

International Institute for Social History

**“Notes on gathering, offering, and using
historical household budgets”**

Peter Lindert

University of California – Davis

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A. Gathering them → see Lindert handout on North America

B. Presenting them.

(1) This is the 21st century sharing economy. Offer them free and worldwide as soon as possible. You are not threatened, and you gain from the sharing.

(2) Tell people that the older household survey data are not weaker than today's surveys. Today's surveys are biased by respondents' tax fears and by the fact that smart people and young people don't answer their phones.

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(3) How do you describe the possible errors in your survey data?

My view –

- Tell them the source, and alert them to its types of possible errors.
- You can even tell them which of your materials seem the most error prone.

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- Do **not** pretend that you can present confidence intervals, e.g. $\pm 10\%$, à la Feinstein-Thomas. That is dishonest.

Scientists get such intervals come from repeated laboratory trials, not an appropriate analogy for historical data.

A better analogy: court-room trials. Put your argument out there in a way that defends best against hostile testimony.

C. Using them.

One use: Converting wealth censuses into income inequality

Example: income inequality for US 1850-1870, from Lindert and Williamson, *Unequal Gains* (Princeton University Press, April 2016):

Now we have the “IPUMS” 1/100 samples of everybody in every census back to 1850, and the 1850-1870 asked people many questions, including their occupations and even their personal wealth. [Evan Roberts notes that ICPSR now has the FULL census, with names, up for 1850.]

We can convert their wealth into current incomes, using a rate of return like 5-7 percent, and add these to the average wage and salary incomes for people in the same occupation. That gives us a rough measure of their total incomes.

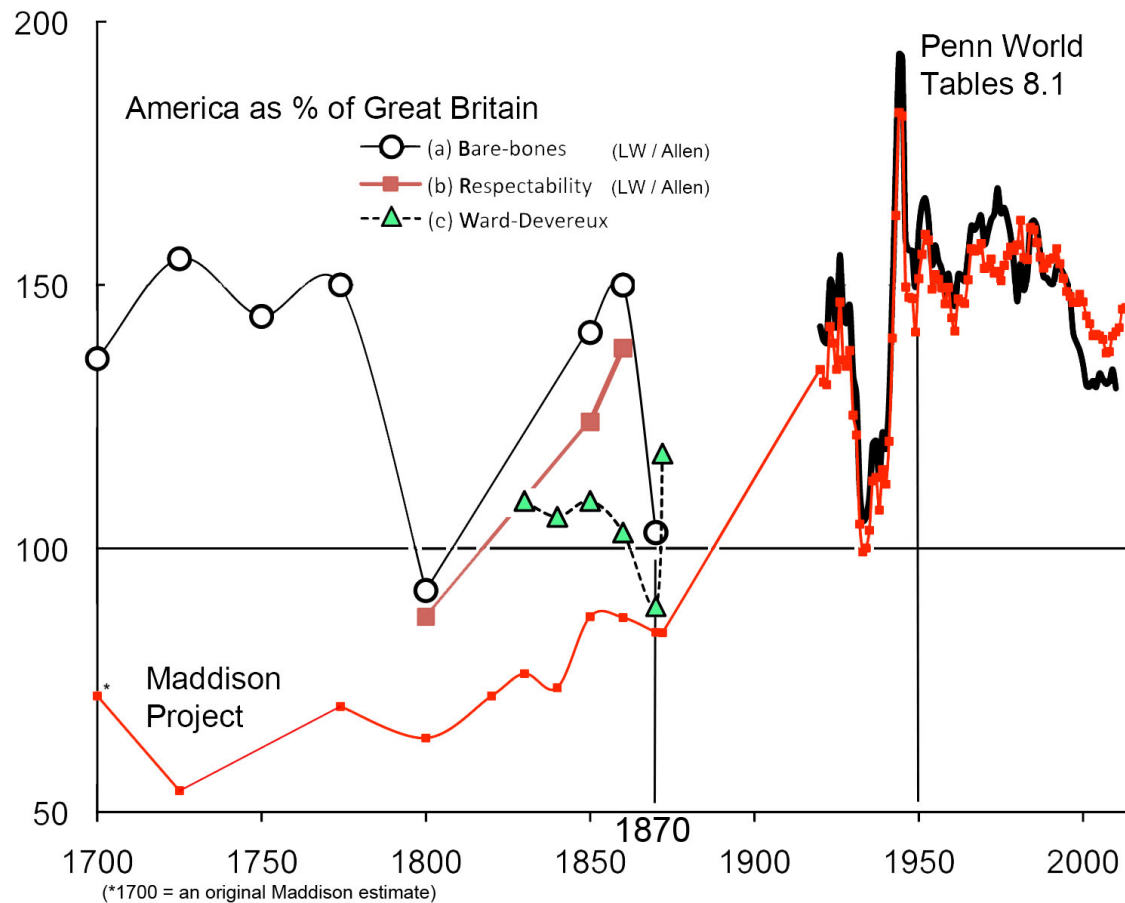
Here I just note a few cases where having the names themselves is fun:

Here are a few records of individuals who answered the 1850-1870 questions about their wealth:

Person	Wealth (\$)	Occupation	Place
National leaders			
Lincoln, Abraham, 1860	17,000	Lawyer	Springfield IL
Lee, Robert E., 1860	80,000	US Army	Alexandria VA
Lee, Robert E., 1870	25,000	President, Washington College	Lexington VA
Really rich			
Vanderbilt, Cornelius, 1850	300,000	Steam boat propr.	NY City
Vanderbilt, Cornelius, 1860	NY City
Vanderbilt, Cornelius, 1870	NY City
McCormick, Cyrus, 1860	2,028,000	Reaper factory	Chicago IL
Stanford, Leland, 1870	8,743,180	President, CP	Sacramento CA

<u>Person</u>	<u>Wealth (\$)</u>	<u>Occupation</u>	<u>Place</u>
<u>Literary figures</u>			
Douglass, Frederick, 1860	9,000	Ed'r paper	Rochester NY
Douglass, Frederick, 1870	22,000	Lecturer	Rochester NY
Clemens, Samuel L.	10,000	Imp'r daily paper	Buffalo NY
& Clemens, Olivia, 1870	22,000	Keeping house	"
Stowe, Calvin E., &	1,000	Clergyman	Andover MA
Stowe, Harriet Beecher, 1860	"
Stowe, Calvin E., &	30,000	Clergyman	Hartford CT
Stowe, Harriet Beecher, 1870	. .	Authoress	"

Another use: Household budgets are also being used to build consumer baskets for direct comparisons of past purchasing power for nations, not just for wage earners. (Current Lindert project, beyond Kyoto 2015.)



Thank you

For underlying data, see <http://gpih.ucdavis.edu>

Pre-order on Amazon:

Peter H. Lindert and Jeffrey G. Williamson,

Unequal Gains: American Growth and Inequality since 1700

Princeton University Press, 2016