

TABLE B-29.—*Sources of personal income, 1959–2007*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Compensation of employees, received							Proprietary inventory consumption
Total	Wage and salary disbursements			Supplements to wages and salaries			Total
	Total	Private industries	Government	Total	Employer contributions for employee pension and insurance funds	Employer contributions for government social insurance	
281.0	259.8	213.8	46.1	21.1	13.3	7.9	50.7
206.4	222.0	222.7	10.2	22.6	11.2	0.2	50.9

## Percentage Growth of Real Median “Income,” U.S., 1979–2007

	Tax Unit	Household	Size- Adjusted Tax Unit	Size- Adjusted Household
Pre-tax, pre-transfer	3.2★	12.5	14.5	20.6
Pre-tax, post-transfer	6.0	15.2	17.0	23.6★★
Post-tax, post-transfer	9.5	20.2	25.0	29.3
Post-tax, post-transfer + health insurance	18.2	27.3	33.0	36.7

★ Piketty-Saez definition

★★ most common definition

Transfer income = government-provided cash social benefits, e.g., Social Security, unemployment insurance, public assistance.  
Real = adjusted for inflation (the CPI-U-RS was used)

Source: p. 16 of Richard V. Burkhauser, Jeff Larrimore, and Kosali I. Simon, “A ‘Second Opinion’ on the Economic Health of the American Middle Class,” *National Tax Journal*, March 2012, 65 (1), 7–32.

## Change in Distribution of “Income,” U.S., 1979–2007 Percentage Growth of Real Income

	Tax Unit	Household	Household Size- Adjusted	Household Size- Adjusted	Household Size-Adjusted Post-Tax Post-Transfer + Health Insurance
	Pre-Tax Pre- Transfer★	Pre-Tax Post- Transfer	Pre-Tax Post- Transfer★★	Post-tax Post- Transfer	
Bottom 20%	–33.0	9.5	9.9	15.0	26.4
Next 20%	–5.5	4.3	8.6	15.0	25.0
Middle 20%	2.2	15.3	22.8	29.5	36.9
Next 20%	12.3	23.0	29.2	34.6	40.4
Top 20%	32.7	34.6	42.0	49.4	52.6

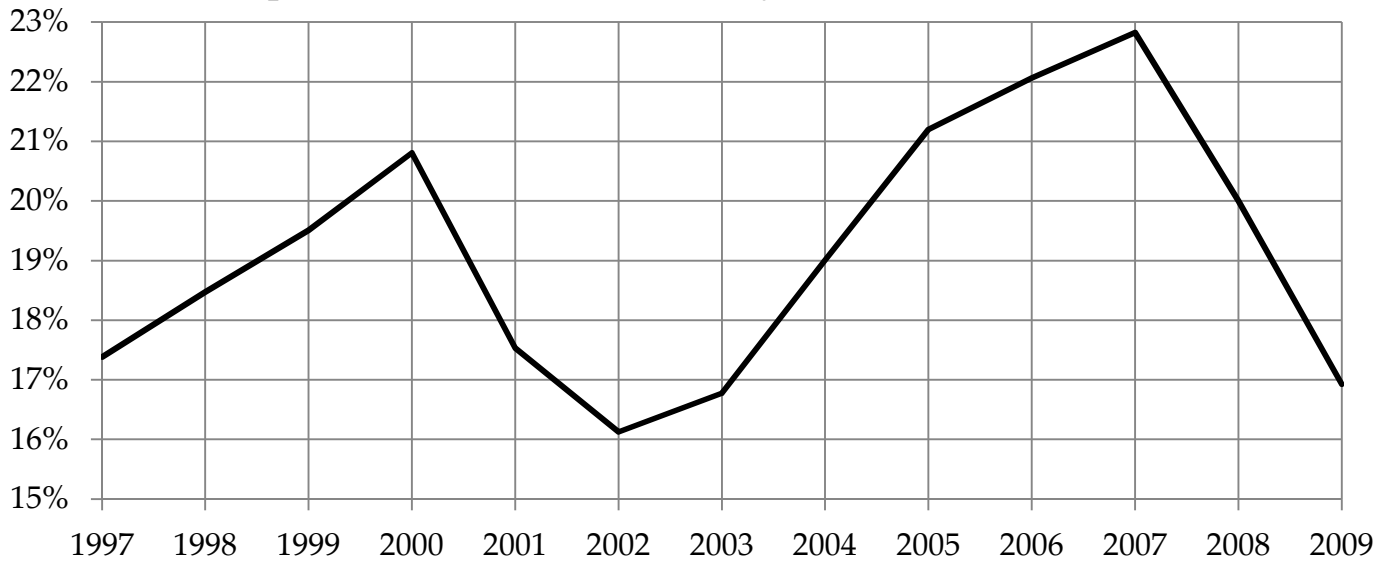
★ Piketty-Saez definition

★★ most common definition

Transfer income = government-provided cash social benefits, e.g., Social Security, unemployment insurance, public assistance.  
Real = adjusted for inflation (the CPI-U-RS was used)

Source: p. 23 of Richard V. Burkhauser, Jeff Larrimore, and Kosali I. Simon, “A ‘Second Opinion’ on the Economic Health of the American Middle Class,” *National Tax Journal*, March 2012, 65 (1), 7–32.

“The 1%”: the Top 1% of Tax Units’ Share of Adjusted Gross Income, U.S., 1997–2009

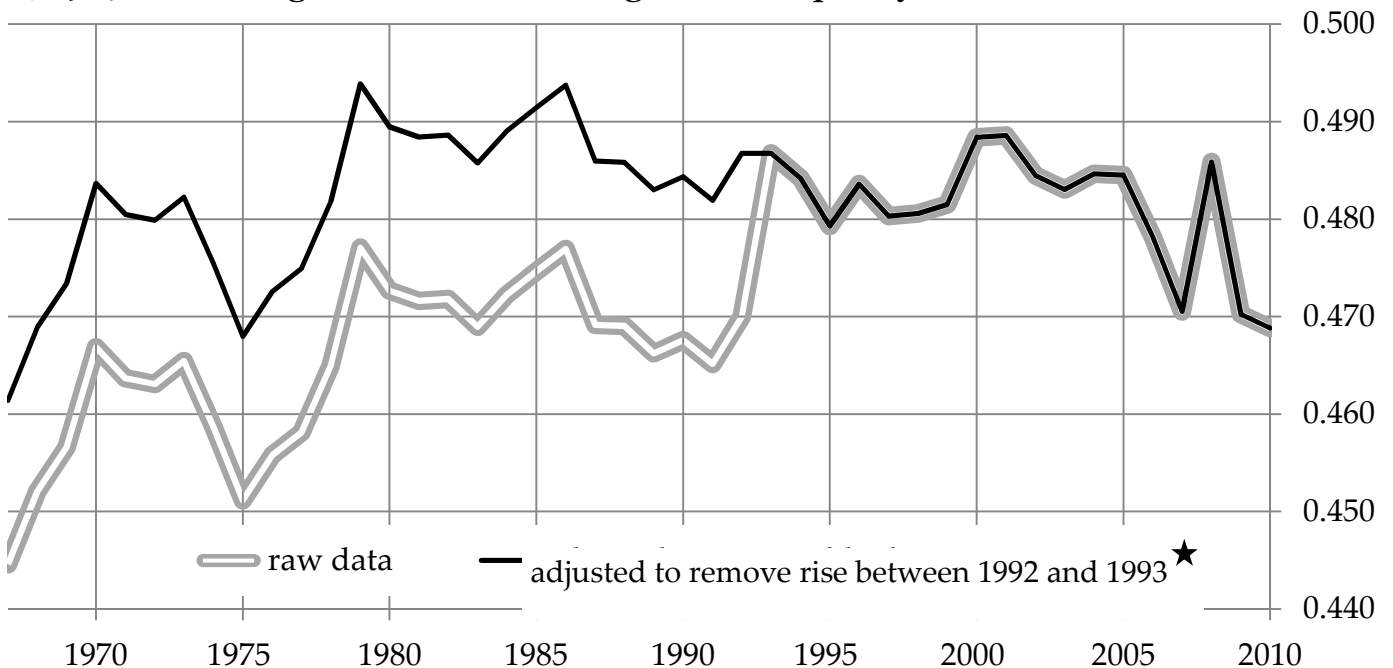


The Great Recession / Redistribution. Between 2007 and 2009:

- The income of the top 1% of tax units fell by **34%**; the income of the bottom 99% of tax units fell by just **4%**.
- The top 1% of tax units bore more than **70%** of the total loss of income.
- Its share of income fell from an all-time high to a lower level than in 1997.

(Source, Internal Revenue Service, *Statistics of Income*)

Gini Coefficient for *Persons* with Income—Not Tax Units, Households, or Families—U.S., 1967–2010 (higher values indicate greater *inequality*)

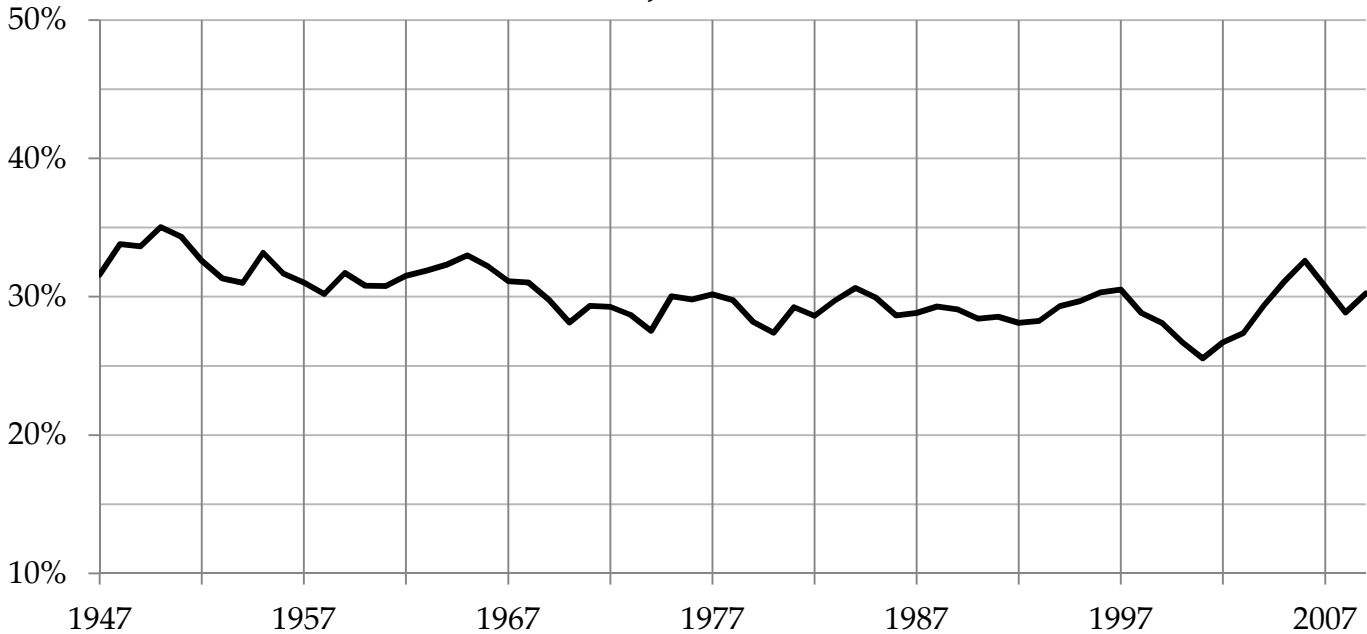


★ Removal of the sharp rise between 1992 and 1993 is standard procedure among researchers. In 1993, top income levels recorded on questionnaires were raised, and the Census Bureau shifted from paper and pencil data collection to computer-assisted interviewing.

(Source: U.S. Census Bureau Table P54, “Money Income of People, by Race, Hispanic Origin and Sex: 1967 to 2010.”)

## Profit Share of U.S. Corporations' Output, 1947-2009

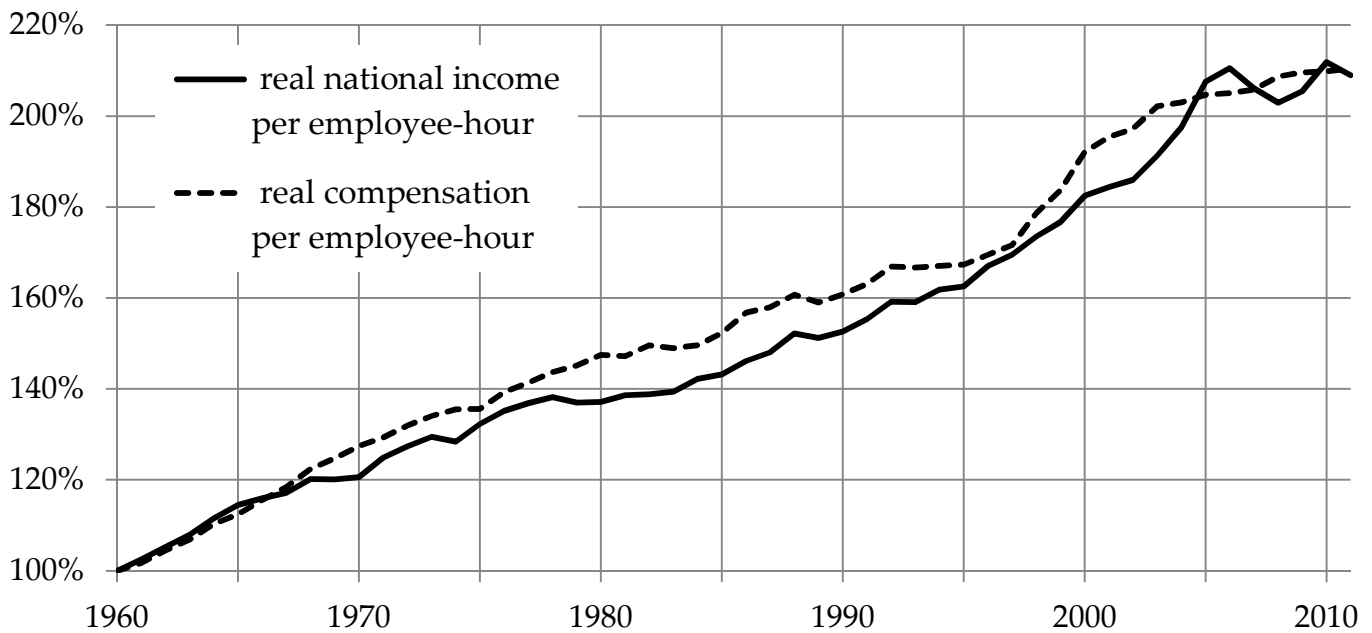
(profit = net value added – compensation of employees;  
share = % of net value added)



Source: National Income and Product Accounts. See p. 99 of *The Failure of Capitalist Production* for definitions.

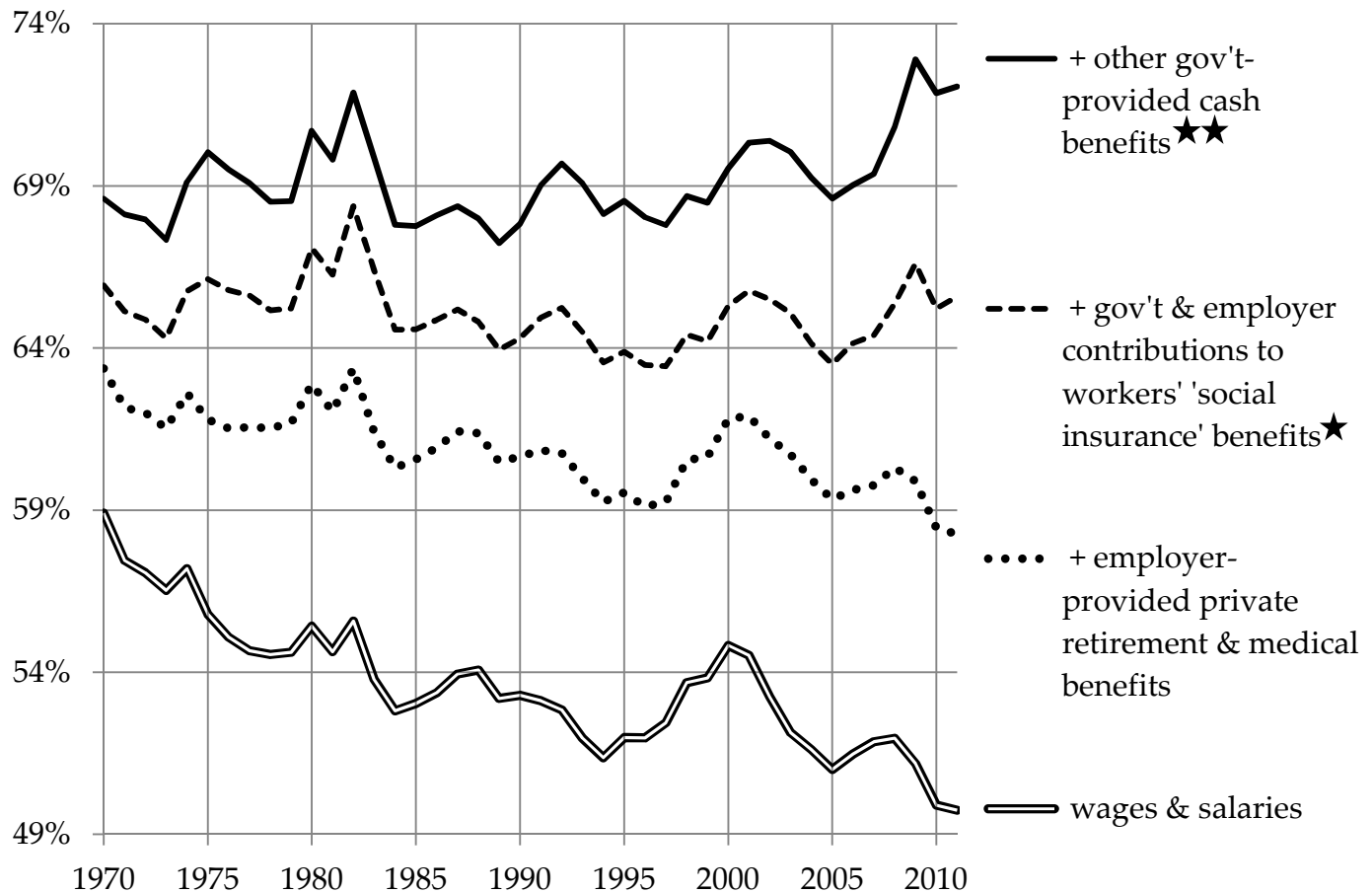
## Real Productivity and Real Compensation, U.S., 1960-2011

private domestic industries, percentages of 1960 values



Real = adjusted for inflation. Source: National Income and Product Accounts. Data: private domestic industries' contribution to national income (without capital consumption adjustment), compensation of employees, hours worked by full-time and part-time employees, and net national product price index.

## Workers' Income, as Share of Net National Product, U.S., 1970-2011

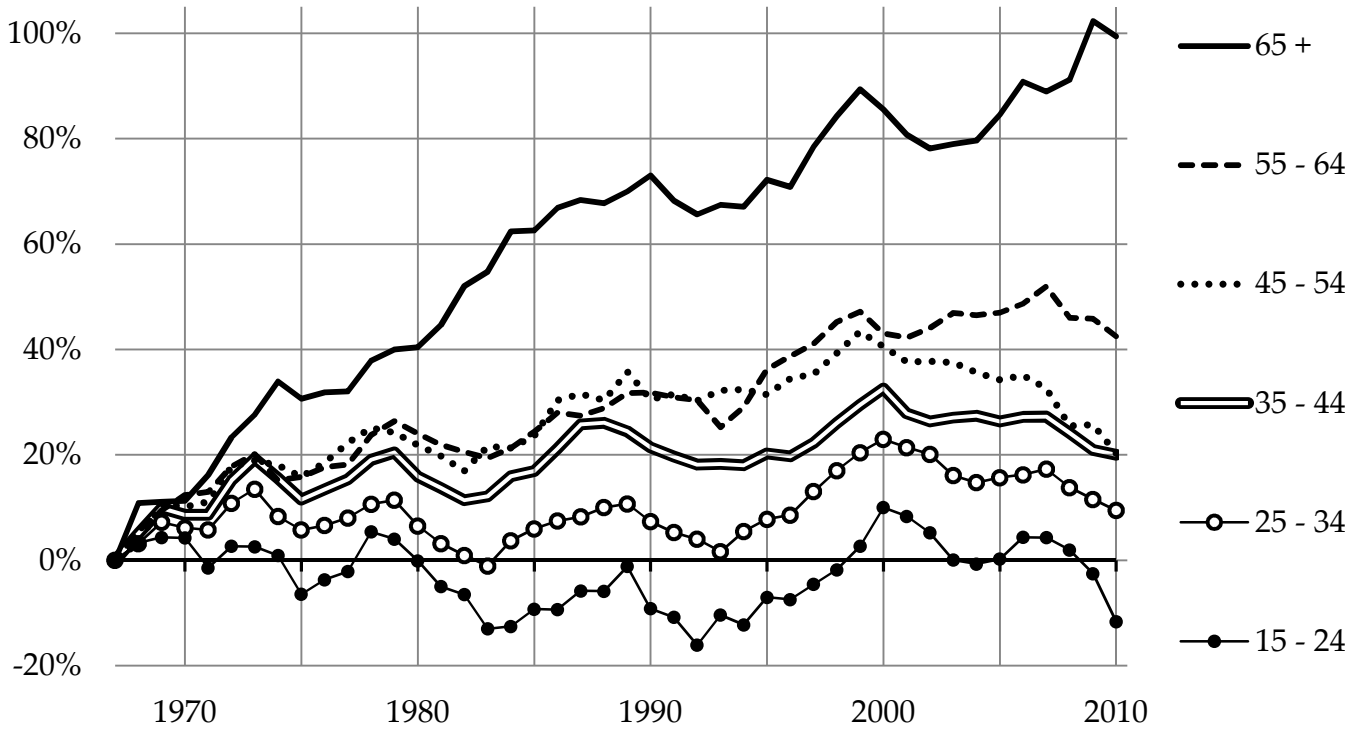


★ payments of Social Security, Medicare, unemployment insurance, railroad retirement, and disability insurance benefits, and other minor items

★★ public assistance, other disability benefits, cash payments for Earned Income Tax Credit and Child Tax Credit, veterans' benefits, employment & training programs, education benefits, and other minor items

Source: National Income and Product Accounts.

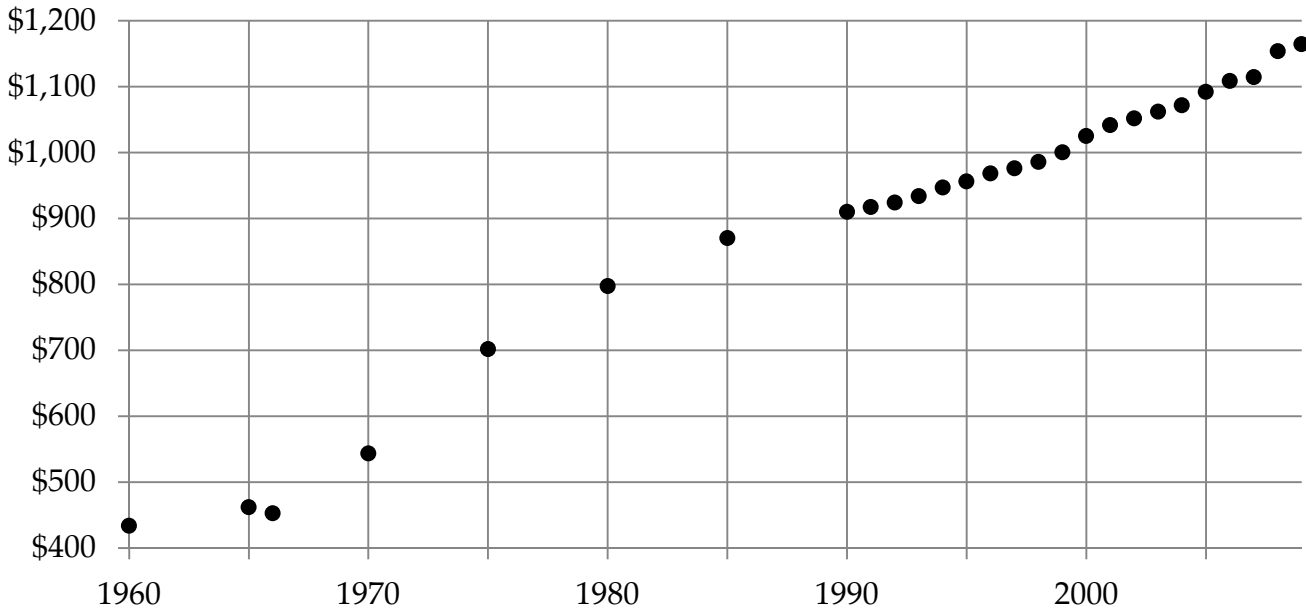
## Median Real Income Growth of Households, by Age, U.S. 1967-2010



Ages are those of heads of households. Income is “money income” as defined by the Census Bureau. Income is adjusted for inflation using the CPI-U-RS. Source: U.S. Census Bureau Table H-10AR, “Age of Head of Householder: All Races by Median and Mean Income: 1967 to 2010.”

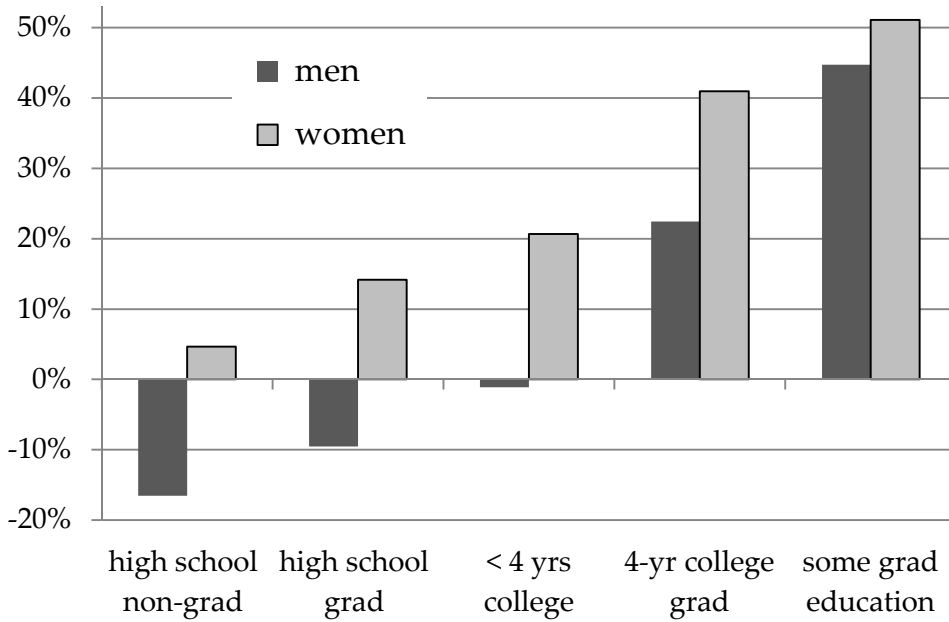
## Social Security Retirement Benefits, 1960–2009

Average Real Monthly Payment



Benefits are adjusted for inflation using the personal consumption expenditure price index. Source: Social Security Administration, *Annual Statistical Supplement*, 2011.

# Real Hourly Wage Growth, U.S., 1979-2009



Figures are for people between 16 and 64 years old.

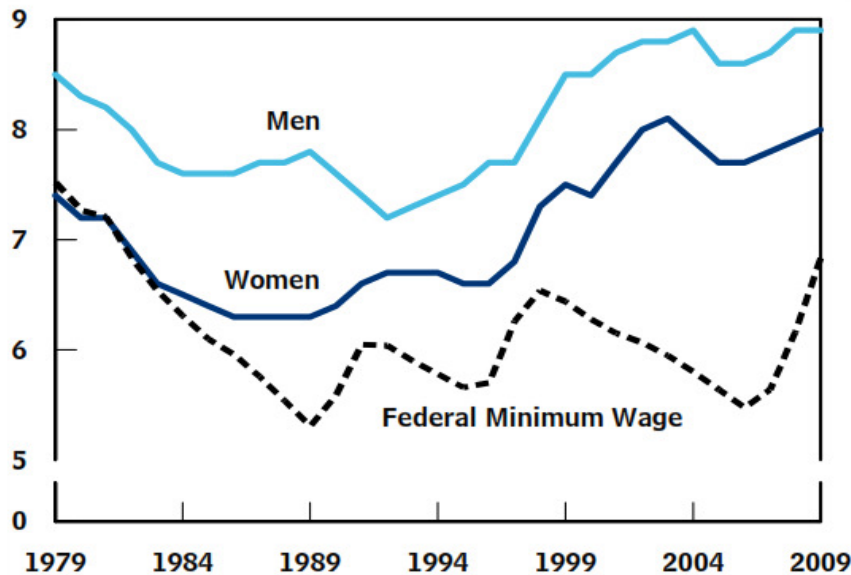
Hourly wages were weighted by hours worked and adjusted for inflation using the personal consumption expenditures price index.

Source: Congressional Budget Office, *Changes in the Distribution of Workers' Hourly Wages Between 1979 and 2009* (February 2011).

**Figure 7.**

## Hourly Wages at the 10th Percentile for Men and Women and the Federal Minimum Wage

(2009 dollars)



10<sup>th</sup> percentile = 90% of workers receive higher wages.

Hourly wages were weighted by hours worked and adjusted for inflation using the personal consumption expenditures price index.

Source: Congressional Budget Office, *Changes in the Distribution of Workers' Hourly Wages Between 1979 and 2009* (February 2011).