

- Drive alone — Skip to 28
- Share driving
- Drive others only
- Ride as passenger only

d. How many people, including this person, usually rode to work in the car, truck, or van last week?

- 2
- 3
- 4
- 5
- 6
- 7 or more

After answering 24d, skip to 28.

25. Was this person temporarily absent or on layoff from a job or business last week?

- Yes, on layoff
- Yes, on vacation, temporary layoff, or other absence
- No

26a. Has this person been looking for work during the last 4 weeks?

- Yes
- No — Skip to 27

b. Could this person have taken a job last week?

- No, already has a job
- No, temporarily ill
- No, other reasons (in school, etc.)
- Yes, could have taken a job

27. When did this person last work, even for a few days?

- 1980
  - 1979
  - 1978
  - 1975 to 1977
  - 1970 to 1974
  - 1969 or earlier
  - Never worked
- } Skip to 31d

28–30. Current or most recent job activity

Describe clearly this person's chief job activity or business last week. If this person had more than one job, describe the one at which this person worked the most hours. If this person had no job or business last week, give information for last job or business since 1975.

28. Industry

a. For whom did this person work? If now on active duty in the Armed Forces, print "AF" and skip to question 31.

(Name of company, business, organization, or other employer)

b. What kind of business or industry was this?

Describe the activity at location where employed.

(For example: Hospital, newspaper publishing, mail order house, auto engine manufacturing, breakfast cereal manufacturing)

c. Is this mainly — (Fill one circle)

- Manufacturing
- Retail trade
- Wholesale trade
- Other — (agriculture, construction, service, government, etc.)

29. Occupation

a. What kind of work was this person doing?

(For example: Registered nurse, personnel manager, supervisor of order department, gasoline engine assembler, grinder operator)

b. What were this person's most important activities or duties?

(For example: Patient care, directing hiring policies, supervising order clerks, assembling engines, operating grinding mill)

i. Was this person — (Fill one circle)

- Employee of private company, business, or individual, for wages, salary, or commissions
- Federal government employee
- State government employee
- Local government employee (city, county, etc.)

days, at a paid job or in a business or farm?

- Yes
- No — Skip to 31d

b. How many weeks did this person work in 1979?

Count paid vacation, paid sick leave, and military service.

Weeks

c. During the weeks worked in 1979, how many hours did this person usually work each week?

d. Of the weeks not worked in 1979 (if any), how many weeks was this person looking for work or on layoff from a job?

32. Income in 1979

Fill circles and print dollar amounts.

Report the dollar amount received by this person in 1979. For income received jointly by household members, see instruction guide.

During 1979 did this person receive any income from the following sources?

Frank Levy

If "Yes" to any source, how much did this person receive for the entire year?

a. Wages, salary, commissions, bonuses, or tips from all jobs . . . Report amount before deductions for taxes, bonds, dues, or other items.

- Yes → \$ 00
- No (Annual amount — Dollars)

b. Own nonfarm business, partnership, or professional practice . . . Report net income after business expenses.

- Yes → \$ 00
- No (Annual amount — Dollars)

c. Own farm . . . Report net income after operating expenses. Include earnings as a tenant farmer or sharecropper.

- Yes → \$ 00
- No (Annual amount — Dollars)

d. Interest, dividends, royalties, or net rental income . . . Report even small amounts credited to an account.

- Yes → \$ 00
- No (Annual amount — Dollars)

e. Social Security or Railroad Retirement . . .

- Yes → \$ 00
- No (Annual amount — Dollars)

f. Supplemental Security (SSI), Aid to Families with Dependent Children (AFDC), or other public assistance or public welfare payments . . .

- Yes → \$ 00
- No (Annual amount — Dollars)

g. Unemployment compensation, veterans' payments, pensions, alimony or child support, or any other sources of income received regularly . . . Exclude lump-sum payments such as money from an inheritance or the sale of a home.

- Yes → \$ 00
- No

THE POPULATION OF THE UNITED STATES IN THE 1980s

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*A Census Monograph Series*

DOLLARS AND DREAMS  
The Changing American Income Distribution

Frank Levy

*for the* .....  
*National Committee for Research  
on the 1980 Census*

RUSSELL SAGE FOUNDATION / NEW YORK

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# DOLLARS AND DREAMS

The Changing American Income Distribution

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## Foreword

*Dollars and Dreams* is one of an ambitious series of volumes aimed at converting the vast statistical yield of the 1980 census into authoritative analyses of major changes and trends in American life. This series, "The Population of the United States in the 1980s," represents an important episode in social science research and revives a long tradition of independent census analysis. First in 1930, and then again in 1950 and 1960, teams of social scientists worked with the U.S. Bureau of the Census to investigate significant social, economic, and demographic developments revealed by the decennial censuses. These census projects produced three landmark series of studies, providing a firm foundation and setting a high standard for our present undertaking.

There is, in fact, more than a theoretical continuity between those earlier census projects and the present one. Like those previous efforts, this new census project has benefited from close cooperation between the Census Bureau and a distinguished, interdisciplinary group of scholars. Like the 1950 and 1960 research projects, research on the 1980 census was initiated by the Social Science Research Council and the Russell Sage Foundation. In deciding once again to promote a coordinated program of census analysis, Russell Sage and the Council were mindful not only of the severe budgetary restrictions imposed on the Census Bureau's own publishing and dissemination activities in the 1980s, but also of the extraordinary changes that have occurred in so many dimensions of American life over the past two decades.

The studies constituting "The Population of the United States in the 1980s" were planned, commissioned, and monitored by the National Committee for Research on the 1980 Census, a special committee appointed by the Social Science Research Council and sponsored by the Council, the Russell Sage Foundation, and the Alfred P. Sloan Foundation, with the collaboration of the U.S. Bureau of the Census. This committee includes leading social scientists from a broad range of fields—

demography, economics, education, geography, history, political science, sociology, and statistics. It has been the committee's task to select the main topics for research, obtain highly qualified specialists to carry out that research, and provide the structure necessary to facilitate coordination among researchers and with the Census Bureau.

The topics treated in this series span virtually all the major features of American society—ethnic groups (blacks, Hispanics, foreign-born,); spatial dimensions (migration, neighborhoods, housing, regional and metropolitan growth and decline); and status groups (income levels, families and households, women). Authors were encouraged to draw not only on the 1980 Census but also on previous censuses and on subsequent national data. Each individual research project was assigned a special advisory panel made up of one committee member, one member nominated by the Census Bureau, one nominated by the National Science Foundation, and one or two other experts. These advisory panels were responsible for project liaison and review and for recommendations to the National Committee regarding the readiness of each manuscript for publication. With the final approval of the chairman of the National Committee, each report was released to the Russell Sage Foundation for publication and distribution.

The debts of gratitude incurred by a project of such scope and organizational complexity are necessarily large and numerous. The committee must thank, first, its sponsors—the Social Science Research Council, headed until recently by Kenneth Prewitt; the Russell Sage Foundation, under the direction of president Marshall Robinson; and the Alfred P. Sloan Foundation, led by Albert Rees. The long-range vision and day-to-day persistence of these organizations and individuals sustained this research program over many years. The active and willing cooperation of the Bureau of the Census was clearly invaluable at all stages of this project, and the extra commitment of time and effort made by Bureau economist James R. Wetzel must be singled out for special recognition. A special tribute is also due to David L. Sills of the Social Science Research Council, staff member of the committee, whose organizational, administrative, and diplomatic skills kept this complicated project running smoothly.

The committee also wishes to thank those organizations that contributed additional funding to the 1980 Census project—the Ford Foundation and its deputy vice president, Louis Winnick, the National Science Foundation, the National Institute on Aging, and the National Institute of Child Health and Human Development. Their support of the research program in general and of several particular studies is gratefully acknowledged.

The ultimate goal of the National Committee and its sponsors has been to produce a definitive, accurate, and comprehensive picture of the U.S. population in the 1980s, a picture that would be primarily descriptive but also enriched by a historical perspective and a sense of the challenges for the future inherent in the trends of today. We hope our readers will agree that the present volume takes a significant step toward achieving that goal.

CHARLES F. WESTOFF

*Chairman and Executive Director  
National Committee for Research  
on the 1980 Census*



*For Ray and Floss, David and Marin,  
and most of all,  
for Kathy*

## Acknowledgments

This short book has taken a long time to write. In the process, I have acquired many debts.

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Major financial support came from the Alfred P. Sloan Foundation and the Russell Sage Foundation, through the National Committee for Research on the 1980 Census. Their generosity gave me the time to explore the income distribution at my own leisurely pace. Along with their funding came a superb group of reviewers—Victor Fuchs, Gordon Green, Jim Morgan, David Sills, and Charles Westoff—whose comments on an earlier draft made my job much easier. The Russell Sage Foundation also provided Priscilla Lewis, an editor with the patience of Job.

Moral support came from my colleagues at the University of Maryland's School of Public Affairs. In-kind support came from several other university units: The Computer Science Center, the Computer Center of the Division of Behavioral and Social Sciences, and the Provost's Office of the Division of Behavioral and Social Sciences. Other support came from the U.S. Bureau of the Census and a Ford Foundation grant to the Urban Institute.

Three people were indispensable. Richard Michel of the Urban Institute is the origin of some of the ideas in this book, and all of the book's ideas were discussed with him at great length. Joung-Young Lee, now at the University of Inchon, provided research and programming assistance with an enormous can-do spirit. Rosemary Blunck of the University of Maryland's School of Public Affairs kept her sanity and mine through revision after revision as I was learning about my subject.

Equally indispensable were two libraries: the McKeldin Social Science Library at the University of Maryland and the Urban Institute

library. In those rare instances where I could not find what I needed on their shelves, the library staff would quickly get it for me.

After I finished the first draft, a number of friends and colleagues commented on all or part of the manuscript. Still others took the time to educate me on particular topics where my understanding was weak. After all the writing—surely one of the loneliest vocations—all the comments and conversation proved a very welcome change. Thanks go to Henry Aaron, Jodie Allen, Gordon Berlin, Suzanne Bianchi, David Bloom, Barry Bosworth, Gary Burtless, Sam Erenhalt, Frank Furstenberg, Boyd Gibbons, Charles Hulten, Florence and Raphael Levy, Larry Long, Maureen McLaughlin, Tom Mueller, Patricia Ruggles, Paul Ryscavage, Allen Schick, Eugene Smolensky, Barbara and Clifford Swartz, Kathy Swartz, David Truman, Bruce Vavrichek, and Ed Welniak.

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FRANK LEVY

The heart of man is not so much caught  
by the undisturbed possession of anything valuable  
as by the desire, as yet imperfectly satisfied,  
of possessing it,  
and by the incessant dread of losing it.

Alexis de Tocqueville, *Democracy in America*

# DOLLARS AND DREAMS

The Changing American Income Distribution

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