of families.

In the broad range between \$4,000 and \$10,000, which accounted for 60 percent of nonfarm families in both 1952 and 1957, there was relatively much less change in family income structure than occurred on the average in the income ranges above and below.

Technical Note

The family income distributions presented in this article have been developed on the basis of consolidated data from Federal individual income tax returns and information from annual surveys of family incomes conducted by the Census Bureau, Federal Reserve Board, the Survey Research Center of the University of Michigan. The procedures for combining the data from these sources are the same as those described for earlier years in the Technical Note to the article on size distribution of personal income in the April 1958 issue of the SURVEY.

The family income distributions are tied directly to the national personal income series. However, for years prior to 1955 they have not been adjusted to the revised series presented in the report on *U.S. Income and Output*. The estimates for certain components of personal income have been modified somewhat for 1955 in order to improve comparability between the revised income distributions for 1955 forward and those retained for earlier years. The adjusted size distribution estimates for the period prior to 1955 would not

Table 4.—Relative Importance of Major Types of Income by Income Level, Nonfarm Multiperson Families, 1952, 1955, and 1957

	Percent distribution of nonfarm families	Percent distribution by type of income					
		Nonfarm family personal income	Wages and salaries	Nonfarm business and pro- fessional income	Dividends and in- come from estates and trusts	Interest and rental income	Transfer payments and mis- cellaneous income
1952							
Under \$4,000.....	32.5	100.0	74.0	2.5	1.5	9.6	12.4
\$4,000-\$5,999.....	33.3	100.0	81.7	5.8	1.0	7.0	4.5
\$6,000-\$9,999.....	25.5	100.0	79.8	8.2	1.6	7.4	3.0
\$10,000 and over.....	8.7	100.0	53.1	22.9	11.7	11.5	.8
Total.....	100.0	100.0	72.4	10.6	4.1	8.7	4.2
1955							
Under \$4,000.....	27.4	100.0	65.0	3.3	1.1	10.1	20.5
\$4,000-\$5,999.....	30.8	100.0	81.1	6.3	1.0	7.7	3.9
\$6,000-\$9,999.....	29.7	100.0	81.6	6.7	1.3	7.2	3.2
\$10,000 and over.....	12.1	100.0	58.5	19.6	9.8	11.3	.8
Total.....	100.0	100.0	72.2	10.3	3.9	9.0	4.6
1957							
Under \$4,000.....	22.4	100.0	59.3	3.0	1.5	11.8	24.4
\$4,000-\$5,999.....	27.3	100.0	78.3	7.1	1.0	8.4	5.2
\$6,000-\$9,999.....	33.9	100.0	80.9	6.6	1.1	7.4	4.0
\$10,000 and over.....	16.4	100.0	62.7	16.8	8.1	10.8	1.6
Total.....	100.0	100.0	71.7	10.3	3.8	9.2	5.0

Source: U.S. Department of Commerce, Office of Business Economics.

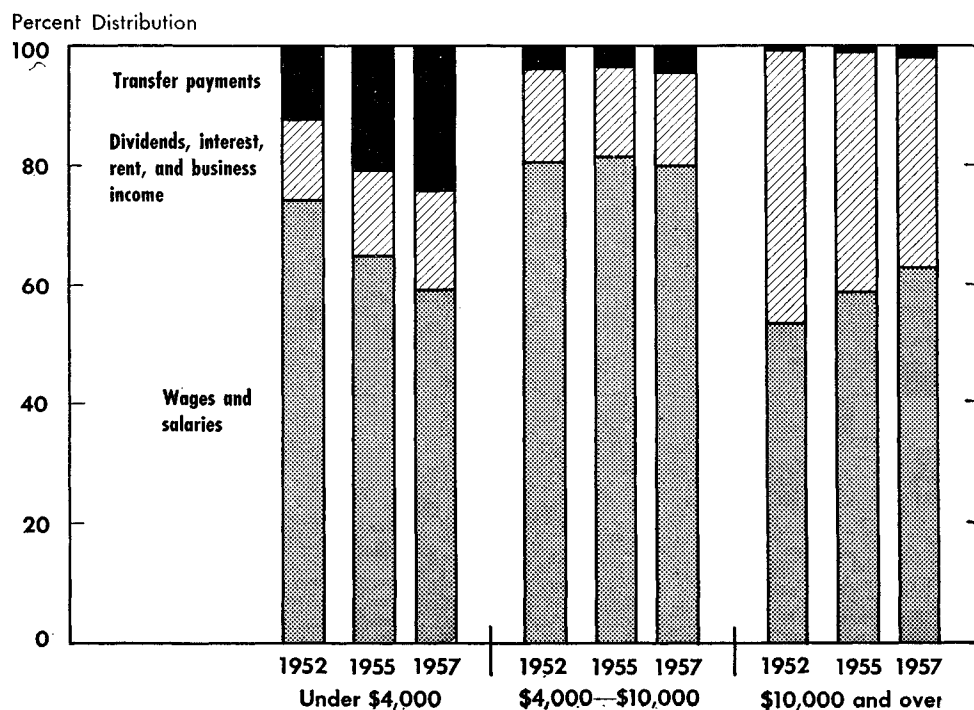
be affected to any substantial extent by the recent revisions of personal income, except in the case of farm operator families. For a discussion of the extent of revision for that group, see page 19 of the April 1958 issue of the SURVEY.

Definition of terms

The definitions of families and unattached individuals in the income distribution tables conform with those used by the Census Bureau. Families are units of two or more persons related by blood, marriage, or adoption and

Composition of Family Personal Income*

In three income brackets



* Nonfarm families only

U. S. Department of Commerce, Office of Business Economics

NOTE.—The following tables revise and carry forward the series presented in tables 5–12 of earlier articles on income distribution. For data for years prior to 1955, see April 1958 issue of the SURVEY.

Table 5.—Distribution of Consumer Units and Their Family Personal Income by Family Personal Income Level, Selected Years, 1944–58

Family personal income (before income taxes)	Number of families and unattached individuals (thousands)											Aggregate family personal income (millions of dollars)										
	1944	1946	1947	1950	1952	1953	1954	1955	1956	1957	1958	1944	1946	1947	1950	1952	1953	1954	1955	1956	1957	1958
Under \$1,000.....	4,352	3,826	3,748	3,861	3,282	2,956	3,071	8,241	7,713	7,664	7,786	2,390	2,017	1,973	1,943	1,688	1,518	1,571	9,326	8,688	8,612	8,732
\$1,000–\$1,999.....	8,108	7,606	7,370	7,464	5,687	5,554	5,889	5,917	5,397	5,395	5,457	12,338	11,570	11,231	11,333	8,627	8,438	8,951	13,536	13,536	13,536	13,694
\$2,000–\$2,999.....	8,762	8,791	8,459	8,091	6,541	6,364	6,509	5,917	5,397	5,395	5,457	21,938	22,007	21,176	20,273	16,411	15,998	16,345	14,871	13,555	13,536	13,694
\$3,000–\$3,999.....	7,723	8,590	8,628	8,586	7,636	7,061	7,291	7,339	6,796	6,493	6,532	26,960	29,906	30,045	29,983	26,792	24,817	25,615	25,815	23,879	22,775	22,909
\$4,000–\$4,999.....	4,535	5,364	5,725	7,054	7,631	7,117	7,118	7,328	7,401	6,844	6,881	20,261	23,956	25,583	31,533	34,305	32,057	32,055	33,021	33,321	30,799	30,953
\$5,000–\$5,999.....	2,515	3,065	3,474	4,694	6,072	6,152	6,032	6,321	6,241	6,192	6,303	13,739	16,725	18,957	25,603	33,200	33,702	33,033	34,648	34,208	33,941	34,547
\$6,000–\$7,499.....	2,259	2,547	3,151	3,836	5,801	6,379	6,284	6,925	7,202	7,525	7,688	14,942	16,833	20,812	25,578	38,759	42,611	41,947	46,311	48,165	50,280	51,415
\$7,500–\$9,999.....	1,385	1,751	2,170	2,758	4,121	4,768	4,734	5,203	6,115	6,773	6,959	11,802	14,905	18,454	23,364	34,660	40,707	40,333	44,468	52,484	58,100	59,744
\$10,000–\$14,999.....	707	1,070	1,199	1,536	2,041	2,636	2,661	3,068	3,794	4,289	4,446	8,483	12,784	14,300	18,310	24,212	31,561	31,856	36,915	45,668	51,623	53,513
\$15,000–\$19,999.....	246	332	386	414	598	734	745	883	1,112	1,282	1,282	4,215	5,692	6,586	7,083	10,214	12,557	12,749	15,129	19,081	21,994	
\$20,000–\$24,999.....	108	143	167	218	316	308	313	378	432	489		2,395	3,165	3,700	4,826	6,986	6,821	6,931	8,382	9,611	10,872	
\$25,000–\$49,999.....	140	191	208	294	384	383	397	452	512	557	2,568	4,651	6,308	6,879	9,743	12,633	12,793	13,294	15,140	17,242	18,752	66,560
\$50,000 and over.....	40	54	55	84	100	98	106	115	135	147		3,607	4,837	4,902	7,690	8,675	8,606	9,276	10,213	11,546	12,572	
Total.....	40,880	43,330	44,740	48,890	50,210	50,510	51,150	52,170	52,850	53,650	54,620	147,721	170,705	184,598	217,262	257,162	272,186	273,956	294,239	317,448	333,856	342,067
Percent distribution																						
Under \$1,000.....	10.7	8.8	8.4	7.9	6.5	5.9	6.0	15.8	14.6	14.3	14.3	1.6	1.2	1.1	0.9	0.7	0.6	0.6	3.2	2.7	2.6	2.6
\$1,000–\$1,999.....	19.8	17.6	16.5	15.3	11.3	11.0	11.5	11.3	10.2	10.1	10.0	8.4	6.8	6.1	5.2	3.3	3.1	3.3	5.1	4.3	4.0	4.0
\$2,000–\$2,999.....	21.4	20.3	18.9	16.6	13.0	12.6	12.7	11.3	10.2	10.1	10.0	14.9	12.9	11.5	9.3	6.4	5.9	6.0	8.8	7.5	6.8	6.7
\$3,000–\$3,999.....	18.9	19.8	19.3	17.6	15.2	14.0	14.3	14.1	12.9	12.1	12.0	18.3	17.5	16.3	13.8	10.4	9.1	9.4	11.7	10.5	9.2	9.0
\$4,000–\$4,999.....	11.1	12.4	12.8	14.4	15.2	14.1	13.9	14.0	14.0	12.8	12.6	13.7	14.0	13.8	14.5	13.3	11.8	11.7	11.2	10.5	9.2	9.0
\$5,000–\$5,999.....	6.2	7.1	7.8	9.6	12.1	12.2	11.8	12.1	11.8	11.5	11.5	9.3	9.8	10.2	11.8	12.9	12.4	12.1	11.8	10.8	10.2	10.1
\$6,000–\$7,499.....	5.5	5.9	7.0	7.9	11.6	12.6	12.3	13.3	13.6	14.0	14.1	10.1	9.9	11.3	11.8	15.1	15.6	15.3	15.8	15.2	15.1	15.0
\$7,500–\$9,999.....	3.4	4.0	4.8	5.6	8.2	9.4	9.2	10.0	11.6	12.6	12.7	8.0	8.7	10.0	10.8	13.5	14.9	14.7	15.1	16.5	17.4	17.5
\$10,000–\$14,999.....	1.7	2.5	2.7	3.1	4.1	5.2	5.2	5.9	7.2	8.0	8.1	5.7	7.5	7.7	8.4	9.4	11.6	11.6	12.5	14.4	15.4	15.6
\$15,000–\$19,999.....	.6	.8	.8	.8	1.2	1.4	1.5	1.7	2.1	2.4		2.9	3.3	3.6	3.3	4.0	4.6	4.6	5.1	6.0	6.6	
\$20,000–\$24,999.....	.3	.3	.4	.4	.6	.6	.6	.7	.8	.9		1.6	1.9	2.0	2.2	2.7	2.5	2.5	2.8	3.0	3.3	
\$25,000–\$49,999.....	.3	.4	.5	.6	.8	.8	.8	.9	1.0	1.0	4.7	3.1	3.7	3.7	4.5	4.9	4.7	4.8	5.1	5.4	5.6	19.5
\$50,000 and over.....	.1	.1	.1	.2	.2	.2	.2	.2	.2	.3		2.4	2.8	2.7	3.5	3.4	3.2	3.4	3.5	3.7	3.8	
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: U.S. Department of Commerce, Office of Business Economics.

Table 6.—Distribution of Families and Their Family Personal Income by Family Personal Income Level, 1955–58

Family personal income (before income taxes)	Number of families (thousands)				Aggregate family personal income (millions of dollars)			
	1955	1956	1957	1958	1955	1956	1957	1958
Under \$2,000.....	3,948	3,664	3,589	3,567	4,890	4,500	4,460	4,370
\$2,000–\$2,999.....	3,808	3,345	3,280	3,272	9,636	8,446	8,287	8,248
\$3,000–\$3,999.....	5,862	5,278	4,879	4,817	20,703	18,617	17,174	16,966
\$4,000–\$4,999.....	6,561	6,539	5,869	5,825	29,609	29,491	26,473	26,269
\$5,000–\$5,999.....	5,943	5,788	5,653	5,718	32,599	31,745	31,008	31,350
\$6,000–\$7,499.....	6,704	6,935	7,204	7,333	44,843	46,393	48,156	49,069
\$7,500–\$9,999.....	5,065	5,954	6,581	6,747	43,292	51,116	56,460	57,938
\$10,000–\$14,999.....	3,002	3,714	4,195	4,342	36,136	44,720	50,511	52,289
\$15,000–\$19,999.....	864	1,089	1,256		14,805	18,698	21,558	
\$20,000–\$24,999.....	367	421	477		8,140	9,368	10,611	
\$25,000–\$49,999.....	436	495	538	2,499	14,596	16,651	18,089	
\$50,000 and over.....	110	128	140		9,690	10,951	11,888	
Total.....	42,670	43,350	43,670	44,120	268,939	290,696	304,615	310,851
Percent distribution								
Under \$2,000.....	9.3	8.4	8.2	8.1	1.8	1.6	1.4	1.4
\$2,000–\$2,999.....	8.9	7.7	7.5	7.4	3.6	2.9	2.7	2.6
\$3,000–\$3,999.....	13.7	12.2	11.2	10.9	7.7	6.4	5.6	5.5
\$4,000–\$4,999.....	15.4	15.1	13.4	13.2	11.0	10.1	8.7	8.5
\$5,000–\$5,999.....	13.9	13.4	13.0	13.0	12.1	10.9	10.2	10.1
\$6,000–\$7,499.....	15.7	16.0	16.5	16.6	16.7	16.0	15.8	15.8
\$7,500–\$9,999.....	11.9	13.7	15.1	15.3	16.1	17.6	18.5	18.6
\$10,000–\$14,999.....	7.0	8.6	9.6	9.8	13.5	15.4	16.6	16.8
\$15,000–\$19,999.....	2.0	2.5	2.9		5.5	6.4	7.1	
\$20,000–\$24,999.....	.9	1.0	1.1		3.0	3.2	3.5	
\$25,000–\$49,999.....	1.0	1.1	1.2	5.7	5.4	5.7	6.0	20.7
\$50,000 and over.....	.3	.3	.3		3.6	3.8	3.9	
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: U.S. Department of Commerce, Office of Business Economics.

Table 7.—Distribution of Unattached Individuals and Their Family Personal Income by Family Personal Income Level, 1955-58

Family personal income (before income taxes)	Number of unattached individuals (thousands)				Aggregate family personal income (millions of dollars)			
	1955	1956	1957	1958	1955	1956	1957	1958
Under \$2,000	4,293	4,049	4,075	4,219	4,436	4,188	4,213	4,361
\$2,000-\$2,999	2,109	2,052	2,106	2,184	5,235	5,109	5,249	5,446
\$3,000-\$3,999	1,477	1,517	1,614	1,715	5,112	5,262	5,601	5,943
\$4,000-\$4,999	767	863	975	1,056	3,412	3,830	4,326	4,683
\$5,000-\$5,999	378	453	539	586	2,048	2,463	2,933	3,196
\$6,000-\$7,499	221	268	321	355	1,468	1,772	2,124	2,347
\$7,500-\$9,999	138	161	192	212	1,176	1,368	1,640	1,807
\$10,000-\$14,999	66	81	94	104	779	948	1,112	1,224
\$15,000-\$19,999	19	22	25		324	383	436	
\$20,000-\$24,999	11	11	12		242	243	260	
\$25,000-\$49,999	16	17	20	69	545	591	662	2,209
\$50,000 and over	5	6	7		523	595	685	
Total	9,500	9,500	9,980	10,500	25,300	26,752	29,241	31,216
Percent distribution								
Under \$2,000	45.2	42.6	40.8	40.2	17.5	15.7	14.4	14.0
\$2,000-\$2,999	22.2	21.6	21.1	20.8	20.7	19.1	17.9	17.5
\$3,000-\$3,999	15.5	16.0	16.2	16.3	20.2	19.7	19.2	19.0
\$4,000-\$4,999	8.1	9.1	9.8	10.0	13.4	14.3	14.8	15.0
\$5,000-\$5,999	4.0	4.8	5.4	5.6	8.1	9.2	10.0	10.2
\$6,000-\$7,499	2.3	2.8	3.2	3.4	5.8	6.6	7.3	7.5
\$7,500-\$9,999	1.4	1.7	1.9	2.0	4.6	5.1	5.6	5.8
\$10,000-\$14,999	.7	.8	.9	1.0	3.1	3.6	3.8	3.9
\$15,000-\$19,999	.2	.2	.3		1.3	1.4	1.5	
\$20,000-\$24,999	.1	.1	.1		1.0	.9	.9	
\$25,000-\$49,999	.2	.2	.2	.7	2.2	2.2	2.3	7.1
\$50,000 and over	.1	.1	.1		2.1	2.2	2.3	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: U.S. Department of Commerce, Office of Business Economics.

Table 8.—Distribution of Farm Operator and Nonfarm Families and Their Family Personal Income by Family Personal Income Level, 1955-58¹

Family personal income (before income taxes)	Farm operator families								Nonfarm families							
	Number of families (thousands)				Aggregate family personal income (millions of dollars)				Number of families (thousands)				Aggregate family personal income (millions of dollars)			
	1955	1956	1957	1958	1955	1956	1957	1958	1955	1956	1957	1958	1955	1956	1957	1958
Under \$2,000	1,600	1,508	1,427	1,177	1,996	1,887	1,793	1,510	2,347	2,156	2,162	2,390	2,894	2,612	2,607	2,861
\$2,000-\$2,999	972	944	911	834	2,409	2,339	2,258	2,075	2,837	2,401	2,378	2,438	7,227	6,107	6,029	6,172
\$3,000-\$3,999	772	754	736	692	2,680	2,622	2,562	2,413	5,090	4,525	4,143	4,125	18,023	15,995	14,612	14,553
\$4,000-\$4,999	546	536	529	550	2,447	2,402	2,366	2,458	6,015	6,002	5,340	5,275	27,163	27,090	24,107	23,811
\$5,000-\$5,999	383	387	389	412	2,093	2,116	2,126	2,259	5,560	5,400	5,264	5,306	30,507	29,629	28,882	29,092
\$6,000-\$7,499	336	344	353	418	2,232	2,292	2,354	2,797	6,368	6,591	6,851	6,915	42,610	44,101	45,802	46,272
\$7,500-\$9,999	240	249	255	330	2,059	2,130	2,189	2,814	4,825	5,706	6,326	6,418	41,233	48,986	54,271	55,123
\$10,000-\$14,999	153	158	164	212	1,830	1,896	1,957	2,531	2,850	3,555	4,032	4,130	34,305	42,824	48,554	49,759
\$15,000-\$19,999	42	44	46		721	751	788		822	1,046	1,210		14,084	17,947	20,770	
\$20,000-\$24,999	18	19	19		395	410	427		349	402	458		7,746	8,957	10,185	
\$25,000-\$49,999	21	21	22	124	694	720	740	3,143	415	473	515		13,902	15,932	17,349	61,208
\$50,000 and over	4	5	5		371	387	405		105	124	135		9,318	10,564	11,482	
Total	5,087	4,969	4,856	4,749	19,927	19,952	19,965	22,000	37,583	38,381	38,814	39,371	249,012	270,744	284,650	288,851
Average (mean) family personal income					\$3,917	\$4,015	\$4,111	\$4,633					\$6,626	\$7,054	\$7,334	\$7,337
Percent distribution																
Under \$2,000	31.5	30.3	29.4	24.8	10.0	9.5	9.0	6.9	6.3	5.6	5.6	6.1	1.2	1.0	0.9	1.0
\$2,000-\$2,999	19.1	19.0	18.8	17.5	12.1	11.7	11.3	9.4	7.6	6.3	6.1	6.2	2.9	2.3	2.1	2.2
\$3,000-\$3,999	15.2	15.2	15.2	14.6	13.4	13.1	12.8	11.0	13.5	11.8	10.7	10.5	7.2	5.9	5.1	5.0
\$4,000-\$4,999	10.7	10.8	10.9	11.6	12.3	12.0	11.9	11.2	16.0	15.6	13.7	13.4	10.9	10.0	8.5	8.2
\$5,000-\$5,999	7.5	7.8	8.0	8.7	10.5	10.6	10.6	10.2	14.8	14.1	13.6	13.5	12.2	10.9	10.1	10.1
\$6,000-\$7,499	6.6	6.9	7.3	8.8	11.2	11.5	11.8	12.7	16.9	17.2	17.6	17.5	17.1	16.3	16.1	16.0
\$7,500-\$9,999	4.7	5.0	5.2	6.9	10.3	10.7	11.0	12.8	12.8	14.9	16.3	16.3	16.6	18.1	19.1	19.1
\$10,000-\$14,999	3.0	3.2	3.4	4.5	9.2	9.5	9.8	11.5	7.6	9.3	10.4	10.5	13.8	15.8	17.1	17.2
\$15,000-\$19,999	.8	.9	.9		3.6	3.8	4.0		2.2	2.7	3.1		5.7	6.6	7.3	
\$20,000-\$24,999	.4	.4	.4		2.0	2.1	2.1		.9	1.0	1.2		3.1	3.3	3.6	
\$25,000-\$49,999	.4	.4	.4	2.6	3.5	3.6	3.7	14.3	1.1	1.2	1.3		5.6	5.9	6.1	21.2
\$50,000 and over	.1	.1	.1		1.9	1.9	2.0		.3	.3	.4		3.7	3.9	4.0	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1. For data prior to 1953, see discussion on page 19 of April 1958 issue of *Survey of Current Business*.
 Source: U.S. Department of Commerce, Office of Business Economics.

residing together; unattached individuals are persons other than institutional inmates who are not living with any relatives.

The term consumer unit refers to the combined group of families and unattached individuals. The total number of families and unattached individuals is estimated as of the end of the calendar year to which the income data pertain, and is derived by interpolating between Census Bureau figures for the preceding and following March or April.¹

Farm operator families cover all families operating farms as defined in the Census of Agriculture; their number is estimated annually by the Agriculture Marketing Service.² The broad non-farm family group is defined to include all multiperson units other than farm operator families.

Family personal income represents the current income received by families and unattached individuals from all sources, including wage and salary receipts (net of social insurance contributions), other labor income, proprietors' and rental income, dividends, personal interest income, and transfer payments. In addition to monetary income flows, family personal income includes certain nonmoney items such as wages in kind, the value of food and fuel produced and consumed on farms, the net imputed rental value of owner-occupied homes, and imputed interest.

Total family personal income is a somewhat smaller amount in each year than the personal income aggregate from which it is derived, because it excludes the income received by institutional residents (including military personnel not living with their families), or retained by nonprofit institutions, private trust, pension, and welfare funds.

Average family personal income refers to the annual amount from all income sources received by the family unit as a whole; it is, of course, a larger figure

1. See, for example, "Households and Families, By Type: 1950 to 1959", Census Bureau, Series P-20, No. 94. The Census Bureau number of "unrelated individuals" was reduced slightly to exclude several minor groups regarded here as residents of institutions.

2. Farm Income Situation, No. 174, July 1959, Agriculture Marketing Service, U.S. Department of Agriculture, p. 41.

than average income data on a per worker or per capita basis.

Aggregate Federal individual income tax liability is defined as the total liability reported on individual income

tax returns, plus an estimate for amounts uncovered by subsequent audit, minus liability of military personnel not living with their families, minus liability on net capital gain.

For a discussion of these definitions the reader is referred to the supplement to the SURVEY OF CURRENT BUSINESS, *Income Distribution in the United States, by Size, 1944-50*.

Table 9.—Number of Consumer Units and Persons, and Aggregate and Average Family Personal Income, 1955-58

Year	Families and unattached individuals						Families						Unattached individuals		
	Number of consumer units (mil- lions)	Number of persons		Family personal income			Number of fam- ilies (mil- lions)	Number of persons		Family personal income			Number of un- attached individ- uals (mil- lions)	Family personal income	
		Total (mil- lions)	Average number per con- sumer unit	Amount (billions of dol- lars)	Average income			Total (mil- lions)	Average number per family	Amount (billions of dol- lars)	Per family (dollars)	Per capita (dollars)		Amount (billions of dol- lars)	Per capita (dollars)
					Per con- sumer unit (dollars)	Per capita (dollars)									
1955.....	52.2	162.7	3.12	294.2	5,640	1,808	42.7	153.2	3.59	268.9	6,303	1,755	9.5	25.3	2,663
1956.....	52.8	165.8	3.14	317.4	6,007	1,915	43.4	156.3	3.60	290.7	6,706	1,860	9.5	26.8	2,816
1957.....	53.6	169.0	3.15	333.9	6,223	1,976	43.7	159.0	3.64	304.6	6,975	1,916	10.0	29.2	2,930
1958.....	54.6	172.1	3.15	342.1	6,263	1,988	44.1	161.6	3.66	310.9	7,046	1,924	10.5	31.2	2,973

Source: U. S. Department of Commerce, Office of Business Economics.

Table 10.—Distribution of Family Personal Income and Federal Individual Income Tax Liability Among Quintiles and Top 5 Percent of Consumer Units, 1955-58¹

Quintile	Percent distribution of—			Mean amount of—			Tax rate (percent)	Lower income limit of quintile ²	
	Family personal income	Tax liability	After-tax income	Family personal income (dollars)	Tax liability (dollars)	After-tax income (dollars)		Before-tax basis (dollars)	After-tax basis (dollars)
1955: Lowest.....	4.8	1.4	5.2	1,355	39	1,316	2.9	-----	-----
2.....	11.3	6.0	11.9	3,200	165	3,035	5.1	2,390	2,280
3.....	16.4	10.9	17.0	4,634	298	4,336	6.4	3,920	3,710
4.....	22.3	18.9	22.7	6,290	520	5,770	8.3	5,370	4,980
Highest.....	45.2	62.8	43.2	12,722	1,728	10,994	13.6	7,410	6,750
Total.....	100.0	100.0	100.0	5,640	550	5,090	9.8	-----	-----
Top 5 percent.....	20.3	39.2	18.2	22,893	4,317	18,576	18.9	13,070	11,780
1956: Lowest.....	4.8	1.5	5.2	1,437	46	1,391	3.2	-----	-----
2.....	11.3	6.2	11.9	3,403	188	3,215	5.5	2,540	2,420
3.....	16.3	11.0	16.9	4,898	333	4,565	6.8	4,170	3,920
4.....	22.3	19.0	22.6	6,691	571	6,120	8.5	5,680	5,240
Highest.....	45.3	62.3	43.4	13,604	1,880	11,724	13.8	7,960	7,260
Total.....	100.0	100.0	100.0	6,007	604	5,403	10.0	-----	-----
Top 5 percent.....	20.2	38.5	18.1	24,210	4,653	19,558	19.2	13,960	12,480
1957: Lowest.....	4.7	1.5	5.0	1,458	48	1,410	3.3	-----	-----
2.....	11.1	6.2	11.7	3,465	195	3,270	5.6	2,580	2,460
3.....	16.3	11.3	16.9	5,077	356	4,721	7.0	4,280	4,020
4.....	22.4	19.0	22.8	6,967	597	6,370	8.6	5,930	5,460
Highest.....	45.5	62.0	43.6	14,147	1,955	12,192	13.8	8,300	7,570
Total.....	100.0	100.0	100.0	6,223	630	5,593	10.1	-----	-----
Top 5 percent.....	20.1	38.3	18.1	25,067	4,821	20,246	19.2	14,520	12,990
1958: Lowest.....	4.7	1.5	5.0	1,459	46	1,413	3.2	-----	-----
2.....	11.1	6.2	11.6	3,478	191	3,287	5.5	2,590	2,460
3.....	16.3	11.3	16.9	5,106	348	4,758	6.8	4,300	4,040
4.....	22.4	19.0	22.8	7,016	580	6,436	8.3	5,970	5,500
Highest.....	45.5	62.0	43.7	14,254	1,901	12,353	13.3	8,360	7,650
Total.....	100.0	100.0	100.0	6,263	613	5,650	9.8	-----	-----
Top 5 percent.....	20.2	38.3	18.2	25,276	4,694	20,582	18.6	14,640	13,090

1. Consumer units are ranked by size of family personal income. In addition to April 1958 issue of *Survey of Current Business*, see table 3 of "Income Distribution in the United States, by Size, 1944-50."

2. Rounded to nearest \$10.

Source: U.S. Department of Commerce, Office of Business Economics.

Table 11.—Distribution of Federal Individual Income Tax Liability of Consumer Units, Average Tax, Average Income, and Tax Rate, by Family Personal Income Level, 1955-58

Family personal income (before income taxes)	1955					1956					1957					1958				
	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (percent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (percent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (percent)	Federal individual income tax liability			Average family personal income (dollars)	Tax rate (percent)
	Amount (millions of dollars)	Per-cent distribution	Average (dollars)			Amount (millions of dollars)	Per-cent distribution	Average (dollars)			Amount (millions of dollars)	Per-cent distribution	Average (dollars)			Amount (millions of dollars)	Per-cent distribution	Average (dollars)		
Under \$2,000...	204	0.7	25	1,132	2.2	190	0.6	25	1,126	2.2	195	0.6	26	1,124	2.3	183	0.6	24	1,121	2.1
\$2,000-\$2,999...	684	2.4	116	2,513	4.6	655	2.0	121	2,511	4.8	651	1.9	121	2,509	4.8	642	1.9	118	2,509	4.7
\$3,000-\$3,999...	1,387	4.8	189	3,518	5.4	1,323	4.2	195	3,514	5.5	1,276	3.8	197	3,508	5.6	1,254	3.7	192	3,507	5.5
\$4,000-\$4,999...	2,047	7.1	279	4,506	6.2	2,093	6.6	283	4,502	6.3	1,948	5.8	285	4,500	6.3	1,900	5.7	276	4,498	6.1
\$5,000-\$5,999...	2,585	9.0	409	5,482	7.5	2,572	8.1	412	5,481	7.5	2,539	7.5	410	5,481	7.5	2,496	7.4	396	5,480	7.2
\$6,000-\$7,499...	3,983	13.9	575	6,688	8.6	4,147	13.0	575	6,687	8.6	4,274	12.6	568	6,681	8.5	4,212	12.6	548	6,687	8.2
\$7,500-\$9,999...	4,052	14.1	779	8,547	9.1	4,776	15.0	781	8,583	9.1	5,211	15.4	769	8,577	9.0	5,160	15.4	742	8,585	8.6
\$10,000-\$14,999...	3,727	13.0	1,215	12,031	10.1	4,600	14.4	1,212	12,037	10.1	5,121	15.1	1,194	12,035	9.9	5,113	15.3	1,150	12,037	9.6
\$15,000-\$19,999...	1,944	6.8	2,200	17,129	12.8	2,443	7.7	2,197	17,161	12.8	2,771	8.2	2,162	17,159	12.6					
\$20,000-\$24,999...	1,322	4.6	3,496	22,170	15.8	1,509	4.7	3,494	22,255	15.7	1,679	5.0	3,436	22,251	15.4					
\$25,000-\$49,999...	3,160	11.0	6,997	33,524	20.9	3,587	11.2	7,004	33,667	20.8	3,842	11.4	6,896	33,658	20.5	12,540	37.4	4,884	25,922	18.8
\$50,000 and over.....	3,605	12.6	31,298	88,663	35.3	4,005	12.5	29,771	85,810	34.7	4,293	12.7	29,269	85,712	34.2					
Total	28,700	100.0	550	5,640	9.8	31,900	100.0	604	6,007	10.0	33,800	100.0	630	6,223	10.1	33,500	100.0	613	6,263	9.8

Source: U.S. Department of Commerce, Office of Business Economics.

Table 12.—Distribution of Consumer Units and of Family Personal Income After Federal Individual Income Tax Liability, by Level of After-Tax Income, 1955-58

Family personal income after Federal individual income tax liability	1955					1956					1957					1958				
	Number of families and unattached individuals (thousands)		After-tax family personal income		Percent distribution	Number of families and unattached individuals (thousands)		After-tax family personal income		Percent distribution	Number of families and unattached individuals (thousands)		After-tax family personal income		Percent distribution	Number of families and unattached individuals (thousands)		After-tax family personal income		Percent distribution
	Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income		Aggregate (millions of dollars)	Average (dollars)	Number	After-tax income	
Under \$2,000...	8,758	10,119	1,155	16.8	3.8	8,212	9,459	1,152	15.5	3.3	8,166	9,389	1,150	15.2	3.1	8,265	9,473	1,146	15.1	3.1
\$2,000-\$2,999...	6,510	16,401	2,519	12.5	6.2	5,984	15,076	2,519	11.3	5.3	5,957	14,993	2,517	11.1	5.0	6,043	15,207	2,516	11.1	4.9
\$3,000-\$3,999...	7,992	28,039	3,508	15.3	10.5	7,591	26,686	3,515	14.4	9.3	7,221	25,341	3,509	13.5	8.4	7,221	25,352	3,511	13.2	8.2
\$4,000-\$4,999...	8,197	36,826	4,493	15.7	13.9	8,152	36,627	4,493	15.4	12.8	7,687	34,616	4,503	14.3	11.6	7,706	34,709	4,504	14.1	11.3
\$5,000-\$5,999...	6,694	36,665	5,477	12.8	13.8	6,799	37,295	5,485	12.9	13.1	6,841	37,598	5,496	12.8	12.5	6,894	37,868	5,493	12.6	12.3
\$6,000-\$7,499...	6,050	40,275	6,657	11.6	15.2	6,378	42,632	6,685	12.1	14.9	6,825	45,615	6,683	12.7	15.2	7,056	47,144	6,681	12.9	15.3
\$7,500-\$9,999...	4,032	34,303	8,509	7.7	12.9	4,932	41,999	8,516	9.3	14.7	5,511	46,969	8,523	10.3	15.7	5,730	48,861	8,527	10.5	15.8
\$10,000-\$14,999...	2,590	30,836	11,903	5.0	11.6	3,205	38,176	11,911	6.1	13.4	3,513	41,609	11,843	6.5	13.9	3,814	45,487	11,925	7.0	14.7
\$15,000-\$19,999...	729	12,437	17,061	1.4	4.7	883	15,026	17,007	1.7	5.3	1,142	19,037	16,673	2.1	6.3					
\$20,000 and over.....	618	19,638	31,775	1.2	7.4	714	22,572	31,621	1.3	7.9	787	24,889	31,641	1.5	8.3	1,891	44,466	23,520	3.5	14.4
Total	52,170	265,539	5,090	100.0	100.0	52,850	285,548	5,403	100.0	100.0	53,650	300,056	5,593	100.0	100.0	54,620	308,567	5,650	100.0	100.0

Source: U.S. Department of Commerce, Office of Business Economics.